

STATE OF ALABAMA

SHELBY COUNTY

1288

SECOND MORTGAGE AND SECURITY AGREEMENT

THIS SECOND MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made and entered into this 13th day of March, 1992, by WADSWORTH OIL COMPANY, INC., a corporation ("Borrower") and JAMES D. WADSWORTH, an unmarried person ("Mortgagor") to W. T. WADSWORTH OIL CO., INC., a corporation ("Lender");

W I T N E S S E T H:

KNOW ALL MEN BY THESE PRESENTS: THAT, WHEREAS, Borrower is justly indebted to Lender in the principal sum of THREE HUNDRED NINETY THOUSAND and No/100 Dollars (\$390,000.00) with interest at the rates provided in those certain Promissory Notes (the "Notes") in the principal amounts of \$355,000.00 and \$35,000.00, of even date herewith and payable as provided therein; and

WHEREAS, Mortgagor is the sole shareholder of Borrower and as such has received substantial benefit by virtue of the financing by Lender for Borrower; and

WHEREAS, Borrower has a leasehold interest in and to, and the right to occupy, the real property described herein by virtue of a lease dated August 31, 1989 (the "Lease"); and

WHEREAS, Borrower owns certain fixtures and personal property described herein and located on the described real property; and

WHEREAS, Mortgagor owns fee simple title to the real property and all fixtures and personal property described herein not owned by Borrower.

NOW, THEREFORE, in consideration of the premises, the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the Indebtedness, as defined herein and the performance of the Obligations, as defined herein, Borrower and Mortgagor do hereby grant, bargain, sell, convey, mortgage, assign, transfer, pledge and set over unto Lender, and the successors and assigns of Lender, all of the following described property (collectively the "Mortgaged Property"):

(a) All that tract or parcel of land more particularly described in Exhibit A attached hereto and made a part hereof, together with all appurtenances, estates, rights and tenements appertaining thereto together with all buildings and improvements thereon and all present and future rents, income and profit therefrom (collectively the "Real Estate");

(b) All fixtures which are or shall be attached to the Real Estate and all other fixtures, machinery, equipment, furniture, furnishings, appliances, and other personal property of every kind and nature whatsoever now or hereafter owned by Borrower or Mortgagor and located in, on, or about, or used or intended to be used with or in connection with the use, operations, or enjoyment of the Mortgaged Property, and all additions, improvements, after-acquired property, replacements and substitutions or proceeds from of any of the foregoing;

(c) All awards or payments, including interest thereon and the right to receive same, growing out of or as a result of any exercise of the right of eminent domain and all unearned premiums or proceeds from any insurance policy carried on the Mortgaged Property; and

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Shelby Howard
File Box 2069
Houtgarney 36197

(d) All of Borrower's right, title and interest in, to and under the Lease or any renewals thereof or any future lease agreements of all or part of the Mortgaged Property.

TO HAVE AND TO HOLD the same, unto Lender, its successors and assigns forever.

This Mortgage is given to secure the payment of the following described indebtedness (the "Indebtedness"):

(a) The debt evidenced by the Notes, together with any and all renewals, extensions, substitutions, modifications and consolidations of the indebtedness evidenced by the Notes; and

(b) Any and all additional advances made by Lender to protect or preserve the Mortgaged Property or the security interest created hereby on the Mortgaged Property, or to enforce any covenant or obligation of Mortgagor or Borrower herein, including all attorneys' fees incurred by Lender in connection therewith, provided, however, nothing herein shall be deemed to obligate Lender to make any such advances.

This Mortgage secures, in addition to the afore-described Indebtedness, all agreements and obligations of Borrower or Mortgagor under or relating to the Notes, this Mortgage, that certain mortgage and security agreement of even date herewith from Borrower and Mortgagor to Lender covering property in Chilton County (the "Other Mortgage") or any other instrument or agreement now or hereafter evidencing or securing the Indebtedness or otherwise relating to the Notes and all costs of collection thereof (collectively the "Obligations"). The Notes, this Mortgage, the Other Mortgage and all of such other agreements are hereinafter sometimes referred to collectively as the "Loan Documents". This Mortgage is given as additional security for the Other Mortgage and is secondary to that certain first mortgage in favor of SouthTrust Bank of Alabama, N.A. in the amount of \$1,255,000 and dated March 13, 1992 (the "First Mortgage") and any default under either such mortgage shall constitute a default hereunder.

