

MORTGAGE DEED

STATE OF ALABAMA)
SHELBY COUNTY)

This instrument was prepared by:
Eric L. Carlton
Attorney at Law
3000 SouthTrust Tower
420 North 20th Street
Birmingham, Alabama 35203

KNOW ALL MEN BY THESE PRESENTS: That Whereas UNIVERSITY ASSOCIATES, INC., a corporation, has become justly indebted to DANIEL W. THOMPSON (hereinafter called the Mortgagee), in the principal sum of Four Hundred Thousand Dollars (\$400,000) together with interest thereon, as evidenced by negotiable note of even date herewith,

NOW, THEREFORE, in consideration of the premises and in order to secure the payment of said indebtedness and any renewals or extensions of same and any other indebtedness (including future advances) now or hereafter owed by the above-named Mortgagee and compliance with all the stipulations hereinafter contained, the undersigned University Associates, Inc. (whether one or more, hereinafter call Mortgagors) does hereby grant, bargain, sell and convey unto the said Mortgagee the following described real estate situated in Shelby County, State of Alabama, as set forth on Exhibit A attached hereto.

The subject property is herein referred to as the "Mortgaged Property."

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

And for the purpose of further securing the payment of said indebtedness, the Mortgagors covenant and agree as follows:

1. That they are lawfully seized in fee and possessed of said Mortgaged Property and have a good right to convey the same as aforesaid, that they will warrant and forever defend the title against the lawful claims of all persons whomsoever, and that said property is free and clear of all encumbrances, easements and restrictions not herein specifically mentioned.

2. That they will pay all taxes, assessments or other liens taking priority over this Mortgage when imposed legally upon said Mortgaged Property, and should default be made in the payment of same, or any part thereof, said Mortgagee may pay the same.

3. That they will keep the buildings and premises continuously insured in such amounts, and in such manner and with such companies as may be satisfactory to the Mortgagee against loss by fire, wind and such other hazards as Mortgagee may specify, with loss, if any payable to said Mortgagee, and will deposit with Mortgagee policies for such insurance or, at Mortgagee's election, certificates thereof, and will pay premiums therefor as the same become due. Mortgagors shall give immediate notice in writing to Mortgagee of any loss or damages to said premises caused by any casualty. If Mortgagors fail to keep said property insured as above specified, the Mortgagee may insure said property for its insurable value against loss by fire, wind and other hazards for the benefit of the Mortgagee. The proceeds of such insurance shall be paid by insurer to Mortgagee, which is hereby granted full power to settle and compromise claims under all policies and to demand, receive and receipt for all sums becoming due thereunder; said proceeds, if collected, to be credited on the indebtedness secured

by this Mortgage, less cost of collecting same, or to be used in repairing or reconstructing the premises, as the Mortgagee may elect.

4. All amounts so expended by said Mortgagee for insurance or for the payment of taxes, assessments or any other prior liens shall become a debt due said Mortgagee additional to the indebtedness herein described and at once payable without demand upon or notice to any person, and shall be secured by the lien of this Mortgage and shall bear interest at the highest legal rate from date of payment by said Mortgagee; and upon failure of Mortgagors to reimburse Mortgagee for all amounts so expended, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire indebtedness secured by this Mortgage due and payable and this Mortgage subject to foreclosure, and same may be foreclosed as hereinafter provided.

5. To take good care of the Mortgaged Property above described and not to commit or permit any waste thereon, and to keep the same repaired and at all times to maintain the same in as good condition as it now is, reasonable wear and tear alone excepted.

6. That no delay or failure of the Mortgagee to exercise any option to declare the maturity of any debt secured by this Mortgage shall be taken or deemed as a waiver of the right to exercise such option or to declare such forfeiture either as to past or present default on the part of said Mortgagors, and that the procurement of insurance or payment of taxes or other liens or assessments by the Mortgagee shall not be taken or deemed as a waiver of the right to declare the maturity of the indebtedness hereby secured by reason of the failure of the Mortgagors to procure such insurance or to pay such taxes, liens or assessments, it being agreed that no terms or conditions contained in this Mortgage can be waived, altered or changed except as evidenced in writing signed by the Mortgagors and by the Mortgagee.

7. That they will well and truly pay and discharge every indebtedness hereby secured as it shall become due and payable, including the note or notes above described, any renewals or extensions thereof, and any other notes or obligations of Mortgagors to Mortgagee whether now or hereafter incurred.

8. That after any default on the part of the Mortgagors, the Mortgagee shall, upon complaint filed or other proper legal proceeding being commenced for the foreclosure of this Mortgage, be entitled as a matter of right to the appointment by any competent court or tribunal, without notice to any party, of a receiver of the rents, issues and profits of said premises, with power to lease and control the said premises and with such other powers as may be deemed necessary, and that a reasonable attorney's fee not exceeding fifteen percent (15%) of the unpaid debt after default shall, among other expenses and costs, be fixed, allowed and paid out of such rents, issues and profits or out of the proceeds of the sale of said Mortgaged Property.

