

STATE OF ALABAMA) 610
SHELBY COUNTY)

MORTGAGE AND SECURITY AGREEMENT

This instrument (hereinafter, with all amendments thereto, being referred to as "this Mortgage") is entered into as of January 1, 1982 by BROOKWOOD HEALTH SERVICES, INC., an Alabama corporation (the "Mortgagor"), and a wholly-owned subsidiary of American Medical International, Inc., a Delaware corporation (the "Guarantor"), and THE FIRST NATIONAL BANK OF BIRMINGHAM, a national banking association (the "Mortgagee").

Recitals

A. The Medical Clinic Board of the City of Hoover, Alabama (the "Board") intends to issue its Revenue Bonds (American Medical International, Inc. Project) dated January 1, 1982, in the aggregate principal amount of \$1,700,000 (the "Bonds") under and pursuant to a Mortgage and Indenture of Trust dated as of January 1, 1982 (the "Indenture") by and between the Board and The First National Bank of Birmingham, in its capacity as trustee under the Indenture (the "Trustee").

B. The proceeds derived from the issuance of the Bonds are to be applied to the acquisition, construction and equipping of certain facilities that will be leased by the Board to the Mortgagor pursuant to the terms of a Lease Agreement dated as of January 1, 1982 (the "Lease Agreement"), which facilities are to be constructed and installed on the real property hereinafter described.

C. The proposed purchasers of the Bonds have stated that they are not willing to purchase the Bonds unless the Mortgagee issues to the Trustee as security for the Bonds the Mortgagee's letter of credit in an aggregate amount not exceeding \$1,809,083.33 (being hereinafter, together with all substitute letters of credit issued under the terms thereof, referred to as the "Letter of Credit"). In connection with the issuance of the Letter of Credit, the Mortgagor, the Guarantor and the Mortgagee have entered into an Agreement dated as of January 1, 1982 (the "Reimbursement Agreement"). All of the terms and conditions of the Reimbursement Agreement are hereby incorporated herein by reference as fully as if set out at length herein.

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DOCK 418 PAGE 378

D. The Reimbursement Agreement requires as a condition precedent to the issuance of the Letter of Credit that, among other things, the Mortgagor execute and deliver this Mortgage to the Mortgagee.

NOW, THEREFORE, in consideration of the foregoing recitals and to induce the Mortgagee to enter into the Reimbursement Agreement and to issue the Letter of Credit, and to secure the prompt payment of the following (hereinafter sometimes collectively referred to as the "Obligations"):

(1) The joint and several obligation of the Mortgagor and the Guarantor, under the terms of the Reimbursement Agreement, to reimburse the Mortgagee, with interest thereon, for all payments made by the Mortgagee pursuant to the Letter of Credit and all other obligations of the Mortgagor and the Guarantor to the Mortgagee with respect to the Letter of Credit and the Reimbursement Agreement, whether now existing or hereafter incurred or arising and whether matured or unmatured, and all interest accrued and unpaid on such sums; and

(2) Any and all sums becoming due and payable by the Mortgagor and the Guarantor (or either of them) to the Mortgagee under the terms of this Mortgage or the Reimbursement Agreement, including but not limited to advancements made by the Mortgagee pursuant to the terms and conditions of this Mortgage or the Reimbursement Agreement; and

(3) All renewals and extensions of any or all of the obligations of the Mortgagor and the Guarantor (or either of them) described in (1) and (2) above, whether or not any renewal or extension agreement is executed in connection therewith;

and also to secure the full and complete performance of each and every obligation, covenant, duty and agreement of the Mortgagor contained in this Mortgage and of the Mortgagor and the Guarantor contained in the Reimbursement Agreement:

I. GRANTING CLAUSES

The Mortgagor has bargained and sold and does hereby grant, bargain, sell and convey to the Mortgagee, its successors and assigns, the property and interests in property described in the following Granting Clauses I

BOOK 418 PAGE 379

through IV and have granted and do hereby grant to the Mortgagee a security interest in said property and interests in property:

I.

The real property situated in the City of Hoover, Shelby County, Alabama, that is specifically described in Exhibit A attached hereto and made a part hereof (the "Project Site");

II.

