

1670

NORTH SHELBY COUNTY
FIRE AND EMERGENCY MEDICAL DISTRICT

TO

CENTRAL BANK OF THE SOUTH,
as Trustee

BOOK 142 PAGE 273

MORTGAGE AND INDENTURE OF TRUST

Dated as of
July 1, 1987

✓ *Bulch & Bingham*

NORTH SHELBY COUNTY
FIRE AND EMERGENCY MEDICAL DISTRICT,
MORTGAGE AND INDENTURE OF TRUST

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STATE OF ALABAMA)

SHELBY COUNTY)

MORTGAGE AND INDENTURE OF TRUST (herein called the "Mortgage") dated as of July 1, 1987, by and between NORTH SHELBY COUNTY FIRE AND EMERGENCY MEDICAL DISTRICT, a public corporation organized under the laws of Alabama (herein called the "District"), party of the first part, and CENTRAL BANK OF THE SOUTH, a bank organized and existing under the laws of Alabama, authorized by law to accept and execute trusts and having its principal office in the City of Birmingham, Alabama, as trustee (herein called the "Trustee"), party of the second part; and

WHEREAS, the District issued its Revenue Bond, dated as of October 25, 1978, in the principal amount of \$400,000 (the "1978 Bond"), and its 1984 Revenue Bond, dated March 5, 1984, in the principal amount of \$350,000 (the "1984 Bond"), for the purpose of establishing a system for fighting and preventing fires and a system for the operation of emergency medical facilities (herein together called the "System"); and

WHEREAS, the District has now determined that it is beneficial to the District to issue and sell its Refunding Revenue Bond, Series 1987, dated as of July 1, 1987, in the principal amount of \$600,000 (the "Bond") for the purpose of refunding the 1978 Bond and the 1984 Bond; and

WHEREAS, the District has represented and does hereby represent that it has full power and authority (1) to issue and sell the Bond, for the purpose of refunding its 1978 Bond and its 1984 Bond, and (2) to mortgage and convey and encumber the System as herein provided, and that its Board of Trustees has taken all action required by law to authorize its officers to execute, acknowledge and deliver this Mortgage and to execute and issue the Bond; and

WHEREAS, the Bond to be issued hereunder and the Trustee's authentication certificate are to be substantially in the following forms, respectively, with appropriate omissions, insertions and variations permitted or authorized as hereinafter provided:

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(Form of Bond)

UNITED STATES OF AMERICA
STATE OF ALABAMA

NORTH SHELBY COUNTY
FIRE AND EMERGENCY MEDICAL DISTRICT
REFUNDING REVENUE BOND
SERIES 1987

NORTH SHELBY COUNTY FIRE AND EMERGENCY MEDICAL DISTRICT, a public corporation under the laws of Alabama (the "Borrower"), for value received, hereby promises to pay, in lawful money of the United States of America, to CENTRAL BANK OF THE SOUTH, or registered assigns (the "Bond Owner"), but solely out of the Fund hereinafter referred to, the principal sum of

SIX HUNDRED THOUSAND DOLLARS
(\$600,000)

together with interest on the unpaid balance thereof from the date hereof at the rate of 7.125% per annum (computed on the basis of a 360 day year of 12 consecutive 30 day months). Interest shall be payable in monthly installments beginning on August 1, 1987, and continuing on the first of each month thereafter until the principal and all other obligations hereunder are paid in full. Principal shall be payable in equal annual payments of \$40,000, beginning on December 1, 1987, and continuing on the first of each December thereafter until the principal sum is paid in full. The final payment shall be made on December 1, 2001, if not made prior thereto, and shall include all accrued interest and outstanding principal. Payment shall be made at the principal office of Central Bank of the South, Birmingham, Alabama, or at such other address as is furnished to the Borrower by the Trustee.

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This Bond is all of a duly authorized issue of Refunding Revenue Bonds (herein called the "Bonds") of the Borrower, issued under the provisions of Act No. 62 adopted at the 1977 First Special Session of the Legislature of Alabama, as amended by Act No. 79-369 adopted at the 1979 Regular Session of the Legislature of Alabama, and as further amended by Act No. 82-663 adopted at the 1982 First Special Session of the Legislature of Alabama, and under and pursuant to a Mortgage and Indenture of Trust dated as of July 1, 1987 (herein called the "Mortgage"), duly executed and delivered by the Borrower to Central Bank of the South, in Birmingham, Alabama (herein called the "Trustee") for the purpose of refunding the North Shelby County Fire and Emergency Medical District Revenue Bond, dated as of October 25, 1978, in the original principal amount of \$400,000, and refunding the North Shelby County Fire and Emergency Medical District 1984 Revenue Bond, dated as of March 5, 1984, in the original principal amount of \$350,000. This Bond is secured by and entitled to the protection given by the Mortgage. Shelby County, Alabama shall not be responsible for any obligation of the Borrower hereunder. This Bond is not chargeable against any limit on the indebtedness of Shelby County, Alabama, nor shall Shelby County, Alabama have any responsibility for the performance of any of the obligations under the Mortgage.

The Borrower has the right to prepay on any interest payment date the entire principal amount hereof then remaining unpaid, or such lesser portion thereof in multiples of One Thousand Dollars (\$1,000) as it may determine. In the event prepayment is made from the proceeds of or in connection with a refinancing loan that is made upon the acquisition of the Borrower or its facilities, a premium in the amount of 3.5625% of the principal prepaid will also be due. Any partial prepayment of principal shall be applied to the last maturing installments of principal due on this Bond. Notice of any such optional prepayment shall be given at least ten days prior to the prepayment date by mailing to the registered owner of this Bond a notice fixing such prepayment date and the amount of principal to be prepaid. Notation of any such prepayment shall be made on the Prepayment Record attached hereto and made a part of this Bond by the Bond Owner.

Prepayment of the principal hereof shall be made by the Borrower at the principal office of the Trustee and without presentation or surrender of this Bond to the Borrower. Such payment shall be noted on this Bond by the Bond Owner on the Payment Record attached hereto and made a part of this Bond and the Bond Owner shall send to the Borrower a written statement that it has made such notations; provided, that if the named payee shall assign this Bond by execution of the Assignment attached hereto, the assignee shall surrender this Bond to the Trustee for a verification of the notations made hereon of the portion of the principal amount hereof prepaid, and every such assignee hereof shall take this Bond subject to such condition.

Under and pursuant to the Mortgage, there has been created a special fund known as the Bond Fund, which is required by the Mortgage to be held in trust by the Trustee and applied to the payment of the principal and interest on this Bond as it matures and comes due. Reference is hereby made to the Mortgage for a description of the property thereby mortgaged, the nature and extent of the security, and a statement of the rights of the holder hereof with respect thereto.

In the event of any default by the Borrower in the payment of principal or interest on this Bond, or any other default as provided in the Mortgage, the Trustee may declare the principal of this Bond and interest accrued hereon immediately due and payable, whereupon this Bond and such interest shall become immediately due and payable and the holder hereof shall be entitled to all remedies and rights set forth in the Mortgage.

This Bond does not constitute an obligation or indebtedness of Shelby County, and the said County shall not be liable for any debt or obligation evidenced hereby.

This Bond shall not be valid or become obligatory for any purpose unless this Bond shall have been authenticated by the execution by the Trustee of the certificate hereon endorsed.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist, or be performed precedent to and in the issuance of this Bond and in the execution and delivery of the Mortgage, have happened, do exist, and have been performed as so required.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be executed in its name and on its behalf by its President, and its corporate seal to be impressed hereon and attested by its Assistant-Secretary, all as of the ____ day of July, 1987.

NORTH SHELBY COUNTY FIRE AND
EMERGENCY MEDICAL DISTRICT

By _____
Its President

S E A L

Attest: _____
Its Assistant-Secretary

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(Form of Trustee's Authentication Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within mentioned Mortgage.

