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This instrument prepared by:  
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Birmingham, Alabama 35203

**LEASEHOLD MORTGAGE/MORTGAGE AND SECURITY AGREEMENT**

STATE OF ALABAMA )  
SHELBY COUNTY )

THIS LEASEHOLD MORTGAGE/MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made and entered into this 23rd day of March, 1994, by SMCMOB, L.L.C., an Alabama limited liability company, whose address is c/o Starr Sanders Johnson, One Chase Corporate Drive, Suite 450, Birmingham, Alabama 35244, Attention: Mr. James Milton Johnson ("Mortgagor") and **SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with principal offices in Birmingham, Alabama, whose address is Post Office Box 2554, Birmingham, Alabama 35290, Attention: Hospital Finance Group ("Mortgagee").

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

WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal amount of Four Million Three Hundred Fifty Thousand and No/100 Dollars (\$4,350,000.00) (collectively the "Loan"), or such portion thereof as has been disbursed from time to time under the provisions of a Construction Loan Agreement between Mortgagor and Mortgagee of even date herewith (hereinafter, together with any extensions, revisions, modifications or amendments hereafter made, referred to as the "Loan Agreement"), as evidenced by a Promissory Note dated March 23, 1994, in the original principal sum of Four Million Three Hundred Fifty Thousand and No/100 Dollars (\$4,350,000.00) payable to the Mortgagee with interest thereon (hereinafter, together with any and all extensions, revisions, modifications or amendments thereto hereinafter made, the "Note"), and payable as provided for in the Note [the Note, the Construction Loan Agreement, this Mortgage, that certain Assignment of Rents and Leases from Mortgagor in favor of Mortgagee of even date herewith (hereinafter, together with any and all extensions, revisions, modifications or amendments thereto hereinafter made, the "Assignment of Rents and Leases") and/or any other documents and instruments relating to the Loan, whether heretofore, simultaneously herewith or hereafter delivered, hereinafter collectively referred to as the "Loan Documents"]; and

WHEREAS, the Mortgagor, as lessee, entered into a Ground Lease (the "Ground Lease") with Shelby County Health Care Authority d/b/a Shelby Medical Center ("SMC"), as lessor, dated as of January 1, 1994, for the Land (as hereinafter defined); and

WHEREAS, the Mortgagor, as lessor, has entered into a Building Lease Agreement (the "Building Lease") with SMC, as lessee, dated as of January 1, 1994, for the "Premises" (as defined in the Building Lease); and

WHEREAS, the parties desire to secure all of the following (hereinafter collectively referred to as the "Secured Obligations"):

(a) The payment of the principal amount of the Note, together with interest thereon, and all renewals, extensions and modifications thereof, and all refinancings of any part of the Note, and any and all indebtedness of Mortgagor to Mortgagee, due, or to become due, which Mortgagee has advanced, or has obligated itself to advance, and all other indebtedness of Mortgagor to Mortgagee arising out of any one or more of the Loan Documents and all other additional indebtedness of Mortgagor to Mortgagee, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct

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or indirect, liquidated or unliquidated, and any renewals, extensions and/or modifications thereof, and whether incurred or given as maker, endorser, guarantor or otherwise (all of the foregoing hereinafter referred to collectively as the "Secured Indebtedness"), including, but not limited to (i) all sums advanced by Mortgagee to Mortgagor or expended by Mortgagee for Mortgagor's account, including but not limited to advances for taxes and insurance pursuant to the terms of this Mortgage; (ii) all court costs, expenses and costs of whatever kind incident to the collection of any indebtedness secured hereby and the enforcement or protection of the lien of this conveyance, including reasonable attorney's fees; and (iii) any amounts expended by Mortgagee in removing, isolating or cleaning up any hazardous materials from the Mortgaged Property (as hereinafter defined), whether or not such action is required by any "Applicable Environmental Law" (as hereinafter defined); and

(b) The prompt performance of any and all other obligations of Mortgagor to Mortgagee, whether now existing or hereafter arising under or pursuant to any one or more of the Loan Documents.

NOW, THEREFORE, for and in consideration of the Mortgagee making the Loan above-mentioned and to secure the prompt payment and performance of the Secured Obligations, Mortgagor does hereby irrevocably CONVEY, WARRANT, GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, PLEDGE and set over unto Mortgagee, and the successors and assigns of Mortgagee, all of Mortgagor's right, title and interest, of whatever kind, nature or description, in and to the following described land and interests in land, estates, easements, rights, improvements, personal property, fixtures, equipment, furniture, furnishings, appliances and appurtenances, including replacements and additions thereto (herein referred to collectively as the "Mortgaged Property"):

(a) All of Mortgagor's right, title and interest, of whatever kind, nature or description, in and to the real property located in Shelby County, Alabama, specifically described on Exhibit A attached hereto and made a part hereof (herein referred to as the "Land");

(b) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, water heaters, awnings and storm sashes, and cleaning apparatus which are or shall be attached to said buildings, structures or improvements, and all other furnishings, furniture, fixtures, machinery, equipment, appliances, vehicles and personal property of every kind and nature whatsoever now or hereafter owned by Mortgagor and located in, on or about, or used or intended to be used with or in connection with the construction, use, operation or enjoyment of the Mortgaged Property, including all extensions, additions, improvements, betterments, renewals and replacements, substitutions, or proceeds from a permitted sale of any of the foregoing, and all building materials and supplies of every kind now or hereafter placed or located on the Land (collectively the "Improvements"), all of which are hereby declared and shall be deemed to be a part of the Mortgaged Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage;

(c) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all ground leases, estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversions, and remainders whatsoever, in any way belonging, relating or appertaining to the Mortgaged Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, including, without limitation, those easements and rights granted pursuant to that certain Declaration of Easement dated as of



January 1, 1994, executed by SMC with respect to the property described therein as the "Servient Parcel" (as described on the attached Exhibit B) and the "Dominant Parcel", being the same property as described on the attached Exhibit A; and

(d) All rents, issues, profits and revenues of the Mortgagor from or with respect to the Project (as defined in the Loan Agreement) from time to time accruing (including without limitation all payments under the Building Lease or any other leases, ground leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits and escrow funds), and all of 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, reserving only the right to Mortgagor to collect the same so long as Mortgagor is not in default hereunder or such collection is not otherwise restricted by this Mortgage.

(e) Mortgagor's leasehold estate and other interest(s), if any, under the Ground Lease, of whatever kind, nature or description, and all rights, title and interest pertaining thereto;

(f) Any and all monies, rights and properties, of every kind or description, which may from time to time be sold, assigned, transferred, pledged, delivered to, or deposited with Mortgagee by the Mortgagor or on Mortgagor's behalf as additional security for the performance by the Mortgagor hereunder and under the Loan Agreement; and

(g) All of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to any of the foregoing.

**TO HAVE AND TO HOLD** the Mortgaged Property and all parts, rights, members and appurtenances thereof, to the use and benefit of Mortgagee and the successors, successors-in-title and assigns of Mortgagee, forever; and Mortgagor covenants that Mortgagor is lawfully seized and possessed of the Mortgaged Property as aforesaid and has good right to convey the same, that the same are unencumbered except for those matters expressly set forth in Exhibit A hereto, if any, and Mortgagor does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to those matters set forth in said Exhibit A.

**PROVIDED, HOWEVER,** that should the Secured Indebtedness secured by this Mortgage be paid according to the tenor and effect thereof when the same shall become due and payable as provided for in the Loan Documents, and should Mortgagor perform all covenants contained in the Loan Documents in a timely manner, then this Mortgage shall be cancelled and released.

**MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:**

#### ARTICLE I

**1.01 Payment and Performance of Loan Documents.** Mortgagor will perform, observe and comply with all the provisions hereof, and of each of the other Loan Documents, including, but not limited to, the due and punctual payment of the principal amounts due under the Note, together with interest thereon, and all other sums of money required to be paid by Mortgagor pursuant to any one or more of the Loan Documents, without any deductions, credits or set-offs whatsoever.

