

REAL ESTATE MORTGAGE AND SECURITY AGREEMENT

STATE OF ALABAMA §
COUNTY OF SHELBY §

257

WHEREAS, ALBERT E. HYLTON a/k/a Albert Edward Hylton

(whether one or more, hereinafter referred to as "Borrower") is/are indebted to the Farm Credit Bank of Texas, a corporation and federally chartered instrumentality of the United States, (hereinafter referred to as "Mortgagee") in the principal sum of 26,000.00 DOLLARS - TWENTY-SIX THOUSAND - (\$ 26,000.00), together with interest thereon, as evidenced by a promissory note, payable to the order of the Farm Credit Bank of Texas, which bears interest and is payable according to the terms of said note, and which has a final maturity date on the 1st day of September, 2010, which may be extended by the parties hereto.

NOW, THEREFORE, in consideration of the premises and in order to secure the payment of said indebtedness, and any future advance(s), additional advance(s), and/or readvance(s), and/or any renewal(s), extension(s), modification(s), restructuring(s), reamortization(s), and/or any other loan treatment(s) thereof, or any part thereof, and the interest thereon, and any and all other indebtedness(es) now or hereafter owed by any of the undersigned and/or borrower to Mortgagee, whether such indebtedness is primary or secondary, direct or indirect, contingent or absolute, matured or unmatured, joint or several, and otherwise secured or not, and to secure the faithful performance of and compliance with all the terms, agreements, provisions, obligations, covenants, conditions, warranties, representations and stipulations herein made, ALBERT E. HYLTON a/k/a Albert Edward Hylton and wife, CHARLOTTE FAYE HYLTON

(whether one or more, hereinafter referred to as "Grantor") do hereby grant, bargain, sell, assign, and convey unto said Mortgagee, its successors and assigns, all right, title and interest of whatsoever kind and nature in and to the following described real property situated in Shelby County, Alabama, to wit:

All that part of the Southwest 1/4 of Section 2, Township 21 South, Range 1 East, Shelby County, Alabama, lying North of the Southern Railroad right of way which runs East and West across the South end of said 1/4 Section, and lying West of County unpaved road which runs diagonally from North to South across the middle of said 1/4 Section. Said property being a part of the NW 1/4 of the SW 1/4, the SW 1/4 of the SW 1/4 and the SE 1/4 of the SW 1/4 of Section 2, Township 21 South, Range 1 East, Shelby County, Alabama.

BOOK 332 PAGE 16

Together with all rents, leases, profits, income and revenues thereof and all rights, privileges, easements, hereditaments, tenements, interests, improvements, and appurtenances thereunto belonging or in anywise appertaining, including any after-acquired title and easements and all rights, title and interest now or hereafter owned by Grantor in and to all timber, crops, buildings, equipment and/or fixtures now or hereafter attached or appertaining to said premises, all of which shall be deemed to be real property and conveyed by this instrument, and which hereinafter shall be referred to as "property."

It is expressly understood and agreed that, as a part of the consideration for the loan made to the undersigned and secured by the premises hereinabove described, this instrument covers and includes all surface and/or mineral estate ownership now or after acquired by the undersigned in the above property and whether or not expressly excepted from the description to the above security premises, any provisions herein to the contrary being of no force and effect.

TO HAVE AND TO HOLD the same and every part thereof unto said Mortgagee, its successors and assigns forever.