CENTRAL BANK OF THE SOUTH
Birmingham, Alabama, as Trustee

By _____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

For value received, the undersigned registered owner does hereby sell, assign and transfer to _____ the within Bond of North Shelby County Fire and Emergency Medical District and all sums of money now due and to become due on the said Bond, standing in the name of the undersigned on the books of said issuer, and does hereby irrevocably constitute and appoint _____ its attorney to effect the transfer thereof on the books of the Bond Registrar.

Dated _____.

By _____

PREPAYMENT RECORD

<u>Principal Prepayment</u>	<u>Balance</u>	<u>Principal Date Paid</u>	<u>Signature of Authorized Representative of Bond Owner</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

WHEREAS, all things necessary to make the Bond, when executed by the District and authenticated by the Trustee and delivered, the valid, binding and legal obligation of the District and to constitute this Mortgage a valid, binding and legal first mortgage, pledge, security agreement, and deed of trust for the security of the Bond in accordance with its terms, have been done or performed or have happened, and the execution, issuance and delivery of the Bond and the execution and delivery of this Mortgage have been in all respects duly authorized; and

WHEREAS, the Trustee has duly accepted the trust created by this Mortgage, and as evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS MORTGAGE WITNESSETH:

That in consideration of the premises and the mutual agreements herein contained, and in order to secure the payment of the principal of and interest on the Bond all according to the true intent and meaning hereof, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and for other good and valuable considerations, the receipt whereof is hereby acknowledged, the District has executed and delivered this Mortgage and has granted, bargained, sold, assigned, transferred, conveyed, warranted, mortgaged, pledged, created a security interest in, and set over and by these presents does grant, bargain, sell, assign, transfer, convey, warrant, mortgage, create a security interest in, pledge and set over unto the Trustee, and to its successor or successors in trust and to its or their assigns forever, subject to Permitted Encumbrances, all of the following property:

I.

All of the system for fighting or preventing fires and for the operation of emergency medical services now owned by the District or hereafter acquired by it by acquisition, construction or otherwise, including the following described real property situated in Shelby County, Alabama, to-wit:

PARCEL ONE

Begin at the Southeast corner of the Northwest quarter of the Northeast quarter, in Section 15, Township 19 South, Range 2 West, Shelby County, Alabama: Thence run South along quarter-quarter line a distance of 330 feet; thence turn an angle to the left of 116° 22' and run in a Northeasterly direction for a distance of 223.22 feet; thence turn an angle to the left of 63° 38' and run North parallel to said quarter-quarter line a distance of 285.87 feet; thence turn an angle to the left of 30° 45' 19" and run in a Northwesterly direction for a distance of 210.86 feet to the southerly right of way line of Valleydale Road; thence turn an angle to the left of 89° 30' 12" to the tangent of a curve having a central angle of 5° 42' 41" and a radius of 2006.40 feet; thence continue along the arc of said curve along the southerly right of way line of the said Valleydale Road for a distance of 200.08 feet; thence from the tangent extended from the last described curve, turn an angle to the left of 106° 12' 53" and run in a southeasterly direction for a distance of 167.60 feet to the point of beginning. Said parcel containing 2.3 acres, more or less.

PARCEL TWO

Lot A, according to a Resurvey of Lot 1, Old Mill Trace, being a resurvey of Lots 1, 2, 3, Old Mill Trace, Shelby County, Alabama, as recorded in Map Book 8, page 108, in the office of the Judge of Probate, Shelby County, Alabama, and being situated in the NE 1/4 of the SW 1/4 and the SE 1/4 of the SW 1/4 of Section 22, Township 19 South, Range 2 West, Shelby County, Alabama, and containing one (1) acre, more or less.

II.

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- | | | |
|---|---|-------------------------------|
| 1 | 1978 Ford Pumper Truck (1000 Gallons) | Serial No. D-80DVBJ8055; |
| 1 | 1978 Ford Pumper Truck (750 Gallons) | Serial No. D80DVAK1726; |
| 1 | 1983 Pierce 75 foot LTI Aerial Truck | Serial No. 1P9CA01JXDA040500; |
| 1 | 1987 Pierce Pumper Truck (500 Gallons) | Serial No. 1P9CT01DXHA040166; |
| 1 | 1987 Ford 4 door Crown Victoria | Serial No. 2FABP43GX122462; |
| 1 | 1973 Ford Panel Truck Serial No. E36GHV30646; | |

TO HAVE AND TO HOLD all and singular, the said property hereby conveyed, assigned or pledged or agreed or intended so to be, including property acquired after the execution of this Mortgage, which forms a part of or is appurtenant to the System, to the Trustee, its successor and successors in trust, and its and their assigns forever.

IN TRUST, NEVERTHELESS, under and subject to the terms, provisions and conditions hereinafter set forth, for the benefit

and security of the present and future holder of the Bond, and for securing the observance or performance of all of the terms, provisions and conditions of this Mortgage.

PROVIDED, HOWEVER, that these presents are upon the condition that if the District, its successor or assigns, shall pay or cause to be paid to the holder of the Bond the principal and interest to become due in respect thereof at the time and in the manner stipulated therein and herein, and shall keep, perform and observe all and singular the covenants and agreements in the Bond and this Mortgage expressed to be kept, performed and observed by or on the part of the District, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void, otherwise to be and remain in full force and effect.

The terms and conditions upon which the Bond is to be issued, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become the holder thereof, and the trusts and conditions upon which the Mortgaged Property is to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, are as follows:

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ARTICLE I
DEFINITIONS

SECTION 1. Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear indication herein otherwise, be given the following respective interpretations herein:

"Bond" means the Revenue Bond of the District issued under the provisions of this Mortgage.

"1978 Bond" means the Revenue Bond of the District in the original principal amount of \$400,000, dated as of October 25, 1978.

"1984 Bond" means the 1984 Revenue Bond of the District in the original principal amount of \$350,000 dated March 5, 1984.

"Bond Fund" means the fund established under Section 3 of Article IV of the Mortgage.

"Bond Owner" means the registered owner of the Bond.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the construction fund established under Article III of the Mortgage.

"County" means Shelby County, Alabama.

"District" means North Shelby County Fire and Emergency Medical District, its successors and assigns.

"Government Obligations" means any securities that are direct general obligations of the United States of America and any securities payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

"Mortgage" means this Mortgage and Indenture of Trust and any amendments or supplements hereto or hereof.

"1978 Mortgage" means the Mortgage and Indenture of Trust between the District and First National Bank of Birmingham, dated as of September 1, 1978.

"1984 Mortgage" means the Supplemental and Amendatory Mortgage and Indenture of Trust between the District and AmSouth Bank, National Association, dated as of January 1, 1984.

"Mortgaged Property" means all property, real, personal or mixed, mortgaged or with respect to which a security interest is

granted under this Mortgage or agreed or intended so to be, including, unless the context otherwise requires, property acquired by the District after the execution of the Mortgage, provided that such property is appurtenant to, forms a part of, or is used in connection with the System, provided further that all property acquired by the District through foreclosure for failure to pay service charges of the District shall not be included in the Mortgaged Property.

"Permitted Encumbrances" means as of any particular time:

(a) this Mortgage, (b) liens for ad valorem taxes not then due, (c) easements, restrictions and exceptions that will not interfere with or impair the operation of the System, and (d) minor defects, clouds and encumbrances of the type that customarily exist with properties of the size and character as those comprising the System and that do not in the aggregate materially impair the use of such properties in the operation of the System.