#### **1.02 Taxes, Liens and Other Charges.**

(a) Mortgagor shall pay, on or before the delinquency date thereof, all taxes, levies, license fees, permit fees and all other charges (in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character whatsoever (including all penalties and interest thereon) now or hereafter levied, assessed, confirmed or imposed on, or in respect of, or

which may be a lien upon the Mortgaged Property, or any part thereof, or any estate, right or interest therein, or upon the rents, issues, income or profits thereof, and shall submit to Mortgagee such evidence of the due and punctual payment of all such taxes, assessments and other fees and charges as Mortgagee may require. Mortgagor shall have the right before they become delinquent to contest or object to the amount or validity of any such tax, assessment, fee or charge by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such tax, assessment, fee or charge at the time and in the manner provided herein, unless Mortgagor has given prior written notice to Mortgagee of Mortgagor's intent to so contest or object, and unless, at Mortgagee's sole option, (i) Mortgagor shall demonstrate to Mortgagee's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Mortgaged Property, or any part thereof, to satisfy such tax, assessment, fee or charge prior to final determination of such proceedings; and (ii) Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to Mortgagee; and (iii) Mortgagor shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(b) Mortgagor shall pay, on or before the due date thereof, all taxes, assessments, charges, expenses, costs and fees which may now or hereafter be levied upon, or assessed or charged against, or incurred in connection with, the Loan and/or any one or more of the Loan Documents.

(c) Mortgagor shall pay, on or before the due date thereof, (i) all premiums on policies of insurance covering, affecting or relating to the Mortgaged Property, as required pursuant to Section 1.03, below; (ii) all premiums on collaterally assigned life insurance policies, if any; (iii) all ground rentals, other lease rentals and other sums, if any, owing by Mortgagor and becoming due under any lease or rental contract affecting the Mortgaged Property; and (iv) all utility charges which are incurred by Mortgagor for the benefit of the Mortgaged Property, or which may become a charge or lien against the Mortgaged Property for gas, electricity, water and sewer services and the like furnished to the Mortgaged Property, and all other public or private assessments or charges of a similar nature affecting the Mortgaged Property or any portion thereof, whether or not the nonpayment of same may result in a lien thereon. Mortgagor shall submit to Mortgagee such evidence of the due and punctual payment of all such premiums, rentals and other sums as Mortgagee may require.

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or security agreements, or debts secured thereby or in the manner of collecting such taxes so as to adversely affect Mortgagee, Mortgagor will pay any such tax on or before the due date thereof. If Mortgagor fails to make such prompt payment or if, in the opinion of Mortgagee, any such state, federal, municipal, or other governmental law, order, rule or regulation prohibits Mortgagor from making such payment or would penalize Mortgagor if Mortgagor makes such payment, or if, in the opinion of Mortgagee, the making of such payment might result in the imposition of interest beyond the maximum amount permitted by applicable law, then the entire balance of the Secured Indebtedness and all interest accrued thereon shall, at the option of Mortgagee, become immediately due and payable.

(e) Mortgagor shall not suffer any mechanic's, materialmen's, laborer's, statutory or other lien to be created or remain outstanding against the Mortgaged Property; provided, however, that Mortgagor may contest any such lien in good faith by appropriate legal proceedings provided the lien is bonded in such manner as not to adversely affect the Mortgaged Property or this Mortgage. Mortgagee has not consented and will not consent to the performance of any work or the furnishing of any materials which might be deemed to create a lien or liens superior to the lien hereof.



### 1.03 Insurance.

(a) Mortgagor shall procure for, deliver to and maintain for the benefit of the Mortgagee during the term of this Mortgage, such insurance policies with such insurance companies and in such amounts as required by the Loan Agreement. In the event the Mortgagor fails to maintain any insurance as required hereunder, then the Mortgagee shall have the right to procure such insurance as provided in the Loan Agreement, whether or not the Mortgagor's failure to maintain such insurance constitutes an Event of Default hereunder or an event or condition which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default. Any amounts paid by the Mortgagee for insurance shall be due and payable to the Mortgagee upon demand and shall be secured by this Mortgage. The Mortgagee shall have such further rights with respect to any such insurance policies, including the right to make proof of loss for and to settle, adjust, compromise and collect the proceeds of any insurance claims, as provided for in the Loan Agreement, and all costs incurred by the Mortgagee in connection therewith shall be secured by this Mortgage.

(b) Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Section 1.03, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Mortgagee as its interest may appear, instead of to Mortgagor and Mortgagee jointly. In the event any insurance company fails to disburse directly and solely to Mortgagee but disburses instead either solely to Mortgagor or to Mortgagor and Mortgagee jointly, Mortgagor agrees immediately to endorse and transfer such proceeds to Mortgagee to the extent of Mortgagee's interest therein. Upon the failure of Mortgagor to endorse and transfer such proceeds as aforesaid, Mortgagee may execute such endorsements or transfers for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's agent and attorney-in-fact so to do. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees, Mortgagee shall apply the net insurance proceeds or any part thereof, at its option, (i) to the payment of the Secured Indebtedness, whether or not due and in whatever order Mortgagee elects, (ii) to the repair and/or restoration of the Mortgaged Property, or (iii) for any other purposes or objects for which Mortgagee is entitled to advance funds under this Mortgage, all without affecting the lien and security interest created by this Mortgage, and any balance of such monies then remaining shall be paid to Mortgagor or the person or entity lawfully entitled thereto. Mortgagee shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) Notwithstanding the provisions of Paragraph (b) to the contrary, Mortgagee agrees that the proceeds of any insurance or any part thereof (after deducting therefrom all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees) will be made available by Mortgagee (consistent with disbursement procedures and subject to such terms and conditions as provided under the Loan Agreement with respect to advances to be made thereunder) to be applied by Mortgagor to restoration or repair of the property damaged provided the following conditions are met:

(i) there exists no Event of Default (as defined in Article II) or any event or condition which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder and/or under any one or more of the other Loan Documents and/or cause any termination or right of termination under the Building Lease; and

(ii) the damaged property is capable of being restored in compliance with all applicable laws, rules and regulations and to substantially the same condition and value as prior to the damage, and Mortgagee receives evidence satisfactory to

Mortgagee, in its discretion, that restoration can be completed on or before the earlier of (x) the due date of the Note, or (y) the date required by tenant leases now or hereafter in existence;

(iii) the plans and specifications for restoration or repair must be approved in writing by Mortgagee;

(iv) at all times during such restoration or repair, Mortgagor shall deposit with Mortgagee funds which, when added to insurance proceeds on deposit with Mortgagee, are sufficient to complete the restoration or repair of the damaged property, as determined by Mortgagee, in Mortgagee's discretion, in accordance with the approved plans and specifications and all applicable building codes and zoning ordinances and regulations, and Mortgagor presents sufficient evidence to Mortgagee, in its sole and absolute discretion, that there are sufficient funds from the insurance proceeds and other available monies, to completely restore or repair the damaged property and that Mortgagee will not incur any liability to any other person as a result of such use or release of insurance proceeds; and

(v) Mortgagor shall enter into such agreements and deliver such other documents and other things as may be required by Mortgagee providing for disbursement of all such proceeds in accordance with disbursement procedures and other requirements substantially similar to those provided under the Loan Agreement.

If the foregoing conditions are satisfied within thirty (30) days of loss, then the insurance proceeds shall be held by Mortgagee and, after deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees, Mortgagee shall disburse the net insurance proceeds to or on behalf of Mortgagor as repair or restoration progresses and to the extent such proceeds are required to defray the expenses of such restoration or repair; and to the extent any such proceeds are not required to defray the expenses of such restoration or repair, Mortgagee may, at its option, apply any such unused proceeds to (i) the Secured Indebtedness, or (ii) for any other purposes or objects for which Mortgagee is entitled to advance funds under this Mortgage, all without affecting the lien and security interest created by this Mortgage, and any balance of such monies then remaining shall be paid to Mortgagor or the person or entity lawfully entitled thereto. If the foregoing conditions are not satisfied within thirty (30) days of loss, then the insurance proceeds shall be disbursed as provided for in Subparagraph (b) of this Section 1.03.

**1.04 Monthly Deposits.** At the option of Mortgagee and further to secure the payment of the taxes, assessments and other sums referred to in Section 1.02 and the premiums on the insurance referred to in Section 1.03, Mortgagor shall upon request of Mortgagee deposit with Mortgagee, on the first day of each month, such amounts as, in the estimation of Mortgagee, shall be necessary to pay such charges as they become due; said deposits to be held and to be used by Mortgagee to pay current taxes and assessments, insurance premiums and other charges on the Mortgaged Property as the same accrue and are payable. Payment from said sums for said purposes shall be made by Mortgagee at its discretion and may be made even though such payments will benefit subsequent owners of the Mortgaged Property. Said deposits shall not be, nor be deemed to be, trust funds, but may be, to the extent permitted by applicable law, commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. If said deposits are insufficient to pay the taxes and assessments, insurance premiums and other charges in full as the same become payable, Mortgagor will deposit with Mortgagee such additional sum or sums as may be required in order for Mortgagee to pay such taxes and assessments, insurance premiums and other charges in full.