All buildings, structures and other improvements now or hereafter constructed or situated on the Project Site, all permits, easements, licenses, rights-of-way, contracts, leases, privileges, immunities and hereditaments pertaining or applicable to the Project Site, and all fixtures now or hereafter owned by the Mortgagor and installed on the Project Site or in any of the buildings, structures and improvements now or hereafter located on the Project Site, it being the intention hereof that all property, rights and privileges hereafter acquired for use as a part of or in connection with or as an improvement to the Project Site shall be as fully covered hereby as if such property, rights and privileges were now owned by the Mortgagor and were specifically described herein;

III.

All items (whether or not fixtures) of machinery, equipment and other personal property described in Exhibit B attached hereto and made a part hereof;

IV.

Any and all moneys, rights and properties of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Mortgagee by the Mortgagor or anyone on the part of the Mortgagor as additional security for the Obligations, or which pursuant to any of the provisions hereof may come into the possession or control of the Mortgagee as such additional security.

All of the property described in the foregoing Granting Clauses I through IV is herein sometimes together referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property, together with all the rights, privileges and appurtenances thereunto belonging, unto the Mortgagee, its successors and assigns, forever.

II. ASSIGNMENT OF CONDEMNATION AWARDS

As further security for the Obligations and the full and complete performance of each and every obligation, covenant, agreement and duty of the Mortgagor and the Guarantor or either of them contained herein or in the Reimbursement Agreement, or both, and to the extent of the full amount of the Obligations secured hereby and of the costs and expenses (including attorneys' fees) reasonably incurred by the Mortgagee in the collection of any award or payment, the Mortgagor hereby assigns to the Mortgagee, subject to the rights of the Trustee under the Indenture, any and all awards or payments, including all interest thereon, together with the right to receive the same, that may be made to the Mortgagor with respect to the Mortgaged Property as a result of (A) the exercise of the right of eminent domain, (B) the alteration of the grade of any street or (C) any other injury to or decrease in value of the Mortgaged Property. All such damages, condemnation proceeds and consideration shall be paid directly to the Mortgagee, and after first applying said sums to the payment of all costs and expenses (including attorneys' fees) reasonably incurred by the Mortgagee in obtaining said sums, the same shall be applied as follows: (i) if no Event of Default exists hereunder or under the Reimbursement Agreement, said sums shall be paid to the Trustee and applied as provided in the Lease Agreement; or (ii) if an Event of Default does exist hereunder or under the Reimbursement Agreement, the Mortgagee may, at its option, apply the balance on the Obligations in any order and whether or not then due, or hold such balance as a reserve against the Obligations, or apply such balance to the restoration of the Mortgaged Property, or release the balance to the Mortgagor. Said payment to the Trustee, application, holding in reserve or release shall not cure or waive any default of the Mortgagor.

III. MORTGAGOR'S REPRESENTATIONS AND WARRANTIES

To induce the Mortgagee to enter into the Reimbursement Agreement and to issue the Letter of Credit, the Mortgagor represents and warrants that:

A. Valid Title, etc. The Mortgagor is lawfully seized of an indefeasible estate in fee simple in and to, and good title to, the Mortgaged Property: the Mortgagor has a good right to sell and mortgage, and grant a security interest in, the Mortgaged Property; the Mortgaged Property is subject to no liens, encumbrances or security interests; and the Mortgagor will forever warrant and defend the title to the Mortgaged Property unto the Mortgagee against the claims of all persons whomsoever.

B. Maintenance of Lien Priority. The Mortgagor shall take all steps necessary to preserve and protect the validity and priority of the lien on and security interests in the Mortgaged Property created hereby. The Mortgagor shall execute, acknowledge and deliver such additional instruments as the Mortgagee may deem necessary in order to preserve, protect, continue, extend or maintain the lien and security interests created hereby as a lien on and security interest in the Mortgaged Property, except as otherwise permitted under the terms of this Mortgage. All costs and expenses incurred in connection with the protection, preservation, continuation, extension or maintaining of the liens and security interests hereby created shall be paid by the Mortgagor.