9. That all the covenants and agreements of the Mortgagors herein contained shall extend to and bind their heirs, executors, administrators, successors and assigns, and that such covenants and agreements and all options, rights, privileges and powers herein given, granted or secured to the Mortgagee shall inure to the benefit of the successors and assigns of the Mortgagee.

10. That the debt or debts hereby secured shall at once become due and payable and this Mortgage subject to foreclosure as herein provided at the option of the holder hereof when and if any statement of lien is filed under the statutes of Alabama relating to liens of mechanics and materialmen, without regard to the form and contents of such statement and without regard to the existence

or non-existence of the debt, or any part thereof, or of the lien on which such statement is based.

11. That the debt or debts hereby secured shall at once become due and payable and this Mortgage subject to foreclosure as herein provided at the option of the holder hereof when and if the Mortgagors shall sell, transfer or convey the Mortgaged Property, or any part thereof or interest therein, or should create or suffer to exist any second mortgage or other encumbrance upon the Mortgaged Property, without, in each case, the prior written consent of the Mortgagee.

UPON CONDITION, HOWEVER, that if the Mortgagors shall well and truly pay and discharge all indebtedness hereby secured as the same shall become due and payable and shall in all things do and perform all acts and agreements by them herein agreed to be done according to the tenor and effect hereof, then and in that event only this conveyance shall be and become null and void; but should default be made in the payment of any indebtedness hereby secured or any renewals or extensions thereof or any part thereof or should any interest thereon remain unpaid at maturity, or should default be made in the repayment of any sum expended by said Mortgagee under the authority of any of the provisions of this Mortgage, or should the interest of said Mortgagee in said property become endangered by reason of the enforcement of any lien or encumbrance thereon so as to endanger the debt hereby secured, or should a petition to condemn any part of the Mortgaged Property be filed by any authority having power of eminent domain, or should any law, either federal or state, be passed imposing or authorizing the imposition of a specific tax upon this Mortgage or the debt hereby secured, or permitting or authorizing the deduction of any such tax from the principal or interest secured by this Mortgage or by virtue of which any tax or assessment upon the mortgaged premises shall be charged against the owner of this Mortgage, or should at any time any of the stipulations contained in this Mortgage be declared invalid or inoperative by any court of competent jurisdiction, or should the Mortgagors fail to do and perform any other act or thing herein required or agreed to be done, then in any of said events the whole of the indebtedness hereby secured, or any portion or part of same which may not at said date have been paid, with interest thereon, shall at once become due and payable and this Mortgage subject to foreclosure at the option of the Mortgagee, notice of the exercise of such option being hereby expressly waived; and the Mortgagee shall have the right to enter upon and take possession of the property hereby conveyed and after or without taking such possession to sell the same before the Court House door of the County (or the division thereof) where said property is located, 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 consecutive weeks prior to said sale in some newspaper published in said County, and upon the payment of the purchase money the Mortgagee or owner of the debt and Mortgage, or auctioneer, shall execute to the purchaser for and in the name of the Mortgagors a good and sufficient deed to the property sold; the Mortgagee shall apply the proceeds of the sale: First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee not exceeding fifteen percent (15%) of the unpaid debt after default; second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes and other encumbrances, with interest thereon; third, to the payment in full of the principal indebtedness and interest thereon, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the date of sale; and fourth, the balance, if any, to be paid over to the said Mortgagors or to whomsoever then appears of record to be the owner of Mortgagors' interest in said property. The Mortgagor may bid and become the purchaser of the Mortgaged Property at any foreclosure sale hereunder.

IN WITNESS WHEREOF, the undersigned Mortgagors have caused this Mortgage to be executed, this the 15th day of June, 1993.

UNIVERSITY ASSOCIATES, INC.

By: E. S. Robinson
E. S. Robinson
Its Treasurer

State of Alabama :
Shelby County :

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that E. S. Robinson, whose name as Treasurer of University Associates, Inc., a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 15th day of June, 1993.

Andrea Edwards
Notary Public

[NOTARIAL SEAL]

My commission expires: 2/3/97

EXHIBIT A

A part of the S 1/2 of SW 1/4 of NE 1/4, Section 21, Township 22 South, Range 3 West, described as follows: Commence at the SW corner of said 1/4 1/4 Section and run Northward along West line of same 449.5 feet to Northwest corner of Property sold to W. E. Lovelady, Jr. as described in Deed Book 236 Page 421 in Probate Office of Shelby County, Alabama, for point of beginning; thence run Easterly along North line of Lovelady property, 548.15 feet to West line of property sold to W. E. Lovelady, Jr. as described in Deed Book 186 Page 324 in said Probate Office; thence Northeasterly direction along West line of Lovelady property to the North line of S 1/2 of SW 1/4 of NE 1/4 of Section 21, at a point 725 feet West of the Northeast corner of said 20-acre tract; thence West along North line of said 20-acre tract to the East right-of-way line of Montevallo-Siluria Highway; thence in a Southerly direction along East right-of-way line of said Highway to point of beginning; being situated in Shelby County, Alabama.

Inst # 1993-17522

06/16/1993-17522
11:21 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 616.50