

THIS INSTRUMENT IS ALSO A FINANCING STATEMENT FILED AS A FIXTURE FILING, PURSUANT TO CODE OF ALABAMA (1975) SECTION 7-9-402(6), AND IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS UNDER THE NAMES OF MORTGAGOR, AS DEBTOR, AND MORTGAGEE, AS SECURED PARTY.

STATE OF ALABAMA)

SHELBY COUNTY)

FIRST MORTGAGE AND SECURITY AGREEMENT

THIS FIRST MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made this 13th day of December, 1991, between JACK W. KIDD, a married man (sometimes known as Jack Whitson Kidd), whose address is 2513 Rocky Ridge Road, Birmingham, Alabama 35243 (the "Mortgagor"), and FIRST ALABAMA BANK, an Alabama banking corporation (the "Mortgagee"), whose address is P.O. Box 10247, Birmingham, Alabama 35202.

W I T N E S S E T H:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of ONE MILLION NINE HUNDRED SEVENTY FIVE THOUSAND AND NO/100 (\$1,975,000.00) DOLLARS together with interest thereon, as evidenced by that certain Note of even date herewith, executed by Mortgagor and delivered to Mortgagee (the "Note", the obligation evidenced by which is sometimes referred to as the "Loan"), which by reference said Note is made a part hereof to the same extent as though set out in full herein; and

WHEREAS, Mortgagor desires to secure the prompt payment of the indebtedness evidenced by the Note, and the several installments of principal and interest therein provided for; and

WHEREAS, Mortgagor may hereafter become indebted to said Mortgagee for additional sums loaned and/or on account of indebtedness which may accrue to Mortgagee, whether on account of any future payments, advances or expenditures made by Mortgagee under the provisions of this Mortgage or otherwise; and this Mortgage is intended to secure and enforce payment of any and all such present and future indebtedness;

NOW, THEREFORE, to secure (a) the payment, performance and observance by Mortgagor of all indebtedness, terms, covenants and conditions set forth in the Note, in any renewal, extension or modification thereof, in this Mortgage and in all other instruments evidencing and securing the Note, including without limitation, any and all amounts which may be paid or incurred by Mortgagee pursuant to this Mortgage (provided, however, that nothing set forth herein shall create an obligation on the part of Mortgagee to make any such payments); (b) all future advances that may subsequently be made to Mortgagor by Mortgagee, evidenced by the aforesaid Note, or any other promissory notes,

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longer imposed

and all renewals, extensions and modifications thereof (provided, however, that nothing set forth herein shall create an obligation on the part of Mortgagee to make future advances to Mortgagor); and (c) all other indebtedness of Mortgagor to Mortgagee, now or hereafter existing, whether direct or indirect, as well as all charges and expenses of collection incurred by Mortgagee, including court costs, and reasonable attorneys' fees (all of the foregoing shall hereinafter be collectively referred to as the "Secured Indebtedness"), and in further consideration of the Loan and for other valuable consideration, the receipt of which is hereby acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever all right, title and interest of Mortgagor in and to the following:

THE MORTGAGED PROPERTY

(A) **The Property.** All the property located in Shelby County, State of Alabama (the "Property"), described in Exhibit "A" attached hereto and made a part hereof (none of the Property is, or ever has been, the homestead of the Mortgagor);

(B) **The Improvements.** TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Property, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Property, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Mortgagor, in and to any such personal property or fixtures (the "Improvements");

(C) **Easements or other Interests.** TOGETHER WITH all easements, rights-of-way, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any part of the land or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, 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 Mortgagor of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Mortgaged Property (as hereinafter defined), or any part thereof under the power of

eminent domain, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Property or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Mortgaged Property or any part thereof;

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(D) Assignment of Rents. TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property to be applied against the Secured Indebtedness, provided, however, that permission is hereby given to Mortgagor, so long as no Event of Default (as hereinafter defined) has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable, but not in advance thereof. The foregoing assignment shall be fully operative without any further action on the part of either party and specifically Mortgagee shall be entitled, at its option upon the occurrence of an Event of Default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property whether or not Mortgagee takes possession of the Mortgaged Property. Upon any such default hereunder, the permission hereby given to Mortgagor to collect such rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property shall automatically terminate and the continued taking of such rents, unless immediately delivered to the Mortgagee, shall constitute actionable conversion of such assets by Mortgagor. Neither the exercise of any such rights by Mortgagee nor the application of any such rents, royalties, issues, profits, revenue, income or other benefits to the Secured Indebtedness and other sums secured hereby, shall cure or waive any Event of Default hereunder or invalidate any act done pursuant hereto or to any such notice, but all such rights and remedies shall be cumulative.

(E) Fixtures and Personal Property. TOGETHER WITH a security interest in (i) all personal property and fixtures now or hereafter acquired and affixed to or located on the Property which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Property, (ii) all articles of personal property now or hereafter acquired by Mortgagor and used or usable in connection with the Property, and all materials delivered to the Property for use in any construction being conducted thereon, and owned by Mortgagor; (iii) and all contract rights, general intangibles, actions and rights in action now or hereafter acquired pertaining to the Mortgaged Property, including all rights to insurance proceeds, and (iv) all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing.