IV. COVENANTS OF MORTGAGOR

The Mortgagor covenants and agrees that:

A. Payment of Taxes and Other Assessments. The Mortgagor will pay or cause to be paid all taxes, assessments and other governmental, municipal or other public dues, charges, fines or impositions imposed or levied upon the Mortgaged Property or on the interests created by this Mortgage or with respect to the filing of this Mortgage, and any tax or excise on rents or other tax, however described, assessed or levied by any state, federal or local taxing authority as a substitute, in whole or in part, for taxes assessed or imposed on the Mortgaged Property or on the lien and other interests created by this Mortgage, and at least ten days before said taxes, assessments and other governmental charges are due, the Mortgagor will deliver receipts therefor to the Mortgagee or, in the case of mortgage filing privilege taxes, pay to the Mortgagee an amount equal to the taxes. The Mortgagor may, at the Mortgagor's own expense, in good faith contest any such taxes, assessments and other governmental charges and, in the event of any such contest, may permit the taxes, assessments or other governmental charges so contested to remain unpaid during the period of such contest

and any appeal therefrom, provided that during such period enforcement of such contested items shall be effectively stayed. If any tax or assessment is levied, assessed or imposed by any governmental authority on the Mortgagee as a legal holder of any of the Obligations or any interest in this Mortgage (other than federal and state income taxes), then unless all such taxes and assessments are paid by the Mortgagor promptly after they become due and payable but in any event before they become delinquent (and in the opinion of counsel for the Mortgagee, such payment by the Mortgagor is lawful and does not place the Mortgagee in violation of any law), the Mortgagee may, at its option, declare the existence of an Event of Default under this Mortgage and the Reimbursement Agreement.

B. Insurance. The Mortgagor shall keep or cause to be kept the Mortgaged Property insured against loss or damage by fire, windstorm, extended coverage perils, vandalism, malicious mischief and such other hazards, casualties or other contingencies as from time to time may be required by the Mortgagee, in such amounts, in such manner and in such companies as the Mortgagee may reasonably approve. All such policies shall name the Mortgagee as named insured and provide that any losses payable thereunder shall (pursuant to loss payable clauses, in form and content acceptable to the Mortgagee, to be attached to each policy) be payable to the Mortgagee, and provide that the insurance provided thereby, as to the interest of the Mortgagee, shall not be invalidated by any act or neglect of the Mortgagor, nor by the commencement of any proceedings by or against the Mortgagor in bankruptcy, insolvency, receivership or any other proceedings for the relief of a debtor, nor by any foreclosure, repossession or other proceedings relating to the property insured, nor by any occupation of such property or the use of such property for purposes more hazardous than permitted in the policy. The Mortgagor shall furnish to the Mortgagee insurance certificates, in form and substance satisfactory to the Mortgagee, evidencing compliance by the Mortgagor with the terms of this Subsection B and, upon the request of the Mortgagee at any time, the Mortgagor shall furnish the Mortgagee with photostatic copies of the policies required by the terms of this Subsection B. The Mortgagor will cause each insurer under each of the policies to agree (either by endorsement upon such policy or by letter addressed to the Mortgagee) to give the Mortgagee at least 10 business days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder. The Mortgagor agrees that the Mortgagor will not take any action or fail to take any action which action or inaction would result in the invalidation

of any insurance policy required hereunder. At least 10 days prior to the date the premiums on each such policy or policies shall become due and payable, the Mortgagor shall furnish to the Mortgagee evidence of the payment of such premiums.

With respect to all such insurance policies, the Mortgagee is hereby authorized, but not required, on behalf of the Mortgagor, to collect for, adjust or compromise any losses under any such insurance policies and to apply the loss proceeds (less expenses of collection) as follows: (i) if no Event of Default exists hereunder or under the Reimbursement Agreement, said loss proceeds shall be paid to the Trustee and applied as provided in the Lease Agreement; or (ii) if an Event of Default exists hereunder or under the Reimbursement Agreement, the Mortgagee may, at its option, apply said loss proceeds on the Obligations, in any order and whether or not then due, or hold such proceeds as a reserve against the Obligations, or apply such proceeds to the restoration of the Mortgaged Property, or release the same to the Mortgagor; but any such payment to the Trustee, application, holding in reserve or release shall not cure or waive any default by the Mortgagor. In case of a sale pursuant to the foreclosure provisions hereof, or any conveyance of all or any part of the Mortgaged Property in extinguishment of the Obligations, complete title to all insurance policies on the Mortgaged Property and the unearned premiums with respect thereto shall pass to and vest in the purchaser or grantee of the Mortgaged Property.

