

STATE OF ALABAMA)
)
SHELBY COUNTY)

MORTGAGE DEED

KNOW ALL MEN BY THESE PRESENTS: That whereas, FARMER DEVELOPMENT, INC., (hereinafter called "Mortgagor", whether one or more) are justly indebted to SHERMAN HOLLAND, JR., (hereinafter called "Mortgagee", whether one or more), in the sum of SEVEN HUNDRED THOUSAND AND 00/100 (\$ 700,000.00) DOLLARS, evidenced by one real estate mortgage note bearing date of April 1, 2003 and payable according to the terms and conditions contained in said note.

And Whereas, Mortgagor agreed in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof.

NOW, THEREFORE, in consideration of the premises, said Mortgagor, FARMER DEVELOPMENT, INC., and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate, situated in Shelby County, State of Alabama, to-wit:

SEE EXHIBIT "A", HERETO ATTACHED AND MADE A PART HEREOF THE SAME AS IF FULLY SET OUT HEREIN FOR A FULL AND COMPLETE DESCRIPTION OF THE SUBJECT PROPERTY.

THIS IS A PURCHASE MONEY FIRST MORTGAGE GIVEN TO SECURE THE REMAINDER OF THE PURCHASE PRICE ON THE HEREINABOVE DESCRIBED REAL ESTATE.

Said property is warranted free from all encumbrances and against any adverse claims, except as stated above.

To Have And To Hold the above granted property unto said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agrees to pay all taxes or assessments when imposed legally on the premises, and should default be made in the payment of same, the said Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, first above named undersigned agrees to keep the improvements on said real estate insured against loss or damage by fire, lightning and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to the Mortgagee, with loss, if any, payable to said Mortgagee, as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if undersigned shall fail to keep said property insured as above specified, or fail to deliver said insurance policies to said Mortgagee, then the said Mortgagee, or assigns, may at Mortgagee's option insure said property for said sum, for Mortgagee's own benefit, the policy if collected to be credited on said indebtedness, less the cost of collecting same; all amounts so expended by said mortgagee for taxes or assessments, shall become a debt to said Mortgagee or assigns, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest from date of payment by said Mortgagee, or assigns, and be at once due and payable.

Upon condition, however, that if the said Mortgagor pay the indebtedness, and reimburses said Mortgagee or assigns for any amounts Mortgagee may have expended for taxes, insurance or assessments, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by said Mortgagee or assigns, or should said indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, or should the interest of said Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events, the whole of said indebtedness hereby secured shall at once become due and payable, and this mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the said Mortgagee, agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after first giving twenty-one days' notice by publishing once a week for three consecutive weeks, the time, place and terms of sale by publication in some newspaper published in said County and State, sell the same in lots or parcels or en mass as Mortgagee, agents or assigns deem best, in front of the Court House door of said County, (or the division thereof) where said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of the sale: First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or other encumbrances, with interest thereon; Third, to the payment of said indebtedness in full, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of the sale; and Fourth, the balance, if any, to be turned over to the mortgagor and the undersigned further agree that said Mortgagee, agents or assigns may bid at said sale and purchase said property, if the highest bidder therefore; and the undersigned further agree to pay a reasonable attorney's fee to said Mortgagee or assigns, for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF, the undersigned FARMER DEVELOPMENT, INC., by and through CONNOR FARMER, a member who is duly authorized, has hereunto set its signature and seal, this 1st day of April, 2003.

FARMER DEVELOPMENT, INC.

By  Connor Farmer, President

STATE OF ALABAMA)
)
SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Connor Farmer, whose name as President of Farmer Development, INC., a corporation is signed to the foregoing conveyance, and who is known to me acknowledged before me on this day, that, being informed of the contents of the conveyance he, as such member and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 1st day of April, 2003.

MY COMMISSION EXPIRES:

7/29/06

John Burdette Bates
Notary Public

This instrument was prepared by:

✓ John Burdette Bates, Attorney at Law
#10 Office Park Circle, Suite 122
Birmingham, Alabama 35223

EXHIBIT "A"

Beginning at the NW corner of the NW 1/4 of the SW 1/4 of Section 24, Township 20 South, Range 3 West, Shelby County, Alabama, said point being the POINT OF BEGINNING; thence N89°50'27"E, a distance of 91.73' to the westerly right-of-way line of USX Railroad (100' ROW); thence S02°25'47"E along said right-of-way, a distance of 335.26'; thence S02°22'44"E along said right-of-way, a distance of 559.61'; thence S87°37'16"W and leaving said right-of-way, a distance of 100.00'; thence N2°22'44"W, a distance of 6.66'; thence S87°37'16"W, a distance of 160.00'; thence S2°22'44"E, a distance of 180.00'; thence S88°12'18"W, a distance of 141.44'; thence N55°42'23"W, a distance of 55.55'; thence S88°12'18"W, a distance of 367.83' to the centerline Buck Creek; thence N10°16'47"W along said centerline, a distance of 41.83'; thence N45°26'50"W along said centerline, a distance of 90.64'; thence N25°13'45"W along said centerline, a distance of 93.38'; thence N13°45'27"W along said centerline, a distance of 169.81'; thence N08°26'24"E along said centerline, a distance of 66.57'; thence N41°31'03"E along said centerline, a distance of 68.78'; thence S86°59'04"E along said centerline, a distance of 74.35'; thence N58°33'42"E along said centerline, a distance of 54.59'; thence N27°23'10"E along said centerline, a distance of 59.47'; thence N03°37'47"W along said centerline, a distance of 41.15'; thence N26°59'30"W along said centerline, a distance of 74.62'; thence N03°58'08"W along said centerline, a distance of 47.05'; thence N28°16'44"E along said centerline, a distance of 67.37'; thence N34°29'34"E along said centerline, a distance of 225.43'; thence N25°29'10"E along said centerline, a distance of 129.94'; thence S89°34'40"E and leaving said centerline, a distance of 451.30' to the POINT OF BEGINNING.