BUT THIS CONVEYANCE IS MADE UPON THE FOLLOWING CONDITIONS, NEVERTHELESS, that is to say: If Borrower shall pay or cause to be paid to Lender, its successors or assigns, the Indebtedness according to the conditions and agreements of the Loan Documents and Borrower and Mortgagor shall keep, perform and observe all of the Obligations all without delay, then this Mortgage shall cease, and be null and void; otherwise this Mortgage shall remain in full force and effect.

Borrower and Mortgagor hereby further covenant, warrant and represent to and agree with Lender as follows:

1. Borrower will pay the Notes according to the tenor thereof. Mortgagor or Borrower will pay or cause to be paid all other Indebtedness and Borrower and Mortgagor will otherwise perform, comply with and abide by each and every of the stipulations, agreements, conditions, and covenants contained in the Loan Documents.

2. Mortgagor has in his own right good, perfected and indefeasible title in fee simple, except as otherwise provided herein, to the Real Estate and all fixtures and personal property therein, which are a part of the Mortgaged Property, (except those fixtures and personal property owned by Borrower), which are free from any encumbrances except for the First Mortgage, the Lease and those matters set forth in deed of even date to Mortgagor, and Mortgagor has full right to make this conveyance. Borrower has in its own right, good, perfect and indefeasible title to all fixtures and personal property which are a part of the Mortgaged Property (except for those owned by Mortgagor), which are free from any encumbrance except for the First Mortgage, and Borrower has full

right to make this conveyance. Mortgagor and Borrower warrant that together they own all of the Mortgaged Property.

3. Mortgagor or Borrower will keep or will cause all insurable Mortgaged Property to be kept insured against the risks covered by policies of fire and extended coverage insurance and such other risks as Lender may require, such insurance to be written in amounts, in form and with companies acceptable to Lender, with loss made payable to Lender by mortgagee clauses of standard form, and will deliver certified copies of said policies and appropriate certificate of insurance to Lender promptly as issued; and in case Mortgagor fails to do so, Lender, at its option, may procure such insurance at Mortgagor's or Borrower's expense. All renewal and substitute policies of insurance shall be delivered to Lender, premiums paid, at least fifteen (15) days before termination of existing policies. In case of loss, Lender, at its option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same upon the Indebtedness in any such manner as Lender may elect.

4. Mortgagor or Borrower will pay or cause to be paid all taxes and assessments against or affecting the Mortgaged Property as the same become due and payable, and, any claim, lien or encumbrance which may be or become superior to this Mortgage, and if Mortgagor fails to do so, Lender may pay them, together with all costs and penalties thereon, at Mortgagor's expense; provided, however, that Mortgagor may contest the same in good faith, provided that Mortgagor protects Lender adequately in the sole opinion of Lender during the pendency of contest.

5. Lender may apply all awards or payments resulting from any proceedings for condemnation to the Indebtedness in such manner as Lender may elect; and Lender is hereby authorized, in the name of Mortgagor and Borrower, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. In the event Lender, as a result of any such judgment, decree, or award, believes that the payment of the Indebtedness or the performance of any of the Obligations is impaired, Lender may, without notice, declare all of the Indebtedness immediately due and payable.

6. If, while this Mortgage is in force, the interest of Lender in the Mortgaged Property or any part thereof shall be endangered or shall be attacked, Mortgagor and Borrower hereby authorize Lender, at Mortgagor's or Borrower's expense, to take all necessary and proper steps for the defense of such title or interest, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such title or interest and all expenses of Lender in connection therewith shall become a part of the Indebtedness.

7. Mortgagor or Borrower will keep every part of the Mortgaged Property in good condition and repair, and will not commit or suffer any waste and will discharge or cause to be discharged all claims for labor performed and material furnished therefor, and will not suffer any lien of mechanics or materialmen to attach to any part of the Mortgaged Property; and Mortgagor or Borrower will guard every part of the Mortgaged Property from removal, destruction and damage, and will not do or suffer to be done any act whereby the value of any part of the Mortgaged Property may be lessened.

8. It shall be a default hereunder if all or any part of the personal property owned by Mortgagor or Borrower shall become vested in any party other than Mortgagor or Borrower or if all or any part of that part of the personal property owned by Borrower shall become vested in any party other than Borrower, whether by operation of law or otherwise. The provisions of this paragraph shall apply to any and all sales, transfers, mortgages, pledges, conveyances, exchanges, leases, assignments or other dispositions

of such property, except that items of personalty which have become obsolete or worn beyond practical use may be removed, provided they are replaced by adequate substitutes having a value equal to or greater than the replaced items when new.

