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STATE OF ALABAMA)
COUNTY OF JEFFERSON)

MORTGAGE AND SECURITY AGREEMENT

THIS INDENTURE is by and between Borrower, as the mortgagor, and Lender as the mortgagee. The terms used herein shall have the meanings ascribed to them as follows, unless the context requires a different meaning:

- a. **Borrower** shall refer to the mortgagor, Gregg Scott Construction Company, Inc., an Alabama corporation.
- b. **Borrower's Notice Address** shall mean Post Office Box 361368, Birmingham, Alabama 35236.
- c. **Lender** shall refer to the mortgagee, J. Gregg Scott, Jr. and Doris B. Scott.
- d. **Lender's Notice Address** shall mean 1719 Brittany Place, Birmingham, Alabama 35226.
- e. **Loan** shall refer to that Line of Credit loan made by Lender to Borrower this date in an amount equal to the Loan Amount.
- f. **Loan Amount** shall mean ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00).
- g. **Note** shall refer to that master note (the "Note") of even date herewith made by Borrower to Lender in the Loan Amount to evidence the Loan, and to all replacements, extensions, substitutions, and modifications to the Note.
- h. **Loan Documents** shall refer to this Mortgage and Security Agreement (the "Mortgage") and the Note.

Lender is making a Line of Credit loan to Borrower evidenced by the Note. The Mortgage secures future advances made pursuant to the Note. In consideration of the Loan, to induce Lender to make the Loan, and to secure the prompt payment of same, with the interest thereon, and any extensions or renewals of the Loan, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth, Borrower has this day executed this Mortgage and the other Loan Documents in favor of Lender; and Borrower hereby does irrevocably grant, bargain, sell, alien, remise, release, confirm and convey to Lender, and to their heirs and assigns, in fee simple, with right of entry and possession as provided below, the following described property (all of which as described in (A) and (B) below, is referred to herein as the "Mortgaged Property"):

(A) The real property (the "Property") described in the attached Exhibit A which is incorporated into this Mortgage by reference, and to the extent owned by Borrower, all minerals, oil, gas and other hydrocarbon substances on the Property, as well as all development rights, air rights, water, water rights, and water stock relating to the Property, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments and appurtenances whatsoever in any way belonging, relating or appertaining to any of the Property, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law and in equity of Borrower of, in and to the same, including, but not limited to, the other rights herein enumerated.

(B) The rights of Borrower in and to that certain Note from Vicki T. Jones, and the mortgage securing it, recorded in Volume 4238, at Page 202, in the Office of the Judge of Probate of Jefferson County, Alabama, and assigned to Borrower by assignment recorded in Volume 9603, at Page 2045, in the Office of the Judge of Probate of Jefferson County, Alabama.

This instrument secures:

05/21/1996-16430
11:07 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
009 MCD 29.50

Inst # 1996-16430

(1) Payment and performance of Borrower's indebtedness and obligations under the Note evidencing the Loan, including all extensions, renewals, substitutions and modifications of and to the Note.

(2) The payment and performance of Borrower's obligations under this Mortgage and under all of the other Loan Documents.

(3) The payment of all sums advanced or paid out by Lender under any provision of this Mortgage or the other Loan Documents or to protect the security of this Mortgage.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Lender and to their heirs and assigns forever, subject, however, to the terms and conditions herein:

PROVIDED, HOWEVER, that these presents are upon the condition that, if Borrower shall pay or cause to be paid to Lender the principal and interest payable in respect to the Note, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall pay all other indebtedness due from Borrower to Lender, and shall keep, perform and observe all and singular the covenants and promises in the Note, this Mortgage, and in all of the other Loan Documents, and any renewal, extension or modification thereof, expressed to be kept, performed, and observed by and on the part of Borrower, all without fraud or delay, then this Mortgage, and all the properties, interest and rights hereby granted, bargained, and sold shall cease, determine and be void, but shall otherwise remain in full force and effect.