Upon any default in the provisions of this Mortgage or the Note, or any instrument evidencing, securing or in any way related to the Secured Obligations, Mortgagee may, at its option, apply any money in the fund relating from said deposits to the payment of the Secured Indebtedness in such manner as it may elect.

**1.05 Condemnation.** If all or any portion of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental or quasi-governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, other than an insubstantial taking for the purpose of widening existing roads bordering the Land which does not adversely affect access or the use of the Project and is not so substantial as to permit any tenant (whether or not then in possession) to terminate its lease or reduce the term thereof or the rent payable thereunder, then the entire Secured Indebtedness shall, at the option of Mortgagee, immediately become due and payable. Mortgagor, immediately upon obtaining knowledge of the institution, or the proposed, contemplated or threatened institution of any action or proceeding for the taking through condemnation of the Mortgaged Property or any part thereof will notify Mortgagee, and Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected by Mortgagee, in its own or in Mortgagor's name, any action or proceeding relating to any condemnation. Mortgagor may compromise or settle any claim for compensation, but shall not make any compromise or settlement for an award that is less than the Secured Indebtedness without the prior written consent of Mortgagee. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Mortgagor to Mortgagee, and Mortgagee is authorized, at its option, to collect and receive all such compensation, awards or damages and to give proper receipts and acquittances therefor without any obligation to question the amount of any such compensation, awards or damages. After deducting from said condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees, Mortgagee shall apply the net proceeds as provided in Section 1.03 hereof in the case of proceeds of insurance.

**1.06 Care of Mortgaged Property.**

(a) Mortgagor will keep the buildings and walkways, landscaping, and all other Improvements of any kind now or hereafter erected on the Land or any part thereof in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Mortgaged Property or any other part thereof or which would or could result in the cancellation of any insurance policy carried with respect to the Mortgaged Property.

(b) Mortgagor will not remove, demolish or alter the structural character of any Improvement located on the Land without the written consent of Mortgagee nor make or permit use of the Mortgaged Property for any purpose other than that for which the same are now used.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee.

(d) Mortgagee or its representative is hereby authorized to enter upon and inspect the Mortgaged Property at any time.

(e) 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.

(f) If any act or occurrence of any kind or nature (including any condemnation or any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Mortgaged Property,

Mortgagor shall give prompt notice thereof to Mortgagee and Mortgagor shall promptly, at Mortgagor's sole cost and expense and regardless of whether insurance or condemnation proceeds (if any) shall be available or sufficient for the purpose, commence and continue diligently to completion to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to the damage, loss or destruction.

**1.07 Leases, Contracts, Etc.**

(a) As additional collateral and further security for the Secured Obligations, Mortgagor does hereby assign to Mortgagee Mortgagor's interest in and rights under any and all ground leases, leases, tenant contracts, rental agreements, franchise agreements, management contracts, contracts for the sale of the Mortgaged Property or any site within the Mortgaged Property and other contracts, licenses and permits now or hereafter affecting the Mortgaged Property, or any part thereof, and Mortgagor agrees to execute and deliver to Mortgagee such additional instruments, in form and substance satisfactory to Mortgagee, as hereafter may be requested by Mortgagee further to evidence and confirm said assignment; provided, however, that acceptance of any such assignment shall not be construed as a consent by Mortgagee to any lease, tenant contract, rental agreement, franchise agreement, management contract, sales contract or other contract, license or permit, or to impose upon Mortgagee any obligation with respect thereto. Without first obtaining on each occasion the written approval of Mortgagee, Mortgagor shall not enter into any ground leases, leases, tenant contracts, rental agreements, franchise agreements, management contracts, contracts for the sale of the Mortgaged Property or any site within the Mortgaged Property or other contracts, licenses or permits affecting the Mortgaged Property, or any part thereof, or cancel or permit the cancellation of any franchise agreement, management contract, license, permit, lease or other contract, or accept, or permit to be made, any prepayments of any installment of rent or fees thereunder (except the usual prepayment of rent which results from the acceptance by a landlord on the first day of each month of the rent for the ensuing month). Mortgagor shall faithfully keep and perform, or cause to be kept and performed, all of the covenants, conditions and agreements contained in each of said instruments, now or hereafter existing, on the part of Mortgagor to be kept and performed and shall at all times do all things necessary to compel performance by each other party to said instruments of all obligations, covenants and agreements by such other party to be performed thereunder.

(b) Mortgagor shall not execute an assignment of the rents, issues or profits, or any part thereof, from the Mortgaged Property unless Mortgagee shall first consent to such assignment, which consent may be given or denied in Mortgagee's sole discretion, and unless such assignment shall expressly provide that it is subordinate to the assignment contained in this Mortgage and any assignment executed pursuant hereto.

(c) Mortgagor shall furnish to Mortgagee, within thirty (30) days after a request by Mortgagee to do so, a sworn statement setting forth the names of all lessees and tenants of the Mortgaged Property, the terms of their respective leases, tenant contracts or rental agreements, the space occupied, and the rentals payable thereunder, and stating whether any defaults, off-sets or defenses exist under or in connection with any of said leases, tenant contracts or rental agreements.

(d) Mortgagor shall submit to Mortgagee, within ten (10) days of its receipt thereof, copies of all leases executed and options exercised with respect to the Mortgaged Property.

(e) Each future lease, tenant contract or rental agreement pertaining to the Mortgaged Property, or any part thereof, shall provide that in the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee or tenant thereunder will, upon request of Mortgagee or any other person or entity succeeding to the interest of Mortgagee as a result of such enforcement, automatically become the lessee or tenant of Mortgagee or



said successor in interest, without change in the terms or other provisions of said lease, tenant contract or rental agreement. The Mortgagor shall cause the foregoing requirement to be satisfied by the execution by such tenants of subordination and attornment agreements satisfactory to Mortgagee.

**1.08 Ground Lease.**

(a) Mortgagor shall promptly:

(i) perform, observe and comply with all of the obligations, covenants and agreements required to be performed, observed and complied with by the lessee under the Ground Lease and do all things necessary to preserve and to keep unimpaired its rights thereunder;

(ii) notify Mortgagee of any default by Mortgagor under the Ground Lease in the performance or observance of any of the covenants or agreements on the part of Mortgagor to be performed or observed thereunder or of the giving of any notice by the lessor under the Ground Lease to Mortgagor (A) claiming such a default or (B) of such lessor's intention to exercise any remedy reserved to the lessor thereunder; and

(iii) cause a copy of each such notice given by such lessor to Mortgagor to be delivered to Mortgagee.

(b) In addition to any insurance required pursuant to Section 1.03 of this Mortgage, Mortgagor will take out and continuously maintain in effect or cause to be taken out and thereafter continuously maintained in effect the insurance required by the Ground Lease to be maintained by the lessee under the Ground Lease, whether or not the Ground Lease shall then be in effect. All such insurance policies shall name as an additional insured Mortgagee as its interest shall appear. All policies evidencing the insurance so required to be carried by the Ground Lease and this Section 1.08 shall be deposited with Mortgagee. Prior to the expiration or cancellation of any such policy, Mortgagor will furnish to Mortgagee evidence satisfactory to Mortgagee that such policy has been renewed or replaced by another policy.

The Mortgagor covenants, represents and warrants to Mortgagee that so long as this Mortgage remains unsatisfied, it will comply with all the obligations required on its part to be performed under the Ground Lease, whether or not the Ground Lease is then in effect. In the event that Mortgagor fails or refuses to perform any of its obligations under the Ground Lease, Mortgagee may, but shall not be obligated to, perform any and all of such obligations of Mortgagor under the Ground Lease, including, but not limited to, the payment of any or all rent and other sums due from Mortgagor thereunder. Any costs or expenses incurred by Mortgagee in performing the obligations of Mortgagor under the Ground Lease, including any rent or other sums paid by Mortgagee, shall constitute part of the Secured Obligations and shall be secured hereby.