ALSO

Commence at the NW corner of the NW 1/4 of the SW 1/4 of Section 24, Township 20 South, Range 3 West, Shelby County, Alabama; thence N89°50'27"E, a distance of 91.73' to the westerly right-of-way line USX Railroad (100' ROW); thence S02°25'47"E along said right-of-way, a distance of 335.26'; thence S02°22'44"E along said right-of-way, a distance of 740.93'; thence continue southerly along said line and along said right-of-way, a distance of 257.08'; thence S01°36'18"E along said right-of-way, a distance of 302.61'; thence continue southerly along said line and along said right-of-way, a distance of 60.01'; thence continue southerly along said line and along said right-of-way, a distance of 467.74'; thence S02°05'36"E along said right-of-way, a distance of 660.39'; thence S01°31'30"E along said right-of-way, a distance of 35.07' to the POINT OF BEGINNING; thence continue southerly along said line and along said right-of-way, a distance of 1,048.43'; thence S88°23'42"W and leaving said right-of-way, a distance of 199.62'; thence S22°33'08"W, a distance of 174.35'; thence S52°03'29"W, a distance of 188.88'; thence S36°22'57"W, a distance of 62.32'; thence S52°03'29"W, a distance of 266.20'; thence S05°23'18"E, a distance of 156.74'; thence N46°19'44"W, a distance of 258.58'; thence N66°30'35"W, a distance of 84.54' to the centerline of Buck Creek; thence N32°58'38"E along said centerline, a distance of 73.34'; thence N22°26'40"E along said centerline, a distance of 44.89'; thence N19°54'05"W along said centerline, a distance of 69.22'; thence N16°37'26"W along said centerline, a distance of 210.00'; thence N29°13'33"E along said centerline, a distance of 93.82'; thence N17°00'23"E along said centerline, a distance of 185.81'; thence N15°50'49"W along said centerline, a distance of 120.99'; thence N24°05'00"W along said centerline, a distance of 119.47'; thence N03°02'18"W along said centerline, a distance of 41.20'; thence N03°01'46"W along said centerline, a distance of 181.38'; thence N06°39'37"E along said centerline, a distance of 68.80'; thence N11°14'08"E along said centerline, a distance of 124.02'; thence N01°27'17"W along said centerline, a distance of 193.37'; thence N88°08'10"E and leaving said centerline, a distance of 877.44' to the POINT OF BEGINNING.

EXHIBIT "B"

SUBJECT TO:

1. Defects, liens, encumbrances, adverse claims or other matters, if any created, first by appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage covered by this Commitment.
2. Rights or claims of parties in possession not shown by the public records..
3. Easements, or claims of easements, not shown by the public records.
4. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
5. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Any adverse claim to any portion of said land which has been created by artificial means or has accreted to any such portion so created and riparian rights, if any.
7. Taxes or special assessments which are not shown as existing by the public records.
8. Any prior reservation or conveyance, together with release of damages of minerals of every kind and character, including, but not limited to gas, oil, sand, and gravel in, on and under subject property.
9. General and special taxes or assessments for the year 2003 and subsequent years not yet due and payable.
10. Right(s)-of-Way(s) granted to Southern Natural Gas by instrument(s) recorded in Deed Book 90 pages 281 and 461 in Probate Office.
11. Easement(s) to Postal Telegraph Cable Company as shown by instrument recorded in Deed Book 80 pages 36 and 40 in Probate Office.
12. Easement(s) to A T & T as shown by Instrument recorded in Deed Book 168 page 476 in Probate Office.
13. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 303 page 226 in Probate Office.
14. Agreement for Water line easement as set out in Inst. #1993-22320 in Probate Office. Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed Book 113 page 52; Deed Book 113 page 95; Deed Book 107 page 533; Deed Book 102 page 205; Deed Book 141 page 506; Deed Book 170 page 262; Deed Book 55 page 454 and Deed Book 92 page 437 in Probate Office.
15. Right(s)-of-Way(s) granted to Shelby County by instrument(s) recorded in Deed Book 167 pages 462, 465 and 467; Deed Book 169 page 59; Deed Book 271 page 748 and Deed Book 255 page 868 in Probate Office.
16. Right(s)-of-Way(s) granted to Colonial Pipeline by instrument(s) recorded in Deed Book 269 page 203 in Probate Office.
17. Easement to City of Pelham as set out in Deed Book 337 page 525 in the Probate Office.
18. Riparian Rights, if any, in and to the use of Buck Creek.
19. Less and except any portion lying within Buck Creek.