(F) Further Encumbrances. TOGETHER WITH all of Mortgagor's rights further to encumber all or any portion of the Mortgaged Property without the prior written approval of the Mortgagee.

Everything referred to in paragraphs (A), (B), (C), (D), (E) and (F) hereof and any additional property hereafter acquired by Mortgagor and subject to or hereafter made subject to the lien of this Mortgage, or intended to be so, is herein collectively referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions hereof.

PROVIDED, HOWEVER, that if Mortgagor shall promptly pay or cause to be paid to Mortgagee the Secured Indebtedness, at the times and in the manner stipulated in the Note, this Mortgage, and in all other instruments evidencing and securing the same, and shall keep, perform and observe all the covenants and promises in the Note, and any renewal, extension or modification thereof, and in this Mortgage and in all other instruments evidencing and securing the Secured Indebtedness to be kept, performed or observed by Mortgagor, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect. Any default or event of default under any other Loan Document shall constitute an Event of Default hereunder.

MORTGAGOR COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:

ARTICLE ONE

COVENANTS OF MORTGAGOR

1.01 Performance of Note, Mortgage, etc. Mortgagor shall perform, observe and comply with all provisions hereof, of the Note, this Mortgage, that certain Collateral Assignment of Leases and Rents, that certain Indemnity Agreement Regarding Hazardous Materials, those certain UCC-1 Financing Statements, and any other instrument or document now or hereafter securing, or executed in connection with, the Secured Indebtedness (collectively referred to as the "Loan Documents"), and will promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Note and pursuant to the provisions of this Mortgage and of every other Loan Document evidencing and securing the Secured Indebtedness when payment shall become due, without deduction or credit for taxes or similar charges paid by Mortgagor.

1.02 Warranty of Title. Mortgagor covenants and warrants that Mortgagor has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as

provided herein; that Mortgagee may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Property and other real property hereby mortgaged and every part thereof; that the Property, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created is free and clear of all liens, security interests, charges and encumbrances whatsoever, except for the lien of this Mortgage and those encumbrances identified on Exhibit A hereto. Mortgagor shall make such further assurances to perfect Mortgagee's title and security interest in and to the Mortgaged Property as may reasonably be required by Mortgagee. Mortgagor fully warrants the title to the Property, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

1.03 Warranty of Access and Adequate Parking. Mortgagor represents and warrants to Mortgagee that there is and will at all times be adequate access for ingress and egress to and from the Mortgaged Property to and from public highways, roads or streets, and that there is and will at all times be adequate parking for and constituting a part of the Mortgaged Property.

1.04 Zoning and Environmental Laws. Mortgagor covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Land permit the use and occupancy of the Improvements and further covenants and warrants to comply with all laws, ordinances and regulations affecting the Mortgaged Property.

1.05 Environmental Laws. Mortgagor will not use the Mortgaged Property in a manner which will result in the disposal or any other release of any Hazardous Materials (as hereinafter defined) on, under or otherwise affecting the Mortgaged Property. Mortgagor covenants and agrees to keep or cause the Mortgaged Property to be kept free of any Hazardous Materials or other contaminant. In response to the presence of any Hazardous Materials on, under or otherwise affecting the Mortgaged Property, Mortgagor shall immediately (after notifying the Mortgagee as required by the terms of paragraph 1.06(b) hereof), at Mortgagor's sole expense, take all remedial action required by any applicable environmental laws or any judgment, consent decree, settlement or compromise with respect thereto.

1.06 Notice of Hazardous Materials.

(a) For the purposes of this Mortgage, hazardous materials ("Hazardous Materials") shall include but not be limited to substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 49 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation

Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; or any other federal, state or local laws pertaining to such matters, and the regulations adopted and publications promulgated pursuant to said laws, and Hazardous Materials shall also include all storage containers, tanks and tank systems located on, under or otherwise affecting the Mortgaged Property, whether underground or otherwise.

(b) Mortgagor shall immediately notify Mortgagee in writing of: (i) the discovery of any hazardous materials on, under or about the Property; (ii) any knowledge by Mortgagor that the Mortgaged Property does not comply with any hazardous materials laws; (iii) any hazardous materials claims or hazardous conditions; and (iv) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be designated as "border zone property" under the provisions of any applicable environmental laws.

1.07 Indemnification.

(a) Mortgagor shall indemnify, reimburse, protect, defend and hold Mortgagee and its directors, officers, agents and employees harmless from and against any and all claims, causes of action, liabilities, losses, damages, injuries, expenses, charges, penalties or costs incurred by Mortgagee (including, without limitation, reasonable attorneys' fees, expert witness fees, and litigation expenses), of whatsoever character, nature and kind, whether groundless or not, whether to property or to person, and whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent (collectively, "Losses and Liabilities"), related directly or indirectly to, or arising out of or in connection with, (a) any breach or default of Mortgagor hereunder, which is not cured to Mortgagee's satisfaction within ten (10) days after written notice to Mortgagor as provided herein, (b) any of Mortgagor's activities on or with regard to the Mortgaged Property (or the activities of Mortgagor's agents, employees, representatives, independent contractors, licensees, guests, or invitees on or with regard to the Mortgaged Property), including without limitation, the use of the equipment or machinery on the Mortgaged Property, (c) any of Mortgagee's activities on or with regard to the Property, which may occur prior to Mortgagee's taking title to or possession of the Mortgaged Property, including any acts or allegations of negligence on the part of Mortgagee, (d) Mortgagor's actual or alleged breach of any brokerage or finder's contract or agreement, actual or alleged, connected in any way with the purchase, construction or financing of the Mortgaged Property or any portion thereof, and (e) any other fact, circumstance or event related to Mortgagor's performance or Mortgagee's rights hereunder, regardless of

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whether any such Losses and Liabilities arise from tort or contract.

