

MORTGAGE

THIS MORTGAGE is made as of the 1st day of June, 1982, between Tanmis Models, Inc., a Wisconsin corporation (herein "Borrower") and The First National Bank of Chicago, a national banking association, whose address is One First National Plaza, Chicago, Illinois, 60670 (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited does hereby mortgage, grant and convey to Lender the real property more particularly described in Exhibit A attached hereto and incorporated herein.

TOGETHER with all the improvements now or hereafter erected on the above-described property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Property";

TO SECURE to Lender the repayment of the indebtedness evidenced by Borrower's note of even date herewith (herein "Note"), in the principal sum of \$278,127 Dollars, with interest thereon, providing for monthly payment of interest, with the indebtedness, if not sooner paid, due and payable on June 30, 1985 or at such later date as is provided in the Note; the payment of all sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered except as provided herein and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Purchase and Leaseback Agreement. This Mortgage and the Note are executed in compliance with and are subject to the covenants, terms and conditions of that certain Purchase and Leaseback Agreement dated as of even date herewith (the "Agreement") by and between Borrower and U.S. Home Corporation ("U.S. Home"), all the terms of which are incorporated herein by reference. In the event of conflict between the terms of this Mortgage and the Agreement, the Agreement shall prevail.

2. Lease and Memorandum of Lease. This Mortgage is subject to and inferior to the leasehold estate in the Property held by U.S. Home pursuant to the provisions of the Agreement creating such lease (the "Lease"). A Memorandum of Lease evidencing such Lease has been recorded in the official records of the county in which the Mortgage is recorded. The lien of the Mortgage shall be subject to the covenants, terms and conditions of the Lease and the rights of Lender under the Mortgage shall be subordinate to the rights of U.S. Home, as tenant under the Lease.

PROCEEDS OF THIS LOAN HAVE BEEN APPLIED TO THE PURCHASE PRICE OF THE PROPERTY DESCRIBED HEREIN CONVEYED TO THE MORTGAGORS SIMULTANEOUSLY HEREWITH.

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See Partial release, Misc. Bk. 48 pg. 251 (1/12/83) Lot 3 Bk. 2
 See Partial release, Misc. Bk. 48 pg. 252 (1/12/83) Lot 2 Bk. 2
 See Partial release, Misc. Bk. 48 pg. 253 (1/12/83) Lot 1 Bk. 2
 See Partial release, Misc. Bk. 48 pg. 272 (1/12/83) Lot 4 Bk. 2

Land Title

3. Subordination Agreement. This Mortgage and the Note are also subject to the terms of a Subordination, Non-Disturbance and Attornment Agreement (the "Subordination Agreement") dated as of even date herewith, between U.S. Home, Borrower and Lender, all of which terms are hereby incorporated herein by reference. In the event of conflict between the terms of this Mortgage or the Note and the Subordination Agreement, the Subordination Agreement shall prevail.

4. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note.

5. Funds for Taxes and Insurance. Borrower shall not be obligated to maintain any tax or insurance escrows.

6. Charges; Liens. Borrower shall pay all taxes, assessments, lease payments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

7. Hazard Insurance. Borrower shall be responsible to assure that U.S. Home maintains all insurance coverage required by the Agreement.

8. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents.

9. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, the Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 9, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof,

hereunder

10. Inspection. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

11. Condemnation. The proceeds of any award or claim for damages up to a maximum of the Purchase Price as defined in the Agreement for any individual Property encumbered hereby, are hereby assigned and shall be paid to Lender, subject to the Agreement.

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In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower, subject to the Agreement. In the event of a partial taking of the Property, Lender agrees that out of the condemnation proceeds it will pay to U.S. Home amounts sufficient to pay the cost of restoration, to the extent such restoration is deemed feasible, in the sole discretion of U.S. Home, with the balance of the proceeds applied to the sums secured by this Mortgage, subject to the Agreement.

12. Forbearance By Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

13. Remedies Cumulative. Subject to the terms of the Lease and the Subordination Agreement, all remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

14. Successors and Assigns Bound; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

15. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified or registered mail, return receipt requested, addressed to Borrower at the address set forth in the Agreement or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified or registered mail, return receipt requested, addressed to Lender at the address set forth in the Agreement or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

16. Uniform Mortgage; Governing Law; Severability. This form of Mortgage combines certain uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the State of Illinois; provided, however, that with respect to any action to foreclose this Mortgage, the laws of the state in which the Property is located shall govern. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

17. Transfer of the Property; Assumption. Neither the Property nor any part thereof or interest therein may be sold or transferred by Borrower without Lender's prior written consent. In the event of such sale or transfer, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable subject, however, to the provisions of the Note and Subordination Agreement. Transfer of the Property is also subject to the prior written consent of the Tenant under the Agreement.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

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18. Acceleration; Remedies. Upon Borrower's failure to perform or comply with any of the covenants or agreements of Borrower in this Mortgage, which failure to perform or comply is not cured within fifteen (15) days after notice thereof to Borrower by Lender in the manner hereafter provided, Borrower shall be in default hereunder. Such notice to Borrower shall be in writing and shall specify: (1) the breach; (2) the action required to cure such breach; (3) the date by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, subject to the terms of the Subordination Agreement, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceedings. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.

