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This Instrument Prepared By:  
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Suite 525  
Birmingham, Alabama 35209

STATE OF ALABAMA )  
SHELBY COUNTY )

**MORTGAGE AND SECURITY AGREEMENT**

THIS INDENTURE made this 31 day of JULY, 1990 by and among MILLER EQUIPMENT DISTRIBUTING, INC., an Alabama corporation (herein referred to as "Miller"), THE LAUNDRY ROOM OF ALABAMA, INC., an Alabama corporation (herein referred to as "Alabama Laundry"), THE LAUNDRY ROOM, INC., a Florida corporation (herein referred to as "Florida Laundry") (Miller, Alabama Laundry and Florida Laundry are herein referred to collectively as the "Lessees"), ROBERT M. MILLER and his wife, SANDRA S. MILLER (Robert M. Miller and Sandra S. Miller are herein referred to collectively as the "Owners") (the Lessees and the Owners are herein collectively referred to as the "Borrowers" and individually referred to as a "Borrower"), the mortgagors hereunder; and HIGHLAND BANK, an Alabama banking corporation (herein referred to as the "Lender"), the mortgagee hereunder.

**W I T N E S S E T H:**

WHEREAS, Lender, the Lessees and the Owners have entered into a Loan Agreement of even date herewith (the "Loan Agreement") under the terms of which Lender has agreed to make a Real Estate Loan to the Owners in the principal amount of \$213,466.87 as evidenced by a Real Estate Note of even date herewith in such principal amount, payable in monthly installments as therein provided, and to make a Term Loan to the Lessees in the principal amount of \$900,000.00 as evidenced by a Term Note of even date herewith in such principal amount, payable in monthly installments with interest as therein provided. The Loan Agreement further provides that Lender may, from time to time, make Equipment Purchase Loans to the Lessees in principal amounts not exceeding \$400,000.00 in the aggregate to be evidenced by various Equipment Purchase Notes, each dated the date such loan is advanced and each payable in monthly installments with interest as therein provided. (The said Real Estate Note, Term Note and said Equipment Purchase Notes are herein referred to collectively as the "Notes.") Owners have unconditionally and continuously guaranteed to Lender the payment of, or are the primary obligors under, the full obligation under all of the Notes and all other present and future indebtednesses and other obligations owing from time to time by the Lessees or Owners to the Lender, all as evidenced by the Notes and Owners' Guaranty Agreement of even date herewith (the "Guaranty"). As a condition precedent to the Lender making the said loans, the Borrowers are required under the Loan Agreement to secure the indebtedness evidenced by the said Notes and Guaranty to the extent of SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$700,000.00) of the principal of such indebtedness plus interest thereon and all expenses and agreed charges.

In addition to said \$700,000.00 principal amount with interest, this Mortgage shall also secure any and all other additional indebtedness of Borrowers to Lender, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct or indirect, liquidated or unliquidated, and any renewals or extensions thereof, and whether incurred or given as maker, endorser, guarantor or otherwise.

NOW THEREFORE, the undersigned Borrowers, 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 any charges therein incurred by Lender on account of Borrowers, including but not limited to attorney's fees, and any and all other indebtedness of Borrowers to Lender as set forth above, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Notes, the Guaranty and the Loan Agreement, have bargained and sold and do hereby grant, bargain, sell, alien and convey unto the Lender, its successors and assigns, the following described land, real estate, buildings, improvements, fixtures, furniture and other personal property (which together with any additional such property in the possession of the Lender or hereafter acquired by the Borrowers and subject to the lien of this Mortgage, or intended to be so, as the same may be from time to time constituted 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; and

(b) All buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the property described in Schedule "A," and all fixtures, fittings, building materials, machinery, equipment, inventory, furniture, furnishings, appliances, apparatus, systems and personal property of every nature whatsoever now or hereafter owned by the Borrowers and 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, whether such fixtures, fittings, building materials, machinery, equipment, inventory, furniture, furnishings, appliances, apparatus, systems and personal property are actually located on or adjacent to the property described in Schedule "A" or not and whether in storage or otherwise wheresoever the same may be located.

TOGETHER with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Borrowers, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Borrowers of, in and to the same, including but not limited to:

(a) All rents, profits, issues and revenues of the Mortgaged Property from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to Borrowers, however, so long as Borrowers are not in default hereunder, the right to receive and retain the rents, issues and profits thereof; and

(b) All judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the premises or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the premises or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets. Lender is hereby authorized on behalf and in the name of Borrowers to execute and

deliver valid acquittances for, and appeal from, any such judgments or awards. Lender may apply all such sums or any part thereof so received, after the payment of all its expenses, including costs and attorney's fees, to the indebtedness secured herein in such manner as it elects, or at its option, the entire amount or any part thereof so received may be released.