AND FOR THE CONSIDERATION AFORESAID, and as further security for the payment of said indebtedness, future advance(s), additional advance(s), and/or readvance(s), and/or any renewal(s), extension(s), restructuring(s), reamortization(s), and/or any other loan treatment(s) thereof, or any part thereof, and the interest thereon, and any and all other indebtedness(es) now or hereafter owed by any of the undersigned to Mortgagee, whether such indebtedness is primary or secondary, direct or indirect, contingent or absolute, matured or unmatured, joint or several, and otherwise secured or not, and to secure the faithful performance and compliance with all the terms, agreements, provisions, obligations, covenants, conditions, warranties, representations and stipulations herein made, said Grantor does hereby assign, pledge, and transfer to Mortgagee, and grant to Mortgagee a security interest in and to, the following described property and interests, to wit: (1) all timber of all kind, character and description planted and/or growing, or to be planted and/or grown, on the hereinabove described real property; (2) all crops and/or acreage allotments, quotas, set aside, P.I.K. and/or similar programs of every kind, character and description presently allotted or assigned to, and/or hereafter allotted or assigned to, Grantor or the real property hereinabove described; (3) all rents, profits, issues, income, royalties, bonuses and revenues of the said real property, or any part or interest therein, from time to time accruing, whether under leases or tenancies now existing or hereafter created; (4) each and every policy of hazard insurance, or the like, now or hereafter in effect which insures said real property or any buildings, fixtures and/or improvements thereon, or any part thereof, together with all the right, title and interest of the Grantor in and to such policy, including but not limited to any premiums paid (or rights to return premiums) and all proceeds or payments thereunder; (5) all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the property, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the property or any part thereof, or to any rights appurtenant thereto; (6) all building material, equipment, fixtures and fittings of all kind, character and description used in connection with or relating to said property and/or any buildings, fixtures or improvements thereon; and/or without limiting the foregoing, (7) all tangible and/or intangible property specifically described as follows, to wit:

and products and proceeds of any or all of the above described property.

FOR THE CONSIDERATION AFORESAID and the purpose of further securing the payment of the above referenced debt(s) and obligation(s), Grantor further warrants, covenants, represents, and agrees as follows:

1. Grantor agrees and warrants that this instrument is a valid first lien against all the property described above and improvements offered and appraised as security for any and all debts and/or obligations secured hereby; that Grantor is the owner of and lawfully seized in fee and possessed of the hereinabove described property and has a good and lawful right to sell, transfer, mortgage and convey same; that said property is now free from and clear of any and all other liens and encumbrances, except as otherwise set forth herein, and that Grantor will warrant and forever defend the title thereto against all claims or demands of any parties. If the validity of this instrument, or if the Grantor's title to any of said property or improvements is questioned in any manner, or if any part of such property or improvements is not properly described herein, or if any terms contained in this instrument, the above referenced note(s) and/or any other instruments related hereto shall be determined to be incomplete or incorrect, Grantor agrees to fully cooperate with Mortgagee and to execute any corrective instruments as required by Mortgagee.

2. Grantor shall separately assess said property for taxation and shall completely satisfy before they become delinquent, all taxes, liens, judgments or assessments recorded, imposed or assessed against said property and, if required by Mortgagee, promptly furnish Mortgagee with evidence of such complete satisfaction.

3. Grantor shall insure and keep insured the property hereinabove described, including but not limited to buildings, fixtures and improvements now on, or which may hereafter be placed upon, any of said property, against loss or damage by fire (including extended coverage), theft, wind and such other hazards, casualties and contingencies (including flood and water damage) or other contingencies covered by an "all risk" or "all perils" endorsement in such manner, in such amounts and with such companies as may be satisfactory to Mortgagee, which insurance shall be maintained for the benefit of Mortgagee with a standard mortgage clause, with loss, if any, payable to the Mortgagee as its interests may appear, which insurance shall be in an amount at least equal to the full insurable value of the property hereinabove described and all buildings, fixtures and improvements thereon and providing for immediate notice to Mortgagee of any lapse, cancellation or other impairment of such insurance. Grantor shall give immediate notice in writing to Mortgagee of any loss or damage to said property from any cause whatsoever and the proceeds of such insurance shall be paid by the insurer directly to Mortgagee, which is hereby granted full power to settle and compromise claims under all policies, to endorse in the name of Grantor any check or draft representing the proceeds of any such insurance, and to demand, receive and give receipt in the name of Grantor for all sums coming due thereunder; which insurance proceeds may, at the election of the Mortgagee and subject to general regulations of the Farm Credit Administration, be credited on the debt(s) and/or obligation(s) secured by this instrument on the date of actual receipt by Mortgagee, less costs of collection and other expenses, or may be used, in whole or in part, to repair or reconstruct said property and proceeds used for such repair or reconstruction of said property shall not act to reduce the debt(s) and/or obligation(s) referred to herein.