(c) If Mortgagor shall fail to perform, observe or comply with any of the obligations, covenants or agreements required to be performed, observed or complied with by it under the Ground Lease, including, without limitation, payment of all ground rent and other charges due thereunder, Mortgagee, after five (5) days notice (except in emergencies or in situations where a failure sooner to perform or observe the same may result in a forfeiture under the Ground Lease), may, but shall not be obligated to, take such action as is appropriate to cause such covenants, agreements or obligations promptly to be performed, observed or complied with on behalf of Mortgagor, including, but not limited to, the payment of any or all rent and other sums due from Mortgagor thereunder, but no action so taken by Mortgagee shall release Mortgagor from any of its obligations under this Mortgage. Upon receipt by Mortgagee from the lessor under the Ground Lease of any notice of default by Mortgagor thereunder, Mortgagee may rely thereon and take any action as aforesaid to cure such default even though

the existence of such default or the nature thereof may be questioned or denied by Mortgagor or by any party on behalf of Mortgagor. Any costs or expenses incurred by Mortgagee in taking any action as provided for in this paragraph, including any rent or other sums paid by Mortgagee, shall constitute part of the Secured Obligations and shall be secured hereby.

(d) Mortgagor shall not surrender its leasehold estate under the Ground Lease, nor terminate or cancel the Ground Lease, and Mortgagor shall not modify, change, supplement, alter or amend the Ground Lease either orally or in writing, and any attempt on the part of Mortgagor to exercise any such right without the consent of Mortgagee shall be null and void.

(e) The fee title to the properties demised by the Ground Lease and the leasehold estate shall not merge, but always shall remain separate and distinct, notwithstanding the union of such estates either in the lessor or the lessee under the Ground Lease or in a third party by purchase or otherwise.

(f) Mortgagor shall give Mortgagee prompt notice of the commencement of any arbitration or appraisal proceeding pursuant to the Ground Lease. Mortgagee shall have the right to intervene and participate in any such proceeding and Mortgagor shall confer with Mortgagee and its attorneys and experts and cooperate with them to the extent Mortgagee deems reasonably necessary for the protection of Mortgagee. Upon the request of Mortgagee, Mortgagor shall exercise all rights of arbitration or appraisal conferred upon it by the Ground Lease. If at the time any such proceeding shall be commenced, Mortgagor shall be in default in the performance or observance of any covenant or agreement contained in the Ground Lease, or in this Mortgage, on the part of Mortgagor to be performed or observed, beyond any applicable grace period, Mortgagee shall have, and is hereby granted, the sole and exclusive right to designate and appoint on behalf of Mortgagor the arbitrator(s) or appraiser(s) in such proceeding.

(g) Mortgagor shall use its best efforts to obtain from the lessor under the Ground Lease and deliver to Mortgagee, within twenty (20) days after demand by Mortgagee, a statement in writing certifying that the Ground Lease is unmodified and in full force and effect (or if modified, stating the modifications) and the dates to which the ground rent and other charges, if any, have been paid in advance, and stating whether or not, to the best knowledge of the signer of such certificate, Mortgagor is in default in the performance of any covenant or agreement contained in the Ground Lease, and, if so, specifying each such default of which the signer may have knowledge.

(h) Mortgagor, at least six (6) months prior to the last day upon which Mortgagor, as lessee under the Ground Lease, may validly exercise any option to renew or extend the term of the Ground Lease, (i) duly shall exercise such option and (ii) shall give immediate notice thereof to Mortgagee; if Mortgagor shall fail so to do, Mortgagee shall have, and is hereby granted, the irrevocable right to exercise any such option, either in its own name and behalf, or in the name and behalf of Mortgagor, as Mortgagee shall in its sole discretion determine.

(i) Mortgagor promptly shall notify Mortgagee of any change made pursuant to the Ground Lease in ground rent payable by the lessee thereunder, and in the event that any proceeds of insurance on any part of the Mortgaged Property, or any proceeds of any award for the taking by eminent domain of any part of the Mortgaged Property, shall be deposited with any person pursuant to the requirements of the Ground Lease, Mortgagor promptly shall notify Mortgagee of the name and address of such person and of the amount so deposited.

**1.09 Security Agreement.** With respect to the apparatus, fittings, fixtures and articles of personal property referred to or described in this Mortgage, or in any way connected with the use and enjoyment of the Mortgaged Property, this Mortgage is hereby made and declared to be a security agreement encumbering each and every item of personal property included herein as a part



of the Mortgaged Property, in compliance with the provisions of the Uniform Commercial Code as enacted in the state wherein the Land is situated, and Mortgagor hereby grants to Mortgagee a security interest in said personal property. A financing statement or statements reciting this Mortgage to be a security agreement affecting all of said personal property aforementioned shall be executed by Mortgagor and Mortgagee and appropriately filed. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Mortgage, or otherwise in respect of an Event of Default hereunder, shall be (a) as prescribed herein, or (b) as prescribed by general law, or (c) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such financing statement(s) in the records normally having to do with personal property shall not in any way affect the agreement of Mortgagor and Mortgagee that everything used in connection with the production of income from the Mortgaged Property or adapted for use therein 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 conveyed hereby regardless of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in an Exhibit to this Mortgage, or (iii) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to (A) the proceeds of any fire and/or hazard insurance policy, or (B) any award in eminent domain proceedings for taking or for loss of value, or (C) Mortgagor'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 not in any way alter any of the rights of Mortgagee as determined by this instrument or affect the priority of Mortgagee's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement(s) is solely for the protection of Mortgagee in the event any court shall at any time hold, with respect to the foregoing items (A), (B), or (C), that notice of Mortgagee's priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records. This Mortgage may be filed as a financing statement in any office where Mortgagee deems such filing necessary or desirable and Mortgagor will promptly upon demand reimburse Mortgagee for the costs therefor.

#### **1.10 Further Assurances; After-Acquired Property.**

(a) At any time, and from time to time, upon request by Mortgagee, Mortgagor will make, execute, and deliver or cause to be made, executed and delivered to Mortgagee and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be rerecorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of Mortgagee, be necessary or desirable in order to effectuate, complete or perfect or to continue and preserve (a) the obligations of Mortgagor under the Loan Documents, and (b) the security interest created by this Mortgage as a first and prior security interest upon, in and to all of Mortgagor's interest in the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor so to do, Mortgagee may make, execute, record, file, rerecord and/or refile any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor so to do. The security interest provided for in this Mortgage will automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Mortgaged Property or any part thereof.



(b) Without limiting the generality of the other provisions of this Mortgage, including Subparagraph (a) of this Section 1.10, it hereby expressly is covenanted, agreed and acknowledged that the lien and rights hereunder automatically will attach to any further, greater, additional or different estate, rights, titles or interests in or to any of the Mortgaged Property at any time hereafter acquired by the Mortgagor by whatsoever means, including, but not limited to, the Ground Lease, and if prior to the satisfaction of record of this Mortgage the Mortgagor obtains or otherwise acquires any such fee estate, rights, titles or interests, then such further, greater, additional or different estate, rights, titles or interests in the Mortgaged Property, or a part thereof, shall automatically, and without any further action or filing or recording on the part of the Mortgagor or the Mortgagee or any other person or entity, be and become subject to this Mortgage and the lien hereof. To secure the same indebtedness and obligations set forth above, Mortgagor hereby grants, bargains, sells and conveys to Mortgagee, on the same terms as set forth in this Mortgage and intended to be a part hereof, all such after-acquired property and estates.

(c) It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should the Mortgagee acquire an additional or other interests in or to the Mortgaged Property or the ownership thereof, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title. To the extent this is a leasehold mortgage, the Mortgagor further agrees that so long as any of the indebtedness secured by this Mortgage shall remain unpaid, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, the fee title and the leasehold estate in the Mortgaged Property shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in the lessor or in the lessee, or in a third party, by purchase or otherwise.