"Secured Deposit" means any deposit including any deposit evidenced by a certificate of deposit of any bank, including the Trustee, which deposit, to the extent not insured by the Federal Deposit Insurance Corporation, is secured by the depository bank by its having lodged with another bank or trust company, as custodian, Government Obligations as collateral security, having a market value (exclusive of accrued interest) at least equal to the principal amount of such deposit.

"System" means and includes the system for fighting or preventing fires and the system for providing emergency medical services including all fire-fighting equipment, emergency medical equipment, pumper trucks, auxiliary vehicles, motor vehicles, life-support facilities, fire house equipment, radio equipment, turn-out gear, and all appurtenances thereto and substitutions therefor.

"Trustee" means Central Bank of the South, in Birmingham, Alabama, or any other bank hereafter appointed as successor trustee under the Mortgage.

"Herein", "hereunder", "hereof", "herewith" and other equivalent words refer to this Mortgage as an entirety and not solely to the particular portion thereof in which any such word is used.

Words importing persons include firms, associations and corporations, and words importing the singular number include the plural number, and vice versa.

(The next provision of this Mortgage is Article 11)

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ARTICLE II
GENERAL PROVISIONS REGARDING THE BOND

SECTION 1. Pledge to Secure Bond Issued Hereunder.

This Mortgage shall be a continuing lien and pledge to secure the full and final payment of the principal and interest on the Bond.

SECTION 2. Form of Bond. The form of the Bond and the Trustee's authentication certificate and the other certificates shall be substantially in the respective forms heretofore set forth in the recitals to this Mortgage, with appropriate omissions, insertions and variations permitted or authorized as provided in this Mortgage.

SECTION 3. Payment of Bond. The Bond shall be payable as to both principal and interest in lawful money of the United States of America, at the principal office of the Trustee, in the City of Birmingham, Alabama. The District will pay all charges for exchange, fees, or expenses which may be made by the Trustee in the making of remittances in bankable funds of the principal of and interest on the Bond at par.

SECTION 4. Execution and Authentication. The Bond shall be executed for and on behalf of the District by its President, shall be sealed with the corporate seal of the District, and shall be attested by its Secretary or Assistant-Secretary. In the event that any officer whose signature appears on the Bond or who shall have sealed the Bond shall cease to be such officer before the authentication and delivery of the Bond, such Bond may, upon the request of the District, be authenticated and delivered as herein provided, as though the person who signed such Bond has not ceased to be such officer of the District. The Bond shall not be valid or obligatory for any purpose nor shall it be entitled to any right or benefit hereunder unless there shall be endorsed thereon a certificate of authentication in substantially the form hereinabove mentioned, duly executed by the Trustee; and such certificate of the Trustee upon any Bond executed on behalf of the District shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued under this Mortgage and that the Bond Owner thereof is entitled to the benefit of this Mortgage.

SECTION 5. Lost, Mutilated or Destroyed Bond. In case the Bond shall be or become mutilated, destroyed, stolen or lost, then upon the surrender of such mutilated Bond to the Trustee, or the presentation to the District and to the Trustee of evidence satisfactory to them, respectively, of the destruction, theft or loss of such Bond, and that the claimant was the true owner thereof at the time of such event, and, in any event, upon being furnished with indemnity satisfactory to them respectively, and upon the payment of all necessary expenses incurred by the District and the Trustee in investigating said claim and in issuing a new Bond, the District shall issue and the Trustee shall thereafter authenticate and deliver to or upon the order of such claimant a Bond of like tenor, date, principal amount and maturity as the Bond so mutilated, destroyed, stolen or lost, with such notation thereon as the District and the Trustee shall determine. The Trustee shall forthwith cremate any mutilated Bond so surrendered and deliver a certificate of cremation to the District.

SECTION 6. Registration of Bond; Person Treated as Owner. The Bond issued hereunder shall be registered as to both principal and interest in the name of the Bond Owner registration books to be provided for that purpose by the District at the principal office of the Trustee, which is hereby designated as Bond Registrar. No transfer thereof shall be valid unless made, at the written request of the Bond Owner or his legal representative, on said registration books, and similarly endorsed on the Bond. The Bond Owner shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of or interest on the Bond shall be made only to or upon the order of the Bond Owner, or his legal representative, and neither the District, the Trustee, nor the Bond Registrar shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

SECTION 7. Satisfaction of Mortgage. Whenever the entire indebtedness secured by the Mortgage, including all proper charges of the Trustee hereunder, shall have been fully paid, the title, estate,

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rights and powers of the Trustee hereunder shall forthwith cease, and the Trustee shall cancel, satisfy and discharge the Mortgage and shall execute and deliver to the District proper instruments acknowledging satisfaction of and discharging the Mortgage.

(The next provision of this Mortgage is Article III)

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ARTICLE III

THE BOND; CONSTRUCTION FUND

SECTION 1. The Bond. The Bond is hereby authorized to be issued in the principal amount of \$600,000, shall be dated the date of issuance, shall be designated "North Shelby County Fire and Emergency Medical District Refunding Revenue Bond, Series 1987"), shall bear interest from the date of issuance on the unpaid principal balance thereof at the rate of 7.125% per annum (computed on the basis of a 360 day year of 12 consecutive 30 day months), payable in monthly installments of interest beginning on August 1, 1987, and continuing on the first of each month thereafter until all principal and all other obligations under this Mortgage are paid in full, and payable in equal annual principal installments of \$40,000 beginning on December 1, 1987, and continuing on the 1st of each December thereafter until the principal sum is paid in full, with the final payment including all unpaid principal and accrued interest to be made on December 1, 2001, if not made prior thereto. The Bond shall be payable as to principal and interest at the principal office of the Trustee in Birmingham, Alabama. The principal of the Bond shall be subject to redemption prior to its stated maturity in any integral multiple of \$1,000 on any interest payment date. In the event prepayment is made from the proceeds of or in connection with a refinancing loan that is made upon the acquisition of the Borrower or its facilities, a premium in the amount of 3.5625% of the principal prepaid will also be due. Any partial prepayment shall be applied to the last maturing installments of principal due on the Bond. Any prepayment of the principal of the Bond shall be on such notice as is provided in the face of the Bond. The Bond shall be registered in the name of the purchaser thereof.

SECTION 2. Execution, Exchange, Sale and Delivery of Bond; Disposition of Proceeds of Sale of Bond. Upon the execution and delivery of this Mortgage, the Bond shall be executed by the District and delivered to the Trustee for authentication, and the Trustee shall authenticate the Bond and deliver it to the purchaser thereof. The Bond may be executed by the District and authenticated by the Trustee and delivered prior to the recordation of the Mortgage.

The receipt of the Treasurer of the District for the purchase price of the Bond shall be full acquittal to any purchaser for the purchase price of the Bond, and such purchaser shall be under no obligation to see to the application thereof. Nevertheless, the Treasurer of the District shall hold the proceeds from the sale of the Bond in trust and shall dispose of the same only as provided in this Mortgage.

The proceeds of the sale of the Bond shall be paid as follows:

(1) that amount necessary to redeem the 1978 Bond and the 1984 Bond, including unpaid principal and accrued interest shall be paid to AmSouth Bank, National Association, as trustee under the 1978 Mortgage and the 1984 Mortgage, to redeem the 1978 Bond and the 1984 Bond,

(2) the balance of the proceeds of the sale of the Bond, plus \$175,737.50 of the proceeds from the escrow funds held for the benefit of the 1978 Bond and the 1984 Bond, including the Construction Fund, the Bond Fund and the Gross Revenue Account established pursuant to the 1978 Mortgage and the 1984 Mortgage, shall be deposited in the Construction Fund.

SECTION 3. Construction Fund; Withdrawals from Fund.