IN ANY EVENT the Mortgaged Property shall include, without limitation, the fee simple title of the Owners in all the property hereinabove described, whether such property is now owned by the Owners or is hereafter acquired, and shall further include, without limitation, the leasehold estates, or where applicable the fee simple titles of the Lessees, and each of them, in all or any portion of the above-described property, whether now owned by the Lessees or hereafter acquired.

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:

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Borrowers shall pay or cause to be paid to the Lender the principal and interest payable in respect to the Notes and Guaranty, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by the Borrowers, and shall pay all charges incurred herein by Lender on account of Borrowers, including, but not limited to, attorney's fees, and shall pay any and all other indebtedness of Borrowers to Lender, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct or indirect, liquidated or unliquidated, and any renewals or extensions thereof, whether incurred or given as maker, endorser, guarantor or otherwise, and shall keep, perform and observe all and singular the covenants, conditions and agreements in the Notes, Guaranty, Loan Agreement and in this Mortgage expressed to be kept, performed, and observed by or on the part of the Borrowers, all without fraud or delay, then this Mortgage, and all the properties, interest and rights hereby granted, bargained, and sold shall cease, determine and be void, but shall otherwise remain in full force and effect.

PROVIDED FURTHER, HOWEVER, notwithstanding anything to the contrary herein, the Lender shall in any event be limited to (and this instrument shall secure) the principal sum of \$700,000, plus interest thereon and other costs and expenses secured hereby (on which this instrument authorizes Lender to pay), from the proceeds of any foreclosure sale of the real estate mortgaged hereby, but nothing herein shall be construed to limit the liability of the Borrowers to the Lender pursuant to the Notes and Guaranty secured hereby or to limit the amount the Lender may realize upon the sale of any other collateral securing said Notes or Guaranty, whether or not such other collateral is described herein. Furthermore, nothing herein shall entitle the Borrowers to a release of this Mortgage until payment in full of said Notes and Guaranty, and other indebtednesses, charges and expenses owing to the Lender, it being agreed that payments received from Borrowers or on behalf of Borrowers from any source, regardless of any designation or instructions to the contrary and regardless of whether such payments are received prior to default, after default or at any foreclosure sale, shall be applied first to expenses and charges owing to Lender, second to indebtedness under said Notes and Guaranty which are not secured hereby and third to the \$700,000 principal indebtedness, plus interest secured hereby.

AND the Borrowers covenant and agree with the Lender as follows:

## ARTICLE I

1.01. Performance of Notes, Guaranty, Mortgage and Loan Agreement. This Mortgage is made pursuant to a Loan Agreement of even date herewith between Borrowers and Lender. The Borrowers covenant that they will perform, observe and comply with all provisions hereof, of the Notes and Loan Agreement, and will duly and punctually pay to the Lender the sum of money expressed in the Notes with interest thereon and all other sums required to be paid by the Lessees pursuant to the provisions of this Mortgage and the Loan Agreement, all without any deductions or credit for taxes or other similar charges paid by the Lessees. Likewise, Owners covenant they will perform, observe and comply with all provisions hereof, of the Guaranty and will duly and punctually pay to the Lender all sums of money to be paid under the Guaranty with interest thereon and all other sums required to be paid by the Owners pursuant to the provisions of this Mortgage, all without deductions or credit for taxes or similar charges paid by the Owners.

1.02. Warranty of Title. Borrowers hereby warrant that Owners are lawfully seized of an indefeasible estate in fee simple in the land and real property hereby mortgaged and Borrowers have good and absolute title to all existing personal property hereby mortgaged and have good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid; that except for the Permitted Title Exceptions described in Schedule B attached hereto, the same is free and clear of all liens, charges, and encumbrances whatsoever including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature, and that Borrowers shall and will warrant and forever defend the title thereto and the quiet use and enjoyment thereof unto the Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

1.03. Other Debts. It is expressly understood that this instrument is intended to and does secure, not only the indebtedness herein specifically mentioned; but also any and all other debts, obligations and liabilities, direct or contingent, of said Borrowers to said Lender, whether now existing or hereafter arising, and any and all extensions or renewals of same, or any part thereof, at any time before actual cancellation of this instrument on the probate records of the county or counties where this Mortgage shall be placed of record, and whether the same be evidenced by note, open account, assignment, endorsement, guaranty, pledge or otherwise.