4. At the option of Mortgagee and subject to general regulations of the Farm Credit Administration, Grantor shall obtain and carry credit life insurance (mortgage protection insurance) on the life of Grantor, and/or assign the benefits (both cash value and/or death benefits) of any existing insurance on the life of the Grantor in favor of Mortgagee; when and if such insurance is so required by Mortgagee, any policy evidencing such insurance shall be deposited with, and/or any loss hereunder shall be payable to, Mortgagee as its interest may appear; if Grantor fails to obtain said insurance as may be required, then, at the option of Mortgagee and without notice to any person, the Mortgagee may, but shall not be obligated to, obtain and carry said insurance for its own benefit and/or for Grantor in compliance hereof.

5. Grantor shall properly care for and keep in good repair said property and improvements hereinabove described and shall not permit or commit waste, impairment, removal, damage or deterioration of the same; and if a farm, Grantor shall cultivate said property in an appropriate and reasonable manner and maintain and continue said farming operations; Grantor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property, and permit Mortgagee or any person acting on its behalf to enter and inspect the property hereinabove described, and the buildings, improvements and timber thereon or affected hereby, at such time(s) as Mortgagee desires; Grantor agrees, as to the property herein described and the timber thereon and affected hereby, to follow a good and approved forestry practice that will minimize fire risks, avoid depreciation, protect young timber and maintain forest production; it being intended and agreed, however, that no timber now or hereafter affected hereby will be cut, removed, damaged or turpintined (except such as is customarily used on the property for fuel, fencing and repairs) without the prior written consent of Mortgagee, and then only upon compliance with such terms and conditions as shall be established by Mortgagee.

6. Grantor agrees that this instrument is given and accepted upon the express provision that, except where prohibited by law or where same is accomplished by inheritance by Grantor's heirs, the property hereinabove described, or any part thereof, or any interest therein, shall not be further mortgaged, sold, agreed to be sold, conveyed, alienated, or optioned, whether voluntarily, involuntarily or by operation of law or by transfer through the enforcement of a subordinate lien or mortgage, or otherwise, without the prior written consent of the Mortgagee. In each and every instance; subsequent acceptance of any payment hereunder by Mortgagee shall not be deemed to be implied consent or a waiver of this provision, regardless of Mortgagee's knowledge of such mortgage, sale, agreement to sell, conveyance, alienation, or option at the time of acceptance of such payment; if all or any part of the property hereinabove described becomes vested in any party other than Grantor, Mortgagee may, without notice to Grantor, deal with such successor in interest with reference to this instrument and the debt(s) and obligation(s) hereby secured in the same manner as with the Grantor, without in any way releasing, violating or discharging the Grantor's liability hereunder or for the debt(s) and obligation(s) hereby secured, and extension(s) of time for payment or other loan treatment(s) described herein given or permitted by Mortgagee shall not operate to release, vitiate, or discharge the liability of the Grantor herein, either in whole or in part.

7. Grantor agrees and warrants that any and all representations and statements made in connection with any loan(s), debt(s) or other obligation(s) secured hereby and with any and all future advance(s), additional advance(s), readvance(s), renewal(s), extension(s), restructuring(s), reamortization(s) and/or any other loan treatment(s) thereof, or any part thereof, and with any releases of personal liability and/or of security granted or permitted by the Mortgagee are true and correct, and that any loan proceeds or other advances made to or on behalf of Grantor will be used solely for the purposes specified in the loan application and/or commitment, and that Grantor will continuously comply with any and all requirements and/or conditions imposed by said Mortgagee, including but not limited to the execution and delivery of any security instrument(s), mortgage(s), note(s), financial statement(s) or other writing(s) or document(s) required by Mortgagee now or in the future to create, preserve, protect and/or enforce Mortgagee's rights or interests.