(b) The Mortgagor shall indemnify, reimburse, protect, defend and hold harmless Mortgagee, its directors, officers, agents, and employees, and any successors to Mortgagee's interest in the chain of title to the Mortgaged Property, their directors, officers, agents, and employees, from and against any and all Losses and Liabilities, including all foreseeable and all unforeseeable liabilities and consequential damages, relating to, or arising out of claims or allegations relating to, the presence, use, generation, storage, or disposal (whether actual or threatened), of Hazardous Materials by any person or entity on, in, under or otherwise affecting any portion of the Mortgaged Property, and including without limitation, the cost of any required or necessary repair, cleanup, or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of the Mortgaged Property or prior to or following transfer thereof to or from Mortgagee, to the full extent that such action is attributable, directly or indirectly, to the actual or alleged presence, use, generation, storage, release, or disposal (whether actual or threatened) of Hazardous Materials by any person or entity on, under or otherwise affecting the Mortgaged Property.

(c) The foregoing indemnity shall further apply to any residual contamination on or under the Mortgaged Property, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such hazardous materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances.

1.08 Taxes and Liens.

(a) Mortgagor shall pay or bond promptly, when and as due, and shall promptly exhibit to Mortgagee receipts for the payment of all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the Secured Indebtedness, or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality, public service district, or other taxing authority upon or against Mortgagor or in respect of the Mortgaged Property or any part thereof, and 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 before they become delinquent and before any interest attaches or any penalty is incurred.

(b) Mortgagor shall not permit or suffer more than ten (10) days any mechanics', laborers', materialmen's, statutory or other lien upon any of the Mortgaged Property.

(c) Mortgagee may, in its sole discretion, require Mortgagor to deposit with Mortgagee on the first day of each month, in addition to making any required payments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments and similar charges. Upon the occurrence of an Event of Default under any of the terms, covenants and conditions of the Note, this Mortgage or any other Loan Document to be kept, performed or observed by Mortgagor, Mortgagee may apply to the reduction of the Secured Indebtedness, in such manner as Mortgagee shall determine, any amount held by Mortgagee under this paragraph.

(d) Mortgagor shall not claim, demand or be entitled to receive any credit or credits on the Secured Indebtedness for so much of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof as are applicable to the indebtedness secured hereby or to Mortgagee's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the Note, this Mortgage or any other Loan Document.

1.09 Insurance.

(a) Mortgagor shall, at its sole expense, obtain for, deliver to and maintain for the benefit of Mortgagee, during the life of this Mortgage, insurance policies for the full replacement value of the Mortgaged Property, insuring the Mortgaged Property against fire, extended coverage and such other insurable hazards, casualties and contingencies as Mortgagee may require including flood damage, and shall pay promptly, when due, any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be acceptable to Mortgagee. All such policies and renewals

thereof shall be held by Mortgagee and shall contain a noncontributory mortgagee endorsement making losses in excess of \$30,000 payable solely to Mortgagee, rather than to Mortgagor and Mortgagee jointly, and shall provide that the coverages thereunder may not be terminated without giving to Mortgagor at least thirty (30) days prior written notice of Mortgagor's or the insurance company's intent to terminate any such policy.

Mortgagee agrees not to settle a claim with the insurance company without first consulting with Mortgagor. The coverage under such policies shall be limited to the improvements now or hereafter located on the Mortgaged Property. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to Mortgagee shall be delivered to Mortgagee. Mortgagor shall deliver to Mortgagee receipts evidencing the payment of all premiums on such insurance policies and renewals. Delivery of the insurance policies and renewals thereof shall constitute an assignment to Mortgagee, as further security, of all unearned premiums. In the event of loss, Mortgagor will give written notice to Mortgagee within five (5) days of the loss and Mortgagee may make proof of loss if not made promptly by Mortgagor. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee of the Mortgaged Property. Mortgagee may at any time, at its own discretion procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in like amount, as it may determine without prejudice to its right to foreclose hereunder, should Mortgagor fail or refuse to keep said premises so insured.

