

This instrument prepared by:

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NOTICE: THIS MORTGAGE SECURES AN OPEN-END LINE OF CREDIT THAT CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE MAY RESULT IN HIGHER MINIMUM MONTHLY PAYMENTS AND INCREASED FINANCE CHARGES. THIS IS A FUTURE ADVANCE MORTGAGE AND THE PROCEEDS OF THE OPEN-END LINE OF CREDIT SECURED BY THIS MORTGAGE WILL BE ADVANCED BY THE MORTGAGEE UNDER THE TERMS OF A LOAN AGREEMENT BETWEEN THE MORTGAGEE AND THE MORTGAGOR NAMED HEREIN.

MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT
OF RENTS AND LEASES

THE STATE OF ALABAMA)

JEFFERSON COUNTY)

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, SOUTH JEFFERSON COMPANY, an Alabama corporation ("Mortgagor"), whose address is 1 Chase Corporate Drive, Suite 250, Birmingham, Alabama 35244, for and in consideration of the indebtedness as herein recited hereby GRANTS, BARGAINS, SELLS, CONVEYS, MORTGAGES and WARRANTS to EAGLE FEDERAL SAVINGS AND LOAN ASSOCIATION ("Mortgagee") whose address is 3702 Pepperell Parkway, Opelika, Alabama 36801, its successors and assigns, and the heirs of such successors and assigns, forever, all and singular, the real property located in Shelby County, State of Alabama, more particularly described in Exhibit "A" attached hereto and made a part hereof as if specifically set out herein, (the Real Estate), subject to the matters set forth on Exhibit "B" attached hereto and made a part hereof (Permitted Encumbrances).

Together with all rights, hereditaments and appurtenances in anywise appertaining or belonging thereto; and together with all buildings and improvements now or hereafter located on the Real Estate and all equipment, fixtures and articles of personal property now or hereafter attached to or used in and about the building or buildings, including, but not limited to, all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and elevator equipment, switchboards, stoves, ranges, vacuum cleaning systems, garbage disposers, refrigerators, dishwashers, hot water heaters, trash compactors, other appliances, paging systems, alarm systems, generators, sprinkler systems and

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ATTORNEYS AT LAW

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other fire prevention and extinguishing apparatus and all other goods, materials, motors, machinery, pipes, equipment, inventory, fittings and fixtures now or hereafter affixed to or located on the Real Estate, and other improvements (such building or buildings and other improvements being hereinafter called the Project) now or hereafter erected, constructed or developed on the Real Estate which are necessary or useful for complete and comfortable use and occupancy of the Project for the purposes for which they were or are to be erected, constructed or developed, or which are or may be used in or related to the planning, development, financing or the operation thereof; all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Project in any manner; all building materials and equipment now or hereafter delivered to the Project and intended to be installed therein including but not limited to all lumber and lumber products, bricks, building stones and building blocks, sand and cement, roofing material, paint, doors, windows, hardware, nails, wires and wiring, plumbing and plumbing fixtures, air-conditioning and heating equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, and in general, all building material and equipment of every kind and character used or useful in connection with said improvements; all plans and specifications for the Project; all contracts and subcontracts relating to the Project, all deposits (including tenant's security deposits), funds, accounts, contract rights, instruments, documents, general intangibles (including trademarks, trade names and symbols used in connection therewith), and notes or chattel paper arising from or by virtue of any transactions related to the Project; all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Project, which are subject to assignment; all proceeds arising from or by virtue of the sale, lease or other disposition of any of the real or personal property or interest therein described herein; all the right, title and interest of the Mortgagor in and to all streets, roads and public places, opened or proposed, in front of and adjoining the said Real Estate, and all alleys, easements and rights of way, public or private, now or hereafter used in connection with said Real Estate; all proceeds (including premium refunds) payable or to be payable under each policy of insurance relating to the Project; all proceeds arising from the taking of all or a part of the Real Estate or any rights appurtenant thereto, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public uses under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; all good will and books and records relating to the business or businesses operated on the Real Estate; and all other interest of every kind and character which Mortgagor now has or at any time hereafter acquires in and to the above-described real and personal property and all property which is used or useful in connection therewith, including rights of ingress and egress, easements, licenses, and all reversionary rights or interests of Mortgagor with respect to such property, unto the Mortgagee, its successors and assigns forever. It is agreed hereby that to the extent permitted by law, the foregoing personal property and fixtures are to be deemed and held to be a part of and affixed to the Real Estate. The foregoing-described real and personal property, and interests in real and personal property are hereinafter collectively called the "Mortgaged Property".

This Mortgage is made to secure and enforce the following described indebtedness, obligations and liabilities (herein called the "Indebtedness Secured Hereby"):

(i) Payment of an open end line of credit evidenced by a Master Note in the principal sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) of even date herewith, executed by Mortgagor, payable to the order of Mortgagee, bearing interest as provided in said Note, payable if not sooner called under the terms of the Note, on or before October 1, 1993; and any and all renewals, extensions, modifications, substitutions or increases of said Note (hereinafter called the "Note"), or any part thereof, (The Note provides for an adjustable interest rate and it is intended that this Mortgage secure all principal, interest and late charges under the Note as well as all indebtednesses, obligations and liabilities set forth herein. The rate will adjust every year based on an index (the "Index"). The Index is the Mortgagee's Prime Rate as publicly announced from time to time. The interest rate will be calculated by adding 50 basis points (0.50%) (the "Margin") to the current index (which is defined as the most recent index figure available as of the date 45 days before each change date). The change date is defined as October 1, 1989, and that date each and every 12th month thereafter. The quarterly interest payments due under the Note will adjust according to the change in the rate. There is no limitation on decrease or increase in the rate or payment amounts.)

(ii) Complete and full performance of each and every obligation, covenant, duty and agreement of the Mortgagor contained in this Mortgage; and

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(iii) Performance of all obligations of Mortgagor under the Loan Agreement (herein the "Loan Agreement") of even date herewith between Mortgagor and Mortgagee (the Loan Agreement provides for an open end line of credit under which Mortgagor may borrow and repay, and reborrow and repay, amounts from the Mortgagee up to a maximum principal amount at any one time outstanding not exceeding \$200,000); and

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(iv) Performance of all obligations of Mortgagor under any other instrument evidencing, securing or pertaining to the Indebtedness Secured Hereby, or evidencing any renewal or extension or modification or increase of the Indebtedness Secured Hereby, or any part thereof, and further, Mortgagor's punctual and proper performance of all of Mortgagor's covenants, obligations and liabilities under any other security agreement, mortgage, deed of trust, collateral pledge agreement, contract, assignment, construction loan agreement or any other instrument or agreement of any kind now or hereafter existing as security for, executed in connection with or related to the Indebtedness Secured Hereby, or any part thereof, (hereinafter referred to as the Loan Documents);

(v) Payment of all funds hereafter advanced by Mortgagee to or for the benefit of Mortgagor, as contemplated by any covenant or provision herein contained; and

(vi) Payment of all other indebtedness of whatever kind or character, owing or which may hereafter become owing by Mortgagor or any related entity owned or controlled by Mortgagor, to Mortgagee, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty, or otherwise, it being contemplated that Mortgagor may hereafter become indebted to Mortgagee in further sum or sums specifically but not limiting the foregoing to certain loans or construction loans that may be advanced to the Mortgagor by the Mortgagee on the properties described in Exhibit "A" hereto.