9. The terms "Default," "default," "Event of Default" or "event of default," wherever used in this Mortgage, shall mean any of the following events:

(i) Failure by Borrower to pay any installment of principal or interest under the Notes within five (5) days from the date the same is due;

(ii) Failure by Borrower or Mortgagor to pay any other Indebtedness or any other sum that may be due and payable under any of the Loan Documents, within ten (10) days from the date when due and payable;

(iii) Any prohibited transfer under Paragraph 8;

(iv) Failure by Borrower or Mortgagor duly to observe or perform any other Obligations within fifteen (15) days after written notice of such failure;

(v) The occurrence of any default, event of default or Event of Default under any of the Loan Documents;

(vi) Should Borrower or Mortgagor or any endorser or guarantor of the Notes become insolvent, bankrupt, have a receiver appointed for its property or allow a petition for reorganization, bankruptcy, receivership or similar proceeding to be filed by or against the Borrower, the Mortgagor or such guarantor.

(vii) The liquidation, dissolution or merger of Borrower or any corporate guarantor or the death of the Mortgagor or any individual guarantor unless the estate of such decedent acknowledges in writing, promptly upon receipt of written notice, its responsibility under the Loan Documents; or

(viii) The filing by any person or entity of any claim in any legal or equitable proceeding challenging the second priority lien of this Mortgage.

10. Should default occur hereunder Lender, at its option, without notice, may pursue any rights and remedies it may have hereunder or at law, or in equity, including, without limitation, the following remedies:

(a) All of the Indebtedness shall become and be immediately due and payable at the option of Lender, without notice or demand, which are hereby expressly waived by Mortgagor and Borrower;

(b) Lender shall have the right and power to enter into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Mortgagor, Borrower, and all persons claiming under them, and, holding the same, and Lender may use, administer, manage, operate and control the Mortgaged Property and conduct the business thereof to the same extent as Mortgagor and, Borrower, might at the time do and may exercise all rights and powers of Mortgagor and Borrower, in the name, place and stead of Mortgagor and Borrower, or otherwise as Lender shall deem best; and in the exercise of any of the foregoing rights and powers Lender shall not be liable for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Lender.

(c) This Mortgage may be foreclosed, at the option of Lender, and Lender shall have the right and is hereby authorized

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to enter upon and take possession of the real property subject to this Mortgage (including all fixtures), and, with or without taking such possession, to sell the same before the Shelby County Courthouse door, at public outcry, for cash, after first giving notice of the time, place and terms of such sale, by publication once a week for three successive weeks, immediately prior to said sale, in some newspaper published in Shelby County, all in compliance with the laws of Alabama, and upon the payment of the purchase money shall execute to the purchaser at such sale a deed to the property so purchased. Lender shall apply the proceeds of said sale (i) first, to the expenses incurred hereunder, including reasonable attorneys' fees for such services as may be necessary for the collection of said Indebtedness and the foreclosure of this Mortgage; (ii) second, to the payment and satisfaction of the Notes and other Indebtedness; (iii) third, to any amounts due under the Other Mortgage; and (iv) the balance (if any) shall be paid over to the person or persons entitled thereto. In the event of a sale under the power contained herein, Lender, its successors, assigns, agents or attorneys may purchase said property at such sale the same as if they were strangers to this conveyance and in such event may credit all or a portion of the Indebtedness against the purchase price. The auctioneer or person making the sale is hereby authorized and empowered to execute a deed to the purchaser in the name and on behalf of Mortgagor and Borrower.

(d) Lender shall also have the option to proceed with foreclosure through judicial proceedings, in which case reasonable attorneys' fees shall, among all other expenses and costs, be first allowed and paid out of the proceeds of the sale of the Mortgaged Property.

(e) The remedies contained herein or provided at law or in equity may be exercised either concurrently or independently, and in such order as Lender may determine.

11. The lien, security interest and other rights granted hereby shall not affect or be affected by the taking of additional security, the release of any part of the Mortgaged Property, or the extension, renewal, modification or increase of the Indebtedness or any part thereof, nor shall any such act affect the liability of any endorser, guarantor or surety, or improve the right of any other lienholder. This Mortgage, as well as any instrument given to secure any renewal or extension or modification or increase of the Indebtedness, or any part thereof, shall be and remain a prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released, until the Indebtedness is completely paid.