ARTICLE 1

COVENANTS OF BORROWER

In addition to covenants contained elsewhere herein, Borrower covenants and agrees with Lender as follows:

1.1 Payment and Performance. To pay and perform all indebtedness and obligations that are secured by this Mortgage and the other Loan Documents in accordance with the terms thereof.

1.2 Loan Documentation/Further Assurances. Borrower covenants and represents that all of the Loan Documents have been duly executed and delivered and are valid and enforceable obligations of Borrower in accordance with the terms thereof. Borrower agrees to execute and deliver to Lender on demand and at Borrower's cost and expense any documents, further required mortgages, and instruments of further assurance required or desired by Lender to effectuate, complete, enlarge, or perfect, or to continue and preserve (a) the obligations of Borrower under the Note, this Mortgage, all of the other Loan Documents, and (b) the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Borrower. Upon any failure of Borrower to do so, Lender may execute and record any such instruments for and in the name of Borrower and Borrower irrevocably appoints Lender the agent and the attorney-in-fact of Borrower to do so. The lien hereof will automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Mortgaged Property.

1.3 Actions or Proceedings. Borrower will, at its own expense, appear in and defend any action or proceeding that might affect Lender's security or the rights or powers of Lender or that purports to affect any of the Mortgaged Property. If Borrower fails to perform any of its covenants or agreements contained in this Mortgage, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor-relief proceeding) is commenced which might affect Lender's interest in the Mortgaged Property or Lender's right to enforce their security, then Lender may, at their option, make any appearances, disburse any sums or take any actions as may be necessary or desirable to protect

or enforce this Mortgage or to remedy the failure of Borrower to perform its covenants (without, however, waiving any default of Borrower). Borrower agrees to pay all reasonable expenses of Lender thus incurred (including, but not limited to, fees and disbursements of counsel). Any sums disbursed by Lender will be additional indebtedness of Borrower secured by this Mortgage, will bear interest at the After-Maturity Rate required by the Note, and will be payable by Borrower upon demand. This paragraph will not be construed to require Lender to incur any expenses, make any appearances, or take any actions.

1.4 Security Interest. This Mortgage constitutes a SECURITY AGREEMENT with respect to all personal property in which Lender is granted a security interest thereunder, and Lender shall have all of the rights and remedies of a secured party under the ALABAMA UNIFORM COMMERCIAL CODE as well as all other rights and remedies available at law or in equity. Borrower hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower, to execute, deliver and, if appropriate, to file with the appropriate filing officer such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. Upon the occurrence of any default hereunder, Lender shall have the right to cause any of the Mortgaged Property which is personal property and subject to the security interest of Lender hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Lender shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law. Any such disposition may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of such property at such disposition.

Expenses of retaking, holding, preparing for sale, selling or the like shall be borne by Borrower and shall include Lender's attorneys' fees and legal expenses. Borrower, upon demand of Lender, shall assemble such personal property and make it available to Lender at the Property, a place which is hereby deemed to be reasonably convenient to Lender and Borrower. Lender shall give Borrower at least five (5) days' prior written notice of the time and place of any public sale or disposition of such property or of the time of or after which any private sale or other intended disposition is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower.

1.5 Title. Borrower covenants that it is lawfully seized of an indefeasible estate in fee simple in the Property hereby mortgaged and has good and absolute title to all existing personal property hereby mortgaged and has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid; that the same is free and clear of all liens, charges, and encumbrances whatsoever, including as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature; and that Borrower shall and will warrant and forever defend the title thereto unto Lender, their heirs and assigns, against the claims of all persons.