All Indebtedness Secured Hereby shall be payable to Mortgagee at the Mortgagee's address specified above, or at

such other address as may be designated by Mortgagee from time to time; and, unless otherwise provided in the instrument evidencing or creating such indebtedness, shall bear interest at the same rate per annum as the Note bears, from the date of accrual of such indebtedness until paid. If any Indebtedness Secured Hereby shall be collected by legal proceedings, whether through a probate or bankruptcy court or otherwise, or shall be placed in the hands of an attorney for collection after maturity, whether matured by the expiration of time or by any option given to the Mortgagee to mature same, Mortgagor agrees to pay Mortgagee's reasonable attorneys' and collection fees, whether suit be brought or not, and such fees shall be a part of the Indebtedness Secured Hereby. This Mortgage shall also secure all renewals, extensions, modifications, substitutions and increases of any of the Indebtedness Secured Hereby.

This conveyance is intended to operate and is to be construed as a Mortgage and Security Agreement and is made under those provisions of existing laws of the State of Alabama.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns forever.

And for the purpose of further securing the payment of said Indebtedness Secured Hereby the Mortgagor covenants and agrees as follows:

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BOOK (1) Mortgagor's Warranties of Title. That Mortgagor is lawfully seized in fee and possessed of said Mortgaged Property and has a good right to convey the same as aforesaid, that Mortgagor will warrant and forever defend the title against the lawful claims of all persons whomsoever, and that said Mortgaged Property is free and clear of all encumbrances, easements and restrictions, except the Permitted Encumbrances.

BOOK (2) Payment and Performance. Mortgagor will pay all of the Indebtedness Secured Hereby, together with the interest thereon, when the same shall become due, in accordance with the terms of the Note, Loan Agreement, and the Loan Documents.

(3) Mortgagee's Right to Perform. Upon Mortgagor's default in making any payment or performing any act required by the Note, Loan Agreement or Loan Documents, and following the expiration of any applicable grace periods provided in said Loan Documents, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Mortgaged Property for such purpose and to take all such action thereon as Mortgagee may deem necessary or appropriate.

(4) Organization and Power. If applicable, Mortgagor is duly organized and validly existing under applicable state laws and the transaction contemplated hereby is within Mortgagor's powers, has been duly authorized by all requisite action and is not in contravention of law or the powers of Mortgagor's Articles of Incorporation.

(5) Existence of Mortgagor. Mortgagor will preserve and keep in full force and effect its existence, rights, franchises, and trade names, insofar as such franchises or trade names relate to the Mortgaged Property.

(6) Insurance. The Mortgagor shall keep or cause to be kept the Mortgaged Property insured against loss or damage by fire, windstorm, subsidence, extended coverage perils,

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vandalism, malicious mischief, boiler insurance, if applicable, comprehensive general liability insurance, loss of rental income insurance, workmen's compensation coverage, and any such other hazards, casualties, or other contingencies as from time to time may be required by the Mortgagee in such manner and in such companies and amounts as the Mortgagee may approve. All such policies shall name the Mortgagee as a named insured and provide that any losses payable thereunder shall (pursuant to loss payable clauses, in form and content acceptable to the Mortgagee, to be attached to each policy) be payable to the Mortgagee, and provide that the insurance provided thereby, as to the interest of the Mortgagee, shall not be invalidated by any act or neglect of the Mortgagor, nor by the commencement of any proceedings by or against the Mortgagor in bankruptcy, insolvency, receivership or any other proceeding for the relief of a debtor, nor by any foreclosure, repossession or other proceedings relating to the property insured, nor by any occupation of such property or the use of such property for purposes more hazardous than permitted in the policy. All such insurance shall be replacement cost coverage rather than actual cash value coverage. The Mortgagor shall cause duplicate originals of any and all such insurance policies to be deposited with the Mortgagee. At least ten (10) business days prior to the date the premiums on each such policy or policies shall become due and payable, the Mortgagor shall furnish to the Mortgagee evidence of the payment of such premiums. The Mortgagor will cause each insurer under each of the policies to agree (either by endorsement upon such policy or by letter addressed to the Mortgagee) to give the Mortgagee at least ten (10) business days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder. The Mortgagor agrees that the Mortgagor will not take any action or fail to take any action, which action or inaction would result in the invalidation of any insurance policy required hereunder. Mortgagor shall give immediate notice in writing to Mortgagee of any damages to the Mortgaged Property caused by any casualty. If Mortgagor fails to keep the Mortgaged Property insured as above specified, the Mortgagee may at its option and sole discretion, insure the Mortgaged Property for its insurable value against loss by fire, wind and other hazards as specified above for the sole benefit of the Mortgagee and may procure such insurance at the Mortgagor's expense.

The Mortgagee is hereby authorized, but not required, on behalf of the Mortgagor, to collect for, adjust or compromise any losses under any such insurance policies, and to apply, at its option, the loss proceeds (less expenses of collection) on the Indebtedness Secured Hereby, in any order and amount, and whether or not due, or hold such proceeds as a cash collateral reserve against the Indebtedness Secured Hereby or apply such proceeds to the restoration of the Mortgaged Property, or to release the same to the Mortgagor, but no such application, holding in reserve or release shall cure or waive any default by the Mortgagor. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the Indebtedness Secured Hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee. If the Mortgaged Property or any part thereof is located within an area that has been, or should such area at any time be, designated or identified as an area having special flood hazards by any governmental authority having jurisdiction, then Mortgagor will obtain such insurance as is required by such governmental authority in amounts required by Mortgagee. Any excess insurance proceeds not used in the restoration of the Mortgaged Property shall be applied against the Indebtedness Secured Hereby.

(7) Taxes and Assessments. Mortgagor will pay all taxes and assessments against or affecting the Mortgaged Property as the same shall become due and payable, and, if Mortgagor fails to do so, the Mortgagee may pay them, together with all costs and penalties thereon, at Mortgagor's expense; provided, however, that Mortgagor may in good faith, in lieu of paying such taxes and assessments as they become due and payable, by appropriate proceedings, contest the validity thereof, and pending such contest Mortgagor shall not be deemed in default hereunder because of such nonpayment, if prior to delinquency of the asserted tax or assessment, Mortgagor furnishes the Mortgagee an indemnity bond, conditioned that such tax or assessment with interest, cost and penalties be paid as herein stipulated secured by a deposit in cash, or security acceptable to Mortgagee, in the amount of the tax or assessment being contested by Mortgagor, and a reasonable additional sum to pay all possible costs, interest and penalties imposed or incurred in connection therewith, and if Mortgagor promptly pays any amount adjudged by a court of competent jurisdiction to be due, with all costs, penalties and interest thereon, before such judgment becomes final and after all appellate rights have been exhausted or otherwise terminated; and provided further, that in any event, each such contest shall be concluded and the tax, assessment, penalties, interest and costs shall be paid prior to the date such judgment becomes final or any writ or order is issued under which the Mortgaged Property may be sold pursuant to such judgment.