**1.11 Indemnity; Expenses.** Mortgagor will pay or reimburse Mortgagee, upon demand therefor, for all reasonable attorney's fees, costs and expenses incurred by Mortgagee in any suit, action, legal proceeding or dispute of any kind in which Mortgagee is made a party or appears as party plaintiff or defendant, affecting the Secured Obligations, this Mortgage or the interest created herein, or the Mortgaged Property, including, but not limited to, the exercise of the power of sale contained in this Mortgage, any condemnation action involving the Mortgaged Property or any action to protect the security hereof, and any such amounts paid by Mortgagee shall be added to the Secured Indebtedness and shall be secured by this Mortgage. Mortgagor will indemnify and hold Mortgagee harmless from and against all claims, damages, and expenses including attorney's fees and court costs, resulting from any action by a third party against Mortgagee relating to this Mortgage or the interest created herein, or the Mortgaged Property, including, but not limited to any action or proceeding claiming loss, damage or injury to person or property, or any action or proceeding claiming a violation of any national, state or local law, rule or regulation, including those relating to environmental standards or dangerous or hazardous wastes, provided Mortgagor shall not be required to indemnify Mortgagee for matters directly caused by Mortgagee's intentional or reckless misconduct.

**1.12 Estoppel Affidavits.** Either Mortgagee or Mortgagor, upon ten (10) days prior written notice, shall furnish the other a written statement, duly acknowledged, based upon its records, setting forth the unpaid principal of, and interest on, the Secured Indebtedness, stating whether or not to its knowledge any off-sets or defenses exist against the Secured Indebtedness, or any portion thereof, and, if such off-sets or defenses exist, stating in detail the specific facts relating to each such off-set or defense.

**1.13 Subrogation.** To the full extent of the Secured Indebtedness, Mortgagee is hereby subrogated to the liens, claims and demands, and to the



rights of the owners and holders of each and every lien, claim, demand and other encumbrance on the Mortgaged Property which is paid or satisfied, in whole or in part, out of the proceeds of the Secured Indebtedness, and the respective liens, claims, demands and other encumbrances shall be, and each of them is hereby, preserved and shall pass to and be held by Mortgagee as additional collateral and further security for the Secured Indebtedness, to the same extent they would have been preserved and would have been passed to and held by Mortgagee had they been duly and legally assigned, transferred, set over and delivered unto Mortgagee by assignment, notwithstanding the fact that the same may be satisfied and cancelled of record.

**1.14 Books, Records, and Accounts.** Mortgagor shall keep and maintain or shall cause to be kept and maintained, at Mortgagor's cost and expense, and in accordance with standard accounting principles, proper and accurate books, records and accounts reflecting all items of income and expense in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property. Mortgagee, by Mortgagee's agents, accountants and attorneys, shall have the right from time to time to examine such books, records and accounts at the office of Mortgagor or such other person or entity maintaining such books, records and accounts, to make such copies or extracts thereof as Mortgagee shall desire, and to discuss Mortgagor's affairs, finances and accounts with Mortgagor and with the managers and members of Mortgagor, at such reasonable times as may be requested by Mortgagee. In addition, Mortgagor will furnish (or cause to be furnished) to Mortgagee such financial statements or such other financial information as required by the Loan Agreement.

**1.15 Limit of Validity.** If from any circumstances whatsoever, fulfillment of any provision of the Note, this Mortgage or any other Loan Document shall, at the time performance of such provision shall be due, cause any applicable usury or similar law to be violated when appropriate consideration is given to obligations of like character and amount and to borrowers and lenders of like character and classification, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, so that the obligation so to be performed and the validity thereof shall be reduced to the extent necessary (but only to the extent necessary) so as to not cause a violation of such applicable usury or similar law. The provisions of this Section 1.15 shall control every other provision of the Loan Documents.

**1.16 No Default Affidavits.** At Mortgagee's request, all payments made under the Note or hereunder shall be accompanied by the affidavit of a manager of Mortgagor, dated within five (5) days of the delivery of such payment to Mortgagee, swearing that Mortgagor knows of no Event of Default (as hereinafter defined), nor of any default which, after notice or lapse of time or both, would constitute an Event of Default, which has occurred and is continuing or, if any such default or Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and the action Mortgagor has taken or proposes to take with respect thereto and, except as otherwise specified, stating that Mortgagor has fulfilled all of Mortgagor's obligations under this Mortgage which are required to be fulfilled on or prior to the date of such affidavit.

**1.17 Legal Actions.** In the event that Mortgagee is made a party, either voluntarily or involuntarily, in any action or proceeding affecting the Mortgaged Property, any one or more of the Loan Documents, the Secured Obligations or the validity or priority of this Mortgage (but excluding any action or proceeding involving a dispute solely between Mortgagee and a participating lender, if any), Mortgagor shall immediately, upon demand, reimburse Mortgagee for all costs, expenses and liabilities incurred by Mortgagee by reason of any such action or proceeding, including reasonable attorney's fees, and any such amounts paid by Mortgagee shall be added to the Secured Indebtedness and shall be secured by this Mortgage.

**1.18 Use of Mortgaged Property.** Mortgagor shall at all times operate the Mortgaged Property as a medical office building. Mortgagor shall not be

permitted to alter or change the use of the Mortgaged Property without the prior written consent of Mortgagee.

**1.19 Conveyance of Mortgaged Property.** Mortgagor shall not directly or indirectly encumber (by lien, junior mortgage, or otherwise), pledge, convey, transfer or assign any or all of its interest in the Mortgaged Property without the prior written consent of Mortgagee or except as otherwise expressly permitted under the Loan Agreement. Mortgagee's consent to such a transfer, if given in Mortgagee's sole discretion, shall not release or alter in any manner the liability of Mortgagor or anyone who has assumed or guaranteed the payment or performance of the Secured Obligations or any portion thereof. At the option of Mortgagee, the Secured Indebtedness shall be immediately due and payable in the event that Mortgagor conveys all or any portion of the Mortgaged Property or any interest therein, or in the event that Mortgagor's equitable title thereto or interest therein shall be assigned, transferred or conveyed in any manner, without obtaining Mortgagee's prior written consent thereto or except as otherwise expressly permitted herein or in the Loan Agreement, and any waiver or consent for any prior transfer shall not preclude Mortgagee from declaring the Secured Indebtedness due and payable for any subsequent transfer.

**1.20 Acquisition of Collateral.** Except for encumbrances expressly set forth on Exhibit A, if any, Mortgagor shall not allow any of the personal property covered by this Mortgage to be subject to any security interest, conditional sales contract, title retention arrangement or other charge or lien taking precedence over the security title and lien of this Mortgage.

**1.21 Compliance with Applicable Environmental Law.** The term "Applicable Environmental Law" shall be defined as any statutory law or case law pertaining to health or the environment, or petroleum products, or oil, or hazardous substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as codified at 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, as codified at 42 U.S.C. Section 6901 et seq.; and the Superfund Amendments and Reauthorization Act of 1986, as codified at 42 U.S.C. Section 9671 et seq.; the terms "hazardous substance" and "release" shall have the meanings specified in CERCLA; provided, in the event CERCLA is amended to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and provided, to the extent that the laws of the State of Alabama establish a meaning for "hazardous substance" or "release" which is broader than that specified in CERCLA, such broader meaning shall apply. The Mortgagor represents and warrants to the Mortgagee that, to the best of its knowledge, the Mortgaged Property and the Mortgagor are not in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Applicable Environmental Law and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Mortgaged Property; that, to the best of its knowledge, the Mortgagor has not obtained and is not required to obtain, any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures or equipment forming a part of the Mortgaged Property by reason of any Applicable Environmental Law; that, to the best of its knowledge, the Mortgagor has taken all steps necessary to determine and has determined that no petroleum products, oil, hazardous substances, or solid wastes have been disposed of or otherwise released on the Mortgaged Property; and that, to the best of its knowledge, the use which the Mortgagor has made, makes or intends to make of the Mortgaged Property will not result in the location on or disposal or other release of any petroleum products, oil, hazardous substances or solid waste on or to the Mortgaged Property. The Mortgagor hereby agrees to pay any fines, charges, fees, expenses, damages, losses, liabilities or response costs arising from or pertaining to the application of any such Applicable Environmental Law to the Mortgaged Property and to indemnify and forever save the Mortgagee harmless from any and all judgments, fines, charges, fees, expenses, damages, losses, liabilities, response



costs, or attorneys' fees and expenses arising from the application of any such Applicable Environmental Law to the Mortgaged Property or the Mortgagee; and this indemnity shall survive any payment of the Note or foreclosure of this Mortgage or the taking by the Mortgagee of a deed in lieu of foreclosure. The Mortgagor agrees to notify the Mortgagee in the event that any governmental agency or other entity notifies the Mortgagor that it may not be in compliance with any Applicable Environmental Laws. The Mortgagor agrees to permit the Mortgagee to have access to the Mortgaged Property at all reasonable times in order to conduct, at the Mortgagee's expense, any tests which the Mortgagee deems are necessary to ensure that the Mortgagor and the Mortgaged Property are in compliance with all Applicable Environmental Laws.

