

FUTURE ADVANCE MORTGAGE, ASSIGNMENT OF RENTS,
AND SECURITY AGREEMENT

STATE OF ALABAMA

THIS INSTRUMENT PREPARED BY

COUNTY OF CHILTON

Peachtree Bank
P. O. Box 39
Mapleville, Alabama 36758
(334) 366-2921

KNOW ALL MEN BY THESE PRESENTS:

That whereas, the undersigned, BARBARA THARP AND SPOUSE, JERRY C. THARP

(the "Borrowers", whether one or more) are justly indebted to PEACHTREE BANK (Peachtree Bank and its successors and assigns are collectively referred to herein as the "Lender") in the principal sum of SIXTY-SIX THOUSAND FIVE HUNDRED THIRTY-NINE AND 40/100 Dollars (\$ 66,539.40), as evidenced by a promissory note (the "Note") bearing even date herewith and due and payable as follows:

(check if applicable) On JANUARY 1, 2005, or such earlier maturity date as provided in the Note

If not checked above, then on demand or as otherwise provided in the Note.

And, whereas, the Lender is desirous of securing the punctual payment of the principal amount of the Note, together with interest thereon and all other amounts which may become due thereunder and under this Mortgage, and all extensions, renewals, modifications, or refinancings thereof, together with all and any future advances and additional indebtedness of the Borrowers to the Lender, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct or indirect, liquidated or unliquidated, and any renewals, extensions, modifications, and refinancings thereof, and whether incurred or given as maker, endorser, guarantor, or otherwise, and whether the same be evidenced by note, open account, assignment, endorsement, guaranty, pledge, or otherwise; provided, however, that if the Property (as defined below) includes a "dwelling", this Mortgage shall not secure an "open-end credit plan" (as those terms are used in the federal Truth-in-Lending Act and the regulations related thereto) (any and all such future advances and additional indebtedness shall be collectively referred to herein as the "Other Indebtedness")

Now, therefore, the Borrowers, in consideration of the sum above mentioned, and to secure the prompt payment of the same, together with interest thereon and all other amounts which may become due with respect thereto, and all extensions, renewals, modifications, or refinancings thereof, and all and any Other Indebtedness of the Borrowers to the Lender, and further to secure the performance of the covenants, conditions, and agreements hereinafter set forth and set forth in the Note, and as may be set forth in any other documents or instruments evidencing, securing or given in connection with the Note or the Other Indebtedness, have bargained and sold and do hereby grant, bargain, sell and convey unto the Lender the following described property located in SHELBY County, Alabama—to wit

Commence at the Northeast Corner of Section 10, Township 22 South, Range 3 West; thence run North 88-28'41" West a distance of 299.44 feet to the point of beginning; Thence run North 88-28'41" West a distance of 1500.76 feet; thence run South 2-30'33" East a distance of 1901.91 feet; thence run South 6-33'-53" West a distance of 561.43 feet to a point in the centerline of the Old Mill Road; thence run South 76-33'57" East, along said centerline, a distance of 284.79 feet; thence run South 76-22'46" East, along said centerline, a distance of 222.22 feet; thence run South 75-21'56" East, along said centerline, a distance of 199.60 feet; thence run South 71-09'32" East, along said centerline, a distance of 68.55 feet; thence run South 66-52'11" east, along said centerline, a distance of 51.73 feet; thence run North 14-33'12" East a distance of 2716.53 feet to the point of beginning, containing 66.00 acres, more or less.

Also:

Commence at the Northeast Corner of Section 10, Township 22 South, Range 3 West; thence run North 88-28'41" West a distance of 299.44 feet to a point; thence continue along same course 1500.76 feet to the point of beginning of the property herein described; thence run South 2-30'33" East a distance of 1901.91 feet to a point; thence run Northwesterly 2,000.00 feet, more or less, to a point on the North line of Section 10, Township 22 South, Range 3 West 206.00 feet West of the point of beginning of the property herein described; thence run East along the North line of Section 10, Township 22 South, Range 3 West a distance of 412.00 feet to the point of beginning, containing 4.5 acres more or less.