(8) Tax and Insurance Escrows. At Mortgagee's election, Mortgagor shall create a fund or reserve for the payment of all insurance premiums, taxes and assessments against or affecting the Mortgaged Property by paying to Mortgagee, on the first day of each calendar month prior to the maturity of the Note, an amount equal to the sum of the premiums that will next become due and payable on the hazard insurance policies covering the Mortgaged Property, or any part thereof, plus taxes and assessments next due on the Mortgaged Property, or any part thereof, as estimated by Mortgagee, less all sums on deposit with Mortgagee therefor, divided by the number of months to elapse before one month prior to the date when such premiums, taxes and assessments will become due, such sums to be held by Mortgagee, without interest, unless interest is required by applicable law, for the purposes of paying such premiums, taxes and assessments. Any excess reserve shall, at the discretion of Mortgagee, be credited by Mortgagee on subsequent reserve payments or subsequent payments to be made on the Note by the maker thereof, and any deficiency shall be paid by Mortgagor to Mortgagee on or before the date when such premiums, taxes, and assessments shall become due. Upon the foreclosure of the Mortgaged Property, the interest of Mortgagor in all sums deposited with Mortgagee under the provisions hereof or otherwise shall automatically vest and transfer to the Mortgagee. All such sums may be commingled with Mortgagee's other funds.

(9) Condemnation. All judgments, decrees and awards for injury or damage to the Mortgaged Property, and all awards pursuant to proceedings for condemnation thereof, are hereby assigned in their entirety to Mortgagee, who may apply the same to the Indebtedness Secured Hereby in such manner as it may elect; and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Immediately upon its obtaining knowledge of the institution or the threatened institution of any proceedings for the condemnation of the Mortgaged Property, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then, if

requested by Mortgagee, file or defend its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgagee for disposition pursuant to the terms of this Mortgage. Mortgagee shall be entitled to participate in and to control same and to be represented therein by counsel of its own choice, and Mortgagor will deliver, or cause to be delivered, to Mortgagee such instruments as may be requested by it from time to time to permit such participation. In the event Mortgagee, as a result of any such judgment, decree, or award, believes that the payment or performance of any obligation secured by this Mortgage is impaired, Mortgagee may, without notice, declare all of the Indebtedness Secured Hereby immediately due and payable.

(10) Mortgagor's Interest in the Mortgaged Property. If, while this Mortgage is in force, the interest of Mortgagor or the lien of Mortgagee in the Mortgaged Property hereby conveyed or any part thereof, shall be endangered or shall be attacked directly or indirectly, Mortgagor hereby authorizes Mortgagee at Mortgagor's expense, to take all necessary and proper steps for the defense of such interest, including the employment of counsel, the prosecution or defense of litigation and the compromise or discharge of claims made against such interest.

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(11) Taxes on Note or Mortgage. If at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Mortgage, or upon any rights, titles, liens or security interests created hereby, or upon the Note, or any part thereof, Mortgagor shall immediately pay all such taxes; provided that, in the alternative, Mortgagor may, in the event of the enactment of such a law, and must, if it is unlawful for Mortgagor to pay such taxes, prepay the Note within sixty (60) days after demand for such prepayment by Mortgagee.

(12) Statements by Mortgagor. Mortgagor shall, at any time and from time to time, furnish promptly, upon request, a written statement or affidavit, in such form as may be required by Mortgagee, stating the unpaid balance of the Note and that there are known to the Mortgagor no offsets or defenses against full payment of the Note, or if there are any such offsets and defenses, specifying them. Mortgagor waives any claim against Mortgagee for such offsets or defenses if not specified as provided herein and agrees to hold Mortgagee harmless therefor.

(13) Mortgagee's Expenses. If, in pursuance of any covenant contained herein or in any other instrument executed in connection with the loan evidenced by the Note or in connection with any other Indebtedness Secured Hereby, Mortgagee shall expend any money chargeable to Mortgagor or subject to reimbursement by Mortgagor under the terms of such covenant or agreement, Mortgagor will repay the same to Mortgagee immediately at the place where the Note or other Indebtedness Secured Hereby is payable, together with interest thereon at the rate of interest payable on account of the Note or such other indebtedness in the event of a default thereunder from and after the date of Mortgagee's making such payment. The sum of each such payment shall be added to the Indebtedness Secured Hereby and thereafter shall form a part of the same, and it shall be secured by this Mortgage and by subrogation to all the rights of the person or entity receiving such payment. The Mortgagee may make advances, without notice to Mortgagor, but shall not be obligated to do so, for any of the following: (i) insurance, (ii) payment of taxes or any part thereof, (iii) repair, maintenance and preservation of the Mortgaged Property, or of

any buildings or other structures thereon, including fixtures, (iv) for the discharge of any liens or encumbrances on the Mortgaged Property, (v) for perfecting the title thereto, (vi) for enforcing collection of the Indebtedness Secured Hereby, (vii) for any water, gas or electric charge imposed for any services rendered to the Mortgaged Property, (viii) for the protecting or preserving of any use being made of the Mortgaged Property, (ix) for advances to any trustee or receiver of the Mortgaged Property, and (x) for any additions or improvements to the Mortgaged Property or to any buildings or other structures thereon, including fixtures, considered desirable by Mortgagee while it or any receiver or trustee is in possession thereof. Mortgagee may make and is hereby authorized to pay any payment herein, according to any bill, statement or estimate without inquiry into the accuracy of the bill, statement or estimate or into the validity thereof as long as such bill can be reasonably related to the Project. Mortgagee in making any payment herein authorized, relating to any apparent or threatened adverse title, lien, statement or lien, encumbrance, mortgage, claim or charge, shall be the sole judge of the legality or validity of same.

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(14) Waste, Demolition, Alteration, Replacement or Repair of Mortgaged Property. Mortgagor shall keep and maintain the Real Estate in compliance with, and shall not cause or permit the Real Estate to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Real Estate including, but not limited to, soil and ground water conditions. Mortgagor shall not use, generate, manufacture, store or dispose of on, under or about the Real Estate or transport to or from the Real Estate any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials").

Mortgagor shall immediately advise Mortgagee in writing of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials affecting the Real Estate ("Hazardous Materials Laws"); (ii) all claims made or threatened by any third party against Mortgagor or the Real Estate relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Real Estate that could cause the Real Estate or any part thereof to be classified as "border-zone property" under any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Real Estate under any Hazardous Materials Laws.

Mortgagee shall have the right to joint and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Mortgagor. Mortgagor and any guarantor or endorser shall be solely responsible for, and shall indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability

directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under or about the Real Estate, including, without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Real Estate, and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Mortgagee in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees, and this indemnity shall survive foreclosure of this Mortgage.

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Without Mortgagee's prior written consent, which shall not be unreasonably withheld, Mortgagor shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Real Estate, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent or compromise might, in Mortgagee's reasonable judgment, impair the value of the Mortgagee's security hereunder; provided, however, that Mortgagee's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Real Estate either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Mortgagee's consent before taking such action, provided that in such event Mortgagor shall notify Mortgagee as soon as practicable of any action so taken. Mortgagee agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) Mortgagor establishes to the reasonable satisfaction of Mortgagee that there is no reasonable alternative to such remedial action which would result in less impairment of Mortgagee's security hereunder.

In any event, Mortgagor shall be required to take immediate action to remove all hazardous waste and toxic materials that should exist on the Mortgaged Property.

(15) Impairment. Mortgagor will not do, or omit to do, any act or thing which would impair the security of this Mortgage.