ARTICLE II

EVENTS OF DEFAULT

Borrower will be in default under this Mortgage if:

(a) Borrower fails to make any payment required by the Note or by the other Loan Documents and does not cure that failure within ten (10) days after written notice of such default mailed by Lender to Borrower, provided however, that any Late Charge or After-Maturity Interest reserved under the Note or other amounts due and payable as a result of such default shall be due and payable as part of any cure of such default; or

(b) Borrower fails to perform any other covenant or agreement contained in this Mortgage, or in the other Loan Documents, and does not cure that failure within thirty (30) days after written notice of such default mailed by Lender to Borrower; or

(c) Borrower terminates or suspends its business, or permits an attachment or judicial seizure of any substantial part of its assets; or

(d) Borrower or any shareholder of Borrower files a petition in bankruptcy or for an arrangement, reorganization or any other form of debtor-relief under any present or future law relating to bankruptcy or debtor-relief, or such a petition is filed against Borrower or against such shareholder of Borrower, and Borrower or such shareholder does not oppose that filing, or the petition is not dismissed within sixty (60) days after filing, or Borrower or any such shareholder makes an assignment for the benefit of its creditors; or

(e) There has occurred a breach of, or default under, or failure of, any term, covenant, agreement, condition, provision, representation, or warranty contained in any Loan Document or under any agreement which guarantees any part of the indebtedness or obligations secured by this Mortgage; or

(f) Any representation or disclosure made to Lender by Borrower proves to be materially false or misleading on the date as of which made, whether or not that representation or disclosure appears in this Mortgage or in any of the other Loan Documents; or

(g) Any other event occurs which, under the Note or under any other Loan Document, constitutes a default by Borrower or gives the right to accelerate the maturity of any part of the indebtedness secured by this Mortgage.

ARTICLE III

REMEDIES

3.1 Remedies. If Borrower is in default, Lender may, at their continuing option, and without notice to or demand upon Borrower:

(a) Declare any or all indebtedness secured by this Mortgage to be due and payable immediately;

(b) Enter onto the Mortgaged Property, in person or by agent or by court-appointed receiver, and take any and all steps which may be desirable in Lender's judgment to manage and operate the Mortgaged Property, and Lender may apply any rents, royalties, income or profits collected against the indebtedness secured by this Mortgage without in any way curing or waiving any default to Borrower;

(c) Bring a court action of law or in equity (1) to foreclose this Mortgage, or (2) to enforce its provisions or any of the indebtedness or obligations secured by this Mortgage, either or both, concurrently or otherwise, and one action or suit shall not abate or be a bar to or waiver of Lender's right to institute or maintain the other, provided that Lender shall have only one payment and satisfaction of the indebtedness;

(d) Cause any or all of the Mortgaged Property to be sold under the power of sale granted by this Mortgage in any manner permitted by applicable law;

(e) Exercise any other right or remedy available under law or in equity;

(f) Sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the Courthouse door in the county where said Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said

county, and upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the premises so purchased. Lender may bid at said sale and purchase said premises, or any part thereof, if the highest bidder therefor. At the foreclosure sale, the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner Lender may elect in their sole discretion.

3.2 Proceeds. The proceeds of any sale under this Mortgage will be applied in the following manner:

FIRST: Payment of the costs and expenses of the sale, including, but not limited to, Lender's fees, legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Lender, together with interest at the rate provided under the Note made by Lender.

SECOND: Payment of all sums expended by Lender under the terms of this Mortgage and not yet repaid, together with interest on such sums at the rate provided under the Note.

THIRD: Payment of the indebtedness and obligations of Borrower secured by this Mortgage or the premises at the time of such sale.

FOURTH: The remainder, if any, to the person or persons appearing of record to be the owner of the premises at the time of such sale.

3.3 Costs. Borrower will pay all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed, including, but not limited to, legal fees and disbursements, foreclosure costs and title charges.

ARTICLE IV

GENERAL PROVISIONS

4.1 Partial Invalidity. The invalidity or unenforceability of any one or more provisions of this Mortgage will in no way affect any other provision.

4.2 Lender's Option on Foreclosure. At the option of Lender, this Mortgage may be foreclosed as provided by law or in equity, in which event Lender's attorney's fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event Lender exercises their option to foreclose the Mortgage in equity, Lender may, at their option, foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

4.3 Waivers. Borrower waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and Borrower waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Property be set off against any part of the indebtedness secured hereby. Borrower further waives, to the extent permitted by any law (now or at any future time enacted) in the state where the Property is located, any rights of redemption, appraisal, valuation, stay or extension.