## ARTICLE II

**2.01 Events of Default.** The terms "default", "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure by Mortgagor to pay any portion of the Secured Indebtedness, as and when the same comes due, which failure is not cured within three (3) days of written notice thereof; provided, however, that Mortgagee shall not be required to give such notice more than twice in any consecutive twelve (12) month period nor upon maturity of the Note; or

(b) Failure by Mortgagor duly to observe or perform any other term, covenant, condition or agreement of this Mortgage which failure is not cured within fifteen (15) days of written notice thereof; provided that if said failure is not capable of being cured within said fifteen (15) day period, and the Mortgagor commences with due diligence within said fifteen (15) day period and diligently proceeds in good faith to effect a cure of such failure, the Mortgagor shall be entitled to a reasonable period of time, not to exceed ninety (90) days, to complete such cure; or

(c) The occurrence of a default or Event of Default under any one or more of the Loan Documents or any other instrument or agreement now or hereafter evidencing or securing the Note or the Secured Obligations; or

(d) The occurrence of a default or Event of Default under the Ground Lease and/or any termination of the Ground Lease, and/or the occurrence of a default or Event of Default under the Building Lease and/or any termination of the Building Lease; or

(e) Any representation, statement or warranty of Mortgagor contained in any one or more of the Loan Documents or in any other instrument, document, transfer, conveyance, assignment or loan agreement given by Mortgagor with respect to the Secured Obligations, proving to be untrue or misleading in any material respect, whether or not the falsity of such representation, statement or warranty was known to Mortgagor at the time of the making thereof, and whether or not such representation, statement or warranty was limited to the best knowledge or belief of Mortgagor; or

(f) The filing by Mortgagor or any guarantor of the Note of a voluntary petition in bankruptcy or any such person's adjudication as a bankrupt or insolvent; or the filing by any such person of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors or any such person's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of any such person or its property or of all or any substantial part of the Mortgaged Property or of any or all of the rents, issues, profits, or revenues thereof; or the making by any such person of any general assignment for the benefit of

creditors; or the admission in writing by any such person of its inability to pay its debts generally as they become due; or

(g) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against Mortgagor or any guarantor of the Note and not dismissed within sixty (60) days seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors or the appointment of any trustee, receiver or liquidator of any such person or its property or of all or any substantial part of the Mortgaged Property or of any or all rents, issues, profits or revenues thereof without the consent or acquiescence of such person; or

(h) The Mortgaged Property is subjected to actual or threatened waste, or any part thereof is removed, demolished or altered without the prior written consent of Mortgagee; or

(i) Any material adverse claim relating to the Project or the Mortgaged Property, by title, lien or otherwise is established in any legal or equitable proceeding; or

(j) Unless the written consent of Mortgagee is first obtained (which consent may be withheld in Mortgagee's sole discretion) or except as otherwise expressly permitted under the Loan Agreement, there occurs any transfer of the Mortgaged Property, or any interest therein, or any further encumbrance of the Mortgaged Property.

Provided that with respect to any of the foregoing, such Event of Default will be deemed to have occurred upon the occurrence of such event without notice being required if Mortgagee is prevented from giving notice by bankruptcy or other applicable law.

Notwithstanding the foregoing, Borrower will not be deemed in breach of this Mortgage nor will this be Mortgage be considered in default solely on account of a determination being made that the Project is in violation of any applicable certificate of need or similar law, rule or regulation.

**2.02 Acceleration of Maturity.** If an Event of Default shall have occurred, then the entire Secured Indebtedness shall, at the option of Mortgagee, immediately become due and payable without notice or demand, time being of the essence of this Mortgage, and no omission on the part of Mortgagee to exercise such option when entitled to do so shall be construed as a waiver of such right.

**2.03 Right to Enter and Take Possession.**

(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 without the appointment of a receiver or an application therefor, and may exclude Mortgagor and its agents and employees wholly therefrom, and take possession of 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 such demand by Mortgagee, Mortgagee may obtain a judgment or decree conferring upon Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of the Mortgaged Property to Mortgagee. Mortgagor will pay to Mortgagee, upon demand, all expenses of obtaining such judgment or decree, including reasonable compensation to Mortgagee, its attorneys and agents, and all such expenses and compensation shall, until paid, become part of the Secured Indebtedness and shall be secured by this Mortgage;



(c) 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 of the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise act with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may determine to be in its best interest. Mortgagee may collect and receive all the rents, issues, profits and revenues from the Mortgaged Property, including those past due as well as those accruing thereafter, and, after deducting (A) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions; (C) the cost of such insurance; (D) such taxes, assessments and other similar charges as Mortgagee may at its option pay; (E) other proper charges upon the Mortgaged Property or any part thereof; and (F) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, Mortgagee shall apply the remainder of the monies and proceeds so received by Mortgagee, first, to the payment of accrued interest; second, to the payment of deposits required in Section 1.04 and to other sums required to be paid hereunder; and third, to the payment of overdue installments of principal. Anything in this Section 2.03 to the contrary notwithstanding, Mortgagee shall not be obligated to discharge or perform the duties of a landlord to any tenant or incur any liability as a result of any exercise by Mortgagee of its rights under this Mortgage and Mortgagee shall be liable to account only for the rents, incomes, issues and profits actually received by Mortgagee;

(d) Whenever all such interest, deposits and principal installments and other sums due under any of the terms, covenants, conditions and agreements of this Mortgage shall have been paid and all Events of Default shall have been cured, Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor, its successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

**2.04 Performance by Mortgagee.** If Mortgagor shall default in the payment, performance or observance of any term, covenant or condition of this Mortgage, the Loan Agreement or any of the other Loan Documents, Mortgagee may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by Mortgagee in connection therewith, with interest thereon at three percent (3%) in excess of the rate provided in the Note or at the maximum rate from time to time allowed by applicable law, whichever is less, shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor to Mortgagee. Mortgagee shall be the sole judge of the necessity for any such actions and of the amounts to be paid. 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 or observing any such defaulted term, covenant or condition without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Notwithstanding anything to the contrary herein, Mortgagee shall have no obligation, explicit or implied, to pay, perform or observe any term, covenant, or condition.

**2.05 Receiver.** If any Event of Default shall have occurred, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right, without notice and without regard to the occupancy or value of any security for the Secured Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and

powers permitted under the laws of the state wherein the Land is situated. Mortgagor will pay unto Mortgagee upon demand all expenses, including receiver's fees, reasonable attorney's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 2.05, and any such amounts paid by Mortgagor shall be added to the Secured Indebtedness and shall be secured by this Mortgage.

## **2.06 Enforcement.**

(a) If an Event of Default shall have occurred, then at the option of Mortgagee this Mortgage may be foreclosed in any manner now or hereafter provided by Alabama law, and the Mortgagee, or its agent, may sell the Mortgaged Property or any part of the Mortgaged Property at one or more public sales before the door of the courthouse of the county or counties, as may be required, in which the Land or any part of the Land is situated, after having first given notice of the time, place and terms of sale at least once a week for three (3) successive weeks preceding the date of such sale in some newspaper published in said county or counties, as may be required. At any such sale, Mortgagee may execute and deliver to the purchaser a conveyance of the Mortgaged Property or any part of the Mortgaged Property. Mortgagee shall have the right to enforce any of its remedies set forth herein without notice to Mortgagor, except for such notice as may be required by law. In the event of any sale under this Mortgage by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceedings or otherwise, the Mortgaged Property may be sold as an entirety or in separate parcels and in such manner or order as Mortgagee in its sole discretion may elect, and if Mortgagee so elects, Mortgagee may sell the personal property covered by this Mortgage at one or more separate sales in any manner permitted by the Uniform Commercial Code of the state in which the Land is located, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until the entire Mortgaged Property are sold or the Secured Indebtedness is paid in full. If the Secured Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Mortgagee at its option may exhaust the remedies granted under any of said security instruments or this Mortgage either concurrently or independently, and in such order as Mortgagee may determine.

