

STATE OF ALABAMA )

COUNTY OF SHELBY )

MORTGAGE

THIS INDENTURE made this 1<sup>st</sup> day of March, 1988, by PERRY G. STEPHENS, JR. and DEBORAH B. STEPHENS (hereinafter collectively called the "Mortgagor"), to FIRST PRINCETON CAPITAL CORPORATION (hereinafter called the "Lender" or "Mortgagee");

W I T N E S S E T H:

WHEREAS, pursuant to the terms of a certain Guaranty (hereinafter sometimes referred to as the "Guaranty") dated of even date herewith, Mortgagor is the guarantor of an indebtedness in the principal sum of One Hundred Thousand and No/100 Dollars (\$100,000.00), as evidenced by a certain Promissory Note (hereinafter sometimes referred to as the "Note") dated of even date herewith, the Note being executed and delivered by SHOWCASE STORES, INC. (hereinafter called the "Company") to the Lender; and

WHEREAS, Mortgagor is the owner in fee simple of the real estate described in Schedule A hereto, subject only to the title exceptions listed on Schedule A-1; and

WHEREAS, the Company and Lender have also entered into a Loan and Security Agreement (hereinafter sometimes referred to as the "Loan Agreement") dated of even date herewith (the Note, the Guaranty, this mortgage and the Loan Agreement hereinafter sometimes referred to collectively as the "Loan Documents"); and

NOW, THEREFORE, the undersigned Mortgagor, in consideration of the indebtedness above mentioned, and to secure the prompt payment of same, with the interest thereon, and any extensions or renewals of same, and further to secure the performance of the covenants, conditions and agreements in the Loan Documents, including this mortgage, has bargained and sold and does hereby grant, mortgage, bargain, sell, assign and convey unto the Lender, its successors and assigns, the following described land, real estate, buildings, improvements, and fixtures (which together with any and all additional such property hereafter acquired by the Mortgagor for use in, on or about said real estate is hereinafter sometimes referred to as the Mortgaged Property), to-wit:

(a) All that tract or parcel or parcels of land particularly described in Schedule A attached hereto and made a part hereof.

(b) All buildings, structures, improvements and fixtures of every nature whatsoever now or hereafter situated on the property described in Schedule A, of every nature whatsoever now or hereafter owned by the Mortgagor and located in, on, or used or intended to be used in connection with or with the operation of said property, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing.

TOGETHER WITH all easements, rights of way, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or

*Gordon Silberman*

which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at laws, as well as in equity, of the Mortgagor of, in and to the same.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns forever, subject however to the terms and conditions herein.

This mortgage is made, however, subject to the following covenants, conditions and agreements:

#### ARTICLE I

1.01 Performance of Mortgage. The Mortgagor will perform, observe and comply with all provisions hereof.

1.02 Warranty of Title. The Mortgagor is lawfully seized of an indefeasible estate in fee simple in the Mortgaged Property and Mortgagor has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid; that the same is free and clear of all liens, charges, and encumbrances whatsoever, except for those listed on attached Schedule A-1. Mortgagor shall and will warrant and forever defend the title to its fee simple estate unto the Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

1.03 Taxes, Utilities and Liens.

(a) The Mortgagor will pay promptly, when and as due, and will promptly exhibit to the Lender receipts for the payment of, all taxes, assessments, debts, claims, charges and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon the interest of the Lender in the Mortgaged Property, as well as all taxes, assessments and other governmental charges lawfully levied and imposed by any governmental, taxing or similar authority upon the Mortgagor or in respect of the Mortgaged Property or any part thereof, or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of the mortgage for any amounts secured hereby or would have priority or equality with the mortgage in distribution of the proceeds of any foreclosure sale of the Mortgaged Property or any part thereof.

(b) The Mortgagor will promptly pay all charges by utility companies, whether public or private, for electricity, gas, water, sewer or other utilities.

(c) The Mortgagor will promptly pay and will not suffer any mechanics', laborers', statutory or other lien which might or could be prior to or equal to the lien of the mortgage to be created or to remain outstanding upon any of the Mortgaged Property.

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely the Lender, the entire balance of the principal sum secured by the mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the Lender.