12. To the extent that Mortgagor and Borrower may lawfully do so, Mortgagor and Borrower both agree that they shall not assert and hereby expressly waive, any rights to the benefits of any current or future laws or Constitutional provisions of the United States or of any other state pertaining to any principles regarding moratorium, reinstatement, marshalling, forbearance, valuation, stay, extension, appraisalment and exemption.

13. No failure by Lender to exercise any remedy or option provided herein upon any default or breach of any of the provisions of this Mortgage shall be construed or considered as a waiver of any other or subsequent default or breach, and no delay or omission by Lender in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers.

14. With respect to any portion of the Mortgaged Property which constitutes personal property or fixtures governed by the Alabama Uniform Commercial Code, this Mortgage shall constitute a security agreement between Mortgagor and Borrower as the Debtors and Lender as the Secured Party, and Mortgagor and Borrower hereby grant to Lender a security interest in such portion of the

Mortgaged Property. Cumulative of all other rights of Lender hereunder, Lender shall have all of the rights conferred upon secured parties by the Alabama Uniform Commercial Code. Mortgagor and Borrower will execute and deliver to Lender all financing statements that may from time to time be required by Lender and will pay all costs and expenses to record the same or the costs of any searches reasonably required by Lender. Lender 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 that if upon default Lender should proceed to dispose of such property in accordance with the provisions of the Alabama Uniform Commercial Code, then ten (10) days' notice by Lender to Mortgagor and Borrower shall be deemed to be reasonable notice under any provision of the Code requiring such notice; provided, however, that Lender may at its option dispose of such property in accordance with Lender's rights and remedies with respect to real property as provided in Paragraph 10 of this Mortgage, in lieu of proceeding under the Alabama Uniform Commercial Code.

Some of the items of Mortgaged Property described herein are goods that are or are to become fixtures related to the real estate described herein, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Property is situated. Information concerning the security interest created by this instrument may be obtained from Lender, as secured party, at the address of Lender stated below. The mailing address of Mortgagor and Borrower, as debtors, is as stated below.

15. Mortgagor and Borrower hereby indemnify and hold Lender harmless from and against any and all claims, actions, liability, damages and expenses suffered by Lender, arising out of or related to the location, storage or disposal of any hazardous substance or fuel on, under or at the Mortgaged Property. This indemnity shall survive payment of the Indebtedness and cancellation and satisfaction of this Mortgage. The term "hazardous substance", as used herein, means and includes any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) any federal, state or local environmental law, ordinance or regulation.

16. Borrower agrees to provide Lender with annual financial statements of Borrower in the same form as those required to be provided by SouthTrust Bank of Alabama, N.A. Said statements shall be delivered within ninety (90) days after the end of each fiscal year of Borrower.

17. The address of the Lender is:

W. T. Wadsworth Oil Co., Inc.
Route 2, Box 186-AA
Tuskegee, Alabama 36083
Attn: William T. Wadsworth, Jr.

The address of Mortgagor is:

James D. Wadsworth
P.O. Box 1417
Clanton, Alabama 35045

The address of Borrower is:

Wadsworth Oil Company, Inc.
P.O. Box 1417
Clanton, Alabama 35045

Any change of address must be communicated in writing to the other party in order to be effective.

18. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective while this Mortgage is in effect, the legality, validity and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

19. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural and the singular, and the use of any gender shall be applicable to all genders. The term "Lender" shall include any lawful owner, holder, pledgee or assignee of any part of the Indebtedness. Each party who executes this Mortgage, and each subsequent owner of the Mortgaged Property, or any part thereof, covenants and agrees that it will perform, or cause to be performed, each condition, term, provision, obligation, representation, agreement, warranty, and covenant of this Mortgage.

20. For recording purposes only, the Mortgagor hereby certifies that the property covered by this Mortgage constitutes 76% of the sum of the values of the property covered by this Mortgage and the Other Mortgage.

IN WITNESS WHEREOF, Wadsworth Oil Company, Inc., an Alabama corporation, has caused this instrument to be executed by James D. Wadsworth, as its duly authorized President, and attested by Terry Carroll, as its duly authorized Assistant Secretary, on this 13th day of March, 1992, and James D. Wadsworth has set his hand and seal this the 13th day of March, 1992.

ATTEST:

By: Terry Carroll
Its Assistant Secretary

WADSWORTH OIL COMPANY, INC.

By: James D. Wadsworth
Its President

James D. Wadsworth
JAMES D. WADSWORTH

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that James D. Wadsworth and Terry Carroll, whose names as President and Assistant Secretary, respectively, of Wadsworth Oil Company, Inc., a corporation, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers as aforesaid and with full authority, executed the same voluntarily as of the date of this acknowledgment.