12/29/1998-51867

12:47 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

003 CRH 113.40

Together with (a) all buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the above-described real property, and all fixtures, fittings, building materials, machinery, equipment, furniture and furnishings, and personal property of every nature whatsoever now or hereafter owned by the

ACKNOWLEDGED BY: BW JT

Borrowers and used or intended to be used in connection with the above-described real property (except household goods not acquired with the proceeds of any amounts secured hereby), including all additions, improvements, betterments, renewals, and replacements to any of the foregoing; (b) all rents, royalties, profits, issues, and revenues of the above-described real property from time to time accruing; and (c) all proceeds (cash or non-cash) of any of the foregoing (the foregoing property described in subparagraphs (a), (b), and (c) above and the real property described above are collectively referred to herein as the "Property"). Any household goods constituting a part of the Property shall not secure any amounts other than amounts used to acquire such household goods.

The Borrowers, their heirs, successors, and assigns, hereby covenant with the Lender that they are seized of an indefeasible estate in fee simple in and to the Property, that the Property is free from all liens and encumbrances except as may be set forth above, and that they will forever warrant and defend the title thereto and the quiet use and enjoyment thereof unto the Lender against the lawful claims of all persons whomsoever.

To have and to hold unto the Lender, its successors or assigns forever.

Provided, however, that if the Borrowers shall pay, or cause to be paid, the principal amount of the Note, together with interest thereon and all other amounts which may become due thereunder and under this Mortgage, and all extensions, renewals, modifications, or refinancings thereof, when the same falls due, and also all and any Other Indebtedness of the Borrowers to the Lender, and shall keep, preserve and perform all covenants, conditions, and agreements hereinafter set forth and set forth in the Note, and as may be set forth in any other documents or instruments evidencing, securing, or given in connection with the Note or the Other Indebtedness, and if all commitments and agreements by the Lender to make advances or loans, incur obligations, or otherwise give value under or pursuant to any agreement, document, or instrument evidencing, securing, or given in connection with the Note or the Other Indebtedness, including, without limitation, agreements providing for future advances, letters of credit, guaranties, and agreements related to indebtedness of others guaranteed or endorsed by the Borrowers, have expired and terminated irrevocably and without condition, then, and in that event only, this conveyance is to cease and be void, but shall otherwise remain in full force and effect.

Should the Borrowers default in the payment of the Note, in whole or in part, or in the payment of any of the Other Indebtedness, in whole or in part, or should the Borrowers at any time sell, convey, or dispose of the Property, or any part thereof, or part with the title or possession of any of the Property, or should the interest of the Lender in the Property become endangered by reason of the enforcement of any prior or junior lien or encumbrance thereon so as to endanger the security hereby given, or should the Borrowers fail to perform any of the covenants, conditions, or agreements in the Note, or in this Mortgage, or in any of the other documents or instruments evidencing, securing or given in connection with the Note or the Other Indebtedness, or should any of the Borrowers, or any endorser, surety, or guarantor of the Note or the Other Indebtedness, file, or have filed against any one of them, a petition under any provision of any federal or state law pertaining to bankruptcy, insolvency, or any other law or relief of debtors, or seek a general assignment or any other arrangement for the benefit of creditors, or should any of the Borrowers, or any endorser, surety, or guarantor of the Note or the Other Indebtedness, die or be declared incompetent or become insolvent (however defined), the Lender may, at its option, declare all indebtedness secured hereby to be immediately due and payable, without notice or demand, and the Lender is hereby authorized and empowered to take possession of the Property to the extent permitted by applicable law and, with or without possession, sell the same at the courthouse door in such county or counties as may be required at public outcry to the highest bidder, after having given notice of the time, place, and terms of said sale, together with a description of the property to be sold, by publication once a week for three successive weeks prior to such sale in some newspaper published in such county or counties as may be required and, upon the payment of the purchase money therefor, the Lender or any person conducting the sale for the Lender is authorized to execute to the purchaser at said sale a deed to the property so purchased. The proceeds of said sale shall be applied as follows: first, to the costs and expenses of making such sale, including reasonable attorneys' fees, second, to the payment in full of the indebtedness secured hereby and interest thereon, whether the same shall or shall not have fully matured at the date of said sale, and third, the balance, if any, to be paid to the Borrowers or to whomever appears of record to be the owner of the Property at the time of such sale, after deducting any expense of ascertaining who is such owner, or to be paid as otherwise required by law. In the event of a sale of the Property, or any part thereof, under the power of sale herein contained, the Lender may bid for and, if the highest bidder therefor, may purchase the Property, or any part thereof, and in the event of any such purchase by the Lender at such sale, the Lender or any person conducting the sale for the Lender is hereby authorized and empowered to execute to the Lender, its successors and assigns, a deed to the property so purchased.