(b) Mortgagor hereby assigns to Mortgagee all proceeds from any insurance policies, and Mortgagee is hereby authorized and empowered in its reasonable discretion, 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, in excess of \$30,000, directly to Mortgagee alone, and not to Mortgagor and Mortgagee jointly. Mortgagee agrees not to settle a claim with the insurance company without first consulting with Mortgagor. After deducting from such insurance proceeds any expenses incurred by Mortgagee in the collection or handling of such funds, Mortgagee may apply the net proceeds, at its option either toward restoring the Improvements or as a credit on any portion of the Secured Indebtedness, whether then matured or to mature in the future, or, at the option of Mortgagee, such sums either wholly or in part may be paid over to Mortgagor to be used to repair such Improvements or to build new improvements in their place or for any other purpose or object satisfactory to Mortgagee, without affecting the lien of this Mortgage for the

full amount of the Secured Indebtedness before such payment took place. If Mortgagee elects to restore the Improvements, any balance of such monies after restoration shall either be applied, at Mortgagee's option, toward the reduction of the Secured Indebtedness or shall be paid to Mortgagor. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) Mortgagor shall at its sole expense obtain for, deliver to and maintain for the benefit of Mortgagee, during the life of this Mortgage, liability insurance policies relating to the Mortgaged Property, in such amounts, with such companies, and in such form as may be reasonably required by Mortgagee. Such policies shall contain an endorsement, in form satisfactory to Mortgagee, naming Mortgagee as an additional insured thereunder, and shall provide that the coverages thereunder may not be terminated without giving to Mortgagor at least thirty (30) days prior written notice of Mortgagor's or the insurance company's intent to terminate any such policy. Mortgagor shall pay promptly, when due, any premiums on such insurance policies and renewals thereof.

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(d) Mortgagee may, in its sole discretion, require Mortgagor to deposit with Mortgagee on the first day of each month, in addition to making payments of regular installments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for all insurance. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such premiums when due. Upon the occurrence of an Event of Default under any of the terms, covenants and conditions in the Note, this Mortgage or any other Loan Document to be kept, performed or observed by Mortgagor, Mortgagee may apply to the reduction of the Secured Indebtedness, in such manner as Mortgagee shall determine, any amount held by Mortgagee under this paragraph.

1.10 Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any other authority authorized by the laws of Alabama or the United States of America to so damage or take, and any transfer by private sale in lieu thereof), either temporarily or permanently, the Secured Indebtedness shall, at the option of Mortgagee, become immediately due and payable. Mortgagee shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of any

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damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Mortgagor's name, any action or proceedings relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or reliefs, and the right thereto, are hereby assigned by Mortgagor to Mortgagee, and are to be paid solely to Mortgagee (rather than to Mortgagor and Mortgagee jointly), who, after deducting therefrom all its expenses including attorney's fees, may, at its sole option, either release any monies so received by it for the restoration of the Mortgaged Property, or may apply the same, in such manner as Mortgagee shall determine, to the reduction of the Secured Indebtedness, all without affecting the lien of this Mortgage. Any balance of such monies then remaining shall be paid to Mortgagor. Mortgagor agrees to execute such further assignments of any compensation, awards, damages, claims, rights of action and proceeds as Mortgagee may require.

1.11 Care of Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair. Mortgagor shall not remove, demolish, materially alter or materially change the use of any building, structure or other Improvement presently or hereafter on the Property without the prior written consent of Mortgagee. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) No fixture, personal property or other part of the Mortgaged Property shall be removed, demolished or altered, without the prior written consent of Mortgagee. Mortgagor may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable or obsolete only if they are replaced immediately with similar items of at least equal value which shall, without further action, become subject to the lien of this Mortgage.

(c) Mortgagee may enter upon and inspect the Mortgaged Property at any reasonable time during the life of this Mortgage.

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

(e) If all or any part of the Mortgaged Property shall be lost, damaged or destroyed by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee and shall 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 lost, physically damaged or destroyed through condemnation, Mortgagor will promptly restore, repair or alter the remaining property in a manner satisfactory to Mortgagee.

(f) No renovation, alteration or other work to be performed with regard to the Mortgaged Property shall be undertaken until plans and specifications therefor, prepared by an architect or engineer satisfactory to Mortgagee, have been submitted to and approved in writing by Mortgagee.

1.12 Transfer of Property. Mortgagor shall not sell, convey, transfer or further encumber any interest in or any part of the Mortgaged Property, without the prior written consent of Mortgagee. If any person should obtain any interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof which has not been previously consented to by Mortgagee, such event shall be deemed to be a transfer by Mortgagor and an Event of Default hereunder.

1.13 Leases Affecting Mortgaged Property. Mortgagor shall comply with and observe its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor shall furnish promptly to Mortgagee executed copies of all such leases now existing or hereafter created, all of which shall be in form and substance subject to the approval of Mortgagee. Mortgagee shall require that all such leases shall be subordinated to the lien of this Mortgage and Mortgagor shall require all lessees to execute estoppel certificates satisfactory in form and substance to Mortgagee. Mortgagor shall not accept payment of rent more than one (1) month in advance without the prior written consent of Mortgagee. Mortgagor shall not, without the prior written consent of Mortgagee, further assign the rents from, or the leases affecting, the Mortgaged Property. Mortgagor shall not enter into any lease or other such agreement affecting the Mortgaged Property, nor do any act to amend, modify, extend, terminate or cancel, accept the surrender, subordinate, permit or suffer an assignment or sublease, accelerate the payment of rent, or change the terms of any renewal option of any lease or other such agreement now or hereafter covering such property or any part thereof, without the prior written consent of Mortgagee.