1.04 Insurance. The Mortgagor will procure for, deliver to, and maintain for the benefit of, the Lender during the life of this mortgage, insurance policies, in such form and amounts as the Lender may from time to time require, insuring the Mortgaged Property as follows:

(a) Insurance against loss or damage by fire, lightning, vandalism and malicious mischief and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured against for properties of similar character and location, but in no event shall the amount of insurance be less than the principal balance of the Note secured hereby; the policies shall contain a replacement cost endorsement; the replacement cost of the improvements shall, at the expense of the Mortgagor, be reappraised as from time to time may be reasonably required in writing by the Lender, such appraisal to be performed by an appraiser, architect or contractor acceptable to the Lender; and

(b) such other insurance, including, but not limited to, insurance on the improvements or any replacements or substitutions therefor and in such amounts as may from time to time be reasonably required by the Lender against other insurable casualties which at the time are commonly insured against in the case of premises similarly situated.

The form of such policies and the companies issuing them shall be acceptable to the Lender. All policies shall contain a mortgagee endorsement making losses payable to the Lender. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the Lender shall be delivered to the Lender. The Mortgagor shall deliver to the Lender receipts evidencing the payment of all such insurance policies and renewals. In the event of the foreclosure of this mortgage or any other transfer of title to the Mortgaged Property, all right, title and interest of the Mortgagor in and to all insurance policies then in force shall pass to the purchaser or grantee.

The Lender is hereby authorized and empowered, at its option, to adjust, settle and/or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses, directly to the Lender, instead of to the Mortgagor and Lender jointly. After deducting from said insurance proceeds any expenses incurred by it in the collection or handling of said fund, the Lender may apply the net proceeds, at its option, either toward restoring the improvements, or as a credit on any portion of the indebtedness secured by this mortgage selected by it, whether then matured or to mature in the future, or at the option of the Lender, such sums either wholly or in part may be paid over to the Mortgagor to be used to repair such buildings or to build new buildings in their place or for any other purpose or object satisfactory to the Lender without affecting the lien of the mortgage for the full amount secured hereby before such payment took place. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.05 Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or

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permanently, the entire indebtedness secured hereby shall at the option of the Lender become immediately due and payable. The Lender shall be entitled to all compensation, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Mortgagor's name, any action or proceedings relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Mortgagor to the Lender, who, after deducting therefrom all its expenses, including attorney's fees, may release any moneys so received by it without affecting the lien of this mortgage or may apply the same in such manner as the Lender shall determine to the reduction of the sums secured hereby, and any balance of such moneys then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require.

#### 1.06 Care of the Property.

(a) The Mortgagor will preserve and maintain the Mortgaged Property in good condition and repair, and will not commit or permit to be committed any waste and will not do or allow to be done anything which will increase the risk of fire or other hazard to, or impair the value of, the Mortgaged Property or any part thereof.

(b) No buildings, fixtures, or other part of the Mortgaged Property or any improvement located on the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the Lender.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Mortgagor will give immediate written notice of the same to the Lender.

(d) The Lender is hereby authorized to enter upon and inspect the Mortgaged Property at any time.

(e) The Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Mortgagor will promptly restore the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor. If a part of the Mortgaged Property shall be physically damaged through condemnation, the Mortgagor will promptly restore, repair or alter the remaining property in a manner satisfactory to the Lender.

1.07 Further Assurance; After Acquired Property. At any time, and from time to time, upon request by the Lender, the Mortgagor will make, execute and deliver or cause to be made, executed and delivered, to the Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the Lender any and all such other and further mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to effectuate, complete, enlarge, or perfect, or to continue and preserve any obligation(s) of the Mortgagor under the Loan Documents (including this mortgage). Upon any failure by the Mortgagor so to do, the Lender may make, execute and record any and all such mortgages, instruments, certificates, and documents



for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Lender the agent and attorney-in-fact of the Mortgagor so to do. The lien hereof will automatically attach, without further act, to all after-acquired property attached to the Mortgaged Property or any part thereof.