1.04. Monthly Tax Deposit. If required by Lender, Borrowers will pay on the first day of each month one-twelfth (1/12) of the yearly taxes, as estimated by Lender, together with and in addition to each regular installment of principal and interest. Such sums shall not draw interest, and shall not be, or deemed to be, trust funds, but may be commingled with the general funds of Lender. Borrowers agree to pay Lender the amount of any deficiency necessary to enable Lender to pay such taxes when due. Such sums may be applied by the Lender to the reduction of the amounts secured hereby in the event of a default under the Notes, the Guaranty, this Mortgage or Loan Agreement.

1.05. Other Taxes, Utilities and Liens. (a) The Borrowers will pay promptly, when and as due, and, if requested, will promptly exhibit to the Lender receipts for the payment of, all taxes, assessments, water rates, utility charges, dues, charges, fines, penalties, costs and other expenses incurred, 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 (other than any of the same



for which provision has been made in Paragraph 1.04 of this Article I), or any charge, which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage for any amounts secured hereby or would have priority or equality with this Mortgage in distribution of the proceeds of any foreclosure sale of the Mortgaged Property or any part thereof.

(b) The Borrowers shall promptly pay and will not suffer any mechanic's, materialman's, laborer's, statutory or other lien to be credited or to remain outstanding upon any of the Mortgaged Property.

1.06. Insurance. The Borrowers will procure for, deliver to, and maintain for the benefit of, the Lender during the life of this Mortgage, insurance policies, in such amount as the Lender shall reasonably require, insuring the Mortgaged Property against fire, extended coverage, war damage (if available), and such other insurable hazards, casualties and contingencies as the Lender may reasonably require. The form of such policies and the companies issuing them shall be acceptable to the Lender. All policies shall contain a New York standard, non-contributory mortgagee endorsement making losses payable to the Lender. All policies shall require at least fifteen (15) days' written notice to Lender before cancellation. 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 Borrowers 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 in extinguishment of the indebtedness secured hereby, all right, title and interest of the Borrowers 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 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 Borrowers 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, if an Event of Default is outstanding, as a credit on any portion of the mortgage indebtedness 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 Borrowers 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 this 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.

If required by the Lender, the Borrowers will pay on the first day of each month, together with and in addition to the regular installment of principal and interest and monthly tax deposit (as required by Paragraph 1.04 of Article I herein), one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by Lender to pay such insurance premiums when due. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Upon demand of the Lender, the Borrowers agree to deliver to the Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such insurance premiums. In the event of a default by Borrowers

in the Notes, the Guaranty, the Loan Agreement, or this Mortgage, the Lender may apply such sums to the reduction of the sums secured hereby.

1.07. 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 damages or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or 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 Borrowers' 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 Borrowers to the Lender, who, after deducting therefrom all its expenses, including attorney's fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same in such manner as the Lender shall be paid to the Borrowers. The Borrowers agree to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require.

1.08. Care of the Property. (a) The Borrowers will preserve and maintain the Mortgaged Property in good condition and repair, and will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) Except as otherwise provided herein, no buildings, fixtures, personal property, or other part of 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 Borrowers 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 during normal business hours.

(e) The Borrowers 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 Borrowers 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 Borrowers will promptly restore, repair or alter the remaining property in a manner satisfactory to the Lender.

1.09. Additional Security. The Lender will also have (and Borrowers hereby grant to Lender) a security interest in all other property of the Borrowers, now or hereafter assigned, or coming into the possession, control, or custody of the Lender by or for the account of the Borrowers (including indebtedness due from the Lender to the Borrowers or any guarantor, surety or endorser of the Notes) whether expressly as collateral security or for any other purpose, including any dividends declared, or interest accruing thereon, and proceeds thereof. The Lender may, but shall not be obligated to, apply, on or after demand, to the

payment of the Notes, any funds or credit held by the Lender, on deposit, in trust or otherwise, for the account of the Borrowers or any guarantor, surety or endorser of the Notes.

1.10. Leases Affecting Mortgaged Property. The Borrowers will comply with and observe its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. If required by Lender, Borrowers will furnish Lender with executed copies of all leases now or hereafter created on said premises, and all leases now or thereafter entered into will be in form and substance subject to the approval of Lender. Borrowers will not accept payment of rent more than two (2) months in advance without the express written consent of Lender. If requested by the Lender, the Borrowers will assign to the Lender as additional security any and all such leases whether now existing or hereafter created, including, without limitation, all rents, royalties, issues and profits of the premises from time to time accruing, and will not cancel, surrender or modify any lease so assigned without the written consent of the Lender.