1.14 Further Assurances. At any time and from time to time, upon Mortgagee's request, Mortgagor shall make, execute and deliver or cause to be made, executed and delivered to Mortgagee

and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be re-recorded or re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, enlarge in accordance with the Loan Agreement or perfect, or to continue and preserve the obligations of Mortgagor under the Note and this Mortgage and the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record or re-file any and all such mortgages, instruments, financing statements, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

1.15 After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Mortgaged Property or any part thereof.

1.16 Expenses. Mortgagor shall pay or reimburse Mortgagee for all costs, charges and expenses, including reasonable attorney's fees and disbursements, and costs incurred or paid by Mortgagee in connection with the making and administration of the Loan including those paid or incurred in any action which is threatened, pending or completed or proceeding in dispute in which Mortgagee is or might be made a part or appears as a party plaintiff or party defendant and which affects or might affect the Note, or the Mortgaged Property or any part thereof, or the interests of Mortgagor or Mortgagee therein, including but not limited to the foreclosure of this Mortgage, condemnation involving all or part of the Mortgaged Property or any action to protect the security hereof. All such costs, charges and expenses so incurred or paid by Mortgagee shall become due and payable immediately, whether or not there be notice, demand, attempt to collect or suit pending. The amounts so incurred or paid by Mortgagee, together with interest thereon at the per annum rate set forth in the Note from the date incurred until paid by Mortgagor, shall be added to the Secured Indebtedness secured by the lien of this Mortgage.

1.17 Mortgagee's Performance of Defaults. If Mortgagor defaults in the payment of any tax, assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder or in the performance or observance of any other covenant, condition or term in this Mortgage, or in any other Loan Document, including without limitation, the permission of waste on the Mortgaged Property, Mortgagee may at its option, but

without obligation to do so, perform the same, and all payments made (whether such payments are regular or accelerated payments) and costs and expenses incurred or paid by Mortgagee in connection therewith shall become due and payable immediately by Mortgagor. The amounts so incurred or paid by Mortgagee, together with interest thereon at the rate set forth in the Note from the date incurred until paid by Mortgagor, shall be added to the Secured Indebtedness and secured by the lien of this Mortgage. Nothing set forth in this paragraph shall be construed as requiring Mortgagee to advance or expend monies for any purposes mentioned in this paragraph, or for any other purpose. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing any such defaulted covenant, condition or term, including without limitation, the making of any repairs to the Mortgaged Property, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

1.18 Books and Records. Mortgagor shall keep and maintain at all times complete, true and accurate books of accounts and records reflecting the results of the operation of the Mortgaged Property. Mortgagor shall furnish to Mortgagee a balance sheet and a statement of income and expenses, and other financial information, in accordance with the terms of the Loan Agreement. Mortgagor shall permit Mortgagee to inspect said books and records in accordance with the terms of the Loan Agreement.

1.19 Estoppel Affidavits. Mortgagor, within ten (10) days after written request from Mortgagee, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses exist against principal and interest or other sums.

1.20 Subordination of Management Agreement. Mortgagor will not, without the prior written consent of Mortgagee, enter into any future management or leasing agreement with respect to the Mortgaged Property. Any management or leasing agreement entered into by Mortgagor without the prior written consent of Mortgagee is voidable at Mortgagee's option.

1.21 Zoning Certificates. Mortgagor shall deliver to Mortgagee, upon request, a copy, in form and content satisfactory to Mortgagee, of all certificates of occupancy and zoning certificates affecting the Mortgaged Property. Mortgagor shall further deliver to Mortgagee, upon request, evidence that the Improvements are in compliance with all applicable statutes and regulations.

1.22 Notice of Default to Mortgagee. Mortgagor shall promptly give notice in writing to the Mortgagee of the occurrence of any Event of Default hereunder or under any other

Loan Document, or any event which upon notice or lapse of time, or both, of which Mortgagor has knowledge, would constitute an Event of Default hereunder, or under any other Loan Document.

1.23 Third Party Security Interests. During performance by or for Mortgagor of anything agreed by Mortgagor to be done hereunder, or under any other Loan Document, Mortgagor shall not make or cause to be made any contract for materials or equipment of any kind or nature to be incorporated in or to become a part of the Mortgaged Property if title to such materials or equipment is reserved under a conditional sales contract or otherwise, or is subject to any security interest in favor of a third person.

ARTICLE TWO

DEFAULTS

2.01 Event of Default. Each of the following shall constitute an event of default ("Event of Default"):

(a) Any breach or default in the payment of the principal or interest of the Note under the terms and conditions thereof;

(b) Any breach or default by Mortgagor of any of the covenants, agreements and conditions of this Mortgage if not cured to Mortgagee's satisfaction within any grace period permitted therein or, if no grace period is applicable, within ten (10) days of Mortgagee's written notice to Mortgagor thereof;

(c) Any breach or default by Mortgagor in, or any failure by Mortgagor to duly keep, perform and observe, any other covenant, condition or agreement in the Note, this Mortgage or any other Loan Document securing the Note or executed in connection with the Secured Indebtedness if not cured to Mortgagee's satisfaction within any grace period permitted therein or, if no grace period is applicable, within ten (10) days of Mortgagee's written notice to Mortgagor thereof;

(d) If either (A) Mortgagor or any guarantor or endorser of the Note: (i) files a voluntary petition in bankruptcy, or (ii) is adjudicated as a bankrupt or insolvent, or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iv) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or (v) makes any general assignment for the benefit of creditors, or (vi) makes an admission in writing of its inability to pay its

debts generally as they become due; or (B) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Mortgagor or any guarantor or endorser of the Note, 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 (C) any trustee, receiver or liquidator of Mortgagor 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, is appointed without the prior written consent of Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive).