C. Waste, Demolition, Alteration or Replacement. The Mortgagor will cause the Mortgaged Property and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, will not commit or permit waste thereon, will not remove, demolish or materially alter the design or structural character of any building now or hereafter erected on the Mortgaged Property without the express prior written consent of the Mortgagee, will comply with all laws and regulations of any governmental authority with reference to the Mortgaged Property and the manner and use of the same, and will from time to time make all necessary and proper repairs, renewals, additions and restorations thereto so that the value and efficient use thereof shall be preserved and maintained. The Mortgagor agrees not to remove any of the fixtures or personal property included in the Mortgaged Property, without the express prior written consent of the Mortgagee and unless the same is immediately replaced with like property of at least equal value and utility.

V. DEFEASANCE

If (i) the Mortgagor and the Guarantor shall pay in full and discharge all of the Obligations; and (ii) the Mortgagor and the Guarantor shall then have kept and performed each and every obligation, covenant, duty, condition and agreement herein or in the Reimbursement Agreement (or both) imposed on or agreed to by them; and (iii) the Letter of Credit shall then be no longer outstanding; then this Mortgage and the grants and conveyances contained herein shall become null and void, and the Mortgaged Property shall revert to the Mortgagor, and the entire estate, right, title and interest of the Mortgagee shall thereupon cease; and the Mortgagee shall, upon the request of the Mortgagor and at the Mortgagor's cost and expense, deliver to the Mortgagor proper instruments acknowledging satisfaction of this instrument and terminating all financing statements filed in connection herewith and shall pay to the Mortgagor any remaining balance of condemnation awards then held by the Bank under Article II; otherwise, this Mortgage shall remain in full force and effect.

VI. EVENTS OF DEFAULT

The happening of any of the following events or conditions, or the happening of any other event of default as defined elsewhere in this Mortgage (hereinafter collectively referred to as "Events of Default") shall constitute a default under this Mortgage:

- (i) any representation or warranty made herein or in the Reimbursement Agreement shall be, or shall prove to be, false or misleading in any material respect; or
- (ii) any report, certificate, financial statement or other instrument furnished in connection with this Mortgage or the Reimbursement Agreement shall prove to be false or misleading in any material respect; or
- (iii) default shall be made in the payment to the Mortgagee of the reimbursement due the Mortgagee on account of payments made by the Mortgagee under the Letter of Credit, or any of the other Obligations, as and when the same becomes due and payable, and such default shall continue unremedied for 5 business days; or

- (iv) default shall be made with respect to any other indebtedness of the Mortgagor or the Guarantor in excess of \$10,000,000, if the effect of such default is to accelerate the maturity of such indebtedness or to permit the holder thereof to cause such indebtedness to become due prior to its stated maturity, or any such indebtedness shall not be paid when due; or
- (v) default shall be made in the due observance or performance of any covenant, condition or agreement on the part of the Mortgagor or the Guarantor to be observed or performed pursuant to the terms of the Reimbursement Agreement, or in the due observance or performance of any covenant, condition or agreement on the part of the Mortgagor to be observed or performed pursuant to the terms of this Mortgage, and such default shall continue unremedied for 10 days; or
- (vi) any event of default under the Indenture, the Lease Agreement or the Guaranty (as defined in the Reimbursement Agreement) shall occur; or
- (vii) the Mortgagor or the Guarantor shall (a) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its properties or assets, (b) fail or admit in writing its inability to pay its debts generally as they become due, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent or suffer or permit an order for relief to be entered against it in any proceeding under the federal Bankruptcy Code, or (e) commence voluntary proceedings in bankruptcy, or file any document seeking an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or if corporate action shall be taken by the Mortgagor or the Guarantor for the purpose of effecting any of the foregoing; or

- (viii) an order, judgment or decree shall be entered, without the application, approval or consent of the debtor, by any court of competent jurisdiction, approving a petition seeking reorganization of the Mortgagor or the Guarantor or of all or a substantial part of its properties or assets or appointing a receiver, trustee or liquidator of the Mortgagor or the Guarantor and such order, judgment or decree shall continue unstayed and in effect for any period of 60 days; or
- (ix) final judgment for the payment of money in excess of an aggregate of \$1,000,000 shall be rendered against the Mortgagor or the Guarantor and the same shall remain undischarged for a period of 30 days, during which period execution shall not be effectively stayed; or
- (x) the interest of the Mortgagee in the Mortgaged Property shall be extinguished by reason of the enforcement of any prior lien.