4.4 Notices. All notices given under this Mortgage and the other Loan Documents (unless otherwise expressly provided therein) must be in writing and will be effectively served upon personal delivery, or by overnight courier service with guaranteed next day delivery or by mailing in certified United States Mail, postage prepaid, sent to Lender at Lender's Notice

Address and sent to Borrower at Borrower's Notice Address, or to such other address as either Borrower or Lender shall have designated by written notice to the other sent in accordance herewith. Such notices shall be deemed given in the case of personal delivery, when received; in case of delivery by courier service with guaranteed next day delivery, said notice shall be deemed given on the next day or the day designated for delivery, and in case of delivery by certified United States Mail, said notice shall be deemed given two (2) business days after deposit therein. No notice to or demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances.

4.5 Status and Authority.

(a) Borrower warrants that (i) it is duly organized and validly existing, in good standing under the laws of the state where the Property is located, (ii) it is duly qualified to do business and is in good standing in said state, (iii) it has the power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by the Loan Documents and (iv) the execution and delivery of the Loan Documents and the performance and observance of the provisions thereof have been duly authorized by all necessary actions of Borrower.

(b) Borrower agrees that so long as any of its obligations hereunder, or under the Loan Documents remain unsatisfied, it will not make any changes in its structure or in the beneficial ownership of Borrower or dissolve or liquidate (in whole or in part) its existence, that it will maintain its existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge any other partnership, corporation, or other entity, without the prior express written consent of Lender.

(c) Borrower agrees that it will keep proper books and records of account in accordance with generally accepted accounting principles and will furnish to Lender such information respecting the business, affairs, operations and financial condition of Borrower as may be reasonably requested.

4.6 Miscellaneous/Actions by Lender. The term "Borrower" includes both the original Borrower and any subsequent owner or owners of any of the Mortgaged Property, and the term "Lender" includes the original Lender, and also any future owner or holder, including pledgees, assignees and participants, of the Note or any interest therein. Whenever the context requires, the singular includes the plural and vice versa and each gender includes each other gender. The headings of the articles of the Mortgage are for convenience only and do not limit its provisions.

4.7 Successors. The terms of this Mortgage will bind and benefit the heirs, legal representatives, successors and assigns of Borrower and Lender. If Borrower consists of more than one person or entity, each will be jointly and severally liable to perform the obligations of Borrower.

4.8 Purpose of Loan. Borrower hereby warrants and certifies to Lender that all of the proceeds of the loan secured by this Mortgage are being used strictly for business and commercial purposes, and no part of said proceeds is being used, directly or indirectly, for purposes other than business and commercial purposes.

Borrower agrees that any default under any one or more of the Loan Documents shall, at the option of Lender, constitute a default under any one or more of the other Loan Documents.

IN WITNESS WHEREOF, this instrument has been executed by the undersigned under seal on this _____ day of April, 1996.

BORROWER

Gregg Scott Construction Company, Inc.

By: _____

J. Gregg Scott, Jr.
J. Gregg Scott, Jr.
President

Elaine Franzen

Witness

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that J. Gregg Scott, Jr., whose name as President of Gregg Scott Construction Company, Inc., a corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 22 day of April, 1996.

Dannal Elaine Franzen

Notary Public

My commission expires: 11-5-99

A parcel of land in the NW 1/4 Section 9, Township 22 Range 3 West Shelby County, Alabama described as follows:

From the NW corner of Section 9, run South along the section line 1283.58 feet; thence run east 1050.2 feet to the beginning point of subject lot; from said point, continue said course 100 feet; thence run south 05 degrees 10' east 307.3 feet thence run west 100 feet; thence run North 05 degrees 10' W 306.1 feet to the beginning point.

Parcel II

A parcel of land in the NW 1/4 Section 9, Township 22 South Range 3 West Shelby County, Alabama described as follows: From the Northwest corner of section 9 run south along the section line 1283.58 feet; thence run east 1050.2 feet thence run south 05 degrees 10' east 306.1 feet; thence run east 77.7 feet to the beginning point of subject lot; from said point continue said 172.3 feet more or less to an iron pipe thence run south 05 degrees 34' east 58 feet to an iron pipe thence run South 82 degrees 51' west 181.6 feet to an iron pipe; thence run north 83 feet back to the beginning point.