(e) Breach of any warranty or material untruth of any representation by or on behalf of Mortgagor in connection with the Loan;

2.02 Acceleration of Maturity. If an Event of Default shall have occurred, Mortgagee may, at its option, declare the entire outstanding principal amount of the Note and all interest accruing thereon, and all other Secured Indebtedness, to be due and payable immediately, regardless of the maturity date thereof, and upon such declaration, all such principal and interest and other sums shall immediately become and be due and payable without further demand or notice.

2.03 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as hereinafter provided or otherwise, sell the Mortgaged Property or any portion thereof at public outcry, in front of the courthouse door of the county wherein the Property is located, to the highest bidder for cash, either in person or by auctioneer, after first giving notice of the time, place and terms of such sale by publication once a week for three (3) successive weeks in some newspaper published in said county, and, upon the payment of the purchase money, Mortgagee or any person conducting said sale for it is authorized and empowered to execute and deliver to the purchaser at said sale, a deed to the property so purchased, in the name and on behalf of Mortgagor. The equity of redemption from this Mortgage may also be foreclosed by suit in any court of competent jurisdiction as now provided by law in the case of past due mortgages. The proceeds of any such sale shall be applied, in such order and amounts as Mortgagee shall designate, (a) to the expense incurred in making the sale and in all prior efforts to effect collection of the Secured Indebtedness, including a reasonable attorney's fee, or reasonable attorneys' fees, for such services as may be, or have been, necessary in any one or

more of the foreclosure of this Mortgage, of the collection of the Secured Indebtedness, and of the pursuit of any efforts theretofore directed to that end, including, but without limitation to, the defense of any proceedings instituted by the Mortgagor, or anyone liable for the Secured Indebtedness, or having any interest in the Mortgaged Property, to prevent or delay, by any means, the exercise of said power of sale on the foreclosure of this Mortgage; (b) to the payment of whatever sum or sums Mortgagee may have paid out or become liable to pay, in carrying out the provisions of this Mortgage, together with interest thereon; (c) to the payment and satisfaction of the Secured Indebtedness, including without limitation, all principal and interest thereon to the day of sale; and (d) the balance, if any, shall be paid over to Mortgagor, or Mortgagor's successors or assigns. In any event, the purchaser under any foreclosure sale, as provided herein, shall be under no obligation to see to the proper application of the purchase money.

2.04 Mortgagee's Right to Enter and Take Possession,
Operate and Apply Income.

(a) If an Event of Default shall have occurred, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Mortgaged Property, and if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession of all or any part of the Mortgaged Property, either with or without the appointment of a receiver, and may exclude Mortgagor and Mortgagor's agents and employees wholly therefrom, and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Mortgagee's demand, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee along with all books, papers and accounts of Mortgagor, to the entry of which judgment or decree Mortgagor hereby specifically consents.

(c) Mortgagor shall pay to Mortgagee, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged 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 insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor in Mortgagor's name or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers granted Mortgagee herein or in any other Loan Document;

all as Mortgagee in its reasonable judgment from time to time may determine; and Mortgagee 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 shall apply the monies so received by Mortgagee in such priority as Mortgagee may determine to (1) the reasonable compensation, expenses and disbursements of the agents and attorneys; (2) the cost of insurance, taxes, assessments and other proper charges upon the Mortgaged Property or any part thereof; (3) the deposits for taxes and assessments and insurance premiums due; and (4) the payment of the Secured Indebtedness, including without limitation, interest thereon.

Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor only when all that is due upon such interest, tax and insurance deposits and principal installments, and under any of the terms of this Mortgage, shall have been paid and all defaults made good. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

2.05 Leases. Upon the occurrence of an Event of Default, Mortgagor shall promptly deliver to Mortgagee the originals of all leases and other agreements relating to the Mortgaged Property, as well as all accounts, books, records and security deposits relating to such, and Mortgagor will not claim any interest in such leases or the rents due thereunder. Mortgagee, at its option, is authorized to 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 proceedings and to foreclose their rights will not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Mortgagee to collect the sums secured

hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.06 Purchase by Mortgagee. Upon any such foreclosure sale, Mortgagee may bid in all or any part of the Secured Indebtedness and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the Mortgaged Property or any part thereof in its own absolute right without accountability for such action. Upon any such foreclosure sale, Mortgagee may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation and other charges, in paying the purchase price apply any portion of or all sums due to Mortgagee under the Note, this Mortgage or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

2.07 Receiver. If an Event of Default shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value or occupancy of the security, shall be entitled as a matter of right if it so elects to appoint or have appointed a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the state where the Mortgaged Property is located and such other powers as any court shall confer. The expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the powers herein set forth shall be secured by this Mortgage. All rights and powers granted herein, including without limitation, the right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative with any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as secured party hereunder to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to, Mortgagee.