VII. RIGHTS OF MORTGAGEE UPON DEFAULT

If an Event of Default shall occur and be continuing:

A. Acceleration of Indebtedness, etc. The Mortgagee may notify the Trustee that an Event of Default under this Mortgage and under the Reimbursement Agreement has occurred and is continuing and may, by notice to the Mortgagor, effective upon dispatch, declare all of the Obligations, including but not limited to the obligation of the Mortgagor and the Guarantor to reimburse the Mortgagee under the Reimbursement Agreement, to be forthwith due and payable, whereupon all such obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Mortgagor, and the Mortgagee may immediately enforce payment of all such amounts and exercise any or all of its rights and remedies under this Mortgage and the Reimbursement Agreement.

B. Operation of Mortgaged Property by Mortgagee. In addition to all other rights herein and in the Reimbursement Agreement conferred on the Mortgagee, the Mortgagee (or any person, firm or corporation designated by the Mortgagee) may, but shall not be obligated to,

enter upon and take possession of any or all of the Mortgaged Property, exclude the Mortgagor therefrom, and hold, use, administer, manage and operate the same to the extent that the Mortgagor could do so, without any liability to the Mortgagor resulting therefrom; and the Mortgagee may collect, receive and receipt for all proceeds accruing from such operation and management, make repairs and purchase needed additional property, and exercise every power, right and privilege of the Mortgagor with respect to the Mortgaged Property.

C. Judicial Proceedings; Right to Receiver. The Mortgagee, in lieu of or in addition to exercising the power of sale hereinafter given, may proceed by suit for a foreclosure of its lien on and security interest in the Mortgaged Property, to sue either the Mortgagor or the Guarantor or both of them for damages on account of or arising out of said default or breach, or to sue the Mortgagor for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy, whether under this Mortgage, the Reimbursement Agreement or otherwise. The Mortgagee shall be entitled, as a matter of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the Mortgagor or any other party, of a receiver of the rents, issues and profits of the Mortgaged Property, with power to lease and control the Mortgaged Property and with such other powers as may be deemed necessary.

D. Foreclosure Sale. This Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Mortgagee shall be authorized, at its option, whether or not possession of the Mortgaged Property is taken, after giving 21 days' notice by publication once a week for three consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in Shelby County, Alabama, to sell the Mortgaged Property (or such part or parts thereof as the Mortgagee may from time to time elect to sell) in front of the courthouse door of such county, at public outcry, to the highest bidder for cash. The Mortgagee, its successors and assigns, may bid at any sale or sales had under the terms of this Mortgage and may purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money. At any foreclosure sale any part or all of the Mortgaged Property, real, personal or mixed, may be

offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Mortgagor hereby waiving the application of any doctrine of marshalling or like proceeding. If the Mortgagee, in the exercise of the power of sale herein given, elects to sell the Mortgaged Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Mortgaged Property not previously sold shall have been sold or all the Obligations shall have been paid in full.

E. Personal Property and Fixtures. The Mortgagee shall have and may exercise with respect to any or all personal property and fixtures included in the Mortgaged Property ("Collateral"), all rights, remedies and powers of a secured party under the Alabama Uniform Commercial Code (and other applicable similar statutes in other jurisdictions) with reference to the Collateral or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Collateral and any part or parts thereof in any manner, to the fullest extent authorized or permitted under the Alabama Uniform Commercial Code after default hereunder, without regard to preservation of the Collateral or its value and without the necessity of a court order. Mortgagee shall have, among other rights, the right to take possession of the Collateral and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Mortgagee, at its option and its sole discretion, to repair, restore or otherwise prepare the Collateral for sale or lease or other use or disposition. To the extent permitted by law, the Mortgagor expressly waives any notice of sale or any other disposition of the Collateral and any rights or remedies of the Mortgagee with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Collateral or to the exercise of any other right or remedy of the Mortgagee existing after default. To the extent that such notice is required and cannot be waived, the Mortgagor agrees that if such notice is given to the Mortgagor in accordance with the provisions of Subsection H of Article IX below, at least five (5) days before the time of the sale or other disposition, such notice shall

be deemed reasonable and shall fully satisfy any requirement for giving said notice.

