

This instrument prepared by:

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1400 SouthTrust Tower
Birmingham, Alabama 35203

Inst # 1995-20564

08/02/1995-20564
09:21 AM CERTIFIED

MORTGAGE AND SECURITY AGREEMENT
SHELBY COUNTY JUDGE OF PROBATE
021 MCD 1039.50

STATE OF ALABAMA)
SHELBY COUNTY)

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made and entered into this 1st day of August, 1995, by JOE L. TIDMORE, an individual, whose address is P.O. Box 1114, Columbiana, Alabama 35051, and CHARLES O. TIDMORE, an individual, whose address is P.O. Box 1114, Columbiana, Alabama 35051 (referred to individually as "Mortgagor" or collectively as "Mortgagors") and SOUTHEASTERN 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 420 North 20th Street (35203), P. O. Box 2554, Birmingham, Alabama 35290, Attention: Business Center ("Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagee has agreed to loan to Tidmore Oil Co., Inc., an Alabama corporation, (the "Borrower"), up to the principal amount of \$654,000.00 (the "Loan") on certain terms and conditions as set forth in that certain Construction Loan Agreement executed by and between Borrower and the Mortgagee dated of even date herewith (the "Loan Agreement") (the Loan Agreement and any and all other documents and instruments relating to the Loan, together with any and all extensions, revisions, modifications or amendments hereafter made to any of the foregoing, hereinafter collectively referred to as the "Loan Documents"); and

WHEREAS, pursuant to that certain Ground Lease executed by and between Borrower and Mortgagors dated of even date herewith (the "Lease"), Mortgagors leased to Borrower the Land (as hereinafter defined); and

WHEREAS, pursuant to that certain Leasehold Mortgage/Mortgage and Security Agreement executed by and between the Borrower and Mortgagee of even date herewith (the "Leasehold Mortgage"), Borrower granted to Mortgagee a first priority lien on the Land and other Mortgaged Property (as defined in the Leasehold Mortgage); and

WHEREAS, Mortgagors have each agreed to guarantee the Loan by executing the Guaranties (as defined in the Loan Agreement); and

WHEREAS, as security for the payment and performance of the obligations of Mortgagors under the Guaranties (the "Secured Obligations"), Mortgagors have agreed to execute in favor of Mortgagee the Assignment of Rents and Leases (as defined in the Loan Agreement); and

WHEREAS, Mortgagors have agreed to grant to Mortgagee this Mortgage as additional security for the Secured Obligations.

NOW, THEREFORE, for and in consideration of the foregoing recitals and to secure the prompt payment and performance of the Mortgagors under the Guaranties, Mortgagors do hereby irrevocably CONVEY, WARRANT, GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, PLEDGE and set over unto Mortgagee, and the successors and assigns of Mortgagee, all of the following described land and interests in land, estates, easements, rights, improvements, personal property, fixtures, equipment,

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furniture, furnishings, appliances and appurtenances, including replacements and additions thereto (herein referred to collectively as the "Mortgaged Property"):

(a) All those certain tracts, pieces or parcels of land, and interests in land, located in Shelby County, Alabama, more particularly described in Exhibit A attached hereto and by this reference made a part hereof (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 Mortgagors 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 fixtures and accessions to the Land and 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 Mortgagors; and

(d) All rents, issues, profits, revenues and proceeds from any sale or other disposition of the Mortgaged Property, or any part thereof, from time to time accruing (including without limitation all payments under 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 Mortgagors of, in and to the same, reserving only the right to Mortgagors to collect the same so long as Mortgagors are not in default hereunder or such collection is not otherwise restricted by this Mortgage.

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 Mortgagors covenant that Mortgagors are lawfully seized and possessed of the Mortgaged Property as aforesaid and have good right to convey the same, that the same are unencumbered except for those matters expressly set forth in Exhibit A hereto, and Mortgagors do 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, this Mortgage shall remain in full force and effect so long as any one or both of the Guaranties remain in force; at such time as both of the Guaranties are satisfied in full and terminated, then this Mortgage shall be cancelled and released.