(16) Sale of Mortgaged Property. It shall be a default hereunder if all or any part of the Mortgaged Property (other than items of personality which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to or greater than the replaced items when new) shall become vested in any party other than Mortgagor, whether by operation of law or otherwise without the prior written consent of Mortgagee which may be withheld arbitrarily in Mortgagee's sole discretion. If Mortgagee should consent to any sale or conveyance of the Mortgaged Property, which consent may be arbitrarily withheld with or without cause, Mortgagor will not sell all or any portion of the Mortgaged Property unless the purchaser, as a part of the consideration, shall either (a) expressly agree to assume the payment of the Indebtedness Secured Hereby or (b) expressly agree that the title and rights of such purchaser are and shall remain unconditionally subject to all of the terms of this Mortgage for the complete fulfillment of all obligations of the Mortgagor hereunder, and unless also, the deed shall expressly set forth such agreement of the purchaser. As a condition to its consent to any sale, transfer, conveyance, lease, assignment or other disposition of the Mortgaged Property, Mortgagee may, at its option, charge a transfer fee

not to exceed one (1%) percent of the then outstanding principal balance of the Note and require the Mortgagor and any guarantors to remain primarily liable for repayment of the Indebtedness Secured Hereby. Mortgagor shall also not grant any easement whatever with respect to any of the Mortgaged Property without the joinder therein of Mortgagee, or rent or lease any of the Mortgaged Property for any purpose whatever for a period longer than five years without the prior written consent of Mortgagee, which in the Mortgagee's sole discretion can be arbitrarily withheld with or without cause. It shall also constitute a default hereunder if there is any material change in ownership of Mortgagor. The provisions of this Paragraph (16) shall apply to any and all sales, transfers, conveyances, exchanges, leases, assignments or other dispositions by Mortgagor, its successors and assigns, and any subsequent owners of the Mortgaged Property, or any part thereof.

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(17) Successors. If the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Indebtedness Secured Hereby in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Indebtedness Secured Hereby. No sale of the Mortgaged Property, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Indebtedness Secured Hereby, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part.

(18) Subsequent Easements. The purchaser at any foreclosure sale hereunder may disaffirm any easement granted, or rental, lease or other contract hereafter made, without the express written consent of Mortgagee or in violation of any provision of this Mortgage, and may take immediate possession of the Mortgaged Property free from, and despite the terms of, such grant of easement and rental or lease contract.

(19) Subordinate Mortgages. Mortgagor shall not execute or deliver any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Mortgaged Property, without first obtaining the written consent of Mortgagee.

(20) Payment of Prior Lien. To the extent that proceeds of the Note are used to pay any outstanding lien, charge or encumbrance against or affecting the Mortgaged Property, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to all rights, interests and liens owned or held by any owner or holder of such outstanding liens, charges or encumbrances, irrespective of whether such liens, charges or encumbrances are released of record.

(21) Limitation on Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be loaned pursuant to the Note or otherwise or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law (state or federal). If from any circumstance whatsoever fulfillment of any provision thereof at the time performance of such

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provision shall be due shall involve transcending the limit of such validity, and if from any such circumstance Mortgagee shall ever receive anything of value as interest, or deemed interest under applicable law, under such Note or this Mortgage or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Note or on account of the other Indebtedness Secured Hereby and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Note and such other indebtedness, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Indebtedness Secured Hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated and/or spread throughout the full term of such indebtedness until payment in full to the end that the rate of interest on account of such indebtedness never exceeds the maximum lawful rate at any time in effect and applicable to such indebtedness. The terms and provisions of this paragraph (21) shall control and supersede every other provision of all agreements between Mortgagor and Mortgagee.

(22) Security Agreement and Financing Statement. With respect to any portion of the Mortgaged Property which constitutes personal property or fixtures governed by the Uniform Commercial Code of the State of Alabama (hereinafter called the "Code"), this Mortgage shall constitute a security agreement between Mortgagor, as the Debtor, and Mortgagee, as the Secured Party, and the Mortgagor hereby grants to Mortgagee a security interest in such portion of the Mortgaged Property. Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the Code. Mortgagor will execute and deliver to Mortgagee all financing statements that may from time to time be required by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee. Mortgagor hereby authorizes Mortgagee to execute and file, without Mortgagor's joinder, any and all financing statements or continuation statements necessary or desirable to perfect or maintain the validity and priority of Mortgagee's security interest. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Code with respect to such property, and it is expressly agreed that if upon default Mortgagee should proceed to dispose of such property in accordance with the provisions of the Code, five (5) business days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Code requiring such notice; provided, however, that Mortgagee may at its option dispose of such property in accordance with Mortgagee's rights and remedies with respect to the Real Estate pursuant to the provisions of this Mortgage, in lieu of proceeding under the Code.

Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity or, corporate structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any Mortgaged Property described or referred to herein.

Some of the items of Mortgaged Property described herein are goods that are or are to become fixtures related to the Real Estate, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in

the real estate records of the county in which the Mortgaged Property is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated above. The mailing address of the Mortgagor, as debtor, is as stated above.

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(23) Financial Statements. Mortgagor shall deliver to Mortgagee if requested, within ninety (90) days after the close of each calendar year (or fiscal year, if other than a calendar year), a then current, certified rent roll of the tenant leases of the Mortgaged Property, and if required by Mortgagee, current financial statements of Mortgagor (and each of them) all in form and detail satisfactory to Mortgagee. Credit reports on Mortgagor and on any guarantors of all or any part of the Indebtedness Secured Hereby may be required during the term of the Note. The cost and expense of such reports and statements shall be borne solely and exclusively by Mortgagor. Mortgagor consents to the delivery by the Mortgagee to any purchaser or prospective purchaser of all or part of this Mortgage of (i) such information as the Mortgagee receives pursuant to the provisions of this Mortgage and (ii) such other information as the Mortgagee may have in its possession with respect to (a) the Indebtedness Secured Hereby and the documents relating thereto and (b) the Mortgaged Property. At the request of Mortgagee, Mortgagor will furnish convenient facilities for the audit and verification of any such statements and reports. Mortgagee will use its best efforts to keep the financial statements confidential but will not be liable for any damages sustained by Mortgagor in the event such information should be obtained by someone other than one intended to receive such information under the terms of this Paragraph.

(24) Notice of Litigation. Mortgagor consents and agrees that it will give notice to the Mortgagee of any litigation which the Mortgagor, or any guarantor of the Indebtedness Secured Hereby, becomes involved in and will continue to thereafter provide to Mortgagee periodic statements of the status and progress of such litigation as may be requested by Mortgagee.

(25) Change of Zoning. Mortgagor covenants and agrees not to request or consent to any change in the present zoning of or restrictive covenants affecting the Mortgaged Property without the prior written consent of the Mortgagee.

(26) Compliance with Laws. The Mortgaged Property, and the use thereof by Mortgagor shall comply with all laws, rules, ordinances, regulations, covenants, conditions, restrictions, orders and decrees of any governmental authority or court applicable to Mortgagor, Mortgaged Property, and its use, and Mortgagor shall pay all fees or charges of any kind in connection therewith. Mortgagor will not use or occupy or allow the use of occupancy of the Mortgaged Property in any manner which violates any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or subject to cancellation any insurance then in force with respect thereto.

(27) Hold Harmless. Mortgagor will defend, at its own cost and expense, and hold Mortgagee harmless from, any proceeding or claim affecting the Mortgaged Property. All costs and expenses incurred by Mortgagor in protecting its interests hereunder, including all court costs and reasonable attorneys fees, shall be borne by Mortgagor.

(28) Further Assurances. Mortgagor, upon the request of Mortgagee, will execute, acknowledge, deliver and record such desirable or proper to carry out the purposes of any of the Note, Mortgage, Loan Agreement and Loan Documents and to subject to the liens and security interests created thereby any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, improvements, or appurtenances to the Mortgaged Property.

