

SECURITY AGREEMENT

October 23, 1985

COLUMBIANA VILLAS, LTD., an Alabama limited partnership, (the "Borrower"), for valuable consideration, receipt whereof is hereby acknowledged, does hereby grant to MIDLAND MORTGAGE INVESTMENT CORPORATION, a Florida corporation (the "Lender"), a security interest in all structures and improvements now and hereafter on the real property (the "Real Property") described in Exhibit "A" attached hereto and by reference made a part hereof, and fixtures attached thereto, and all rents, issues, proceeds and profits accruing and to accrue from the Real Property, all of which are included within the foregoing description; also all gas, steam, electric, water and other heating, cooking, refrigerating, lighting, plumbing, ventilating, irrigating and power systems, machines, appliances, fixtures and appurtenances, as are ever furnished by a landlord in letting an unfurnished building similar to the ones described and referred to in the Loan Agreement between the parties of even date (the "Loan Agreement"), which now are or may hereafter pertain to, or be used with, in or on the Real Property, even though they be detached or detachable, together with any additions, accessions and replacements thereto (the "Collateral") to secure repayment of the sum of \$1,197,000.00 evidenced by the Note of Borrower of even date (the "Note"), or so much of this sum as is actually advanced by the Lender to the Borrower under the terms and conditions of the Loan Agreement.

The Collateral has been or is to be attached to the Real Property and will be kept on the Real Property described in Exhibit "A". Borrower will notify Lender of any changes in the location of the Collateral and will not remove the Collateral from the Real Property without the written consent of the Lender. Lender may examine and inspect the Collateral at any time, wherever located.

Borrower will not misuse or abuse, waste or allow to deteriorate the Collateral, except for the ordinary wear and tear of its intended primary use.

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DOUGLAS M. WILLIAMSON

of FISHER & SAULS, P.A.

Attorneys

City Center  
100 Second Avenue South

Suite 701

P.O. Box 387

St. Petersburg, FL 33731

The Collateral is to be used primarily for business purposes.

Borrower will have and maintain insurance on the Collateral at all times against loss by fire, including extended coverage, and/or other hazards as required by the Loan Agreement, such insurance to be payable to the Lender and to the Borrower as their interests may appear. Borrower will furnish Lender with certificates or other evidence of compliance with this provision.

Borrower will not sell or offer to sell, or otherwise transfer or encumber the Collateral without written consent of Lender.

Borrower warrants that (a) no financing statement covering the Collateral or any part thereof is on file in any public office except for the security interest created hereby; (b) Borrower is the owner of the Collateral free from any lien, security interest or encumbrance; and (c) Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Borrower will join with Lender in executing one or more financing statements in form satisfactory to Lender.

Upon the occurrence of any default under the terms and conditions of the Note, the Mortgage securing the Note or the Loan Agreement executed by Borrower, or any conditions contained herein, Lender, at its option, may declare the entire balance due on the Note to be immediately due and payable and shall then have the remedies of a secured party under the laws of the State of Alabama including, without limitation thereto, the right to take possession of the Collateral, and for that purpose Lender may, so far as Borrower can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom.

Lender may sell all of the Collateral or any part thereof at a public or private sale on five days prior written notice to Borrower of the time and place of such sale and at such public or private sale Lender may purchase the Collateral.



This Agreement and the security interest in the Collateral created hereby shall terminate when the Note has been paid in full. No waiver by Lender of any default shall be effective unless in writing or operate as a waiver of any other defaults or of the same default on a future occasion.

The unenforceability of any provision of this Agreement shall not make the entire Agreement unenforceable, but rather such provision shall be severed and given no force and effect, and the remainder of this Agreement shall be valid and enforceable.

This Agreement is to be governed by and construed in accordance with the laws of the State of Alabama.

Witnesses:

Lynette H. Elliott  
Wanda L. Brown

COLUMBIANA VILLAS, LTD.  
an Alabama limited partnership

By John T. Huff, Jr.

By Steven D. Norrell

General Partners

"BORROWER"

MIDLAND MORTGAGE INVESTMENT  
CORPORATION, a Florida  
corporation

By Patricia Wachtler  
Patricia Wachtler  
Assistant Vice  
(Corporate Seal)

"LENDER"

STATE OF ALABAMA

COUNTY OF LEE

The foregoing instrument was acknowledged before me this 23rd day of October, 1985, by JOHN T. HUFF, JR., and STEVEN D. NORRELL, as General Partners of COLUMBIANA VILLAS, LTD., an Alabama limited partnership, on behalf of the partnership.

Lynette H. Elliott  
Notary Public State of Alabama

My Commission Expires:



STATE OF FLORIDA

COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me  
this       day of       , 1985, by PATRICIA WACHTLER  
as Asst.V.Pres., of MIDLAND MORTGAGE INVESTMENT CORPORATION,  
a Florida corporation, on behalf of the corporation.

Notary Public - State of Florida

My Commission Expires:

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Commence at the Southwest corner of Section 24, Township 21 South, Range 1 West; thence proceed in a northerly direction along the west boundary of said section for a distance of 1745.66 feet to the point of intersection with the northwest Right-of-Way line of State Highway 25 Columbiana by-Pass; thence turn an angle of 63 degrees 09 minutes 20 seconds to the right and run in a northeasterly direction along said northwest R.O.W. line of Highway 25 by-Pass, for a distance of 204.33 feet to a point; thence turn an angle of 11 degrees 18 minutes 36 seconds to the left and continue along said R.O.W. for a distance of 50.99 feet to a concrete R.O.W. monument; thence turn an angle of 11 degrees 18 minutes 36 seconds to the right and continue along said R.O.W. for a distance of 103.77 feet to the point of beginning of the parcel of land herein described; thence continue along said R.O.W. for a distance of 196.23 feet to a concrete R.O.W. marker; thence turn an angle of 30 degrees 57 minutes 52 seconds to the right and continue along said R.O.W. for a distance of 58.31 feet to a concrete R.O.W. marker; thence turn an angle of 30 degrees 57 minutes 52 seconds to the left and continue along said R.O.W. for a distance of 130.87 feet to a point; thence turn an angle of 63 degrees 09 minutes 20 seconds to the left and proceed in a northerly direction for a distance of 428.93 feet to a point; thence turn an angle of 90 degrees to the left and proceed in a westerly direction for a distance of 350.00 feet to a point; thence turn an angle of 90 degrees to the left and proceed in a southerly direction for a distance of 572.45 feet to the point of beginning. Said parcel of land is lying in the NW 1/4 of SW 1/4, Section 24, Township 21 South, Range 1 West; Situated in Shelby County, Alabama.

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

1985 OCT 24 PM 2:22

*Thomas A. Snowden, Jr.*  
JUDGE OF PROBATE

RECORDING FEES

|               |                 |
|---------------|-----------------|
| Recording Fee | \$ <u>12.50</u> |
| Index Fee     | <u>1.00</u>     |
| TOTAL         | \$ <u>13.50</u> |

EXHIBIT "A"