1.11. Expenses. The Borrowers 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 Notes, the Guaranty, this Mortgage, the Loan Agreement, Borrowers or the Mortgaged Property, 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 and secured by the lien of this Mortgage.

1.12. Performance by Lender of Defaults by Borrowers. If the Borrowers 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 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 such covenants, condition or term of this Mortgage, then the Lender, at its option, may perform or observe the same, and all payments made or expenses incurred by the Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Borrowers to the Lender with interest thereon at the rate of ten percent (10%) per annum. 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 Borrowers or any person in possession holding under the Borrowers.

1.13. Books and Records. The Borrowers shall keep and maintain at all times full, true and accurate books of accounts and records, adequate to reflect correctly the results of the operation of the Mortgaged Property. Upon request of the Lender, the Borrowers will furnish to the Lender within ninety (90) days after the end of each year a rent schedule of the Mortgaged Property, certified by the Borrowers, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date and the rent paid.

1.14. Estoppel Affidavits. The Borrowers within ten (10) days after written request from the Lender shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Notes and Guaranty and whether

or not any offsets or defenses exist against such principal and interest.

1.15. Alienation or Sale of Mortgaged Property. Except as provided in the Loan Agreement, the Borrowers shall not sell, assign, encumber, or otherwise convey the Mortgaged Property without obtaining the express written consent of the Lender at least thirty (30) days prior to such conveyance. If the Borrowers should sell, assign, encumber or convey all, or any part of, the Mortgaged Property without such consent by Lender, then, in such event, the entire balance of the principal sum secured by this Mortgage and all interest accrued shall without notice become due and payable forthwith at the option of the Lender.

## ARTICLE II

2.01. Event 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 Borrowers to pay as and when due and payable any amounts of principal, interest or escrow deposits due on the Notes or the Guaranty, or the Loan Agreement, or due on any other indebtedness secured hereby; or

(b) Failure by the Borrowers to duly observe any other covenant, condition or agreement of this Mortgage, the Notes, the Guaranty or the Loan Agreement; or

(c) The filing by a Borrower of a voluntary petition in bankruptcy or a Borrower's adjudication as a bankrupt or insolvent, or the filing by a Borrower of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or any of the Borrowers seeking or consenting to or acquiescence in the appointment of any trustee, receiver or liquidator of any of the Borrowers or of 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 its inability to pay its debts generally as they become due; or

(d) The entry by a court of competent jurisdiction of any order, judgment, or decree approving a petition filed against any of the Borrowers 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, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of a Borrower 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 without the consent or acquiescence of a Borrower which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(e) The interest of the Lender in the Mortgaged Property, or any part thereof, becoming endangered by reason of the enforcement of any prior lien or encumbrance thereon (including, without limitation, any Permitted Title Exception in Schedule B hereto), so as to endanger the debt hereby secured; or

(f) The occurrence of an "Event of Default" as defined and provided in the Loan Agreement.



2.02. Acceleration of Maturity. If an Event of Default shall have occurred, then the entire principal amount of the indebtedness secured hereby with interest accrued thereon 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 any Event of Default shall have occurred and be continuing, the Borrowers, 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 Borrowers and their 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 Mortgage Property and conduct the business thereof, 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 and exercise all the rights and powers of the Borrowers in their names or otherwise, with respect to the same; (iii) enter into any and all agreement 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, after deducting (aa) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other charges prior to the lien of this Mortgage as the Lender may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agent of the Lender; shall apply the remainder of the monies so received by the Lender, first to the payment of accrued interest; then to the payment of tax deposits required in Paragraph 1.04; and finally to the payment of principal.

2.04. Receiver. (a) If any Event of Default shall have occurred and be continuing, the Lender, upon application to a court of competent jurisdiction, shall be entitled, without notice, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect the rents, profits, issues, and revenues thereof.

(b) The Borrowers will pay the Lender upon demand all reasonable expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the provisions contained in this Paragraph 2.04; and all such expenses shall be secured by this Mortgage.

2.05. 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 payment of the Notes and Guaranty or the performance of

any term thereof or any other right, (b) foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, as provided by law, and (c) to pursue any other remedy available to it, all as the Lender shall deem most effectual for such purposes. The Lender may 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.

