

This instrument was prepared by:
John N. Randolph
Strote & Permutt P.C.
2222 Arlington Avenue
Birmingham, Alabama 35205

MORTGAGE

State of Alabama

KNOW ALL MEN BY THESE PRESENTS:

County of Shelby

That Whereas, John Hilton Elmore and wife, Rosemary Daughtry Elmore (hereinafter called "Mortgagors") are justly indebted, to

HEALTHSOUTH, Corporation (hereinafter called "mortgagee"),

In the sum of Three Hundred Five Thousand Six Hundred Forty-Seven and 32/100 Dollars (\$305,647.32), evidenced by Promissory Note executed herewith which provides, among other things, that the transfer of the real estate described below without the express written consent of the mortgagee shall constitute a default in the terms of this Mortgage.

And Whereas, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof.

NOW THEREFORE, in consideration of the premises, said Mortgagors,

John Hilton Elmore and wife, Rosemary Daughtry Elmore

and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate, situated in Shelby County, State of Alabama, to-wit:

Lot 4, according to the Map and Survey of Heatherwood, 2nd Sector, as recorded in Map Book 8, Page 28, in the Probate Office of Shelby County, Alabama.
Minerals and mining rights excepted.

The proceeds of the loan secured by this mortgage have been applied to the purchase price of the property conveyed to the mortgagee simultaneously herewith.

Said property is warranted free from all encumbrances and against any adverse claims, except as stated above.

To Have and To Hold the above granted property unto the said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agree to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, the said Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, first above named undersigned agrees to keep the improvements on said real estate insured against loss or damage by fire, lightning and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to the Mortgagee, with loss, if any, payable to said Mortgagee, as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if undersigned fails to keep said property insured as above specified, or fails to deliver said insurance policies to said Mortgagee, then the said Mortgagee, or assigns, may at Mortgagee's option insure said property for said sum, for Mortgagee's own benefit, the policy if collected, to be credited on said indebtedness, less cost of collecting same; all amounts so expended by said Mortgagee for taxes, assessments, or insurance, shall become a debt to said Mortgagee or assigns, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest from date of payment by said Mortgagee, or assigns, and be at once due and payable.

Upon condition, however, that if the said Mortgagor pays said indebtedness, and reimburses said Mortgagee or assigns for any amounts mortgagee may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by the said Mortgagee or assigns, or should said indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, or should the interest of said Mortgagee or assigns in said property become endangered by reasons of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events, the whole of said indebtedness hereby secured shall at once become due and payable, and this mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the said Mortgagee, agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving twenty-one days' notice, by publishing once a week for three consecutive weeks, the time, place and terms of sale, by publication in some newspaper published in said County and State, sell the same in lots or parcels or en masse as Mortgagee, agents or assigns, deem best, in front of the Court House door of said County, (or the division there) where said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of the sale: First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or other encumbrances, with interest thereon; Third, to the payment of said indebtedness in full, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale; and Fourth, the balance, if any, to be turned over to the said Mortgagor and undersigned further agree that said Mortgagee, agents or assigns, may bid at said sale and purchase said property, if the highest bidder therefor; and undersigned further agree to

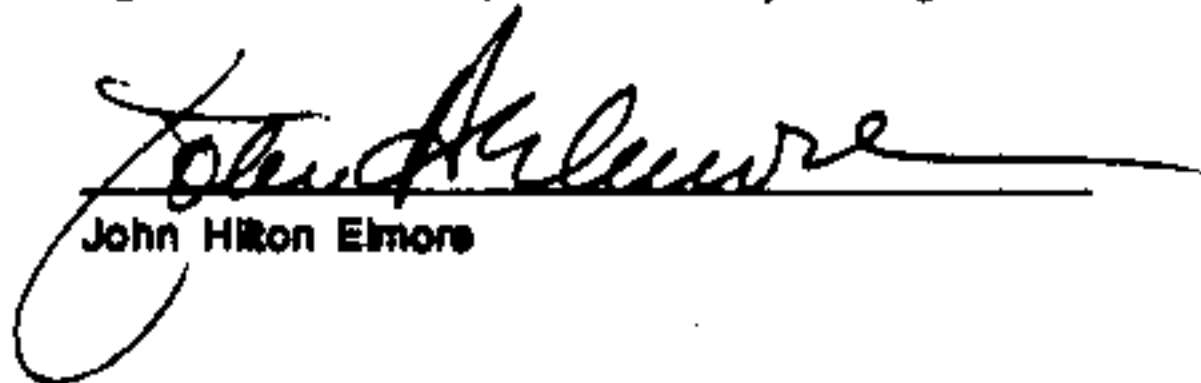
08/16/1996-26718
02:29 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 MCD 469.55

Inst # 1996-26718

Page Two of Mortgage from John Hilton Elmore and Rosemary Daughtry Elmore to HEALTHSOUTH, Corporation dated August 12th, 1996.

pay a reasonable attorney fee to said Mortgagee or assigns, for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF the undersigned, John Hilton Elmore and wife, Rosemary Daughtry Elmore have hereunto set their signatures and seal, this 12th day of August, 1996.


John Hilton Elmore


Rosemary Daughtry Elmore

THE STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that John Hilton Elmore and wife, Rosemary Daughtry Elmore, whose names are signed to the foregoing conveyance, and who are known to me acknowledged before me on this day, that being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 12th day of August, 1996.


Notary Public

AFFIX SEAL

11/9/98

Inst # 1996-26718

08/16/1996-26718
02:29 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 MCD 469.55