PROVIDED FURTHER, HOWEVER, this Mortgagee shall remain at all times subject and subordinate to the Leasehold Mortgage.

MORTGAGORS HEREBY FURTHER COVENANT AND AGREE WITH MORTGAGEE AS FOLLOWS:

ARTICLE I

1.01 Payment and Performance of Guaranties. Mortgagors will perform, observe and comply with all the provisions hereof, of their respective Guaranties, and of the Assignment of Rents and Leases.

1.02 Taxes, Liens and Other Charges.

(a) Mortgagors shall pay or cause to be paid, 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. Mortgagors 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 Mortgagors' covenant to pay any such tax, assessment, fee or charge at the time and in the manner provided herein, unless Mortgagors have given prior written notice to Mortgagee of Mortgagors' intent to so contest or object, and unless, at Mortgagee's sole option, (i) Mortgagors 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) Mortgagors shall furnish a good and sufficient bond or surety as requested by and satisfactory to Mortgagee; and (iii) Mortgagors shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(b) Mortgagors shall pay or cause to be paid, 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) Mortgagors shall pay or cause to be paid, 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 Mortgagors and becoming due under any lease or rental contract affecting the Mortgaged Property; and (iv) all utility charges which are incurred by Mortgagors 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. Mortgagors 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, Mortgagors will pay or cause to be paid any such tax on or before the due date thereof. If Mortgagors fail to make, or cause to be made, such prompt payment, or if, in the opinion of Mortgagee, any such state, federal, municipal, or other governmental law, order, rule or regulation prohibits Mortgagors from making or causing to be made such payment or would penalize Mortgagors if Mortgagors make or cause to be made 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, at the option of Mortgagee, this shall constitute an event of default hereunder.

(e) Mortgagors 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 Mortgagors 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) Upon the request of Mortgagee, Mortgagors shall obtain or caused to be obtained for the benefit of Mortgagee during the term of this Mortgage, original paid-up insurance policies of such insurance companies, in such amounts, in form and substance, and with such expiration dates as are acceptable to Mortgagee and containing non-contributory standard mortgagee clauses, their equivalent, or a satisfactory mortgagee loss payable endorsement in favor of Mortgagee, providing the following types of insurance covering the Mortgaged Property and the interest and liabilities incident to the ownership, possession and operation thereof:

(i) insurance against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism and malicious mischief and against such other hazards as, under good insurance practices, from time to time are insured against for properties of similar character and location, the amount of which insurance shall be not less than the full replacement cost of the Mortgaged Property without deduction for depreciation, and which policies of insurance shall contain satisfactory replacement cost endorsements;

(ii) during the course of any construction or repair of the Mortgaged Property, to maintain non-reporting builder's risk insurance with standard waiver of subrogation clauses, and, in the event any portion of the Improvements are completed prior to the satisfaction of the Secured Indebtedness (as defined in the Leasehold Mortgage), to maintain insurance on all buildings and other Improvements on the Mortgaged Property against damage by fire, windstorm, and other risks normally insured against under so-called "extended coverage", in companies and amounts satisfactory to Mortgagee. All policies evidencing such insurance shall have attached thereto standard mortgagee riders making such insurance payable to Mortgagee as its interest may appear, and all such policies or appropriate certificates, at Mortgagee's request, shall be deposited with it;

(iii) comprehensive public liability insurance on an "occurrence basis" against claims for "personal injury", including without limitation bodily injury, death or property damage occurring on, in or about the Mortgaged Property and the adjoining streets, sidewalks and passageways, such insurance to afford immediate minimum protection to a limit of not less than \$1,000,000

with respect to personal injury or death to any one or more persons or damage to property;