There is hereby established a special trust fund, designated the Construction Fund, which shall be held in trust by the Trustee. The money on deposit in the Construction Fund shall be withdrawn by the District in the manner hereinafter provided only for the purposes of paying the cost of acquiring or constructing an additional fire station ("Station No. 3"), including land and other facilities, and such expenses as may be necessary or incident to the financing thereof herein provided for, with any funds remaining in the Construction Fund after completion of Station No. 3 to be applied to the prepayment of the last maturing principal installments on the Bond. Any obligations or expenses incurred by the District in connection with any of the foregoing items of cost shall be regarded as part of such cost and reimbursed to the District or paid to the obligee therefor out of the money on deposit in the Construction Fund. Pending the withdrawal of moneys held in the Construction Fund for the purposes hereinabove described, the moneys held in said Fund are hereby pledged for the security of the payment of the principal of and interest on the Bond, and shall at all times be subject to the lien of such pledge.

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The District may, from time to time during the construction or acquisition of the System, withdraw moneys from the Construction Fund, but only upon receipt by the Trustee of a requisition or order of the District duly executed by the President, Vice President or Treasurer of the District, and stating (a) that neither the District nor any of its officers, nor trustees, nor any of the employees of either the District or the County has received or will receive any discount, rebate, commission, fee, proceeds from insurance, or other abatement in connection with any such expenditures or indebtedness, except as expressly set forth herein; (b) that no default exists in any of the provisions of this Mortgage; (c) and that there are no mechanics' or materialmen's liens, chattel mortgages, conditional sales or title retention or security agreements or notices of any requirement of governmental or other authority accrued, pending or filed in connection with such construction or purchase or in any matter concerning the System (except Permitted Encumbrances and inchoate liens for labor or material supplied, payment for which will be made from such withdrawals or which are not yet due or payable) other than such as may be specified in said certificate; (d) that such expenditure or indebtedness has not formed the basis of any previous withdrawal; and (e) the purposes, in reasonable detail, for which such expenditures will be made, that such purposes are for payment of capital costs or costs of issuance of the Bond, and not operation or maintenance expenses, and that such purpose or purposes are included within the purposes for which the Bond was issued and for which money may be withdrawn from the Construction Fund under the provisions of this Mortgage.

In addition to the data aforesaid, the Trustee may require as a condition precedent to such payments, further evidence as to the application of any moneys previously disbursed by it, or as to the correctness of any statement contained in any certificate. Upon the written request of the holder of the Bond, the Trustee shall require such evidence. The Trustee shall however, be under no duty to require such evidence unless so requested. The Trustee shall not be liable for any misapplication of moneys in the Construction Fund if disbursed pursuant to the provisions of this Section of the Mortgage and without knowledge or reason to believe that such disbursement constitutes a misapplication of the funds.

SECTION 4. Additional Documentation and Filing. If any disbursement requested by the District from the Construction Fund is with respect to any property or asset not expressly referred to in this Mortgage or with respect to which the security interest of the Trustee for the benefit of the Bondholder has not been perfected, including an additional fire station the District will cause to be executed and filed with the Trustee, and will pay all costs in connection with the appropriate recording and filing of, any instrument or instruments of whatever nature necessary to perfect the security, mortgage, pledge and transfer herein contemplated for the benefit of the Holder of the Bond with respect to all property comprising a part of the System and especially that paid for from the proceeds of the Bond.

SECTION 5. Completion of Station No. 3. Whenever the District shall have filed with the Trustee a certificate signed by its President and its Treasurer that the acquisition and the construction of Station No. 3 has been completed and that other obligations incurred by the District in connection with any such acquisition and construction have been paid in full, any funds then remaining in the Construction Fund shall be applied to the prepayment of the last maturing installments of principal of the Bond.

(The next provision of this Mortgage is Article IV.)

ARTICLE IV

THE BUDGET FOR THE SYSTEM: COLLECTION AND DISPOSITION OF REVENUES; REDEMPTION OF BOND

SECTION 1. Budget for the System. The System is operated on the basis of a fiscal year beginning October 1. Prior to the beginning of each fiscal year, the District shall cause to be prepared and approved by its Trustees an annual budget for the System. Said budget shall include the following:

(a) The estimated gross revenues and income to be derived from the System during such fiscal year;

(b) The sum required for the payment of the principal of and interest on the Bond maturing and coming due during such fiscal year; and

(c) An estimated sum sufficient to provide for the payment of all expenses of administration and operation and such expenses for maintenance as may be necessary to preserve the System in good repair and working order for such fiscal year.

Such budget may be amended or revised by the District in accordance with changed circumstances and conditions at any time during such fiscal year. The District shall cause to be submitted copies of each such budget or any amendment or revision thereof promptly to the Trustee and to the original purchaser of the Bond and, upon written request of the bondholder, to the bondholder.

SECTION 2. Bond Fund. There is hereby designated and established a special trust fund known as the Bond Principal and Interest Fund, which shall be held in trust by the Trustee and applied solely to the payment of the principal of and interest on the Bond as it matures and becomes due or is redeemed under the provisions of this Mortgage. There shall be deposited in the Bond Fund the following amounts on or before the following dates:

(a) On August 1, 1987, and on the 1st of each month thereafter, the District shall pay to the Trustee an amount equal to the interest accrued on the bond to said date and not theretofore paid.

(b) On December 1, 1987, and on December 1 of each year thereafter, the District shall pay to the Trustee the amount of \$40,000, until the principal of the Bond and all other expenses under this Mortgage are paid in full, with the final payment of all indebtedness to be made on December 1, 2001, if not made prior thereto.

(c) On any date, all sums which theretofore should have been paid to the Bond Fund and which have not been so paid.

The Trustee shall cause all amounts deposited in the Bond Fund pursuant to paragraphs (a) and (b) of this Section to be applied

to the payment of principal of and interest on the Bond within thirteen months from the date of such deposit and shall cause all amounts received from the investment of moneys in the Bond Fund to be applied to the payment of principal of and interest on the Bond within twelve months from the date of receipt of such investment income.

If on any principal or interest payment date the amount on deposit in the Bond Fund is not sufficient to pay the principal of and interest on the Bond maturing or coming due on such date, the District shall forthwith deposit the amount of such deficiency in the Bond Fund.

SECTION 3. Investment of Funds; Security Therefor. The District may cause any of the moneys on deposit in the Bond Fund and Construction Fund hereinabove provided for to be invested or re-invested in Government Obligations, Secured Deposits, or Money Market Funds invested solely in Government Obligations. Moneys on deposit in the Bond Fund and the Construction Fund shall never be invested in "higher yielding investments" (as defined in Section 148(b) of the Code) than the yield on the Bond. The District shall file with the Trustee each month during construction its written estimate of the moneys that will be withdrawn from the Construction Fund to pay construction costs during the next succeeding thirty days. The District shall and does hereby agree to cause all money in the Construction Fund in excess of such estimate to be invested and to deposit all income from such investments in the Construction Fund. All interest received and all profits realized on account of any investments or reinvestments of the other fund and account shall be added to and become a part of the special fund or account to which they belong. The money on deposit in the Bond Fund and the Construction Fund not invested as aforesaid shall at all times be collaterally secured by Government Obligations or other marketable securities eligible as security for the deposit of public trust funds under regulations of the Comptroller of the Currency of the United States of America, having a market value (exclusive of accrued interest) at least equal to the amount by which the money on deposit in said Fund and so secured shall exceed the amount thereof insured by the Federal Deposit

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Insurance Corporation. All funds established under this Mortgage shall be public funds, regardless of the fact that they are or may be subject to the control of the Trustee. The District shall timely pay to the United States of America all amounts required to be so paid in accordance with Section 148(f) of the Code and the applicable regulations thereunder and shall maintain all records required to be maintained pursuant to said Section 148(f) and said regulations.

(The next provision of this Mortgage is Article V).)