And, upon the occurrence of any of the above-described events, the Lender is hereby authorized and empowered to sue for and otherwise collect in its own name all income, rents, royalties, profits, issues, and revenues of the Property and to apply the same and any other money or property in its possession to the payment of the indebtedness secured hereby; and for that purpose the title to any money or other property advanced by the Lender to the Borrowers remains in the Lender so long as such money or property remains in the Lender's possession.

And, upon the occurrence of any of the above-described events, the Lender shall, upon bill filed or other proper legal proceeding being commenced, be entitled as a matter of right to the appointment by any competent court or tribunal, without notice to any party and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, of a receiver to take possession of and to operate the Property and to collect the income, rents, royalties, revenues, issues, and profits of the Property, with power to lease and control the Property and with such other powers as may be deemed necessary, and that reasonable attorneys' fees shall, among other expenses and costs, be fixed, allowed and paid out of such income, rents, royalties, revenues, issues, and profits or out of the proceeds of the sale of the Property.

This Mortgage creates a lien on the personal property covered hereby and this Mortgage constitutes a security agreement under the Alabama Uniform Commercial Code or other law applicable to the creation of liens on personal property. The Borrowers covenant and agree to execute, file, and refile such financing statements, continuation statements or other documents as Lender shall require from time to time with respect to such personal property. Upon the occurrence of any of the above-described events, the Lender shall have all rights and remedies of a secured party under the Alabama Uniform Commercial Code.

In the event that the Lender shall employ an attorney to collect the indebtedness secured hereby, or any portion thereof, or to foreclose this Mortgage by sale under the powers herein contained or by an action at law or other judicial or administrative proceedings, or to exercise any other right or remedy hereunder or under the Note or under any document or instrument evidencing any of the Other Indebtedness, or to protect its interest in the Property, whether by suit or otherwise, the Borrower shall pay reasonable attorneys' fees, the same to become a part of the indebtedness secured hereby and to bear interest at the rate provided in the Note.

The Borrowers shall keep the buildings situated on the Property insured against loss by fire and such other risks as the Lender may require in such amounts as the Lender may require by an insurance company acceptable to Lender and qualified to do business in the State of Alabama, such insurance policy to contain New York standard, non-contributory mortgagee clauses in favor of Lender. In the event the Borrowers fail to keep the Property so insured, the Lender may insure the same and the premiums paid shall become a part of the indebtedness secured hereby and shall bear interest at the rate provided in the Note, and the Lender may declare the indebtedness secured hereby due and payable and proceed to foreclose this Mortgage and to exercise any other right or remedy hereunder or under the Note or under any document or instrument evidencing any of the Other Indebtedness.

The Lender is hereby authorized to enter upon and inspect the Property, and to inspect the Borrowers' and the Borrowers' agent's records with respect to the ownership, use, management, and operation of the Property any time during normal business hours. The Borrowers shall pay all taxes or other assessments on the Property as the same shall become due and payable, shall keep the Property free of all liens and encumbrances, and shall pay all recording fees and taxes related to this Mortgage. The Borrowers shall keep all improvements situated on the Property in a good state of repair and shall not commit or permit waste of the Property. The Borrowers shall promptly comply with all present and future laws, ordinances, rules, regulations, orders, and decrees of any governmental authority effecting the Property or any part thereof.