(iv) worker's compensation insurance (including employer's liability insurance, if requested by Mortgagee) for all employees of Mortgagor engaged on or with respect to the Mortgaged Property, in such amount as is reasonably satisfactory to Mortgagee, or, if such limits are established by law, in such amounts;

(v) rental continuation or business interruption insurance against loss of income arising out of damage or destruction by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism and malicious mischief and such other hazards as are presently included in so-called "extended coverage", of twelve (12) months' anticipated gross income from the Mortgaged Property; and

(vi) such other insurance on the Mortgaged Property or any replacements or substitutions therefor and in such amounts as may from time to time be reasonably required by Mortgagee against other insurable casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of the Improvements, their construction, location, use and occupancy, or any replacements or substitutions therefor.

(b) All policies of insurance required by the terms of this Mortgage shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act of negligence of Mortgagors which might otherwise result in forfeiture of said insurance, and the further agreement of the insurer waiving all rights of set off, counterclaim or deductions against Mortgagors.

(c) 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 Mortgagors and Mortgagee jointly. In the event any insurance company fails to disburse directly and solely to Mortgagee but disburses instead either solely to Mortgagors or to Mortgagor and Mortgagee jointly, Mortgagors agree immediately to endorse and transfer such proceeds to Mortgagee to the extent of Mortgagee's interest therein. Upon the failure of Mortgagors to endorse and transfer such proceeds as aforesaid, Mortgagee may execute such endorsements or transfers for and in the name of Mortgagors, and Mortgagors hereby irrevocably appoint Mortgagee as Mortgagors' 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 (in which case a portion of or the entire Secured Indebtedness shall, at Mortgagee's option, immediately become due and payable), (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 Mortgagors 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.

(d) At least fifteen (15) days prior to the expiration date of each policy maintained pursuant to this Section 1.03, a renewal or replacement thereof satisfactory to Mortgagee shall be delivered to Mortgagee. Mortgagors shall deliver or cause to be delivered to Mortgagee receipts evidencing the payment for all such insurance policies and renewals or replacements. The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment or partial extinguishment of the Secured Indebtedness, all right, title and interest of Mortgagors in and to all insurance policies then in force shall pass to the purchaser or Mortgagee, and Mortgagee is hereby irrevocably appointed by Mortgagors as attorney-in-fact for Mortgagors to assign any such policy to said purchaser or to Mortgagee without accounting to Mortgagors for any unearned premiums thereon.

(e) All policies of insurance required pursuant to the terms of this Section 1.03 shall contain a provision that such policies will not be cancelled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty (30) days prior written notice to Mortgagee. In the event Mortgagors fail to provide, maintain, keep in force or deliver and furnish to Mortgagee the policies of insurance required by this Section 1.03, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagors will pay all premiums thereon promptly upon demand by Mortgagee. Until such payment is made by Mortgagors, the amount of all such premiums, together with interest as hereinafter set forth, shall be added to the Secured Indebtedness and shall be secured by this Mortgage.

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, Mortgagors 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, Mortgagors 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 Land for a convenience store 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, at the option of Mortgagee, this shall constitute an Event of Default hereunder. Mortgagors, 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 Mortgagors' name, any action or proceeding relating to any condemnation. Mortgagors 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 Obligations 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 Mortgagors 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, the net proceeds shall be dealt with by the Mortgagee in accordance with, and subject to, the same terms and conditions as set forth in Paragraph (c) of Section 1.03 hereof as if the condemnation proceeds were insurance proceeds and as if the date the condemnation proceeds become payable to the Mortgagors was the date of loss.