(29) Consent. In any instance hereunder where Mortgagee's approval or consent is required or the exercise of Mortgagee's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

(30) No Partnership. Nothing contained herein is intended to create any partnership, joint venture or association between Mortgagor and Mortgagee, or in any way make Mortgagee a co-principal with Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

208 PAGE 945 BOOK (31) Notices by Governmental Authority, Fire and Casualty Losses, etc. Mortgagor shall timely comply with and promptly furnish to Mortgagee true and complete copies of any official notice or claim by any governmental authority pertaining to the Mortgaged Property. Mortgagor shall promptly notify Mortgagee of any fire or other casualty or any notice or taking of eminent domain action or proceeding affecting the Mortgaged Property.

(32) Trade Names. At the request of Mortgagee, Mortgagor shall execute a certificate in form satisfactory to Mortgagee listing the trade names under which Mortgagor intends to operate the Mortgaged Property, and representing and warranting that Mortgagor does business under no other trade names with respect to the Mortgaged Property. Mortgagor shall immediately notify Mortgagee in writing of any change in said trade names, and will, upon request of Mortgagee, execute any additional financing statements and other certificates required to reflect the change in trade names and will execute and file any assumed name certificate required by applicable laws.

(33) Recording and Filing. Mortgagor will cause this Mortgage and all applicable Loan Documents and all amendments, supplements and extensions thereto and substitutions therefor to be recorded, filed, rerecorded and refiled in such manner and in such places as Mortgagee shall reasonably request, and will pay all such recording, filing, rerecording and refiling fees, title insurance premiums, and other charges.

(34) Mineral Rights. Subject to existing rights of other parties holding mineral interests, without written consent of Mortgagee there shall be no drilling or exploring for, or extraction, removal or production of minerals from the surface or subsurface of the Mortgaged Property. The term "minerals" as used herein shall include, without limiting the generality of such term, oil, gas, casinghead gas, coal, lignite hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

(35) Defeasance. If the Mortgagor shall: (a) pay in full (i) all of the Indebtedness Secured Hereby (as defined herein), including but not limited to all sums (principal, interest and charges) payable under the Note and any and all extensions and renewals of the same; and (ii) all sums becoming due and payable by the Mortgagor under the terms of this Mortgage and Loan Agreement and Loan Documents, including but not limited to advancements made by the Mortgagee pursuant to the terms and conditions of this Mortgage; and (b) have kept and performed each and every obligation, covenant, duty, condition and agreement herein imposed or agreed to by the Mortgagor; then this conveyance and the grants and conveyances contained herein shall become null and void, and the Mortgaged Property shall revert to the Mortgagor, and the entire estate, right, title and interest of the Mortgagee will thereupon cease; and the Mortgagee in such case shall, upon the request of the Mortgagor and at the Mortgagor's cost and expense, deliver to the Mortgagor proper instruments acknowledging satisfaction of this Mortgage; otherwise, this Mortgage shall remain in full force and effect.

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(36) Events of Default. At the expiration of any applicable grace periods, the happening of any of the following events or conditions, or the happening of any other event of default as defined elsewhere in this Mortgage (hereinafter collectively referred to as "Events of Default") shall constitute a default under this Mortgage:

(a) any representation or warranty made herein or in the Loan Agreement or the Loan Documents related to any of the Indebtedness Secured Hereby shall prove to be false or misleading in any material respect; or

(b) any report, certificate, financial statement or other instrument furnished in connection with any of the Indebtedness Secured Hereby or any Loan Document shall prove to be false or misleading in any material respect; or

(c) default shall be made in the prompt payment of the principal of and interest payable on the Note or any of the other Indebtedness Secured Hereby, as and when due and payable; or

(d) default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of the Mortgagor to be observed or performed pursuant to the terms of any Loan Document or any other event of default shall occur under this Mortgage or the Loan Agreement; or

(e) default shall be made with respect to any indebtedness (other than the Indebtedness Secured Hereby) of the Mortgagor when due or the performance of any other obligation incurred in connection with any indebtedness for borrowed money of the Mortgagor, if the effect of such default is to accelerate the maturity of such indebtedness to become due prior to its stated maturity; or any such indebtedness shall not be paid when due; or

(f) the Mortgagor or any maker, endorser, surety or guarantor of the Note (the Mortgagor and any such maker, endorser, surety or guarantor being hereinafter individually called an "Obligor") shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of any such Obligor or of any of such Obligor's properties or assets, (ii) admit in writing any such Obligor's inability to pay such Obligor's debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against such Obligor in any proceeding

under the federal Bankruptcy Code, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or file an answer admitting the material allegations of a petition filed against such Obligor in any proceeding under any such law or statute, or if corporate, partnership or other action shall be taken by an Obligor for the purpose of effecting any of the foregoing; or

(g) a petition shall be filed, without the application, approval or consent of any Obligor in any court of competent jurisdiction, seeking reorganization, rearrangement, dissolution or liquidation of such Obligor or of all or a substantial part of the properties or assets of such Obligor, or seeking any other relief under any law or statute of the type referred to in clause (v) of paragraph (f) above against such Obligor, or the appointment of a receiver, trustee or liquidator or custodian of such Obligor, or of all or a substantial part of such Obligor's properties or assets, and such petition shall not be dismissed within ninety (90) days after the filing thereof; or

(h) final judgment for the payment of money in excess of an aggregate of \$25,000.00 shall be rendered against any Obligor, and the same shall remain undischarged for a period of 30 days during which execution shall not be effectively stayed; or

(i) the interest of the Mortgagee in the Mortgaged Property shall become endangered by reason of the enforcement of any prior lien or encumbrance thereon; or

(j) default shall be made in the prompt payment of any advances for insurance, maintenance, repairs, taxes, liens, inspections, assessments or any other advances made by the Mortgagee that are called for under this Mortgage; or

(k) if title to all or any part of the Mortgaged Property (other than obsolete or worn personal property replaced by adequate substitutes equal or greater in value than the replaced items when new) shall become vested in any party other than Mortgagor, whether by operation of law or otherwise without the prior written consent of the Mortgagee, which may be withheld arbitrarily in Mortgagee's sole discretion; or

(l) if the holder of any lien or security interest on the Mortgaged Property perfects foreclosure upon or obtains judicial enforcement of its remedies thereunder, or if there is any default under any such lien or security interest or the debt secured thereto; or

Acceptance by the Mortgagee of any payment of less than the full amount due on the Indebtedness Secured Hereby shall be deemed acceptance on account only, and the failure of the Mortgagor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Indebtedness Secured Hereby has been paid, the Mortgagee shall be entitled to exercise all rights conferred on it by the terms of this Mortgage in case of the occurrence of an Event of Default.

(37) Remedies of Mortgagee Upon Default.

A. Acceleration of Indebtedness. Upon occurrence of an Event of Default or at any time thereafter, the Mortgagee may at its option and without demand or notice to

the Mortgagor, declare all or any part of the Indebtedness Secured Hereby immediately due and payable whereupon all such Indebtedness Secured Hereby shall forthwith become due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Mortgagor and the Mortgagee may immediately enforce payment of all such amounts and may exercise any or all of its rights and remedies under this Mortgage, the Note, the Loan Agreement, and any of the other Loan Documents and applicable law. The Mortgagor also waives any and all rights the Mortgagor may have to a hearing before any judicial authority prior to the exercise by the Mortgagee of any of its rights under this Mortgage, the Note, the Loan Agreement, or any of the other Loan Documents and applicable law.