8. Grantor agrees and warrants (1) that the loan secured hereby, if on a farm, has been based not only upon the value of the raw lands, improvements, and other collateral stated herein, but also on the value of said lands as used for raising various crops as permitted under government acreage allotments or quotas and/or for the value of set aside, P.I.K. or similar programs now existing or which are established from time to time during the term of this loan, (2) to perform any and all acts necessary to maintain, pursuant to applicable government rules and regulations as are from time to time established, all such allotments, quotas, and other benefits as are associated herewith or established for use in conjunction with the property herein described, (3) that any failure to so perform or any transfer or attempt to transfer such allotments, quotas, payments or other benefits, or any portions thereof, shall not be made without the written consent of the Mortgagee, and (4) in the event of the foreclosure or other enforcement of this instrument, the Grantor agrees to perform all acts necessary, if any, to vest the Mortgagee, its successor(s) or any purchaser(s) of any of the property hereinabove described, as the case may be, with all of the Grantor's right, title and interest in the allotments, quotas and/or benefits required to be maintained hereunder.

9. Grantor agrees that, notwithstanding any taking by eminent domain or other injury to or decrease in value of the premises by any private, public or quasi-public authority or corporation, any reduction in the principal sum resulting from the application by the Mortgagee of any award or payment shall be deemed to take effect only on the date of actual receipt by Mortgagee; said award or payment may, at the option of the Mortgagee, be retained and applied by the Mortgagee wholly or in part toward payment of any debt(s) and/or obligation(s) secured by this instrument, or be paid over wholly or in part to the Grantor, who assumes full and sole responsibility to apply said funds for the purpose of altering, repairing and/or reconstructing any part of the premises which may have been altered, removed, damaged or destroyed as a result of any such taking or other injury to the premises, or for any other purpose or object approved in writing by the Mortgagee; that, if prior to the receipt by the Mortgagee of such award or payment the premises have been sold by foreclosure of this instrument, the Mortgagee shall have the right to receive said award or payment to the extent of any deficiency found to be due upon such sale and/or any debt(s) and/or obligation(s) secured by this instrument, with interest thereon, at the rate herein described.

10. Grantor agrees that Mortgagee may, at its option, proceed to collect and receive the rents, royalties, bonuses, revenues, income and profits from the herein described property and all rights and interests therein, and Mortgagee may notify the lessee(s) or other payor(s) thereof of the existence of this instrument and any other assignment, mortgage or other instrument and/or to make payments directly to Mortgagee; any and all sums received by the Mortgagee from lessee(s) or other payor(s) shall be applied first to the reimbursement of the Mortgagee for any sums advanced in payment of taxes, insurance, assessments, or for other fees, costs and/or expenses as provided herein, together with interest thereon, and/or to the payment of the debt(s) and/or other obligation(s) secured hereby or said Mortgagee may, at its option, turn over and deliver to Grantor or any other party entitled thereto, either in whole or in part, any or all such sum(s), without prejudice to Mortgagee's right to take and retain any future sum(s) and without prejudice to, or waiver of, any of Mortgagee's other rights under this instrument.

11. Grantor agrees that this instrument and the debt(s) and/or obligation(s) secured hereby or in any way connected herewith are subject to the Farm Credit Act of 1971 and all Acts amendatory or supplementary thereto, to all regulations promulgated pursuant thereto, and the laws of the State of Alabama not inconsistent therewith.

12. Grantor warrants that Grantor's hereinafter referenced address is true and correct and that Grantor shall keep Mortgagee informed at all times of their correct residence address and correct mailing address, and any changes thereto.

13. Grantor agrees that Mortgagee may at any time, without notice (1) release all or any part of the property described herein, (2) grant future advance(s), additional advance(s), readvance(s), renewal(s), extension(s), modification(s), restructuring(s), reamortization(s), any other loan treatment(s) and/or deferment(s) of the debt(s) and/or obligation(s) secured hereby, or any part thereof, or of time of payment thereof, (3) release from liability any one or more party(ies) who are or may become liable for the payment of all or any part of said debt(s) and/or obligation(s), and/or (4) grant any other loan treatment as said Mortgagee deems appropriate, without affecting the priority of this instrument and without operating to release, discharge, modify, change or affect the liability of the Grantor or any other party liable or who may become liable for the said debt(s) and/or obligation(s).