1.06 Care of Mortgaged Property.

(a) Mortgagors will keep, or cause to be kept, the buildings, parking areas, roads 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) Mortgagors will not remove, demolish or alter the structural character of any Improvement located on the Land without the written consent of Mortgagee.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagors will give or cause to be given 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) Mortgagors will promptly comply or cause compliance 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, Mortgagors shall give, or cause to be given, prompt notice thereof to Mortgagee and Mortgagors shall promptly, at Mortgagors' 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, Mortgagors do hereby assign to Mortgagee Mortgagors' interest in and rights under the Lease and under any and all other 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 Mortgagors agree 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, Mortgagors 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). Mortgagors 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 Mortgagors 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) Mortgagors 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) Mortgagors 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) Mortgagors 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 Mortgagors shall cause the foregoing requirement to be satisfied by the execution by such tenants of subordination and attornment agreements satisfactory to Mortgagee.

1.08 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 Mortgagors hereby grant 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 Mortgagors 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. Mortgagors 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 Mortgagors 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) Mortgagors' 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 Mortgagors will promptly upon demand reimburse Mortgagee for the costs therefor.

1.09 Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by Mortgagee, Mortgagors 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 any Mortgagor under the any Guaranty and any of the other Loan Documents to which any Mortgagor is a party, and (b) the security interest created by this Mortgage as a valid security interest upon, in and to all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagors. Upon any failure by Mortgagors 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 Mortgagors, and Mortgagors hereby irrevocably appoint Mortgagee the agent and attorney-in-fact of Mortgagors 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.

1.10 Indemnity; Expenses. Mortgagors will pay or reimburse or cause the payment or reimbursement to 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 Obligations and shall be secured by this Mortgage. Mortgagors 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 Mortgagors shall not be required to indemnify Mortgagee for matters directly caused by Mortgagee's intentional or reckless misconduct.

1.11 Estoppel Affidavits. Either Mortgagee or Mortgagors, 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 and the Secured Obligations, stating whether or not to its knowledge any off-sets or defenses exist against the Secured Indebtedness or the Secured Obligations, 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.

1.12 Subrogation. To the full extent of the Secured Obligations, 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 Obligations, 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 Obligations, 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.

1.13 Books, Records, Accounts and Reports. Mortgagors shall keep and maintain or shall cause to be kept and maintained, at Mortgagors' 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 Mortgagors 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 Mortgagors' affairs, finances and accounts with Mortgagors at such reasonable times as may be requested by Mortgagee. In addition, Mortgagors will furnish (or cause to be furnished) to Mortgagee such financial statements or such other financial information as required by the Loan Agreement.

1.14 Limit of Validity. If from any circumstances whatsoever, fulfillment of any provision of this Mortgage or any Guaranty 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.

1.15 No Default Affidavits. At Mortgagee's request, all payments made pursuant to the any Guaranty or hereunder shall be accompanied by the affidavit of each 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.

1.16 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 Guaranty, 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), Mortgagors 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 Obligations and shall be secured by this Mortgage.

1.17 Use and Management of Mortgaged Property. Mortgagors shall at all times operate or lease the Mortgaged Property for operation as a convenience store. Mortgagors shall not be permitted to alter or change the use of the Mortgaged Property without the prior written consent of Mortgagee.

1.18 Conveyance of Mortgaged Property. Mortgagors 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. 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 Mortgagors. Conveyance of all or any portion of the Mortgaged Property or any interest therein or the assignment, transfer, or conveyance of Mortgagors' equitable title thereto or interest therein without Mortgagee's prior written consent shall, at the option of Mortgagee, be considered an Event of Default hereunder.

1.19 Acquisition of Collateral. Mortgagors shall not acquire any portion of the personal property covered by this Mortgage 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.