1.08 Expenses. The Mortgagor will pay or reimburse the Lender for all reasonable attorney's fees, costs and expenses incurred by the Lender in any proceeding involving the estate of a decedent or an insolvent, or in any action, proceeding or dispute of any kind in which the Lender is made a party, or appears as party plaintiff or defendant, affecting the Loan Documents (including this mortgage), and any other agreement between Lender and Mortgagor relating to said agreements, including but not limited to the foreclosure of this mortgage, any condemnation action involving the Mortgaged Property, or any action to protect the security hereof; and any such amounts paid by the Lender shall be added to the indebtedness secured hereby and secured by the lien of this mortgage.

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1.09 Performance by Lender of Defaults by Mortgagor. If the Mortgagor shall default in the payment of any tax, lien, assessment or charge levied or assessed against the premises; in the payment of any utility charge, whether public or private; in the payment of any insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; or in the performance or observance of any other covenant, condition or term of the Loan Documents (including this mortgage), then the Lender, at its option, may perform or observe the same, and all payments made for costs or incurred by the Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Mortgagor to the Lender with interest thereon at the maximum legal rate from the date the same was paid. The failure of Lender to perform or observe any of the same shall in no way render Lender liable to Mortgagor. The Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium; of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Lender is hereby empowered to enter and to authorize others to enter upon the premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Mortgagor or any person in possession holding under the Mortgagor.

## ARTICLE II

2.01 Events of Default. The term Event of Default, wherever used in this mortgage, shall mean any one or more of the following events:

(a) Failure by the Company to pay as and when due and payable any installments of principal, interest or other amounts due under the Note or the Loan Agreement, or to duly observe any covenant, condition or agreement under the Note or the Loan Agreement; or

(b) Failure by the Mortgagor to pay as and when due and payable any amounts due under the Guaranty, this mortgage, the First Mortgage (as defined in Schedule A-1 hereto) or the Second Mortgage (as defined in Schedule A-1 hereto), or to duly observe any covenant, condition or agreement under the Guaranty, this mortgage, the First Mortgage (as defined in Schedule A-1 hereto) or the Second Mortgage (as defined in Schedule A-1 hereto); or

(c) The filing by the Mortgagor (or either of them) or the Company of a voluntary petition in bankruptcy or the adjudication of the Mortgagor (or either of them) or the Company

as a bankrupt or insolvent, or the filing by the Mortgagor (or either of them) or the Company of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for such party(ies) under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the Mortgagor's (or either of them) or the Company's seeking or consenting to or acquiescence in the appointment of any trustee, receiver or liquidator of the Mortgagor (or either of them) or the Company or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or the making of any general assignment for the benefit of creditors or the admission in writing of the Mortgagor (or either of them) or the Company of such party(ies) inability to pay debts generally as they become due; or

(d) The entry by a court of competent jurisdiction of an order, judgment, or decree approving a petition filed against the Mortgagor (or either of them) or the Company seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors, or the appointment of any trustee, receiver or liquidator of the Mortgagor (or either of them) or the Company or of all or any substantial part of the Mortgaged Property; or

(e) Upon the occurrence of any one or more of the events of default specified or referred to in any one or more of the Loan Documents, the First Mortgage (as defined in Schedule A-1 hereto) or the Second Mortgage (as defined in Schedule A-1 hereto).

2.02 Acceleration of Maturity. If an Event of Default shall have occurred, then all indebtedness secured hereby shall, at the option of the Lender, become due and payable without notice or demand, time being of the essence; and any omission on the part of the Lender to exercise such option when entitled to do so shall not be considered as a waiver of such right.

2.03 Right of Lender to Enter and Take Possession.

(a) If an Event of Default shall have occurred and be continuing, the Mortgagor, upon demand of the Lender, shall forthwith surrender to the Lender the actual possession, and if and to the extent permitted by law, the Lender may enter and take possession of all the Mortgaged Property, and may exclude the Mortgagor and its agents and employees wholly therefrom.

(b) Upon every such entering upon or taking of possession, the Lender may hold, store, use, operate, manage and control the Mortgaged Property, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all the rights and powers of the Mortgagor in its name or otherwise, with respect to the same; (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lender, all as the Lender from time to time may determine to be to its best advantage; and the Lender may collect and receive all the income, revenues, rents, issues and profits of the same including those past due as well as those accruing thereafter, and apply any moneys so received by the Lender as the Lender, it is discretion, may deem appropriate (including to monies due under the Note, the Guaranty and the Loan Agreement).