2.08 Suits to Protect the Mortgaged Property. Mortgagee shall have the power and authority to institute and maintain any suits and proceedings as Mortgagee may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, 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 might impair the security hereunder or be prejudicial to Mortgagee's interest.

2.09 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, any person, partnership or corporation guaranteeing or endorsing any of the Mortgagor's obligations, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claim allowed in such proceedings for the entire amount due and payable by Mortgagor under the Note, this Mortgage and any other instrument securing the Note, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date.

2.10 Mortgagor to Pay the Note on Any Default in Payment; Application of Monies by Mortgagee.

(a) If default shall be made in the payment of any amount due under the Note, this Mortgage or any other instrument securing the Note, then, upon Mortgagee's demand, Mortgagor will pay to Mortgagee the whole amount due and payable under the Note and all other Secured Indebtedness; and if Mortgagor shall fail to pay the same forthwith upon such demand, Mortgagee shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses including the reasonable compensation, expenses and disbursements of Mortgagee's agents and attorneys incurred in connection with such suit and any appeal in connection therewith. Mortgagee shall be entitled to sue and recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any taking, possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the sums secured hereby, Mortgagee shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid and to recover judgment for any portion thereof remaining unpaid, with interest.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any such judgment by Mortgagee and no attachment or levy of any execution upon any of the Mortgaged

Property or any other property shall in any way effect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

(d) Any monies collected or received by Mortgagee under this paragraph shall be applied as follows:

(i) First, to the payment of reasonable compensation, expenses and disbursements of the agents and attorneys of the Mortgagee; and

(ii) Second, to payment of amounts due and unpaid under the Note, this Mortgage and all other instruments securing the Note;

2.11 Delay or Omission No Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

2.12 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Mortgagee (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 in the Note, this Mortgage or any other instrument securing the Note; (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Document; (e) consents to the filing of any map, plat or replat of the Mortgaged Property; (f) consents to the granting of any easement on the Mortgaged Property; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original liability under the Note, this Mortgage or otherwise of Mortgagor, or any subsequent purchaser of the Mortgaged Property or any part thereof or any maker, cosigner, endorser, surety or guarantor. No such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property,

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

2.13 Discontinuance of Proceedings; Position of Parties Restored. If Mortgagee 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 Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding has occurred or had been taken.

2.14 Waiver of Appraisement, Valuation, Stay, Extension, and Redemption Laws. Mortgagor agrees, to the full extent permitted by law, that in case of a default on its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this First Mortgage and Security Agreement, or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers of the Mortgaged Property, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

2.15 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other Loan Document securing the Note, is exclusive of any other 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 under the Note or any other Loan Document securing the Note, or now or hereafter existing at law, in equity or by statute.

ARTICLE THREE

SECURITY AGREEMENT

3.01 Mortgage deemed to be Security Agreement. Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest in all furniture, fixtures, equipment, rights in action and personal property comprising a portion of the Mortgaged Property. When Mortgagor and Mortgagee shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein, or in any way connected with the use and enjoyment of the Mortgaged Property, this Mortgage shall be deemed the security agreement as defined in said Uniform Commercial Code. This Mortgage, therefore, is a self-operative security agreement with respect to such property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. On demand, Mortgagor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity, perfection and priority of the security interest of Mortgagee, hereby granted, or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee.

3.02 Enforcement of Remedies. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Alabama Uniform Commercial Code with respect to such property, and it is expressly agreed in accordance with the provisions of the Alabama Uniform Commercial Code, ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Alabama Uniform Commercial Code requiring such notice; provided, however, that Mortgagee may at its option dispose of the collateral in accordance with Mortgagee's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the Alabama Uniform Commercial Code.

3.03 Fixture Filing. If any of the items of property described in this Mortgage are goods that are now or are to become fixtures related to the real estate described herein, 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 located. Information concerning the security interest created by this instrument may be obtained from the Mortgagee, as Secured Party, or the Mortgagor, as Debtor, at the address first shown above.

3.04 Financing Statement shall not impair Mortgage. Mortgagor and Mortgagee agree that the filing of a separate financing statement in the records normally having to do with

personal property shall never be construed as in anywise derogating from or impairing this Mortgage. The parties hereto intend that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment (or other items capable of being so identified) in a recital contained herein or in any list filed with the Mortgagee, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of the Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivisions or entity of the federal government, must be filed in the Commercial Code Records.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

4.01 Successors, and Assigns Included in Parties. Whenever one of the parties hereto is named or referred to herein, the successors and assigns of such party shall be included and all covenants and agreements set forth in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

4.02 Addresses for Notices, etc. Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Mortgagor or Mortgagee shall be deemed given or furnished, when delivered in person, deposited in the United States mail by registered or certified mail, return receipt requested, postage prepaid, or sent by a nationally

recognized overnight commercial delivery service requiring proof of delivery with fee prepaid, addressed as follows:

To Mortgagor: Mr. Jack W. Kidd
2153 Rocky Ridge Road
Birmingham, Alabama 35243

With a copy to: Mr. Robert E. Minor
P.O. Box 3988
Birmingham, AL 35208

To Mortgagee: First Alabama Bank
Attn: Real Estate Department
P.O. Box 10247
Birmingham, Alabama 35202

With copy to: Mr. Joseph W. Mathews, Jr.
Lange, Simpson, Robinson & Somerville
1700 First Alabama Bank Building
Birmingham, Alabama 35203

or to such other address as either party may have given to the other by notice as hereinabove provided. Such notice shall be deemed delivered on the date personally delivered, or if mailed, on the third (3rd) business day after the same was deposited in the United States Mail, postage prepaid, as aforesaid, or on the next business day after the same was sent via a nationally recognized overnight commercially delivery service.