The Mortgagee may sell or dispose of both the real and personal property comprising the Mortgaged Property in accordance with the rights and remedies granted under this Mortgage with respect to the real property covered hereby. The Mortgagor hereby grants the Mortgagee the right, at its option after the occurrence of an Event of Default and during the continuance thereof, to transfer at any time to itself or its nominee the Collateral or any part thereof and to receive the monies, income, proceeds and benefits attributable to the same and to hold the same as Collateral or to apply it on, or as a reserve against, the Obligations in such order and manner as the Mortgagee may elect.

F. Conveyance After Sale. The Mortgagor hereby authorizes and empowers the Mortgagee or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Mortgagor, to execute and deliver to the purchaser or purchasers of any of the Mortgaged Property sold at foreclosure good and sufficient deeds of conveyance or bills of sale thereto.

G. Application of Proceeds. All payments then held or thereafter received by the Mortgagee as proceeds of the Mortgaged Property, as well as any and all amounts realized by the Mortgagee in connection with the enforcement of any right or remedy under or with respect to this Mortgage or the Reimbursement Agreement, shall be applied by the Mortgagee as follows:

(i) to reimburse the Mortgagee for any payments made by the Mortgagee under the Letter of Credit, to accrued but unpaid interest and fees under the Reimbursement Agreement, and to the payment of all costs and expenses of any kind then or thereafter at any time reasonably incurred by the Mortgagee in exercising its rights under this Mortgage and under the Reimbursement Agreement or otherwise reasonably incurred by the Mortgagee in collecting or enforcing payment of the Obligations, as well as to the payment of any other amount then or thereafter at any time owing by the Mortgagor and the Guarantor, or any one or more of them, to the Mortgagee under the Reimbursement Agreement or under this Mortgage, all in such priority as among such principal, interest, costs, expenses and other amounts as the Mortgagee shall elect;

(ii) any balance remaining after payment in full of all amounts referred to in subsection (i) above shall be applied by the Mortgagee to any other Obligations then owing by the Mortgagor and the Guarantor (or either of them) to the Mortgagee;

(iii) any balance remaining after payment in full of all amounts referred to in subsections (i) and (ii) above shall be held by the Mortgagee as a cash collateral reserve against the making of any payment under the Letter of Credit (if then outstanding), and the Mortgagee shall not be required to pay, or to account to anyone for, any interest or other earnings on any such reserve or any other reserve held by the Mortgagee under the terms of this Mortgage; and

(iv) any balance remaining after payment in full of all amounts referred to in subsections (i), (ii) and (iii) above shall be paid by the Mortgagee to the Mortgagor or to whoever else may then be legally entitled thereto.

H. Multiple Sales. The Mortgagee shall have the option to proceed with foreclosure, either through the courts or by proceeding with foreclosure as provided for in this Mortgage, but without declaring all of the Obligations due. Any such sale may be made subject to the unmatured part of the Obligations, and such sale, if so made, shall not in any manner affect the unmatured part of the Obligations, but as to such unmatured part of the Obligations this Mortgage shall remain in full force and effect as though no sale had been made under the provisions of this paragraph. Several sales may be made under the provisions of this paragraph without exhausting the right of sale for any remaining part of the Obligations whether then matured or unmatured, the purpose hereof being to provide for a foreclosure and sale of the Mortgaged Property for any matured part of the Obligations without exhausting any power of foreclosure and the power to sell the Mortgaged Property for any other part of the Obligations, whether matured at the time or subsequently maturing.