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ARTICLE V

PARTICULAR COVENANTS BY THE DISTRICT

The District covenants and agrees as follows:

SECTION 1. Title to Mortgaged Property. The District has title in fee simple to and the beneficial interest in and is lawfully possessed of the Mortgaged Property and has the rightful power and lawful authority to mortgage the same. The District will warrant and defend the title thereto and every part thereof to the Trustee, for the benefit of the holder of the Bond against the claims and demands of all persons whomsoever. All of the Mortgaged Property now owned by the District is free and clear of and from all and any liens and encumbrances of every nature and kind, other than Permitted Encumbrances, and will be so kept, and the District will at all times maintain and preserve the lien and rank of this Mortgage as herein provided.

SECTION 2. Further Assurances. The District will at any time or times do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered, all such further acts, instruments, deeds, conveyances, assignments, pledges, transfers and assurances in law as the Trustee shall reasonably require for the better assuring, assigning, transferring, pledging and confirming unto the Trustee, all and singular, the property and rights herein assigned, mortgaged, transferred and pledged or intended so to be, and the District will cause this Mortgage and any and all additional instruments executed pursuant to the provisions hereof at all times to be kept recorded and filed in such public offices as may be necessary or required by law in order fully to preserve, continue and protect the security of the Bond and the rights and remedies of the Trustee and it will fully comply with all the requirements of any and every recording law or any other law affecting the due recording law or any other law affecting the due recording and filing of this Mortgage or of any such additional instruments.

SECTION 3. Prohibition of Mortgages or Sales of System or Pledging of Revenues. The District will not mortgage, pledge or otherwise encumber the Mortgaged Property or any part thereof, or assign or pledge its revenues or receivables or any part thereof (except as otherwise expressly authorized herein) without the written

consent of the Bond Owner. The District will not sell, lease or in any manner dispose of any part of the System necessary to its continued maintenance and operation on a revenue producing and self-liquidating basis except as is expressly permitted by this Mortgage without the written consent of the Bond Owner.

SECTION 4. Acquisition of Station No. 3. The District will complete the acquisition and construction of Station No. 3 with all reasonable dispatch and with due diligence.

SECTION 5. Insurance, Fidelity Bonds. The District will at all times insure and keep insured with responsible insurers all properties of the System which are of a character usually insured by owners similarly situated in an amount equal to the full insurable value of such property, and the proceeds of all such insurance policies shall be paid into the Construction Fund (which shall be reactivated for that purpose) and disbursed by the Trustee, to the extent necessary, for the repair and replacement of the damaged property as if they were moneys from the proceeds of the Bond. Any excess in insurance proceeds over and above than necessary to replace or repair any property lost, destroyed or damaged and covered by such insurance shall be paid into the Bond Fund, and applied to the prepayment of the last maturing installments of principal of the Bond. The District will carry workmen's compensation insurance and public liability insurance in such amounts and to such extent as is customarily carried by like organizations engaged in like operations of comparable size. The District will at all times carry fidelity bonds on all of its officers and employees who may handle funds derived from the System, such bonds to be in such amounts as are customarily carried by like organizations engaged in like operations of comparable size. The cost of all such insurance and bonds shall be considered a part of the costs of operating and maintaining the System. The policies of insurance and the fidelity bonds required by this section shall be deposited with the Trustee, which shall be an additional named insured thereunder as its interests may appear.

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SECTION 6. Efficient and Economical Operation of System.

The District will at all times operate the System in an economical and efficient manner and will maintain it in first class operating condition

and will make such improvements, replacements and repairs from time to time as are necessary to keep the System in first class operating condition.

SECTION 7. Collection and Disposition of Revenues. The District shall promptly collect or cause to be collected by all legal means all service charges, fees, revenues and other obligations as the same become due.

SECTION 8. No Free Service. Except after a proper determination of indigency of any customer or user of the services of the System, or except with respect to services for which no schedule or charges has been fixed as required by law, no free service shall be furnished by the System to any municipality, board, agency, instrumentality, person, firm or corporation, and no customer or user shall be served with services by the District except at uniform established rates for such services, without prior approval of the Bond Owner.

SECTION 9. Books, Records, and Accounts. The District shall install and maintain proper books of record and account in accordance with standard accounting practice, in which full and complete entries shall be made of all dealings and transactions of or in relation to the properties, business and affairs of the System. The said system of books, records and accounts shall be so kept as to reveal in detail each item of income and the disposition thereof and each item of expense, and shall indicate under what budget item such expense was charged.

SECTION 10. Inspection of System and Books, Records and Accounts. The District will permit the Trustee or the holder of the Bond or its or his agent or attorney, duly appointed and authorized in writing, to examine and inspect the System and all papers, books, records, accounts, audits and data of the District relating thereto at all reasonable times, and will permit photographs, copies of transcripts thereof to be made by any such person or persons at all reasonable times.

SECTION 11. Annual Audits. Not later than 120 days after the close of each fiscal year of the System, the District shall cause an audit of the books, records and accounts of the System for such fiscal year to be made by a certified public accountant satisfactory to the

Trustee and shall cause to be prepared and certified by such public accountant a report of such audit, together with a balance sheet, a statement of income and fund balances, together with a statement of the source and disposition of funds, showing respectively, in reasonable detail, the financial condition of the System at the close of the preceding year and the financial operations thereof during such year. The said annual audit, balance sheet, statements of income and fund balances shall, at all reasonable times during usual business hours, be open to examination and inspection and copying by any user of services furnished by the System, or the holder of the Bond, or anyone acting for and on behalf of such user or bondholder. Copies of each such annual audit, balance sheet and income and surplus account shall be furnished the Trustee, the original purchaser of the Bond, and upon written request of any holder of the Bond, to such bondholder. Each annual audit shall show the number of customers served by the District for each class of service and each class of customer, the total price of service billed by the District to each class of customers, and the expense of operation, maintenance and repair of the System during the period covered by such statement or audit.

Each of the aforesaid annual audits shall contain an opinion by the accountant who made the audit in which such accountant shall state that his examination has disclosed no violation of the provisions of this Mortgage nor failure of the District to comply with the terms, provisions and covenants set forth herein, or, if his examination has disclosed any such violation or failure to comply, such accountant shall specify the details with respect to such violation or failure to comply.

SECTION 12. Charges. The District shall, subject to the requirements of law, fix, publish and maintain such reasonable charges for services furnished by the System at such level as to produce revenues sufficient to provide for the payment of the expenses of the administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, to provide for the payment of the interest upon and the principal of the Bond as and when the same becomes due and payable, to maintain the payments herein required to be made into the Bond Fund, and to make all other payments required to be made by this Mortgage.

SECTION 13. Covenants With Respect to "Arbitrage Bond".

The District recognizes and acknowledges that the Bond is being sold on the basis that for federal income tax purposes the Bond constitutes an obligation issued by or on behalf of a political subdivision of the State of Alabama and that as such, interest on the Bond is excluded from the gross income of the holder thereof under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). It is the intention of the District that such interest on the Bond shall at all times be excluded from the gross income of the holder thereof under the aforesaid Section 103 and accordingly the District hereby covenants and agrees with the owner of the Bond that the proceeds of the Bond shall not be used or applied by the District in such a manner as to constitute the Bond an "arbitrage bond", as that term is defined in Section 148 of the Code, and as the term "proceeds" is defined or applied pursuant thereto.

(The next provision of this Mortgage is Article VI.)