(c) Whenever all such Events of Default have been cured and satisfied, the Lender may, at its option, surrender possession of the Mortgaged Property to the Mortgagor, their heirs, successors and assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

2.04 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce the terms, provisions, covenants and conditions it might have under any of the Loan Documents (including this mortgage), including but not limited to the right to foreclose this mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, as provided by law, and (b) to pursue any other remedy available to it, all as the Lender shall deem most effectual. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as the Lender may determine.

2.05 Power of Sale. If an Event of Default shall have occurred, Lender may sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the Court House door in the county where said property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county, and, upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the premises so purchased. Lender may bid at said sale and purchase said premises, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner Lender may elect.

2.06 Application of Foreclosure Proceeds. The proceeds of any foreclosure sale pursuant to Paragraph 2.05 of Article II shall be applied as follows:

(a) First, to the expenses of making the sale, including advertising expenses and a reasonable attorney's fee for such services as may be necessary in the collection of said indebtedness or the foreclosure of this mortgage;

(b) Second, to the repayment of any money, with interest thereon, which Lender may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided;

(c) Third, to the payment and satisfaction of the indebtedness hereby specially secured with interest to date of sale;

(d) Fourth, the balance, if any, shall be paid to the party or parties appearing of record to be the owner of the premises at the time of the sale after deducting any expense of ascertaining who is such owner.

2.07 Lender's Option on Foreclosure. At the option of the Lender, this mortgage may be foreclosed as provided by law or in equity, in which event a reasonable attorney's fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event Lender exercises its option

to foreclose the mortgage in equity, Lender may, at its option, foreclose this mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants party defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by the Mortgagor, a defense to any proceedings instituted by the Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.08 Waiver of Exemption. Mortgagor waives all rights of exemption pertaining to real or personal property as to an indebtedness secured by or that may be secured by this mortgage, and Mortgagor waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the premises be set off against any part of the indebtedness secured hereby.

2.09 Suits to Protect the Mortgaged Property. The Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of the mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the income, revenues, rents and profits arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Lender.

2.10 Mortgagor to Pay on Any Default in Payment; Application of Moneys by Lender. If default shall be made in the payment of any amount secured hereby, then, upon demand of the Lender, the Mortgagor will pay to the Lender the whole amount so due and payable; and in case the Mortgagor shall fail to pay the same forthwith upon such demand, the Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of the Lender's agents and attorneys.

2.11 Delay or Omission No Waiver. No delay or omission of the Lender or of any holder or assignee of any one or more of the Loan Documents (including this mortgage) to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such rights, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this mortgage to the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

2.12 No Waiver of One Default to Affect Another, etc. No waiver of any default hereunder shall extend to or shall affect any subsequent or any other existing default or shall impair any rights, powers or remedies consequent thereon.

If the Lender grants forbearance or an extension of time for the payment of any sums secured hereby or waives or does not exercise any right granted herein or in any one or more of the Loan Documents, any such act or omission shall not preclude the Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Lender shall the lien of this mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, the Lender, without notice to any person or



corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

2.13 Discontinuance of Proceedings - Position of Parties, Restored. In case the Lender shall have proceeded to enforce any right or remedy under this mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Lender, then and in every such case the Mortgagor and the Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Lender shall continue as if no such proceeding has been taken.

2.14 Remedies Cumulative. No right, power, or remedy conferred upon or reserved to the Lender by this mortgage is intended to be exclusive of any right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

### ARTICLE III

3.01 Successors and Assigns Included in Parties. Whenever in this mortgage one of the parties hereto is named or referred to, the heirs, administrators, executors, successors and assigns of such party shall be included, and all covenants and agreements contained in this mortgage by or on behalf of the Mortgagor or by or on behalf of Lender shall bind and inure to the benefit of their respective heirs, administrators, executors, successors and assigns, whether so expressed or not.

3.02 Headings, etc. The headings of the articles, sections, paragraphs and subdivisions of this mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

3.03 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms or provisions contained in this mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and/or in the Loan Documents shall be in no way affected, prejudiced or disturbed thereby.