Borrower hereby waives to the fullest extent allowed by law, all right of redemption after sale to which it may be entitled, whether such right is provided by statute or otherwise.

Notwithstanding anything to the contrary herein, in the event a default shall occur under this Mortgage or the Note, the indebtedness evidenced hereby shall not be accelerated nor shall any action be taken to enforce any other rights or

remedies available to Lender unless such holder shall have given to U.S. Home as tenant under the Lease ("Tenant") at least fifteen (15) days written notice thereof, specifying with particularity the default or breach that has occurred. Upon receipt of notice of default, during the 15 day notice period described above, Tenant shall have the rights as set forth in the Subordination Agreement to take all actions to cure such defaults including the making of payments directly to Lender in which event the Note and this Mortgage shall be automatically reinstated to good standing. In the event of foreclosure of the Mortgage, attornment of Tenant to Lender shall be automatic and self-executing as provided in the Subordination Agreement.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

21. Prohibition Against Future Advances and Reborrowing. This Mortgage may not secure future advances, or new or increased indebtedness of any kind. Except as provided in Paragraph 1(c) of the Loan Agreement (defined in Paragraph 23 herein) Purchaser may not reborrow any funds secured by this Mortgage after a partial repayment of the Note.

22. Releases of Property. Upon payment by Borrower of an amount equal to the Purchase Price as defined in the Agreement for any of the model homes constituting the Property, plus any applicable prepayment fee as described in the Loan Agreement, Lender shall execute and cause to be recorded an instrument releasing such individual Property from the Mortgage.

23. Aggregate Indebtedness Secured. This Mortgage is granted pursuant to a certain Loan Agreement (the "Loan Agreement") between Borrower and Lender dated as of even date herewith regarding certain indebtedness from Borrower to Lender in the aggregate amount of \$15,500,000.00. In addition to the indebtedness previously referred to in this Mortgage, this Mortgage secures payment of notes from Borrower to Lender dated of even date herewith, which notes and certain additional deeds of trust and mortgages securing payment of such notes are also issued pursuant to the Loan Agreement. Notwithstanding the foregoing, the maximum principal indebtedness secured by this Mortgage is \$15,500,000.00. Reference is made to the rate of interest and terms of payment of principal of such indebtedness and other provisions and conditions with respect to such indebtedness, all of the terms and conditions of which Loan Agreement are incorporated herein as fully as though rewritten herein at length.

24. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

25. Time of Essence. Time is of the essence of each covenant of this Mortgage.

26. Mailing Address. Borrower's mailing address is c/o General Counsel, EPIC, 5201 Leesburg Pike, Suite 1600, Falls Church, Virginia 22041.

IN WITNESS WHEREOF, Borrower has executed this Mortgage as of the date first written above.

Signed, sealed and delivered
in the presence of:

TANMIS MODELS, INC.

Parkina Kelly
Terry Gardner

By: [Signature]
Vice President

Attest: [Signature]
Assistant Secretary

(C O R P O R A T E S E A L)

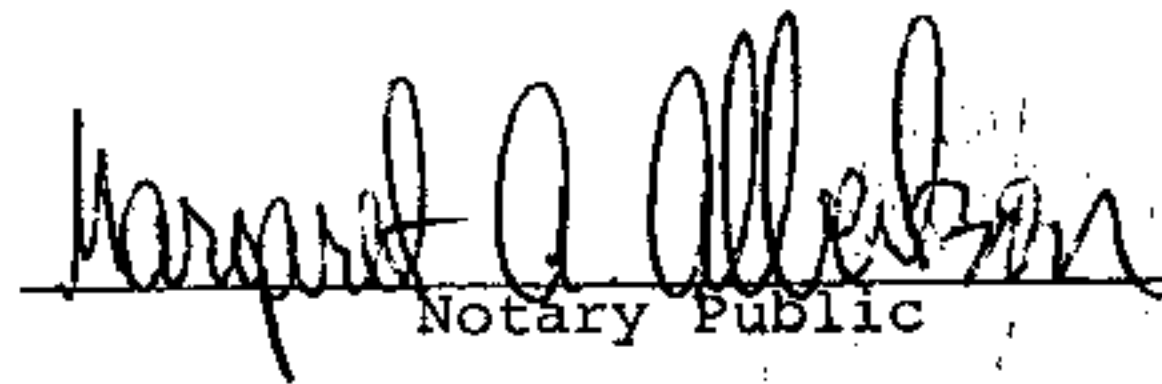
County of Fairfax;
State of Virginia

SS:

I hereby certify that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, James B. Deerin, Jr., to me well

known and known to me to be the individual described in and who executed the foregoing instrument as Vice President of the above named Tanmis Models, Inc., and acknowledged to and before me that he executed such instrument as such Vice President of the corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

Witness my hand and official seal this 1st day of June, 1982.


Notary Public

My Commission Expires August 27, 1984

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EXHIBIT A

LEGAL DESCRIPTION

Parcel I:

lots 1, 2, 3, and 4, Block 2, according to the survey of Broken Bow as recorded in Map Book 7, page 145 in the Probate Office of Shelby County, Alabama

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

1982 JUN 23 AM 10:08

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

Notg. Tax - 417.80
Rec. 12.00
End. 1.00
430.80