2.06. 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 Courthouse door in the county where said property is located, either in person or by auctioneer, after having first given twenty-one (21) days' notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) consecutive weeks prior to said sale in some newspaper published in the county in which the Mortgaged Property or any portion thereof is situated, and, upon payment of the purchase money, Lender or any person conducting the sale for the 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. The Borrowers waive any requirement that the Mortgaged Property be sold in separate tracts and agrees that the Mortgaged Property may be sold en masse regardless of the number of parcels, lots or tracts hereby conveyed.

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

(a) First, to the expenses of making the sale, including 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, and to the payment of any and all other debts, obligations and liabilities hereby secured, principal and interest, whether such debts, obligations, and liabilities be then due or not;

(d) Fourth, the balance, if any, shall be paid to the party or parties appearing of record to be entitled to such balance at the time of the sale after deducting any expense of ascertaining the identity and claims of such party or parties.

2.08. 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 sale. In the event Lender exercises its option to foreclose this 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 parties defendant to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by the Borrowers, 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.

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2.09. Waiver of Exemption. Borrowers waive all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and Borrowers waive 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.

2.10. 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 in violation of this 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.

2.11. Default in Payment; Application of Monies by Lender. If default shall be made in the payment of any amount due under the Notes, the Guaranty, this Mortgage or the Loan Agreement, then, upon demand by Lender, the Borrowers will pay to the Lender the whole amount due and payable thereunder; and in case the Borrowers 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.

2.12. Delay or Omission No Waiver. No delay or omission of the Lender or of any holder of the Notes to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, 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.

2.13. 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 then existing default or shall impair any rights, powers or remedies consequent thereon.

If the Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein or in the Notes, the Guaranty or the Loan Agreement; (d) releases any part of the Mortgaged Property from the lien of this Mortgage or otherwise changes any of the terms of the Notes, the Guaranty, the Loan Agreement or this Mortgage; (e) consents to the filing of any map, plat or replat of the Mortgaged Property; (f) consents to the granting of any easement thereon; or (g) makes or consents to any agreement subordinating the lien or charge hereof, any such act or omission shall not release, discharge, modify, change, or affect the original liability under the Notes, the Guaranty, the Loan Agreement, this Mortgage or otherwise of the Borrowers or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission 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 or 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.

2.14. Discontinue 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 Borrowers 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.

2.15. 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.

2.16. Addresses:

Borrowers' address is:

3170 Helena Road  
Helena, Alabama 35080

Lender's address is:

Highland Bank  
2211 Highland Avenue South  
Box 55338  
Birmingham, Alabama 35255-5338

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 Borrowers 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 subdivision 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. Gender, etc. Whenever the context, so requires, the masculine includes the feminine and neuter, and the singular includes the plural.

3.04. 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 shall be in no way affected, prejudiced or disturbed thereby.

3.05. Lien on Personal Property. This Mortgage creates a security interest in favor of Lender in that part of the Mortgaged Property and the proceeds thereof in which security interests may be created under Article Nine of the Alabama Uniform Commercial Code, and this Mortgage shall constitute a security agreement under the Alabama Uniform Commercial Code or other law applicable to the creation of liens on personal property for the purpose of securing payment of the Notes, the Guaranty and the other indebtedness herein described, and the performance of this Mortgage and the Loan Agreement. Borrowers covenant and agree to execute, file and refile such financing statements, continuation statements or other documents as Lender shall require from time to time with respect to such personal property. If an Event of Default occurs, the Lender shall have all rights and remedies of a secured party under the Alabama Uniform Commercial Code.

3.06. Lien on Fixtures. As security for the indebtednesses hereinabove described and performance of this Mortgage and the Loan Agreement, this Mortgage creates a security interest in favor of the Lender in all Borrowers' equipment, inventory, machinery, appliances, apparatus, systems, furnishings and other facilities that are or hereafter become fixtures related to the real estate herein described; and Borrowers shall have the rights and remedies of a secured party under the Uniform Commercial Code in connection therewith. This Mortgage shall serve as a financing statement filed as a fixture filing from the date of its recording.

3.07. Homestead. No part of the Mortgaged Property is the homestead of any of the Borrowers or any spouse of the Borrowers.

3.08. Counterparts. This instrument may be executed in any number of counterparts, and each such counterpart shall constitute an original for all purposes, including without limitation, for the purpose of recording this instrument with the office or offices of the judge or judges of probate of the county or counties wherein the Mortgaged Property is situated; however, taken together, all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, this instrument has been executed under the seal of the Borrowers as of the day and year first above written.

