

SECURITY AGREEMENT

MARCH 30, 1987

MONTEVALLO 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 \$1,140,000.00 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.

This instrument was prepared by:
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

(Michael Beynon)
12089 Doc. 11-3005

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:

Pamela Lyn Jones

Norma J. Weldon

MONTEVALLO VILLAS, LTD.,
an Alabama limited partnership

By:

John T. Huff, Jr.

By:

Ray L. Huff

"General Partners"

"BORROWER"

MIDLAND MORTGAGE INVESTMENT
CORPORATION, a Florida
corporation

By:

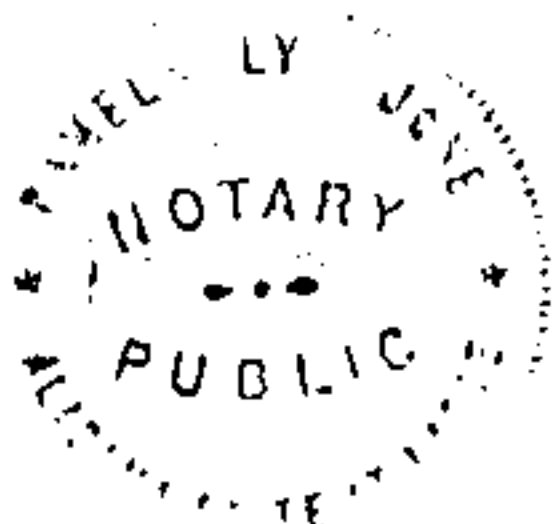
Patricia Wachtler
Patricia Wachtler
Assistant Vice President
"LENDER"

STATE OF ALABAMA

COUNTY OF LEE

I, Pamela Lyn Jones, a Notary Public in and for the State of Alabama at Large, hereby certify that JOHN T. HUFF, JR., whose name as General Partner of MONTEVALLO VILLAS, LTD., an Alabama limited partnership, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Partnership.

Given under my hand and official seal on this the
day of March 30, 1987.



Pamela Lyn Jones
Notary Public - State of Alabama

My Commission Expires: 11-20-88

STATE OF ALABAMA

COUNTY OF LEE

I, Pamela Lyn Jones, a Notary Public in and for the State of Alabama at Large, hereby certify that RAY L. HUFF, whose name as General Partner of MONTEVALLO VILLAS, LTD., an Alabama limited partnership, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Partnership.

Given under my hand and official seal on this the 30th day of March, 1987.

Pamela Lyn Jones
Notary Public - State of Alabama

My Commission Expires: 11-20-88

BOOK 122 PAGE 243

A parcel of land located in the Northwest Quarter of the Southeast Quarter of Section 3, Township 24 North, Range 12 East, nescribed as follows:

Commence at the Southeast corner of Lot 9, Fancher Subdivision, as recorded in Plat Book 4, Page 31, in the Probate Office of Shelby County, Alabama; thence run South and along the prolongation of the East boundary of said Lot 9, a distance of 199.51 feet; thence turn a deflection angle of 89 degrees 37 minutes 25 seconds to the right, and run a distance of 40.00 feet; thence turn a deflection angle of 89 degrees 37 minutes 25 seconds to the left and run a distance of 519.44 feet to the point of beginning; thence turn a deflection angle of 90 degrees 28 minutes 26 seconds to the right and run a distance of 584.45 feet to the East margin of Gardner Street; thence turn a deflection angle of 90 degrees 54 minutes 46 seconds to the left and run South along the East margin of Gardner Street, a distance of 330.00 feet; thence turn a deflection angle of 78 degrees 09 minutes 03 seconds to the left and run a distance of 386.60 feet; thence turn a deflection angle of 74 degrees 36 minutes 11 seconds to the left and run a distance of 450.00 feet to the point of beginning. Situated in the NW 1/4 of the SE 1/4, Section 3, Township 24 North, Range 12 East, Shelby County, Alabama.

BOOK 122 PAGE 244

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1987 MAR 30 PM 2:47

Thomas A. Slaughter, Jr.
JUDGE OF PROBATE

1. Adm. Tax	\$	_____
2. Mig. Tax		_____
3. Recording Fee		<u>12.50</u>
4. Indexing Fee		<u>1.00</u>
TOTAL		<u>13.50</u>

EXHIBIT "A"