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ARTICLE VI

USE AND RELEASE OF MORTGAGED PROPERTY

SECTION 1. Release Clause with Respect to Movable or Replaced Personal Property. Until default hereunder and provided such action does not impair the utility thereof, the District, without procuring the consent of the Trustee, may alter, repair, replace, change or add to its movable personal property or the fixtures, equipment or structures on the Mortgaged Property; and provided the District substitutes property of equal or greater value and utility to be subject to the lien hereof, free and clear of prior liens hereto, it may dispose of, free from the lien hereof, any personal property, fixtures or equipment that has been replaced by personal property, fixtures or equipment of equal value, provided the personal property, fixtures or equipment so disposed of is no longer required for the operation of the System. The Trustee may rely on a certificate as to value executed by the President of the District. The Trustee shall, at the expense of the District, execute and deliver to the District any and all instruments that may be necessary to release from the lien of the Mortgage any personal property for which property of equal or greater value has been substituted.

SECTION 2. Release Clause with Respect to Mortgaged Real Property. While the District is not in default to the knowledge of the Trustee in the payment of the Bond or in respect of any of the covenants on the part of the District herein contained, the District may obtain the release of any of the Mortgaged Property not needed by it as a part of the System and the Trustee shall release the same from the lien hereof upon deposit by the District with the Trustee of the following:

(1) A resolution describing the property to be released in reasonable detail, stating that the District is not in default under any provisions of the Mortgage and requesting such release;

(2) A certificate of an independent engineer or appraiser satisfactory to the Trustee, made and dated not more than sixty days prior to the date of the release, stating the full value in the opinion of the signer of the property to be released;

(3) An amount in cash equal to the full value of the property to be released as specified in said certificate.

Upon compliance by the District with the foregoing conditions, the Trustee shall, at the expense of the District, execute and deliver to the District any and all Instruments that may be necessary to release from the lien of the Mortgage that portion of the Mortgaged Property so described by the District. The money deposited with the Trustee as aforesaid will be transferred to the Bond Fund and applied to the prepayment of the last maturing installments of principal of the Bond.

(The next provision of this Mortgage is Article VII.)

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ARTICLE VII

REMEDIES OF THE TRUSTEE AND THE HOLDER OF THE BOND

SECTION 1. Events of Default. The following events shall be events of default under this Mortgage, and the terms "event of default" or "events of default" shall mean, whenever they are used in this Mortgage or in the Bond, one or more of the following events:

(a) If default shall be made in the payment of any part of the principal of the Bond when and as the same becomes due and payable, either by the terms thereof, by declaration or otherwise;

(b) If default shall be made in the payment of any installment of interest on the Bond when and as the same shall become due and payable;

(c) If default shall be made by the District in the performance of any of the obligations on its part to be performed or due observance of any covenant, condition or agreement herein contained, and such default shall have continued for a period of sixty days after a written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee, whose duty it shall be to give such notice at the request of the holder of the Bond;

(d) If the repair or replacement of any lost, destroyed, or damaged property constituting a necessary part of the System shall not be begun within sixty days after occurrence of such loss, damage or destruction; and

(e) If the District shall be dissolved or liquidated or any receiver or receivers shall be appointed for all or any substantial part of the System.

SECTION 2. Remedies Available. Whenever any such event of default shall have happened and be subsisting:

(a) Acceleration. The Trustee may, and upon written request of the holder of the Bond shall, by notice in writing delivered to the District, declare the principal of the Bond and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, anything in this Mortgage or the Bond to the contrary notwithstanding; subject, however, to the right of the holder of the Bond, by written notice to the District and to the Trustee, to annul such declaration and destroy its effect at any time before possession is taken hereunder, if before any such possession is taken, all covenants with respect to which default shall have been made shall be fully performed, and all arrears of interest upon the Bond and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other payments required by this Mortgage (except the principal not then due by its terms) and interest accrued on such Bond since the last interest payment date, shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of the one entitled thereto.

(b) Suit at Law or in Equity. The Trustee, upon the written request of the holder of the Bond and upon being indemnified to its satisfaction, shall proceed to protect and enforce its rights and the rights of the holder of the Bond hereunder and under the Bond (i) by a suit or suits upon the Bond; (ii) by mandamus or other suit, action or proceeding, at law or in equity, to enforce its rights against

the District, including the right, subject to the applicable requirements of law, to require the District to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, the revenues produced by such rates or charges, and to require the District to carry out the other covenants and agreements herein set forth and to perform its duties hereunder all to the extent permitted by law; (iii) by action or suit in equity to require the District to account as if it were the trustee of an express trust for the holder of the Bond; (iv) by action or suit in equity to enjoin any act or things which may be unlawful or a violation of the rights of the holder of the Bond; or (v) by such other suit, action or proceeding as may be permitted by law, as the Trustee being advised by counsel shall deem most effectual to protect and enforce its rights and the rights of the holder of the Bond hereunder.

(c) Possession and Operation of System by Trustee. The Trustee, upon the written request of the holder of the Bond, may, in its discretion, with or without declaring the Bond due and payable, enter upon and take possession of the System and any property at the time forming a part of or used in connection with the System, and operate the same in the name and as the agent of the District, either personally or by superintendents, managers, receivers, agents, servants and attorneys, and from time to time, either by purchase, repair or construction, may maintain and restore and insure and keep insured the same, and each and every part thereof, in the manner and to the same extent as is usual with like properties and likewise, from time to time, make all necessary repairs, renewals, replacements, alterations, additions and improvements thereto and thereon as may seem judicious, and the Trustee shall be entitled to collect and receive all service charges and all revenues and income of the System and every part thereof and to pay the expense of operating the same, including expenses of operation, maintenance, repair and insurance or other charges thereon, as well as just and reasonable compensation for the services of the Trustee and its agents, attorneys, receivers, counsel or employees.

(d) Appointment of Receiver. The Trustee shall be entitled upon or at any time after the commencement of any proceedings instituted in the Event of Default, as a matter of strict right, upon the order of any court of competent jurisdiction, to the appointment of a receiver of the Mortgaged Property and of the charges, fees, revenues and income from the System. Any such receiver shall, except as herein otherwise provided, have all the usual powers and duties of receivers in similar cases.

(e) Sale or Foreclosure. The Trustee, with or without entry, personally or by attorney, may in its discretion either

(1) sell, or cause to be sold, all and singular the Mortgaged Property, and all the estate, right, title and interest, claim and demand therein, such sale or sales to be made at public outcry at the main door of the County Courthouse of the County, at such time or times and upon such terms as may be required by law or as the Trustee may determine after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three consecutive weeks prior to the said sale in any newspaper then published in the County, or

(2) institute such suit or proceeding for the foreclosure of this Mortgage, with or without further, other or incidental relief, such as the appointment of a receiver, the specific enforcement of covenants or obligations or an injunction to

prevent violations or threatened violations of any covenant, obligation or agreement provided by the Mortgage.

SECTION 3. Sale of Mortgaged Property. On any sale of the Mortgaged Property or any part thereof by the Trustee pursuant to any of the foregoing powers or pursuant to judicial authority,

(a) The principal of the Bond not yet matured or declared due shall forthwith become due, anything therein or herein to the contrary notwithstanding.

(b) The whole of the Mortgaged Property shall be sold in one parcel as an entirety, unless the Trustee shall deem such sale as an entirety to be illegal or impracticable or inadvisable by reason of some statute or other cause.

(c) Any fixtures, personal property or chattels constituting a part of the Mortgaged Property may be sold without having such property at the place of sale, and the District, for itself, its successors and assigns and for all persons hereafter claiming through or under it hereby expressly waives and releases all right to have the Mortgaged Property or any part thereof at the place of sale upon any foreclosure sale thereof.

(d) The Trustee may adjourn, or cause to be adjourned, from time to time, any sale, whether made under the power of sale herein granted or under or by virtue of judicial proceedings, by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by law, such sale may be made, without further notice or publication, at the time and place to which the same shall be so adjourned.