The Borrowers hereby warrant and covenant to and with Lender that none of the Property does or shall contain while the conveyance of this Mortgage remains effective (a) asbestos in any form; (b) urea formaldehyde foam insulation, (c) underground storage tanks, whether in use or not in use, or (d) any other chemical, material, or substance exposure to which is prohibited, limited, or regulated by any federal, state, county, regional, or local authority or which, even if not so regulated, may pose a hazard to the health and safety of the occupants of the Property or the owners of property adjacent thereto. The Borrowers further warrant that (i) all of the Property complies in all respects with applicable environmental laws, regulations, and court or administrative orders and all applicable occupational health and safety laws, rules, and regulations; (ii) there are no pending claims or threats of claims by private or governmental or administrative authorities relating to environmental impairment, conditions, or regulatory requirements; and (iii) there are no areas on the Property where hazardous substances have either been disposed of, released, or found. The Borrowers shall give immediate oral and written notice to the Lender of their receipt of any notice of a violation of any law, standard, rule, or regulation covered by this paragraph, or of any notice or other claim relating to the environmental condition of the Property, or of its discovery of any matter which would make the representations, warranties, and/or

covenants herein inaccurate or misleading in any respect. The Borrowers hereby agree to indemnify and hold the Lender harmless from all loss, cost, damage, claim, and expense incurred by the Lender on account of (i) the violation of any representation, warranty, or covenant set forth in this paragraph, (ii) the Borrowers' failure to perform any obligations of this paragraph, (iii) the Borrowers' or the Property's failure to fully comply with all environmental laws, rules, and regulations, or with all occupational health and safety laws, rules, and regulations, or (iv) any other matter related to environmental conditions on, under, or affecting the Property. This indemnification shall survive the payment in full of the indebtedness secured hereby, the divestiture of the title passed by this Mortgage, the exercise of any right or remedy under this Mortgage, any subsequent sale or transfer of the Property, and all similar or related events or occurrences.

The Borrowers hereby waive all rights of exemption relating to the Property.

If the Borrowers shall fail to perform any of the covenants, conditions, and agreements set forth herein, the Lender may perform the same and any amounts expended by the Lender in the performance of such covenants, conditions, or agreements shall become a part of the indebtedness secured hereby and shall bear interest at the rate provided in the Note.

No delay or omission of the Lender to exercise any right, power, or remedy under this Mortgage, the Note, or any other instrument, 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. No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any rights, powers, or remedies consequent thereon. All rights, powers, and remedies of the Lender herein shall be cumulative and concurrent and shall be in addition to any other right, power, or remedy given hereunder or now or hereafter existing at law or in equity or by statute. In the event that any one or more of the terms or provisions of this Mortgage or the Note shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining terms or provisions shall in no way be affected, prejudiced, or disturbed thereby.

This Mortgage is given under the seal of all parties hereto, and it is intended that this Mortgage is and shall constitute and have the effect of a sealed instrument according to law. The provisions of this Mortgage shall inure to and bind not only the parties hereto, but also their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the Borrowers have hereunto set their hands and seals this the 19 day of DECEMBER, 1998

WITNESSES:

BORROWERS:

Barbara Tharp (SEAL)
Jerry Tharp (SEAL)

By _____ (SEAL)
Its: _____

Lender's (Secured Party's) Address:

Peachtree Bank
P. O. Box 39
Maplesville, Alabama 36750

Borrowers' (Debtors') Address:

P.O. BOX 570
MONTEVALLO AL 35115

STATE OF ALABAMA

COUNTY OF CHILTON

I, TINA C SMITH, a Notary Public in and for said County, in said State, hereby certify that BARBARA THARP AND JERRY C THARP whose name(s) is (are) signed to the foregoing conveyance, and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, he (she) (they) executed the same voluntarily on the day the same bears date

Given under my hand and official seal this 19 day of DEC, 1998

Tina C Smith
Notary Public NOTARY PUBLIC STATE OF ALABAMA AT LARGE
My commission expires: NOV. 17, 2001
~~BONDED TO THE NOTARY PUBLIC UNDERWRITERS~~

[NOTARIAL SEAL]

[CORPORATE OR PARTNERSHIP ACKNOWLEDGMENT]

STATE OF ALABAMA,

COUNTY OF _____

I, _____, a Notary Public in and for said County, in said State, hereby certify that _____ whose name as _____ of _____ is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said _____

Given under my hand and official seal, this _____ day of _____

Notary Public
My commission expires: 1998-11-16

[NOTARIAL SEAL]

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SHELBY COUNTY JUDGE OF PROBATE
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