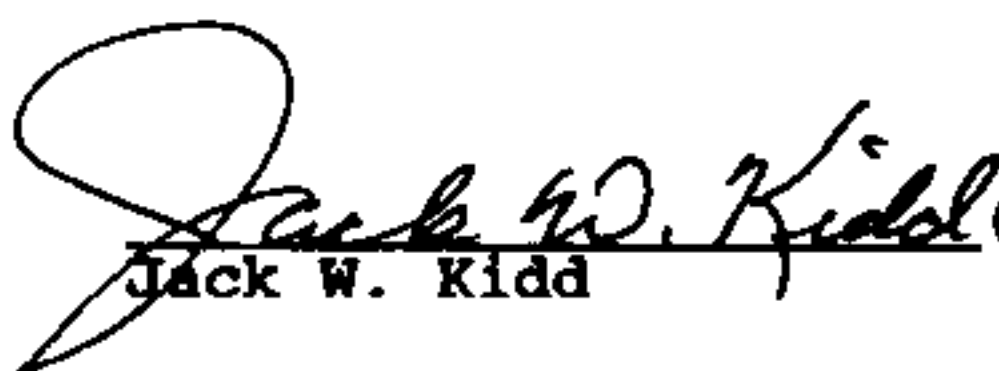
4.03 Headings. The headings of the articles, sections, paragraphs and subdivision of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

4.04 Invalid Provision to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

4.05 Changes, etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

4.06 Governing Law. This Mortgage is made by Mortgagor and accepted by Mortgagee in the State of Alabama, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

IN WITNESS WHEREOF, the undersigned has executed this Mortgage under seal as of the day and year above first written.

 (Seal)
Jack W. Kidd

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in the aforesaid County in said State, hereby certify that Jack W. Kidd, a married man, whose name 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 executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 13th day of December, 1991.


Notary Public

My commission expires: 9/17/93

THIS INSTRUMENT PREPARED BY:

Joseph W. Mathews, Jr.
LANGE, SIMPSON, ROBINSON & SOMERVILLE
1700 First Alabama Bank Building
Birmingham, Alabama 35203-3272

EXHIBIT "A"

A parcel of land located in Section 25, Township 19 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Northwest corner of the Southeast one-quarter of the Southeast one-quarter of Section 25 and run south 89 degrees 55 minutes 20 seconds east along the north line of said quarter-quarter section for a distance of 761.20 feet to the point of beginning; from the point of beginning thus obtained continue along the last described course for a distance of 135.60 feet; thence run north 1 degree 23 minutes 46 seconds west for a distance of 74.25 feet to a point; continue along the last described course for a distance of 217.06 feet; thence run south 89 degrees 53 minutes 54 seconds east for a distance of 418.51 feet; thence run south 0 degrees 45 minutes 26 seconds east for a distance of 121.04 feet; thence run south 90 degrees 00 minutes 00 seconds west for a distance of 417.14 feet; thence run north 1 degree 23 minutes 46 seconds west for a distance of 41.53 feet; thence run south 89 degrees 28 minutes 29 seconds west for a distance of 128.85 feet to the point of commencement of a curve to the left, said curve having a radius of 154.38 feet and a delta of 20 degrees 45 minutes 26 seconds; thence run in a northwesterly direction along the arc of said curve for a distance of 55.93 feet to a point; thence run north 21 degrees 16 minutes 57 seconds west for a distance of 59.29 feet to the point of commencement of a curve to the right, said curve having a radius of 25 feet and a delta of 70 degrees 31 minutes 44 seconds; thence run in a northeasterly direction along the arc of said curve for a distance of 30.77 feet to the point of commencement of a curve to the left, said curve having a radius of 50 feet and a delta of 71 degrees 36 minutes 02 seconds; thence run in a northerly direction along the arc of said curve for a distance of 62.48 feet; thence run north 1 degree 23 minutes 46 seconds west for a distance of 100.39 feet to a point; thence continue along the last described course for a distance of 77.74 feet to the point of beginning.

ALL ESTATE RECORDS
I CERTIFY THAT
THIS INSTRUMENT WAS FILED

91 DEC 18 AM 10:10

JUDGE OF PROBATE

1. Deed Tax	\$	2967.50
2. Mig. Tax	\$	62.50
3. Recording Fee	\$	3.00
4. Indexing Fee	\$	1.00
5. No Tax Fee	\$	1.00
6. Certified Fee	\$	1.00
Total	\$	3034.00