(e) If no cash bid be received in an amount sufficient to pay all amounts then owing to the Trustee and the Bondholder, the Trustee may, after first re-advertising such sale in the manner provided in Section 2 hereof, sell such property for an amount less than sufficient to pay all amounts then owing to the Trustee and the Bondholder or for a consideration consisting of part cash and part purchase money mortgage, or both; provided (1) that such sale and the terms and amounts of any purchase money mortgage are approved in writing by the holder of the Bond, and (2) that in the opinion of the Trustee the price obtained at such sale represents the fair market value of the property sold, as demonstrated by more than one qualified bid thereat or by appraisal by an independent appraiser acceptable to the Trustee.

(f) The Bondholder or the Trustee, or either of them, may bid for and purchase the Mortgaged Property, or the portion thereof to be sold, at such sale.

(g) The purchaser may make payment, in whole or in part, of the amount by which his bid exceeds the sum necessary to discharge any prior liens and to pay costs, charges, fees and expenses by receipting for the share of the proceeds of the sale to which, as a Bondholder he will be entitled.

(h) The Trustee is hereby appointed, empowered and directed by the District as its irrevocable attorney to convey, assign, transfer and deliver to the purchaser the property sold and make all necessary conveyances and transfers thereof, all of which the District hereby ratifies. The entire right, title, interest, claim and demand, legal and equitable, of the District in the property sold shall be completely divested by such sale and the same shall be a perpetual legal and equitable bar to any claim by the District thereto. The District, however, if and when requested, will execute

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and deliver to the purchaser such instruments as may be requested by the purchaser in further assurance of the title so acquired.

(i) The purchaser upon paying the purchase money to the Trustee and receiving its receipt therefor need not inquire into the authorization, necessity, expediency or regularity of the sale and need not see to or in any way be responsible for the application by the Trustee of any part of the purchase money.

SECTION 4. No Election Exclusive; Delay No Waiver. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bond or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 5. Covenant to Pay Entire Principal and Interest in Event of Default. The District covenants that if default shall be made in the payment of any principal of the Bond when the same shall become payable, whether at the maturity of the installment of principal or by declaration as authorized by this Mortgage, then, upon the demand of the Trustee, the District will pay to the Trustee the whole amount due and payable under this Mortgage on the Bond for principal and interest, with interest at the rate of eight per cent (8%) per annum on overdue principal and, so far as may be lawful, on overdue installments of interest; and in case the District shall fail to pay the same forthwith upon such demand the Trustee in its own name as Trustee of an express trust shall be entitled to use for and to recover judgment for the whole amount so due and unpaid, together with its expenses, disbursements and compensation and the reasonable expenses, disbursements and compensation of its agents and attorneys.

Any moneys thus collected or received by the Trustee under this Section shall be applied by it, first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward payment of the amount then due and unpaid upon the Bond, ratably and without preference or priority of any kind according to

the amounts due and payable upon the Bond and the interest thereon, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the Bond and upon stamping such payment thereon, if partly paid, and upon surrender thereof if fully paid.

SECTION 6. Application of Proceeds Collected by Trustee.

Except as otherwise provided in this Mortgage, all proceeds collected by the Trustee pursuant to the exercise of remedies provided for in this Mortgage shall, together with all moneys theretofore received and then held by the Trustee (and not irrevocably appropriated to some other purpose) whether held in any of the special funds or otherwise, be applied in order as follows:

First: To the payment of all costs and expenses of the proceedings whereby such proceeds were obtained.

Second: To the payment of any unpaid compensation of the Trustee for its services hereunder, the expenses of the Trustee, including counsel fees and expenses, and any sums advanced by the Trustee, the repayment of which is a charge prior to that of the Bond.

Third: To the payment of the whole amount then due and unpaid upon the Bond for the principal and interest, with interest on overdue principal and overdue installments of interest at the rate of eight per cent (8%) per annum, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bond, then to the payment of the principal of and interest on the Bond without preference or priority of principal over interest or of interest over principal or otherwise, ratably to the aggregate of such principal and unpaid interest. Payments provided for herein shall be made on the date fixed therefor by the Trustee upon presentation of the Bond and stamping thereon the amount paid if only partly paid and upon surrender and cancellation thereof if fully paid.

Fourth: To the payment of the surplus, if any, to the District or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 7. Possession of Bond by Trustee Not Required.

All rights of action under this Mortgage, or under the Bond, may be enforced by the Trustee without the possession of the Bond or the production thereof on any trial or other proceeding relative thereto,

and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee and any recovery or judgment shall be for the benefit of the holder of the Bond.

SECTION 8. Filing of Claim for Bondholder by Trustee.

The Trustee may at any time file a claim in its own name for the benefit of the holder of the Bond in any court proceeding where any such claim may be permitted or required, whether such proceeding be by way of reorganization, bankruptcy, receivership, or of any other nature. The holder of the Bond, by acceptance thereof, hereby constitutes and appoints the Trustee as its irrevocable agent and attorney in fact for the purpose of filing any such claim, but such authorization shall not include the power to agree to accept any securities of any nature in lieu of the Bond or to alter the terms of the Bond.

SECTION 9. Bondholder Not to Institute Suit Except Under

Certain Conditions. All right of action in respect of this Mortgage shall be exercised only by the Trustee and the holder of the Bond shall have no right to institute suit, action or proceeding at law or in equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof, unless and until the Trustee shall have received the written request of such holder and shall have offered reasonable indemnity and shall have refused or for ten days thereafter neglected to institute such suit, action or proceeding, and it is hereby declared that the making of such request and the furnishing of such indemnity are in each case conditions precedent to the execution and enforcement by the holder of the Bond of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by such holder of any action or cause of action for the appointment of a receiver or for any other remedy hereunder, but the Trustee may in its discretion and, when thereunto duly requested in writing by the holder of the Bond and furnished indemnity satisfactory to it and against expenses, charges and liability, shall forthwith take such appropriate action by judicial proceedings or otherwise in respect of any existing default on the part of the District as the Trustee may deem expedient in the interest of the holder of the Bond.

Nothing in this Mortgage contained shall, however, affect or impair the right of the holder of the Bond to enforce payment thereof at or after the maturity of any amount due thereon or to enforce

payment of any interest which may accrue after its stated maturity, without reference to or consent of the Trustee; provided, and such payment may be enforced only out of the funds for such payment herein referred to.

(The next provision of this Mortgage is Article VIII.)

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ARTICLE VIII

THE TRUSTEE

SECTION 1. Acceptance of Trust. The Trustee hereby accepts the trust imposed upon it by this Mortgage, but only upon and subject to the following express terms and conditions:

(a) Action of Trustee through Agents and Attorneys. The Trustee may execute any of the trusts or powers hereof and perform any duties required of it, by or through attorneys, agents, employees or receivers, and shall be entitled to advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, employees and receivers as may reasonably be employed in connection with the trust hereof, and all such outlays and expenditures shall be repaid to the Trustee by the District. The Trustee shall not be answerable for any action taken or for the failure to take any action in good faith on the advice of counsel.

(b) Trustee Not Responsible for Recitals or Warranties by District. The Trustee shall not be responsible for any recitals herein or in the Bond, or for insuring any property or collecting any insurance moneys, or the payment of any insurance premiums or the execution of any instruments of further assurance by the District, or for the execution, recording, registration, filing or refiling of this Mortgage or any instrument of further assurance, or for the validity thereof or for the sufficiency of the security for the Bond, or the Mortgaged Property, or otherwise as to the maintenance of the security hereof; nor be bound to ascertain or inquire as to the performance of any covenants, conditions or agreements on the part of the District, but the Trustee may require of the District full information and advice as to the performance of the said covenants, conditions and agreements. The recitals and statements in this Mortgage and in the Bond are statements by the District and shall not be considered as made by or as imposing any obligation or liability upon the Trustee.