1.20 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 Mortgagors represent and warrant to the Mortgagee that, to the best of their knowledge, the Mortgaged Property and the Mortgagors 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 Mortgagors have not obtained and are 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 Mortgagors have 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 Mortgagors have 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 Mortgagors hereby agree 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 Mortgagors agree to notify the Mortgagee in the event that any governmental agency or other entity notifies him that the Mortgagors may not be in compliance with any Applicable Environmental Laws. The Mortgagors agree 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 Mortgagors 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 Mortgagors duly to observe or perform any of the terms and conditions of any Guaranty; or

(b) Failure by Mortgagors duly to observe or perform any other term, covenant, condition or agreement of this Mortgage which failure is not cured within ten (10) days of written notice thereof, or such longer period up to thirty (30) days if such failure is not capable of being fully cured within ten (10) days, provided that Mortgagors have commenced and continues to diligently pursue cure of such failure; or

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

(d) Any representation, statement or warranty of any Mortgagor contained in this Mortgage, any Guaranty, or the Assignment of Rents and Leases or made by any Mortgagor with respect to the Secured Indebtedness or 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

(e) The filing by any Mortgagor 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

(f) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against any Mortgagor 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

(g) 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

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

(i) Unless the written consent of Mortgagee is first obtained (which consent may be withheld in Mortgagee's sole discretion), 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.

2.02 Acceleration of Maturity. If an Event of Default shall have occurred, then the entire Secured Obligations 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, Mortgagors, 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 Mortgagors and their agents and employees wholly therefrom, and take possession of the books, papers and accounts of Mortgagors;

(b) If Mortgagors 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 Mortgagors to deliver immediate possession of the Mortgaged Property to Mortgagee. Mortgagors 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 obligations 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 Mortgagors to the same extent as Mortgagors could in their 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 deposits required in Section 1.04 and to other sums required to be paid hereunder; and second, to the payment of the Secured Obligations. 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 Mortgagors, 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 Mortgagors shall default in the payment, performance or observance of any term, covenant or condition of this Mortgage, 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 the maximum rate from time to time allowed by applicable law, shall be secured hereby and shall be, without demand, immediately repaid by Mortgagors 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 Mortgagors or any person in possession holding under Mortgagors. 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. Mortgagors 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 Mortgagors shall be added to the Secured Obligations 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 Mortgagors, 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 is sold or the Secured Indebtedness and the Secured Obligations are paid in full. If the Secured Obligations are 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.

(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 Obligations 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 Mortgagors as Tenants Holding Over. In the event of any such foreclosure sale or sale under the powers herein granted, Mortgagors (if Mortgagor shall remain in possession) shall be deemed tenants 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. Mortgagors agree, to the full extent permitted by law, that in case of a default on the part of Mortgagors hereunder, neither no Mortgagor nor anyone claiming through or under any 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 Mortgagors, for themselves and all who may at any time claim through or under them, 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. Mortgagors hereby waive and renounce 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 Obligations, 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, 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 Mortgagors, 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, Mortgagors 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 Mortgagors in the performance of the obligations of Mortgagors 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 Mortgagors 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 Mortgagors under any one or more of the Loan Documents or any other obligation of Mortgagors 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 Obligations; (ii) take other or additional security for the payment of any of the Secured Obligations; (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 or conditions of any Guaranty; (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 Guaranty, 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 Obligations, 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 Mortgagors, 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 Mortgagors under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Mortgagors hereunder after such date.

ARTICLE III

3.01 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Mortgagors 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", "Mortgagors", 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, Mortgagors 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 Guaranties, and any other 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 as set forth below, or such other single address as the party who is to receive such notice may designate in writing.

If to Mortgagors, to:

Joe L. Tidmore and
Charles O. Tidmore
P.O. Box 1114
Columbiana, AL 35051

If to Mortgagee, to:

SouthTrust Bank of Alabama, National Association
420 North 20th Street (35203)
P. O. Box 2554
Birmingham, Alabama 35290

Attention: Business Center

With Copy to:

Timothy D. Davis, Esq.
Gordon, Silberman, Wiggins & Childs, P.C.
1400 SouthTrust Tower
Birmingham, Alabama 35203

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



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 Mortgagors 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 Mortgagors of all of the Secured Obligations.