### ARTICLE IV

Notwithstanding anything to the contrary contained in the Loan Documents (including this mortgage), or in any other instrument between Lender and Mortgagor, the Lender may at its option declare the entire indebtedness secured hereby, and all interest thereon and all advances made by the Lender hereunder, immediately due and payable in the event of a breach by the Mortgagor of any term, condition or covenant contained in this mortgage.

### ARTICLE V

If at any time for any reason, without first obtaining the prior written consent of the Lender, the Mortgaged Property or any portion thereof ceases to be owned by the Mortgagor, then the Mortgagor, at the sole option of the Lender, shall

immediately pay to the Lender, upon demand, the entire principal balance of the Note together with all accrued interest, and any sums that may be due under any one or more of the Loan Documents.

#### ARTICLE VI

This mortgage shall be interpreted and construed in accordance with the laws of the United States of America and the State of Alabama.

IN WITNESS WHEREOF, Mortgagor and Lender have each caused this instrument to be properly executed on the day and year first above written.

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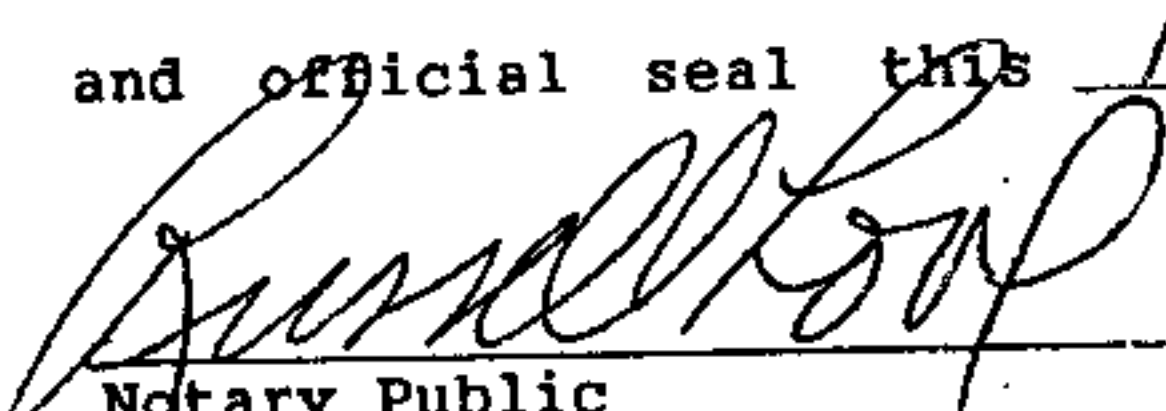
  
Perry G. Stephens, Jr.

  
Deborah B. Stephens

STATE OF Alabama)  
Jefferson COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Perry G. Stephens, Jr. and Deborah B. Stephens, whose names are signed to the foregoing Mortgage, and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 1<sup>st</sup> day of March, 1988.

  
Notary Public

1684A

SCHEDULE A

LEGAL DESCRIPTION

Lot 11, in Block 3, according to the Survey of Broken Bow, as recorded in Map Book 7 page 145 in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama. Mineral and mining rights excepted.

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SCHEDULE A-1

ENCUMBRANCES

1. Ad valorem taxes for the year 1988.
2. Mortgage from Perry G. Stephens, Jr. and Deborah B. Stephens to MortgageAmerica, Inc. dated June 21, 1982, in amount of \$48,000.00, and recorded in Mortgage Book 421 page 559 and re-recorded in Mortgage Book 421 page 829 (referred to in this mortgage as the "First Mortgage").
3. Mortgage from Perry G. Stephens, Jr. and wife, Deborah B. Stephens to C & S Family Credit dated August 5, 1987, in amount of \$13,000.00, and recorded in Real 145 page 997 (referred to in this mortgage as the "Second Mortgage").

BOOK 174 PAGE 170

STATE OF ALA. SHELBY  
I CERTIFY THIS  
INSTRUMENT WAS FILED

88 MAR -7 AM 10:21

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

1. Deed Tax	\$ <u>150.00</u>
2. Mig. Tax	<u>30.00</u>
3. Recording Fee	<u>1.00</u>
4. Indexing Fee	<u>1.00</u>
TOTAL	<u>181.00</u>