(c) Authenticated Bond, etc. The Trustee shall not be accountable for the use of the Bond when authenticated or delivered hereunder or of any of the proceeds of the Bond paid out conformably herewith. The holder of the Bond shall not be entitled to interest on funds deposited for the payment thereof except as stated herein. The Trustee may become the owner of the Bond with the same rights which it would have if it were not Trustee.

(d) Action of Trustee on Information Believed to be Genuine or on Request of Bondholder. The Trustee shall be protected in acting upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as a holder of the Bond or to take any action at his request, other than the registered holder. Any action taken by the Trustee pursuant to this Mortgage upon the request or authority or consent of the person who, at the time of making such request, or giving such authority or consent, is the owner of the Bond, shall be conclusive and binding upon all future owners of the Bond and of any Bonds issued in place thereof.

(e) Indemnification of Trustee. The Trustee shall not be compelled to do any act hereunder, or to take any action toward the execution or enforcement of the trusts hereby created or to prosecute or to defend any suit in respect hereof unless requested so to do by the holder of the Bond

and unless indemnified to its satisfaction against loss, cost, liability and expense.

(f) Noticing Defaults. The Trustee shall not be required to take notice, or be deemed to have notice of any default hereunder, unless the Trustee shall be specifically notified in writing of such default by the holder of the Bond.

(g) No Personal Liability for Operation of the System. The Trustee shall not be personally liable for any debts contracted or for damages to persons or to property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which the Trustee may be in possession of or manage the System as in this Mortgage provided.

(h) No Withdrawal after Notice of Default. The Trustee shall not be required to permit the withdrawal of any cash held by it, or take any other action, if at the time there exists to its knowledge, brought to its attention by written notice as provided in this Section, any default in respect of any of the covenants, agreements or provisions of this Mortgage.

SECTION 2. Lien of Trustee for Compensation and Expenses. The Trustee shall have a first lien hereunder upon the Mortgaged Property, subject to Permitted Encumbrances, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the costs and expense of defending against any liability in the premises of any character whatsoever.

SECTION 3. Trustee May Advance Unpaid Charge or Insurance. In case the District shall fail seasonably to pay any charge upon the System, or any part thereof, or to procure and maintain the insurance thereon required by this Mortgage, the Trustee may pay such charge or procure and maintain such insurance, without prejudice, however, to any rights hereunder of the Trustee or the holder of the Bond arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of eight per cent (8%) per annum shall be payable on the order of the Trustee and shall become an additional obligation secured by this Mortgage and the same shall be given preference in payment over the Bond, but the Trustee shall be under no obligation to make any such payments unless indemnified to its satisfaction against the expense thereof or furnished with means therefor by the holder of the Bond.

SECTION 4. Examination of Books, Records and Insurance Policies in Trustee's Possession. The Trustee shall permit the

District, its officers or members, or the holder of the Bond, or its agent or attorney duly appointed and authorized in writing, to examine and inspect all insurance policies, all of the papers, books, records, accounts and data in its possession and relating to the System at all reasonable times, and shall permit copies or transcripts thereof to be made by any such person or persons at all reasonable time.

SECTION 5. Resignation of the Trustee. The Trustee at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than sixty days' written notice to the District and the holder of the Bond, and such resignation shall take effect upon the day specified in such notice, unless a successor Trustee shall have been appointed by the holder of the Bond or by the District as hereinafter provided and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Trustee.

SECTION 6. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Trustee and to the District and signed by the holder of the Bond.

SECTION 7. Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holder of the Bond, by an instrument in writing, signed by such holder or by its attorney in fact, duly authorized in writing, provided, that in any such event the District, by an instrument executed by authority of its Board of Trustees and signed by its President and Secretary, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the holder of the Bond in the manner above provided; and any such temporary Trustee so appointed by the District shall immediately and without further act be superseded by the Trustee so appointed by such holder.

In the event that no appointment of a successor Trustee shall have been made by the holder of the Bond pursuant to the

foregoing provisions of this Section within sixty days after a vacancy in the office of the Trustee shall have occurred, the retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Trustee.

SECTION 8. Vesting Title in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the District, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the District, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it to its successor; provided, that before any such delivery is required or made, all fees, advances and expenses of the retiring or removed Trustee shall be paid in full. Should any deed, conveyance or instrument in writing from the District be required by any successor Trustee for more full and certainly vesting in such Trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor Trustee hereunder, together with all deeds, conveyances and other instruments provided for in this Mortgage, shall, at the expense of the District, be filed and recorded in the office of the Judge of Probate of the county in which this Mortgage is recorded.

SECTION 9. Merger, Consolidation or Conversion of Trustee. Any corporation or association into which the Trustee, or any successor to it in the trusts created by this Mortgage, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee or any successor to it

shall be a party shall, if satisfactory to the District, be the successor Trustee under this Mortgage without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(The next provision of this Mortgage is Article IX.)

BOOK 142 PAGE 314

ARTICLE IX

MISCELLANEOUS

SECTION 1. Notices by Trustee. Any notice required or permitted to be given by the Trustee to the District under the provisions of this Mortgage shall be sufficiently given if it shall have been mailed, postage prepaid, addressed to the District at 3617 Valleydale Road, Birmingham, Alabama, 35243, or at such other address as the District shall have in writing given to the Trustee.

SECTION 2. Severability Clause. The invalidity of any one or more phrases, sentences, clauses or sections hereof shall not affect the remaining portions of this Mortgage or any part thereof, all of which are inserted conditionally on being held valid in law, and in the event that one or more of the phrases, sentences, clauses, sections or paragraphs contained herein should be invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, clauses, sections or subsections, paragraph or paragraphs had not been inserted.

SECTION 3. Counterparts. This Mortgage may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument, but in making proof of any counterpart hereof it shall not be necessary to produce or prove the execution of any other counterpart.

IN WITNESS WHEREOF, the DISTRICT has caused this Mortgage to be signed in its corporate name by its President and its corporate seal to be hereunto affixed and said seal to be attested by its Assistant-Secretary, and the Trustee has caused this Mortgage to be executed in its corporate name by one of its officers and its corporate seal to be hereunto affixed and said seal to be attested by one of its officers, all as of the day and year first hereinabove written.

NORTH SHELBY COUNTY FIRE AND
EMERGENCY MEDICAL DISTRICT

By Martha S. Geyer
Its President

[S E A L]

Attest: Chad Walker
Assistant-Secretary

BOOK 142 PAGE 315

CENTRAL BANK OF THE SOUTH

By

Its

[S E A L]

Attest

Its

ASSISTANT SECRETARY

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Martha S. Geyer, whose name as President of North Shelby County Fire and Emergency Medical District, a public corporation, is signed to the foregoing Mortgage and Indenture of Trust, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage and Indenture of Trust, she, in her capacity 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 24th day of July, 1987.

Marlene K. Sherriff
Notary Public

NOTARIAL SEAL

My Commission Expires:

9-5-89

BOOK 142 PAGE 316

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that CHARLES O. TROTTER whose name as VICE PRES. & SR. TRUST OFF of Central Bank of the South, a bank organized under the laws of Alabama, is signed to the foregoing Mortgage and Indenture of Trust, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage and Indenture of Trust, he, in his capacity as such officer, and with full authority, executed the same voluntarily for and as the act of said association.

Given under my hand and official seal this 23rd day of July, 1987.

Jannice Martini
Notary Public

NOTARIAL SEAL

My Commission Expires: Aug. 25, 1987

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STATE OF ALABAMA
1 CENTURY TRUST
INSTRUMENT NO. 111

1987 JUL 24 PM 3:41

Thomas J. Henderson, Jr.
JUDGE OF PROBATE

This document was prepared by:

A. Key Foster, Jr.
Balch & Bingham
Financial Center, Suite 700
505 N. 20th Street
Birmingham, Alabama 35203