Given under my hand and official seal this 13th day of March, 1992.

(Notarial Seal)

Patricia J. Armstrong
Notary Public
My Commission Expires: 11-12-92

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said State at Large, hereby certify that James D. Wadsworth, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily as of the date of this acknowledgment.

Given under my hand and official seal this the 13th day of March, 1992.

Datuna J. Armstrong
Notary Public
My Commission Expires: 11-12-92

(SEAL)

This Instrument Prepared By:

Palmer Smith Lehman
Capell, Howard, Knabe & Cobbs, P.A.
Post Office Box 2069
Montgomery, Alabama 36102-2069
(205) 241-8000

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EXHIBIT A

A PARCEL OF LAND LYING IN THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 19 SOUTH, RANGE 2 WEST, SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 19 SOUTH, RANGE 2 WEST, SHELBY COUNTY ALABAMA;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID QUARTER SECTION 1,826.71 FEET TO A POINT;

THENCE TURN A RIGHT INTERIOR ANGLE OF 57° -00'-07" AND RUN NORTHWESTERLY 1,620.77 FEET TO A POINT ON THE SOUTHEAST RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY #119, BEING 100 FEET SOUTHEASTERLY OF THE CENTERLINE OF SAID HIGHWAY;

THENCE TURN A LEFT INTERIOR ANGLE OF 88° -41'-21" AND RUN NORTHEASTERLY AND PARALLEL TO SAID HIGHWAY CENTERLINE 253.07 FEET TO A POINT THAT IS 100 FEET SOUTHEASTERLY OF AND AT RIGHT ANGLES TO THE CENTERLINE OF SAID HIGHWAY AT STATION 37+00;

THENCE TURN A LEFT INTERIOR ANGLE OF 165° -57'-50" AND RUN NORTHEASTERLY 103.08 FEET TO A POINT WHICH IS 125 FEET SOUTHEASTERLY OF AND AT RIGHT ANGLES TO THE CENTERLINE OF SAID HIGHWAY AT STATION 38+00;

THENCE TURN A LEFT INTERIOR ANGEL OF 194° -02'-10" AND RUN NORTHEASTERLY AND PARALLEL TO SAID HIGHWAY CENTERLINE 200 FEET TO THE POINT OF BEGINNING; SAID POINT IS 125 FEET SOUTHEASTERLY AND PARALLEL TO CENTERLINE OF SAID HIGHWAY;

THENCE CONTINUE ALONG LAST STATED COURSE PARALLEL TO SAID HIGHWAY CENTERLINE 200 FEET TO A POINT THAT IS 125 FEET SOUTHEASTERLY OF AND AT RIGHT ANGLES TO THE CENTERLINE OF SAID HIGHWAY AT STATION 42+00;

THENCE TURN A LEFT INTERIOR ANGLE OF 117° -13'-27" AND RUN SOUTHEASTERLY 153.02 FEET TO A POINT (CONCRETE MONUMENT) THAT IS 550 FEET SOUTHWESTERLY OF AND AT RIGHT ANGLES TO THE CENTERLINE OF PROJECT NO. I-65-2-(37) AT STATION 265+00;

THENCE TURN A LEFT INTERIOR ANGLE OF 168° -33'-25" AND RUN SOUTHEASTERLY ALONG HIGHWAY RIGHT-OF-WAY 198.49 FEET TO A POINT (CONCRETE MONUMENT);

THENCE TURN A LEFT INTERIOR ANGLE OF 167° -53'-47" AND RUN SOUTHEASTERLY 60.22 FEET TO A POINT;

THENCE TURN A LEFT INTERIOR ANGLE OF 86° -19'-21" AND LEAVING THE HIGHWAY RIGHT-OF-WAY RUN SOUTHWESTERLY 327.83 FEET TO A POINT;

THENCE TURN A LEFT INTERIOR ANGEL OF 90° -00'-00" AND RUN NORTHWESTERLY 387.21 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS 108,284.30 SQUARE FEET/2.49 ACRES, MORE OR LESS.

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

92 MAR 17 AM 11:05

JUDGE OF PROBATE

1. Deed Tax	\$ 285.00
2. Mig. Tax	\$ 22.50
3. Recording Fee	\$ 3.00
4. Indexing Fee	\$ 3.00
5. No Tax Fee	\$ 1.00
6. Certified Fee	\$ 1.00
Total	\$ 611.50