B. Operation of Mortgaged Property by Mortgagee.

Upon the occurrence of an Event of Default, or at any time thereafter, in addition to all other rights herein conferred on the Mortgagee, the Mortgagee (or any person, firm or corporation designated by the Mortgagee) may, but shall not be obligated to, enter upon and take possession of any or all of the Mortgaged Property, exclude the Mortgagor therefrom, and hold, use, administer, manage and operate the same to the extent that the Mortgagor could do so, without any liability to the Mortgagor resulting therefrom; and the Mortgagee may collect, receive and receipt for all proceeds accruing from such operation and management, make repairs and purchase needed additional property, and exercise every power, right and privilege of the Mortgagor with respect to the Mortgaged Property.

C. Judicial Proceedings; Right to Receiver. Upon the occurrence of an Event of Default, the Mortgagee, in lieu of or in addition to exercising the power of sale hereinafter given, may proceed by suit to foreclose its lien on, security interest in, and assignment of, the Mortgaged Property, to sue the Mortgagor for damages on account of or arising out of said default or breach, or for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy. The Mortgagee shall be entitled, as a matter of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the Mortgagor or any other party, of a receiver of the rents, issues and profits of the Mortgaged Property, with power to lease and control the Mortgaged Property and with such other powers as may be deemed necessary.

D. Foreclosure Sale. Upon the occurrence of any Event of Default, or at any time thereafter, this Mortgage shall be subject to foreclosure and may be foreclosed as provided by law in case of past due mortgages, and the Mortgagee shall be authorized, at its option, whether or not possession of the Mortgaged Property is taken, after giving twenty-one (21) days' notice by publication once a week for three consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in the county wherein the Mortgaged Property or any part thereof is located, to sell the Mortgaged Property (or such part or parts thereof as the Mortgagee may from time to time elect to sell) in front of such county's courthouse door, at public outcry, to the highest bidder for cash. The Mortgagee, its successors and assigns, may bid at any sale or sales had under the terms of this Mortgage and may purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money. At any foreclosure sale, any part or all of the Mortgaged Property, real, personal or mixed, may

be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Mortgagor hereby waiving the application of any doctrine of marshalling or like proceeding. In case the Mortgagee, in the exercise of the power of sale herein given, elects to sell the Mortgaged Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Mortgaged Property not previously sold shall have been sold or all the Indebtedness Secured Hereby shall have been paid in full.

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E. Personal Property and Fixtures. On the happening of any Event of Default or at any time thereafter, the Mortgagee shall have and may exercise with respect to the personal property and fixtures included in the Mortgaged Property (sometimes referred to as the "Collateral") all rights, remedies and powers of a secured party under the Code with reference to the Collateral or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Collateral and any part or parts thereof in any manner to the fullest extent authorized or permitted under the Code after default hereunder, without regard to preservation of the Collateral or its value and without the necessity of a court order. The Mortgagee shall have, among other rights, the right to take possession of the Collateral and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Mortgagee, at its option and its sole discretion, to repair, restore or otherwise prepare the Collateral for sale, lease or other use or disposition. At the Mortgagee's request, the Mortgagor shall assemble the Collateral and make the Collateral available to the Mortgagee at any place designated by the Mortgagee. To the extent permitted by law, the Mortgagor expressly waives any notice of sale or any other disposition of the Collateral and any rights or remedies of the Mortgagee with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Collateral or to the exercise of any other right or remedy of the Mortgagee existing after default. To the extent that such notice is required and cannot be waived, the Mortgagor agrees that if such notice is given to the Mortgagor in accordance with the provisions of Paragraph (38) below, at least five (5) business days before the time of the sale or other disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving said notice.

The Mortgagor agrees that the Mortgagee may proceed to sell or dispose of both the real and personal property comprising the Mortgaged Property in accordance with the rights and remedies granted under this Mortgage with respect to the Real Estate covered hereby. The Mortgagor hereby grants the Mortgagee the right, at its option after default hereunder, to transfer at any time to itself or its nominee the Collateral or any part thereof and to receive the monies, income, proceeds and benefits attributable to the same and to hold the same as Collateral or to apply it on the Indebtedness Secured Hereby in such order and amounts and manner as the Mortgagee may elect. The Mortgagor covenants and agrees that all recitals in any instrument transferring, assigning, leasing or making other disposition of the Collateral or any part thereof shall be full proof of the matters stated therein and no other proof shall be required

to establish the legal propriety of the sale or other action taken by the Mortgagee and that all prerequisites of sale shall be presumed conclusively to have been performed or to have occurred.

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F. Assignment of Leases and Rents. All of the rents, royalties, issues, profits, revenue, income and other benefits derived from the Mortgaged Property or arising from the use or enjoyment of any portion thereof or from any lease or agreement pertaining thereto (hereinafter called the "Rents and Profits") are hereby absolutely and unconditionally assigned, transferred, conveyed and set over to Mortgagee to be applied by Mortgagee in payment of all proper charges and expenses including the just and reasonable compensation for the services of Mortgagee, its attorneys, agents, and others employed by Mortgagee in connection with the operation, management and control of the Mortgaged Property and the conduct of the business thereof, and such further sums as may be sufficient to indemnify Mortgagee from and against any liability, loss or damage on account of any matter or thing done in good faith in pursuance of the rights and powers of Mortgagee hereunder. Mortgagee may, at its option, credit the remainder of the payment of the principal and interest and all other sums payable on the Note and other Indebtedness Secured Hereby. Prior to the occurrence of any default hereunder, Mortgagor shall collect and receive all Rents and Profits as Trustee for the benefit of Mortgagee and Mortgagor, and Mortgagor shall apply the funds so collected first to the payment of the principal and interest and all other sums payable on the Note and in payment of all other Indebtedness Secured Hereby and thereafter, so long as no default hereunder has occurred, the balance shall be distributed to the account of Mortgagor. Mortgagor will not (i) execute an assignment of any of its rights, title or interest in the Rents and Profits, or (ii) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease of the Mortgaged Property or any part thereof, now or hereafter existing, having an unexpired term of one year or more except that any lease may be cancelled, provided that promptly after the cancellation or surrender thereof a new lease is entered into with a new lessee having a credit standing, in the judgment of Mortgagee, at least equivalent to that of the lessee whose lease was cancelled, on substantially the same terms as the terminated or cancelled lease, or (iii) modify any lease of the Mortgaged Property or any part thereof so as to shorten the unexpired term thereof or so as to decrease the amount of the rent payable thereunder, or (iv) accept prepayments of any installments of rent to become due under any of such leases in excess of one month, except prepayments in the nature of security for the performance of the lessee thereunder, or (v) in any other manner impair the value of the Mortgaged Property or the security of this Mortgage. Mortgagor will not execute any lease of all or any substantial portion of the Mortgaged Property except for actual occupancy by the lessee thereunder, and will at all times promptly and faithfully perform, or cause to be performed, each covenant, condition and agreement contained in each lease of the Mortgaged Property now or hereafter existing, on the part of lessor thereunder to be kept and performed. Mortgagor shall furnish to Mortgagee, within ten (10) business days after a request by Mortgagee to do so, a written statement containing the names of all lessees of the Mortgaged Property, the terms of their respective leases, the spaces occupied and the rentals payable thereunder.

G. Foreclosure Deeds. The Mortgagor hereby authorizes and empowers the Mortgagee or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Mortgagor, to execute and deliver to the purchaser or

purchasers of any of the Mortgaged Property sold at a properly executed foreclosure good and sufficient deeds of conveyance or bills of sale thereto.