Parcel III

From the NW corner of Section 9 run south along the section line 1283.58 feet; thence run east 1050.2 feet to the beginning point of subject lot from said point, continue said course 250 feet; thence run south 05 degrees 34' east 309 feet thence run west 250 feet thence run north 05 degrees 10' west 306.1 feet back to the beginning point. Less and except the following described parcel:

From the NW corner of section 9, run south along the section line 1283.58 feet; thence run east 1050.2 feet to the beginning point of subject lot from said point continue said course 100 feet; thence run south 05 degrees 10' east 307.3 feet; thence run west 100 feet thence run north 05 degrees 10' west 306.1 feet to the beginning point.

Parcel IV

Commence at the NW corner of said section 9; thence run south along the section line a distance of 1353.77 feet; thence turn left 93 degrees 12' a distance of 573.02 feet; thence turn right 90 degrees 04' a distance of 303.5 feet; thence turn left 84 degrees 50' a distance of 724 feet to the point of beginning; thence turn right 84 degrees 50' a distance of 6.5 feet thence turn left 84 degrees 50' a distance of 50 feet; thence turn left 95 degrees 10'; a distance of 315.5 feet; thence west a distance of 50 feet. Thence south a distance of 309 feet to the point of beginning.

Parcel V

(Description of easement)

Commence at the NW corner of Section 9, Township 22 South Range 3 West Shelby County, Alabama, and run south along the west Section line 1233.53 feet thence turn an angle to the left of 37 degrees 57' and run easterly 2631.71 feet; thence turn an angle to the right of 88 degrees 10' and run south 632.5 feet; thence turn an angle to the right of 62 degrees 49' and run westerly 197.4 feet to an existing pipe on the western right of way of Shelby County Road No. 15; thence turn an angle of 93 degrees 57' 37" to the right and run in a northeasterly direction along said right of way line a distance of 195.78 feet to the point of beginning of the line herein described thence turn an angle of 93 degrees 41' 50" to the left and run a distance of 262.95 feet thence turn an angle to the left of 66 degrees 36' and run 105 feet; thence turn an angle of 41 degrees 14' to the left and run 103.04 feet to a point on the south line of Lucas Property thence turn an angle of 107 degrees 50' to the right and run along the south line of Lucas property for 1042.53 feet thence leaving said Lucas property and entering Collins turn an angle to the right of 10 degrees 00' and run 127.2 feet thence turn an angle to the right of 56 degrees 00' and run northwesterly for 213.8 feet thence turn an angle to the right of 95 degrees 00' and run northeasterly 42 feet to the end of said easement. Said easement being 15 feet on either side of the above described line.

EXHIBIT "A" (Continued)

Lot 5, Block 1, according the Map of Sleepy Hollow, as recorded in Map Book 109, at Page 72, in the Office of the Judge of Probate of Jefferson County, Alabama.

Lot 14, Block 2, according the Map of Sleepy Hollow, as recorded in Map Book 109, at Page 72, in the Office of the Judge of Probate of Jefferson County, Alabama.

Lot 16, Block 8, Sunrise East, 2nd Sector, as recorded in Map Book 120, at Page 7, in the Office of the Judge of Probate of Jefferson County, Alabama.

Inst # 1996-16430

State of Alabama - Jefferson County
I certify this instrument filed on:
1996 MAY 08 A.M. 09:01
Recorded and \$ 150.00 Mtg. Tax
and \$ 24.50 Deed Tax and Fee Amt.
\$ Total \$ 174.50
GEORGE E. REYNOLDS, Judge of Probate



9605/8085

Inst # 1996-16430

05/21/1996-16430
11:07 AM CERTIFIED
JEFFERSON COUNTY JUDGE OF PROBATE
003 REC 25.50