I. Waiver of Stay and Redemption Laws. The Mortgagor waives, to the fullest extent permitted by law, the benefit of all laws now existing or hereafter enacted providing for any extension of time for the enforcement of the collection of the Obligations or any creation or extension of a period of redemption from any sale made in collecting the Obligations (commonly known as stay laws and redemption laws).

J. Prerequisites of Sales. In case of any sale of the Mortgaged Property as authorized by this Article VII, all prerequisites to the sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the nonpayment of any of the Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

VIII. MISCELLANEOUS PROVISIONS

A. Waiver, Election, etc. The exercise by the Mortgagee of any option given under the terms of this Mortgage shall not be considered as a waiver of the right to exercise any other option given herein, and the filing of a suit to foreclose the lien and security interest granted by this Mortgage, either on any matured portion of the Obligations or for the whole of the Obligations, shall not be considered an election so as to preclude foreclosure under power of sale after a dismissal of the suit; nor shall the publication of notices for foreclosure preclude the prosecution of a later suit thereon. No failure or delay on the part of the Mortgagee in exercising any right, power or remedy under this Mortgage shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. The remedies provided in this Mortgage and in the Reimbursement Agreement are cumulative and not exclusive of any remedies provided by law. No amendment, modification, termination or waiver of any provisions of this Mortgage or the Reimbursement Agreement, nor consent to any departure by the Mortgagor or the Guarantor therefrom, shall be effective unless the same shall be in writing and signed by an executive officer of the Mortgagee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Mortgagor in any case shall entitle the Mortgagor to any other or further notice or demand in similar or other circumstances.

B. Landlord-Tenant Relationship. Any sale of the Mortgaged Property under this Mortgage shall, without further notice, create the relationship of landlord and tenant at sufferance between the purchaser and the Mortgagor.

C. Enforceability. If any provision of this Mortgage is now or at any time hereafter becomes invalid or unenforceable, the other provisions hereof shall remain in full force and effect, and the remaining provisions hereof shall be construed in favor of the Mortgagee to effectuate the provisions hereof.

D. Application of Payments. If the lien or the security interest created by this Mortgage is invalid or unenforceable as to any part of the Obligations or is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or not fully secured by the lien or security interest created hereby.

E. Advances by Mortgagee. If the Mortgagor shall fail to comply with the provisions hereof with respect to the securing of insurance, the payment of taxes, assessments and other charges, the keeping of the Mortgaged Property in repair, or any other term or covenant herein contained, the Mortgagee may (but shall not be required to) make advances to perform the same, and where necessary enter the Mortgaged Property for the purpose of performing any such term or covenant. The Mortgagor agrees to repay all sums advanced upon demand, with interest from the date such advances are made, at the rate provided in Section 1.05 of the Reimbursement Agreement (to the fullest extent permitted by applicable law), and all sums so advanced, with interest, shall be secured hereby.

F. Release or Extension by Mortgagee. The Mortgagee, without notice, may release any part of the Mortgaged Property or any Person liable for the Obligations without in any way affecting the rights of the Mortgagee hereunder as to any part of the Mortgaged Property not expressly released and may agree with any party with an interest in the Mortgaged Property to extend the time for payment of all or any part of the Obligations or to waive the prompt and full performance of any term, condition or covenant of this Mortgage or the Reimbursement Agreement.

G. Partial Payments. Acceptance by the Mortgagee of any payment of less than the amount due on the Obligations shall be deemed acceptance on account only,

and the failure of the Mortgagor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Obligations has been paid, the Mortgagee shall be entitled to exercise all rights conferred on it by the terms of this Mortgage in case of the occurrence of an Event of Default.

H. Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing or by telex, telegram or cable and mailed or sent or delivered to the applicable party at the addresses indicated below or at such other address as shall be designated by such party in a written notice to the other parties thereto:

If to the Mortgagor:

414 North Camden Drive
Beverly Hills, California 90210
Attention: General Counsel

If to the Mortgagee:

P. O. Box 11007
Birmingham, Alabama 35288
Attention: International Department

I. Titles not to be Considered. All article, section, paragraph, subparagraph or other titles contained in this Mortgage are for reference purposes only, and this Mortgage shall be construed without reference to said titles.