H. Application of Proceeds. All payments received by the Mortgagee as proceeds of the Mortgaged Property, or any part thereof, as well as any and all amounts realized by the Mortgagee in connection with the enforcement of any right or remedy under or with respect to this Mortgage, shall be applied by the Mortgagee as follows: (i) to the payment of all necessary expenses incident to the execution of any foreclosure sale or sales or other remedies under this Mortgage, including reasonable attorneys' fees as provided herein, (ii) to the payment in full of any of the Indebtedness Secured Hereby that is then due and payable (including without limitation principal, accrued interest, advances and all other sums secured hereby) and to the payment of attorneys' fees as provided herein and in the Note, (iii) any other sums that might be due under this Mortgage, the Note, the Loan Agreement, or the Loan Documents, which have not otherwise been contemplated in (i) and (ii) above, and (iv) the remainder, if any, shall be paid to the Mortgagor or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

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I. Multiple Sales. Upon the occurrence of any Event of Default or at any time thereafter, the Mortgagee shall have the option to proceed with foreclosure, either through the courts or by proceeding with foreclosure as provided for in this Mortgage, but without declaring the whole Indebtedness Secured Hereby due. Any such sale may be made subject to the unmatured part of the Indebtedness Secured Hereby, and such sale, if so made, shall not in any manner affect the unmatured part of the Indebtedness Secured Hereby, but as to such unmatured part of the Indebtedness Secured Hereby shall remain in full force and effect as though no sale had been made under the provisions of this paragraph without exhausting the right of sale for any remaining part of the Indebtedness Secured Hereby whether then matured or unmatured, the purpose hereof being to provide for a foreclosure and sale of the Mortgaged Property for any matured part of the Indebtedness Secured without exhausting any power of foreclosure and the power to sell the Mortgaged Property for any other part of the Indebtedness Secured Hereby, whether matured at the time or subsequently maturing.

J. Waiver of Appraisement Laws. The Mortgagor waives, to the fullest extent permitted by law, the benefit of all laws now existing or hereafter enacted providing for (i) any appraisement before sale of any portion of the Mortgaged Property (commonly known as appraisement laws), or (ii) any extension of time for the enforcement of the collection of the Indebtedness Secured Hereby or any creation or extension of a period of redemption from any sale made in collecting the Indebtedness Secured Hereby (commonly known as stay laws and redemption laws).

K. Prerequisites of Sales. In case of any sale of the Mortgaged Property as authorized by this Paragraph (37), all prerequisites to the sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the non-payment of any of the Indebtedness Secured Hereby or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

(38) Notices and Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and mailed or hand delivered to the applicable party at its address indicated on the first page of this Mortgage or at such other address as shall be designated by such party in a written notice to the other party thereto. When mailed, any such notice shall be deemed received one (1) business day after properly posting and addressing and depositing said letter in the United States Postal Service, certified mail return receipt requested or the next day if delivered by overnight courier.

(39) Partial Release and Additional Security. Any part of the Mortgaged Property may be released by the Mortgagee without affecting the lien, security interest and assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the same indebtedness or any part thereof. The taking of additional security, or the extension or renewal of the Indebtedness Secured Hereby or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser, guarantor or surety, or improve the right of any permitted junior lienholder; and this Mortgage, as well as any instrument given to secure any renewal or extension of the Indebtedness Secured Hereby, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released until the obligations and Indebtedness Secured Hereby are completely paid, performed and discharged.

Mortgagee may secure a partial release from the lien of this Mortgage of any of the Mortgaged Property pledged hereunder upon the payment of an amount that would leave the remaining Mortgaged Property with a loan to value ratio to the Indebtedness Secured Hereby of at least eighty (80%) percent as determined by Lender, using appraisals dated not more than sixty (60) days old from the request of the release.

(40) Waiver. To the extent that Mortgagor may lawfully do so, Mortgagor agrees that Mortgagor shall not assert and hereby expressly waives, any right under any statute or rule of law pertaining to the marshalling of assets, valuation and appraisement, the exemption of business or residential homestead, the administration of estates of decedents, dower and curtesy, the rights and remedies of sureties or other matter whatever to defeat, reduce or affect the right of Mortgagee, under the terms of this Mortgage, to sell the Mortgaged Property for the collection of the Indebtedness Secured Hereby (without any prior or different resort for collection) or the right of Mortgagee, under the terms of this Mortgage, to the payment of such Indebtedness Secured Hereby out of the proceeds of sale of the Mortgaged Property in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted).

(41) No Waiver and Severability. No waiver of any default on the part of Mortgagor or breach of any of the provisions of this Mortgage or of any other instrument executed in connection with the Indebtedness Secured Hereby shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective while

this Mortgage is in effect, the legality, validity and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. If any of the liens, security interests or assignment of rents created by this Mortgage shall be invalid or unenforceable, the unsecured portion of the Indebtedness Secured Hereby shall be completely paid prior to the payment of the remaining and secured portion of the Indebtedness Secured Hereby and all payments made on account of such indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of such indebtedness.

(42) Remedies Cumulative. In addition to and notwithstanding and without modifying the other remedies provided herein and without limiting the rights of the Mortgagee to exercise such remedies, the Mortgagee is given the additional right to enforce the covenants, agreements, and obligations of the Mortgagor hereunder, by the securing of equitable remedies, including that of temporary and permanent injunction and specific performance, without the necessity of the Mortgagee filling any bond or other security which would otherwise be required by the statutes of the State of Alabama or the Alabama Rules of Civil Procedure, as amended, in seeking such equitable remedies, the requirement for filing of any such bond or other security being hereby expressly waived.

(43) Amendments. No amendment, modification or cancellation of this Mortgage shall be valid unless in writing and signed by the party against whom enforcement is sought.

(44) Headings. The Paragraph and Subparagraph headings hereof are inserted for convenience and reference only and shall not alter, define, or be used in construing the text of such Paragraphs or Subparagraphs.

(45) Governing Law. This Mortgage shall be governed and construed under the laws of the State of Alabama except to the extent under any law, rule or regulation of the federal government of the United States of America may be applicable, in which case such federal law, rule or regulation shall control.

(46) Copies. Mortgagor acknowledges receipt of a true and correct copy of this Mortgage.

(47) Meaning of Particular Terms. Whenever used, the singular number shall include the plural and the plural the singular, and pronouns of one gender shall include all genders; and the words "Mortgagor" and "Mortgagee" shall include their respective heirs, personal representatives, successors and assigns. The term "Mortgagor" as used in this Mortgage refers to each of the undersigned, jointly and severally, whether one or more natural persons, partnerships, corporations, associations, trusts or other entities or organizations.

IN WITNESS WHEREOF, the undersigned has hereunto set its signatures and seals, this 7th day of October, 1988.

SOUTH JEFFERSON COMPANY

BY: 

ITS PRESIDENT

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that JOHN P. BAKER whose name as President of SOUTH JEFFERSON COMPANY is signed to the foregoing Mortgage, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage, he, 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 7th day of October, 1988.


NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES: 10/12/90

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SOJEFFER\MORTGAGE.SJC

PARCEL I

A parcel of land in the NE 1/4 of Section 1, Township 19 South, Range 2 West, Shelby County, Alabama, more particularly described as follows:

From the NE Corner of said Section, run South along the East Boundary thereof for a distance of 1562.74 feet; thence turn an angle of $123^{\circ} 02' 48''$ to the right and run in a Northwesterly direction for a distance of 581.09 feet; thence turn an angle of $8^{\circ} 07' 41''$ to the right and continue in a Northwesterly direction for a distance of 288.27 feet to the beginning of a curve to the right, said curve having a central angle of $16^{\circ} 04' 56''$ and a radius of 1027.13 feet; thence turn an angle of $100^{\circ} 51'$ to the left to tangent and run in a Southwesterly direction along said curve for a distance of 288.30 feet to the beginning of a curve to the left, said curve having a central angle of $14^{\circ} 54' 46''$ and a radius of 217.24 feet; thence continue in a Southwesterly direction along said curve for a distance of 56.54 feet to the point of beginning of the property herein described; thence turn an angle of $92^{\circ} 45' 20''$ to the left from tangent and run in a Northeasterly direction for a distance of 117.41 feet to the beginning of a curve to the left, said curve having a central angle of $13^{\circ} 49' 05''$ and a radius of 170.00 feet; thence turn an angle of $95^{\circ} 57' 34''$ to the right to tangent and run in a Southeasterly direction along said curve for a distance of 41.00 feet; thence turn an angle of $93^{\circ} 25' 08''$ to the right from tangent and run in a Northwesterly direction for a distance of 121.82 feet to the beginning of a curve to the right, said curve having a central angle of $20^{\circ} 02' 41''$ and a radius of 217.24 feet; thence turn an angle of $89^{\circ} 26' 17''$ to the right to tangent and run in a Northeasterly direction along said curve for a distance of 76.00 feet to the point of beginning of the property herein described.

Also known as Lot 3, Meadow Brook Cluster Homes, 1st Sector, an unrecorded map.

PARCEL II

A parcel of land in the NE 1/4 of Section 1, Township 19 South, Range 2 West, Shelby County, Alabama, more particularly described as follows:

From the NE Corner of said 1/4 Section run South along the East Boundary thereof for a distance of 1562.74 feet; thence turn an angle of $123^{\circ} 02' 49''$ to the right and run in a Northwesterly direction for a distance of 581.09 feet; thence turn an angle of 90° to the left and run in a Southwesterly direction for a distance of 120.00 feet to the point of beginning of the property herein described; thence continue on the same course for a distance of 77.00 feet to the beginning of a curve to the right, said curve having a central angle of $1^{\circ} 35' 30''$ and a radius of 108.00 feet; thence continue in a Southwesterly direction along said curve for a distance of 3.00 feet; thence turn an angle of $90^{\circ} 35' 31''$ to the right from tangent and run in a Northwesterly direction for a distance of 89.76 feet to the beginning of a curve to the left, said curve having a central angle of $46^{\circ} 47' 30''$ and a radius of 60.00 feet; thence turn an angle of $114^{\circ} 04' 52''$ to the right to tangent and run in a Northeasterly direction along said curve for a distance of 49.00 feet; thence turn an angle of 90° to the right from tangent and run in a Southeasterly direction for a distance of 79.90 feet to the point of beginning of the property herein described.

Also known as Lot 11, Meadow Brook Cluster Homes, 1st Sector, an unrecorded map.

A parcel of land in the NE1/4 of Section 1, Township 19 South, Range 2 West, Shelby County, Alabama, more particularly described as follows:

From the NE Corner of said 1/4 Section run South along the East Boundary thereof for a distance of 1562.74 feet; thence turn an angle of 123° 02' 49" to the right and run in a Northwesterly direction for a distance of 581.09 feet; thence turn an angle of 90° to the left and run in a Southwesterly direction for a distance of 197.00 feet to the beginning of a curve to the right, said curve having a central angle of 1° 35' 30" and a radius of 108.00 feet; thence continue in a Southwesterly direction along said curve for a distance of 3.00 feet to the point of beginning of the property herein described; thence continue in a Southwesterly direction along a curve to the right, said curve having a central angle of 30° 46' 11" and a radius of 108.00 feet for a distance of 58.00 feet; thence turn an angle of 66° 35' 46" to the right from tangent and run in a Northwesterly direction for a distance of 124.34 feet to the beginning of a curve to the right, said curve having a central angle of 7° 34' 22" and a radius of 110.00 feet; thence turn an angle of 95° 49' 40" to the right to tangent and run in a Northeasterly direction along said curve for a distance of 14.34 feet to the end of said curve; thence continue in a Northeasterly direction tangent to last curve for a distance of 2.57 feet to the beginning of a curve to the right, said curve having a central angle of 49° 40' 47" and a radius of 25.00 feet; thence continue in a Northeasterly direction along said curve for a distance of 21.68 feet to the end of said curve and the beginning of a curve to the left, said curve having a central angle of 36° 46' 22" and a radius of 60.00 feet; thence continue in a Northeasterly direction along said curve for a distance of 38.51 feet; thence turn an angle of 65° 55' 08" to the right from tangent and run in a Southeasterly direction for a distance of 89.76 feet to the point of beginning of the property herein described.

Also known as Lot 12, Meadow Brook Cluster Homes, 1st Sector, an unrecorded map.

PARCEL IV

A parcel of land in the NE 1/4 of Section 1, Township 19 South, Range 2 West, Shelby County, Alabama, more particularly described as follows:

From the NE Corner of said section, run South along the East Boundary thereof for a distance of 1562.74 feet; thence turn an angle of 123° 02' 49" to the right and run in a Northwesterly direction for a distance of 581.09 feet; thence turn an angle of 90° to the left and run in Southwesterly direction for a distance of 197.00 feet to the beginning of a curve to the right, said curve having a central angle of 32° 21' 41" and a radius of 108.00 feet; thence continue in a Southwesterly direction along said curve for a distance of 61.00 feet to the point of beginning of the property herein described; thence turn an angle of 66° 35' 46" to the right from tangent and run in a Northwesterly direction for a distance of 124.34 feet; thence turn an angle of 84° 10' 21" to the left to tangent of a curve to the left, said curve having a central angle of 46° 11' 41" and a radius of 110.00 feet; thence run in a Southwesterly direction along said curve for a distance of 88.69 feet to the beginning of a curve to the left, said curve having a central angle of 104° 03' 32" and a radius of 25.00 feet; thence run in a Southerly and Southeasterly direction along said curve for a distance of 45.40 feet to the beginning of a curve to the right, said curve having a central angle of 4° 01' 22" and a radius of 175.02 feet; thence run in a Northeasterly direction along said curve for a distance of 12.29 feet to the end of said curve; thence continue in a Northeasterly direction tangent to last curve for a distance of 48.28 feet to the beginning of a curve to the left, said curve having a central angle of 12° 37' 28" and a radius of 150.89 feet; thence continue in a Northeasterly direction along said curve for a distance of 33.25 feet to the beginning of a curve to the left, said curve having a central angle of 3° 34' 14" and a radius of 108.00 feet; thence continue in a Northeasterly direction along said curve for a distance of 6.73 feet to the point of beginning of the property herein described.

Also known as Lot 13, Meadow Brook Cluster Homes, 1st Sector, an unrecorded map.

EXHIBIT "B"

PERMITTED ENCUMBRANCES

1. Taxes due in the current year.

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STATE OF ALA. SHELBY
I CERTIFY THIS
INSTRUMENT WAS FILED

88 OCT 12 PM 1:24

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

1. Debt Tax	\$	
2. Mtg Tax		300.00
3. Recording Fee		62.50
4. Indexing Fee		1.00
TOTAL		363.50