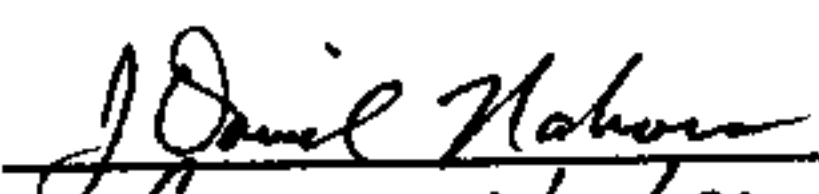
IN WITNESS WHEREOF, Mortgagors have executed this instrument and Mortgagee has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

MORTGAGORS:


JOE L. TIDMORE

CHARLES O. TIDMORE

MORTGAGEE:

SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION,
a national banking association

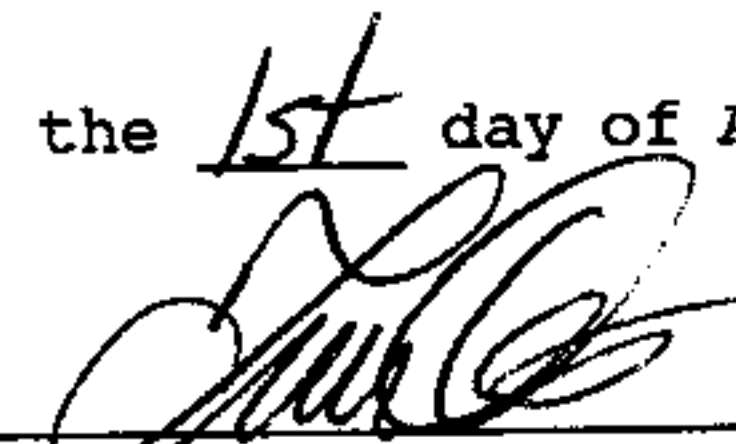
By: 
Its Commercial Loan Officer

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Joe L. Tidmore, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily.

Given under my hand and official seal, this the 1st day of August, 1995.

(SEAL)


Notary Public

My Commission Expires: 2-13-99

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Charles O. Tidmore, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily.

Given under my hand and official seal, this the 1st day of August, 1995.

(SEAL)


Notary Public

My Commission Expires: 2-13-99

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that J. David Nations, whose name as Commercial Loan Officer 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 1st day of August, 1995.

(SEAL)


Notary Public

My Commission Expires: 2-13-99

K:\CORP\SOUTHTRU\TIDMORE\DOC\MORTGAGE

EXHIBIT A

Part of the NW 1/4 of the NW 1/4 of Section 23, Township 21, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the SE corner of the NW 1/4 of the NW 1/4, Section 23, Township 21 South, Range 3 West and run Westerly along South line of said 1/4-1/4 section 8.6 feet; thence turn right 98 degrees 43 minutes and run Northerly 272.20 feet to a point on the Westerly right of way of Alabama Highway 119, said point also being the Point of Beginning; thence continue along last described course and along said right of way, 190 feet; thence turn left 100 degrees 51 minutes 54 seconds and run Southwesterly 250.00 feet; thence turn left 79 degrees 08 minutes 06 seconds and run Southwesterly 190.00 feet; thence turn left 100 degrees 51 minutes 54 seconds and run Northwesterly 250.00 feet to the point of beginning.

SUBJECT TO:

1. Taxes due and payable October 1, 1995.
2. Transmission line permits to Alabama Power Company, as recorded in Deed Book 101, Page 79; Deed Book 126, Page 174 and Deed Book 151, Page 96.
3. Right of way granted Shelby County, as recorded in Deed Book 126, Page 163.
4. Permit to Alabama Power Company, as recorded in Deed Book 167, Page 276.
5. Memorandum of Lease by and between Joe L. Tidmore and Charles O. Tidmore to Tidmore Oil Company dated August 1, 1995 and recorded in Inst 1995-20561

Inst # 1995-20564

08/02/1995-20564
09:21 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
021 MCD 1039.50