Said sale may be adjourned by the Mortgagee, or its agent, and reset at a later date without additional publication; provided that an announcement to that effect be made at the scheduled place of sale at the time and on the date the sale is originally set.

Notwithstanding the foregoing, so long as the Ground Lease shall remain in full force and effect, Mortgagee agrees that it will not consummate the sale of the Mortgaged Property pursuant to any such foreclosure proceeding until the expiration of the thirty (30) day notice provision provided for in Paragraph 11(e) of the Ground Lease, and if SMC exercises its option to purchase as provided for therein, until the expiration of the thirty (30) day closing period provided for in said Paragraph 11(e).

(b) In the event of any sale of the Mortgaged Property as authorized by this Section 2.06, all prerequisites of such sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the non-payment or non-performance of the Secured Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

(c) If an Event of Default shall have occurred, Mortgagee may, in addition to and not in abrogation of the rights covered under Subparagraph (a) of this Section 2.06, either with or without entry or taking possession as herein provided or otherwise, proceed by a suit or suits in law or in equity or by any



other appropriate proceeding or remedy to pursue any other remedy available to it, all as Mortgagee in its sole discretion shall elect.

**2.07 Purchase by Mortgagee.** Upon any foreclosure sale or sale of all or any portion of the Mortgaged Property under the power herein granted, Mortgagee may bid for and purchase the Mortgaged Property if the highest bidder therefor.

**2.08 Application of Proceeds of Sale.** In the event of a foreclosure or other sale of all or any portion of the Mortgaged Property, the proceeds of said sale shall be applied: (a) first, to the expenses of such sale and of all proceedings in connection therewith, including reasonable attorneys' fees as may be necessary in the collection of the indebtedness secured by this Mortgage and/or the foreclosure of this Mortgage; (b) then to the repayment of money, including interest thereon, which Mortgagee may have paid, or become liable to pay, or which it may be necessary to pay for, including insurance premiums, liens, assessment, taxes and charges including utility charges advanced by Mortgagee, and interest thereon; (c) then to payment of the Secured Indebtedness and accrued interest thereon, in such order of priority as Mortgagee shall determine, in its sole discretion; and (d) finally the remainder, if any, shall be paid to the person or entity appearing to be the record owner of the Mortgaged Property at the time of sale, after deducting any expenses incurred in ascertaining who is such owner, or as may otherwise be provided by law.

**2.09 Mortgagor as Tenant Holding Over.** In the event of any such foreclosure sale or sale under the powers herein granted, Mortgagor (if Mortgagor shall remain in possession) shall be deemed a tenant holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

**2.10 Waiver of Appraisement, Valuation, Etc.** Mortgagor agrees, to the full extent permitted by law, that in case of a default on the part of Mortgagor hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, 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 subject to the security interest of this Mortgage marshaled upon any foreclosure or sale under the power herein granted.

**2.11 Waiver of Homestead.** Mortgagor hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Mortgaged Property as against the collection of the Secured Indebtedness, or any part thereof.

**2.12 Leases.** Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, if any, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceeding instituted by Mortgagee to collect the sums secured hereby.

**2.13 Discontinuance of Proceedings.** In case Mortgagee shall have proceeded to enforce any right, power 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 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 proceedings had occurred.

**2.14 Remedies Cumulative.** No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be 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 now or hereafter existing at law, in equity or by statute.

**2.15 Waiver.**

(a) No delay or omission by Mortgagee to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver expressed or implied by Mortgagee to or of any breach or default by Mortgagor in the performance of the obligations of Mortgagor hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or failure to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies of Mortgagee hereunder.

(b) No act or omission by Mortgagee shall release, discharge, modify, change or otherwise affect the original liability of Mortgagor under any one or more of the Loan Documents or any other obligation of Mortgagor or any subsequent purchaser of the Mortgaged Property or any part thereof or any maker, co-signer, endorser, surety or guarantor, nor preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then existing or of any subsequent default, nor alter the lien of this Mortgage, except as expressly provided in an instrument or instruments executed by Mortgagee. Without limiting the generality of the foregoing, Mortgagee may (i) grant forbearance or an extension of time for the payment of all or any portion of the Secured Indebtedness; (ii) take other or additional security for the payment of any of the Secured Indebtedness; (iii) waive or fail to exercise any right granted herein or in any one or more of the other Loan Documents; (iv) release any part of the Mortgaged Property from the security interest or lien of this Mortgage or otherwise change any of the terms, covenants, conditions or agreements of any one or more of the Loan Documents; (v) consent to the filing of any map, plat or replat affecting the Mortgaged Property; (vi) consent to the granting of any easement or other right affecting the Mortgaged Property; (vii) make or consent to any agreement subordinating the security title or lien hereof, or (viii) take or omit to take any action whatsoever with respect to any one or more of the Loan Documents, the Mortgaged Property or any document or instrument evidencing, securing or in any way related to the Secured Obligations, all without releasing, discharging, modifying, changing or affecting any such liability, or precluding Mortgagee from exercising any such right, power or privilege or affecting the lien of this Mortgage. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the Secured Indebtedness, or with reference to any of the terms, covenants, conditions or agreements 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 liabilities, obligations or undertakings.

**2.16 Suits to Protect the Mortgaged Property.** Mortgagee shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or constitute a default under this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the rents, issues, profits and revenues arising therefrom; and (c) to restrain the enforcement of or compliance



with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would materially impair the security hereunder or be prejudicial to the interest of Mortgagee.

**2.17 Proofs of Claim.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, 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 the claims of Mortgagee allowed in such proceedings for the entire amount due and payable by Mortgagor under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Mortgagor hereunder after such date.

### **ARTICLE III**

**3.01 Successors and Assigns.** This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective heirs, executors, legal representatives, successors, successors-in-title, and assigns. Whenever a reference is made in this Mortgage to "Mortgagor" or "Mortgagee", such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors, successors-in-title and assigns of Mortgagor or Mortgagee, as the case may be, but shall not imply any permission to make or permit any transfer which is otherwise prohibited.

**3.02 Terminology.** All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and Articles are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to Articles, Sections or subparagraphs shall refer to the corresponding Articles, Sections or subparagraphs of this Mortgage unless specific reference is made to Articles, Sections or subparagraphs of another document or instrument.

**3.03 Severability; Complete Agreement.** If any provisions of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. This Mortgage, the Note and the instruments executed in connection herewith constitute the full and complete agreement of the parties and supersede all prior negotiations, correspondence, and memoranda relating to the subject matter hereof, and this Mortgage may not be amended except by a writing signed by the parties hereto.

**3.04 Applicable Law.** This Mortgage shall be interpreted, construed and enforced according to the laws of the State of Alabama.

**3.05 Notices.** All notices provided for herein, or in any one or more of the other Loan Documents, or in any other instrument or document evidencing or securing any of the Secured Obligations, or required by applicable law, shall be given personally, by mail, or by Federal Express or other similar national overnight courier, and addressed to the appropriate party at the address designated for such party in the heading of this Mortgage, or such other single address as the party who is to receive such notice may designate in writing. Notice by mail shall be by registered or certified mail. All fees or expenses of mail or overnight courier shall be paid by the sender. Notice shall be deemed received at the earlier of the time actually received or two (2) days following the time deposited when sent by mail or overnight courier in the manner aforesaid. Actual receipt of notice shall not be required to effect notice hereunder.

**3.06 Replacement of Note.** Upon receipt of evidence reasonably satisfactory to Mortgagor of the loss, theft, destruction or mutilation of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Mortgagor or, in the case of any such mutilation, upon surrender and cancellation of the Note, Mortgagor at Mortgagee's expense will execute and deliver, in lieu thereof, a replacement note, identical in form and substance to any such Note and dated as of the date of any such Note, and upon such execution and delivery all references in this Mortgage to such Note shall be deemed to refer to such replacement note.

**3.07 Assignment.** This Mortgage is assignable by Mortgagee and any assignment hereof by Mortgagee shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Mortgagee.

**3.08 Time of the Essence.** Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Mortgage, each of the other Loan Documents, and any and all other instruments now or hereafter evidencing, securing or otherwise relating to the Secured Obligations.

**3.09 Release.** Provided that no Event of Default then exists, Mortgagee agrees to release this Mortgage upon payment in full by Mortgagor of all of the Secured Indebtedness.