ATTEST:

  
Secretary

MILLER EQUIPMENT DISTRIBUTING, INC.

By:   
Its President

ATTEST:

  
Secretary

THE LAUNDRY ROOM OF ALABAMA, INC.

By:   
Its President

ATTEST:

  
Secretary

THE LAUNDRY ROOM, INC.

By:   
Its President

Robert M. Miller  
Robert M. Miller, Individually  
Sandra S. Miller  
Sandra S. Miller, Individually

STATE OF ALABAMA     )  
JEFFERSON COUNTY    )

**ACKNOWLEDGMENT**

I, William S. Brewbaker, a Notary Public in and for said County, in said State, hereby certify that Robert M. Miller and Sandra S. Miller, whose names as President and Secretary, respectively, of Miller Equipment Distributing, Inc., a corporation, 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 the Mortgage, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 31st day of July, 1990.

William S. Brewbaker  
NOTARY PUBLIC

My commission expires: April 13, 1994

STATE OF ALABAMA     )  
JEFFERSON COUNTY    )

**ACKNOWLEDGMENT**

I, William S. Brewbaker, a Notary Public in and for said County, in said State, hereby certify that Robert M. Miller and Sandra S. Miller, whose names as President and Secretary, respectively, of The Laundry Room of Alabama, Inc., a corporation, 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 the Mortgage, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 31st day of July, 1990.

William S. Brewbaker  
NOTARY PUBLIC

My commission expires: April 13, 1994

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STATE OF ALABAMA )  
JEFFERSON COUNTY )

**ACKNOWLEDGMENT**

I, William S. Brewbaker Jr, a Notary Public in and for said County, in said State, hereby certify that Robert M. Miller and Sandra S. Miller, whose names as President and Secretary, respectively, of The Laundry Room, Inc., a corporation, 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 the Mortgage, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 31st day of July, 1990.

William S. Brewbaker Jr  
NOTARY PUBLIC

My commission expires: April 13, 1994

STATE OF ALABAMA )  
JEFFERSON COUNTY )

**ACKNOWLEDGMENT**

I, William S. Brewbaker Jr, a Notary Public in and for said County, in said State, hereby certify that Robert M. Miller and his wife, Sandra S. Miller, 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 the Mortgage, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 31st day of July, 1990.

William S. Brewbaker Jr  
NOTARY PUBLIC

My commission expires: April 13, 1994

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EXHIBIT A

LEGAL DESCRIPTION

Parcel I: A part of the Northeast 1/4 of the Northeast 1/4 of Section 36, Township 19 South, Range 3 West, described as follows: Commence at the Southwest corner of said 1/4-1/4 Section, and run North along the West line of said 1/4-1/4 Section 537.5 feet to the point of beginning of tract of land herein described; thence continue along the last mentioned course 262.91 feet to the centerline of the Acton-Helena Public Road; thence 62 degrees 02 minutes 45 seconds right along said centerline 125 feet; thence 90 degrees right 259.72 feet; thence 96 degrees 33 minutes 45 seconds right 252.42 feet to the point of beginning; being situated in Shelby County, Alabama. Less and except the highway right of way.

Parcel II: A tract of land located in the Northeast 1/4 of the Northeast 1/4 of Section 36, Township 19 South, Range 3 West, Shelby County, Alabama, described as follows: Commence at the Southwest corner of the Northeast 1/4 of the Northeast 1/4 of Section 36, Township 19 South, Range 3 West, Shelby County, Alabama; thence North along the West line of said 1/4-1/4 a distance of 800.41 feet to the centerline of the Helena-Acton Public Road; thence 62 degrees 02 minutes 45 seconds right along said centerline 125 feet to the point of beginning of tract of land herein described; thence continue along last mentioned course 240.85 feet to the intersection with the centerline of Old Highway 31 South, thence 81 degrees 12 minutes right Southeasterly along the last mentioned centerline 295.13 feet; thence 105 degrees 21 minutes 45 seconds right leaving said highway in a Southwesterly direction 288.05 feet; thence 83 degrees 26 minutes 15 seconds right Northerly 259.72 feet to the point of beginning, except that part which lies in the Helena-Acton Road and Old Highway 31 South rights of way. Situated in Shelby County, Alabama.

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

90 AUG -1 PM 3: 19

*[Signature]*  
JUDGE OF PROBATE

1050.00  
46.00  
5.00  
1.00  
1097.00