J. Construction of Mortgage. This Mortgage may be construed as a mortgage, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the lien hereof and security interest created hereby and the purposes and agreements herein set forth.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be signed in its name and behalf by its President and its corporate seal to be hereunto affixed and

18.

attested by its Secretary, all as of January 1, 1982, but
actually on February 17, 1982.

BROOKWOOD HEALTH SERVICES, INC.

By Mr. V. A. Williams
Its President

S E A L

Attest:

Its

James A. Rini
Assistant Secretary

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that M. Scott Peters, whose name as President of Brookwood Health Services, Inc., an Alabama corporation, is signed to the foregoing Mortgage and Security Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage and Security Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 17th day of January, 1982.

Linda Q. Head
Notary Public

NOTARIAL SEAL

My commission expires: 8-19-84

This instrument was prepared by:

J. Hobson Presley, Jr.
Cabaniss, Johnston, Gardner,
Dumas & O'Neal
1900 First National-Southern
Natural Building
Birmingham, Alabama 35203
(205) 252-8800

EXHIBIT A
TO
MORTGAGE AND SECURITY AGREEMENT
DATED AS OF
JANUARY 1, 1982
FROM
BROOKWOOD HEALTH SERVICES, INC.
TO
THE FIRST NATIONAL BANK OF BIRMINGHAM

Lot 1, Brookwood Addition to River-
chase, as recorded in the Office of the
Judge of Probate of Shelby County,
Alabama, in Map Book 8, Page 60.

BOOK 418 PAGE 397

EXHIBIT B
TO
MORTGAGE AND SECURITY AGREEMENT
DATED AS OF
JANUARY 1, 1982
FROM
BROOKWOOD HEALTH SERVICES, INC.
TO
THE FIRST NATIONAL BANK OF BIRMINGHAM

<u>Quantity</u>	<u>Item</u>
2	Mayo Stands
2	Kick Buckets
7	Operator's Stool
7	Sundry Jars
1	Wheelchair
3	Exam Table
1	Power Table
1	Stretcher
1	Lab Stool
4	Gooseneck Lamp
1	Step Stool
5	Wall B/P Units
4	Wall Diagnostic Units
1	Suction Pump
1	Hyfercator
7	Treatment Cabinets
2	Overhead Cabinets
1	Overhead Surgery Lamp
2	Roll-around Lamp
1	IV Stand

<u>Quantity</u>	<u>Item</u>
1	Autoclave
1	IPPB
1	Air Compressor
1	Hand Held Nebulizer
1	Disp. Pediatric Masks
5	Fire Extinguishers
1	Secretarial Chair
3	Side Chairs
9	Folding Tables 36x96
100	Folding Chair Metal
1	Table Caddy (holds 12)
2	Chair Caddy (holds 50)
1	Blackboard/Amway
	Waiting Room Furnishings
	Surgical Instruments
1	Cherrywood Desk
1	Cherrywood Credenza
1	Typewriter
1	Calculator
1	Med Rec. Cabinet
1	Neonate Resusitator
3	Ped. Exam Tables
1	Incubator
1	Baby Scales
1	Ped. B/P Kit
1	Steno Chair



THE FIRST NATIONAL BANK OF BIRMINGHAM
AN ALABAMA BANCORPORATION AFFILIATE

February 17, 1982

Judge of Probate of
Shelby County, Alabama
Columbiana, Alabama

Dear Sir:

This has reference to that certain Mortgage and Security Agreement dated as of January 1, 1982, from Brookwood Health Services, Inc. to this bank, which instrument is submitted herewith for filing for record in your office. Said instrument secures indebtedness to this bank that may be incurred in the future in connection with the issuance by this bank of a letter of credit. Under the provisions of §40-22-2(2)b, Code of Alabama 1975, as amended, the undersigned hereby certifies to you that no indebtedness is presently incurred under said instrument, and therefore no mortgage filing privilege tax is due to be paid at this time.

The letter of credit is being issued by this bank as additional security for revenue bonds issued by The Medical Clinic Board of the City of Hoover, Alabama.

Very truly yours,

THE FIRST NATIONAL BANK OF BIRMINGHAM

By

J. Thomas Barnett, Jr.
Its Vice President

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1982 FEB 17 PM 3 41

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

Rec. 34.50
Ind. 1.00

35.50

NO TAX COLLECTED