**3.10 Future Advances.** Upon request of Mortgagor, Mortgagee, at Mortgagee's option so long as this Mortgage secures indebtedness held by Mortgagee, may make future advances to Mortgagor. Such future advances, with interest thereon, shall be secured hereby if made under the terms of this Mortgage, the Note or the Loan Agreement, or if made pursuant to any other promissory note, instrument or agreement stating that sums advanced thereunder are secured hereby.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized member and Mortgagee has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

MORTGAGOR:

SMCMOB, L.L.C.  
an Alabama limited liability company

By:   
Its Member

MORTGAGEE:

SOUTHTRUST BANK OF ALABAMA,  
NATIONAL ASSOCIATION  
a national banking association

By:   
Its



STATE OF ALABAMA )  
COUNTY OF Jefferson )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that James M. Johnson, whose name as Member of SMCMB, L.L.C., an Alabama limited liability company, 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, as such Member and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this the 28<sup>th</sup> day of March, 1994.

Cheryl A. Robinson  
Notary Public  
My Commission Expires: 7-10-95

STATE OF ALABAMA )  
COUNTY OF Jefferson )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William B. Roberson, whose name as Vice President of SouthTrust Bank of Alabama, National Association, a national banking association, 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, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand and official seal, this the 5<sup>th</sup> day of April, 1994.

Cheryl A. Robinson  
Notary Public  
My Commission Expires: 7-10-95

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## EXHIBIT A

### Parcel A:

A tract of land situated in the SW 1/4 of the NW 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Northwest corner of the SW 1/4 of the NW 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, said corner being marked by a one and one-half inch crimped pipe, and run in an Easterly direction along the accepted North line of said 1/4 1/4 section a distance of 316.16 feet to a one inch crimped pipe, thence deflect 88 deg. 34 min. 47 sec. and run to the right in a Southerly direction a distance of 604.16 feet to a point, thence deflect 97 deg. 24 min. 49 sec. and run to the right in a Northwesterly direction a distance of 140.68 feet to the point of beginning of herein described tract; thence deflect 90 deg. 00 min. 00 sec. and run to the left in a Southwesterly direction a distance of 189.17 feet to a point; thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Northwesterly direction a distance of 102.94 feet to a point; thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Northeasterly direction a distance of 189.17 feet to a point, thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Southeasterly direction a distance of 102.94 feet to the point of beginning; being situated in Shelby County, Alabama.

### Subject to:

1. Taxes and assessments for the year 1994, and subsequent years, which are not yet due and payable.
2. Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed 133, Page 94 and Deed 103, Pages 45, 46, 47, 48, 49, 51, 52, 53 and 54 in Probate Office.
3. Right(s)-of-Way(s) granted to AT&T by instrument(s) recorded in Deed 168, Page 472 in Probate Office.



Exhibit B

(Description of Servient Parcel)

Tract 1:

A portion of the E $\frac{1}{2}$  of SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 35 Township 20 South, Range 3 West, and a portion of the W $\frac{1}{4}$  of SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 36, Township 20 South, Range 3 West, of Huntsville Principal Meridian, Shelby County, Alabama, being more particularly described as follows:

Begin at the Southeast corner of the E $\frac{1}{2}$  of SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of said Section 35; thence in Westerly direction along South boundary line of E $\frac{1}{2}$  of SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of Section 35, 197.24 feet to the point of intersection with the arc of a curve turning to the left, which is Easterly boundary of right of way of U.S. Highway No. 31, said arc having a radius of 38,287.20 feet, and being subtended by a central angle of 0 degrees, 12 minutes and 38 seconds, having a chord of 140.68 feet in length, said chord forming an angle of 96 degrees and 04 minutes, and 19 seconds, to the right from last mentioned course, having a length of 197.24 feet; thence along said arc of said curve 140.68 feet to the point of intersection with a straight line tangent to said arc; thence continuing along said straight line which is Easterly boundary of said Highway right-of-way 659.32 feet; thence turning an angle of 84 degrees and 00 minutes and 30 seconds to the right in an Easterly direction 94.68 feet to the point of intersection with East boundary line of said Section 35; thence continuing East into Section 36, Township 20 South, Range 3 West, along said last mentioned course which is a straight line 659.49 feet to the point of intersection with the East boundary of W $\frac{1}{4}$  of SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of said Section 36, Township 20 South, Range 3 West; thence turning an angle of 88 degrees and 40 minutes and 30 seconds to the right in Southerly direction along East boundary of said W $\frac{1}{2}$  of SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of said Section 36, 795.80 feet to the Southeast corner of W $\frac{1}{2}$  of SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of said Section 36; thence turning an angle of 91 degrees 19 minutes and 30 seconds to the right along South boundary of W $\frac{1}{2}$  of SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of said Section 36, 659.16 feet to the point of beginning.

Tract 2:

A tract of land situated in the West  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 36, and the East  $\frac{1}{2}$  of the SE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Section 36, Township 20 South, Range 3 West, being more particularly described as follows: Commence at the NW corner of the SW  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, and running in an Easterly direction along the North line of said  $\frac{1}{4}$   $\frac{1}{4}$  Section, a distance of 316.21 feet to a point; thence turn a deflection angle of 89 deg. 40 min. to the right and run in a Southerly direction a distance of 251.34 feet to the point of beginning; thence continue in a Southerly direction along the projection of the last described course a distance of 275.00

feet to a point; thence turn an interior angle of 88 deg. 40 min. 30 sec. and run to the right in a Westerly direction a distance of 410.83 feet to a point on the East right-of-way line of U.S. Highway No. 31; thence turn an interior angle of 84 deg. 02 min. 30 sec. and run to the right in a Northerly direction along the East right-of-way line of said U.S. Highway No. 31 a distance of 151.10 feet to the P.C. of a curve; thence continue in a Northerly direction along the East right-of-way line of said U.S. Highway 31 and along the arc of a curve to the right, having a central angle of 1 deg. 16 min. 30 sec. and a radius of 5,629.58 feet a distance of 125.37 feet to a point on the curve; thence turn an interior angle of 97 deg. 14 min. 00 sec. (angle measures from tangent) and run to the right in an Easterly direction a distance of 374.43 feet to the point of beginning. Said property subject to reserved easement for ingress and egress being 30 feet wide and situated North of, parallel with and adjacent to the South line of said property. Being situated in Shelby County, Alabama.

Tract 3:

Lot A, according to the Survey of Greater Shelby Office Plaza as recorded in Map Book 7 page 141 in the Probate Office of Shelby County, Alabama

Tract 4:

Lot B, according to the Amended Map of Greater Shelby Office Plaza as recorded in Map Book 7, Page 141 in the Probate Office of Shelby County, Alabama. ALSO a 30 foot easement for ingress and egress more particularly described as follows: A 30 foot strip lying North of and parallel to the following line: begin at the Southwest corner of Lot B according to the Amended Map of Greater Shelby Office Plaza recorded in Map Book 7, page 141 and run West along a prolongation of the South line thereof a distance of 410.83 feet to its intersection with U.S. Highway 31.

**LESS AND EXCEPT FROM TRACTS 1,2,3 AND 4 THE FOLLOWING:**



Parcel A:

A tract of land situated in the SW 1/4 of the NW 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Northwest corner of the SW 1/4 of the NW 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, said corner being marked by a one and one-half inch crimped pipe, and run in an Easterly direction along the accepted North line of said 1/4 1/4 section a distance of 316.16 feet to a one inch crimped pipe, thence deflect 88 deg. 34 min. 47 sec. and run to the right in a Southerly direction a distance of 604.16 feet to a point, thence deflect 97 deg. 24 min. 49 sec. and run to the right in a Northwesterly direction a distance of 140.68 feet to the point of beginning of herein described tract; thence deflect 90 deg. 00 min. 00 sec. and run to the left in a Southwesterly direction a distance of 189.17 feet to a point; thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Northwesterly direction a distance of 102.94 feet to a point; thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Northeasterly direction a distance of 189.17 feet to a point, thence turn an interior angle of 90 deg. 00 min. 00 sec. and run to the right in a Southeasterly direction a distance of 102.94 feet to the point of beginning; being situated in Shelby County, Alabama.

Inst # 1994-11312

Inst # 1994-11312

B-3 04/07/1994-11312  
08:21 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
027 MCD 6599.50