15. Grantor agrees that, Mortgagee may, at Mortgagee's option, appoint a receiver and/or auctioneer, as provided under Alabama law.

17. Grantor agrees that in the event Mortgagee in good faith deems itself insecure and/or deems that the prospect of payment or performance hereunder is impaired, Grantor shall, at the option of Mortgagee, pay the whole of the debt(s) and obligation(s) secured hereby, with interest thereon, or provide Mortgagee with sufficient and satisfactory collateral and/or additional collateral, as required by Mortgagee.

10. Grantor agrees to immediately pay and satisfy, when incurred by either Grantor or Mortgagee, any and all costs, expenses and fees expended in order to maintain, enforce and ensure compliance with any and all provisions of this instrument and/or any instruments relating hereto, including but not limited to costs, expenses and fees for taxes, insurance, attorneys, experts, arbitrators, investigators, contractors, repairmen, witnesses, appraisers, surveyors, recordation, repairs, assessments, liens, judgments or encumbrances.

21. Grantor agrees that in the event that any payment(s) of principal, interest, costs, expenses, fees and/or other charges under the terms and provisions of this instrument and/or any instruments relating hereto are not paid when due, such past due payment(s) shall bear interest from the due date until paid at the rate in effect during the period of said non-payment as set forth in the promissory note(s) secured hereby, plus an additional four percent (4%) per annum.

23. Grantor agrees that Grantor waives and relinquishes any and all rights of homestead exemptions and/or personal exemptions to which Grantor is or may be entitled to under the Constitution and laws of the State of Alabama and/or the United States of America.

25. Grantor agrees to pay when due all community water system assessment and meter fees, if any, applicable to said property, and in the event of foreclosure, hereby does transfer and assign to the purchaser all of Grantor's interest and membership, if any, in said community water system applicable to said property, and agrees to execute such documents as are necessary to effectuate such transfer.

UPON CONDITION, HOWEVER, that if Grantor shall well and truly pay and discharge all the debt(s) and obligation(s) hereby secured and any future advance(s), additional advance(s),

IN WITNESS WHEREOF, the undersigned Grantor(s) has/have executed this instrument on this 5th day of March, 1991.

Albert E. Hylton
Charlotte Faye Hylton

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Albert E. Hylton a/k/a Albert Edward Hylton and /wife, Charlotte Faye Hylton are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 5th day of March, 19 91



William R. Justice
Notary Public

My Commission Expires: 9/13/91

STATE OF ALABAMA

COUNTY OF _____

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____ whose name(s) _____ signed to the foregoing conveyance and who _____ known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, _____ executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 19 _____

(NOTARIAL SEAL)

Notary Public

My Commission Expires: _____

STATE OF ALABAMA

COUNTY OF _____

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____ whose name as _____ of the _____, a Corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she 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 _____ day of _____, 19 _____

(NOTARIAL SEAL)

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

1991 MAR -5 PM 2:50

Notary Public

My Commission Expires: _____

Grantor(s) (Name and Address):

Albert E. Hylton JUDGE OF PROBATE
P.O. Box 619
Wilsonville, Alabama 35186

This instrument was prepared by:

Elisa J. Morrow

FARM CREDIT BANK OF TEXAS
P.O. BOX 15919
AUSTIN, TEXAS 78761-5919

1. Dead Tax	-----	0
2. Mfg. Tax	-----	0
3. Recording Fee	-----	3
4. Indexing Fee	-----	3.00
5. No Tax Fee	-----	7.00
6. Certified Fee	-----	4.00
Total	-----	17.00

MORTGAGEE: FARM CREDIT BANK OF TEXAS, BOX 15919, AUSTIN, TEXAS 78761

STATE OF ALABAMA

COUNTY OF _____

I hereby certify that the foregoing instrument was filed for record in this office on the _____ day of _____, 19 _____, at _____ o'clock, _____ m., and duly recorded in Mortgage Book _____ at Page _____

JUDGE OF PROBATE