

This instrument was prepared  
by and should be returned to:

Emily E. Smith-Sulfaro, Esq.  
Ford Motor Credit Company  
The American Road  
P. O. Box 6044  
Dearborn, Michigan 48121-6044

STATE OF ALABAMA  
COUNTY OF SHELBY

Inst # 1999-20585

05/17/1999-20585  
08:26 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
872.25  
027 HHS

**MORTGAGE AND ASSIGNMENT OF LEASES  
AND RENTS AND SECURITY AGREEMENT**

**(SECURING CREDIT LINE/MORTGAGE LOAN)**

**THE MAXIMUM INDEBTEDNESS SECURED HEREBY FOR ALABAMA RECORDING TAX  
PURPOSES IS \$532,500.00.**

This Mortgage and Assignment of Leases and Rents and Security Agreement (this "Mortgage") is made the 23rd day of April, 1999, by MMR HOLDINGS, L.L.C., a North Carolina limited liability company, whose address is set forth below, as Mortgagor, to FORD MOTOR CREDIT COMPANY, a Delaware corporation, whose address is set forth below, as Mortgagee.

**Article 1**

**DEFINITIONS**

**1.1 Definitions**

As used herein, the following terms shall have the following meanings:

(a) **Assignment**: The assignment, contained in Article 3 of this Mortgage, from Mortgagor to Mortgagee, of all of Mortgagor's right, title and interest in and to the Leases and the Rents.

(b) **Awards**: All awards and payments made or hereafter to be made by any municipal, township, county, state, Federal or other governmental agencies, authorities or boards or any other entity having the power of eminent domain to Mortgagor, including any

awards and payments for (i) any taking of all or a portion of the Mortgaged Property, as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain; (ii) any such taking of any appurtenances to the Mortgaged Property or of vaults, areas or projections outside the boundaries of the Mortgaged Property, or rights in, under or above the alleys, streets or avenues adjoining the Mortgaged Property, or rights and benefits of light, air, view or access to said alleys, streets, or avenues or for the taking of space or rights therein, below the level of, or above the Mortgaged Property; and (iii) any damage to the Mortgaged Property or any part thereof due to governmental action, but not resulting in, a taking of any portion of the Mortgaged Property, such as, without limitation, the changing of the grade of any street adjacent to the Mortgaged Property.

(c) Buildings: All buildings, improvements, alterations or appurtenances now, or at any time hereafter, located upon the Land or any part thereof.

(d) Deeds of Trust. This Mortgage, together with the other instruments entitled "Deed of Trust and Assignment of Leases and Rents and Security Agreement", granted by Mortgagor or Entity Guarantors, as the case may be, in favor of the trustee named therein for the benefit of Mortgagee, or "(Open-End) Mortgage and Assignment of Leases and Rents and Security Agreement" from Mortgagor, or Entity Guarantors, as the case may be, as mortgagor to Mortgagee, as mortgagee, dated November 19, 1998, January 13, 1999, March 4, 1999, March 31, 1999 and of even date or hereafter securing the payment of the Note and covering certain real and personal property located in the states and counties described therein.

(d) Defaulted Interest Rate: The lesser of (i) the interest rate of three percent (3%) per annum over the Applicable Interest Rate (as defined in the Note), or (ii) the highest contract rate allowed by law.

(e) Event(s) of Default: The happenings and occurrences described in Article 5 of this Mortgage.

(f) Fixtures: All fixtures located upon or within the Land or Buildings or now or hereafter attached to, or installed in, or used in connection with, any of the Land or Buildings whether or not permanently affixed to the Mortgaged Property.

(g) Guarantor: O. Bruton Smith, MMR Tennessee, L.L.C., a North Carolina limited liability company ("MMR Tennessee") and MMR Viking Investment Associates, L.P., a Texas limited partnership ("Viking") (collectively, MMR Tennessee and Viking are referred to as "Entity Guarantors"), and their respective heirs, administrators, executors, successors and assigns. As used in this Mortgage, reference to the term "Guarantor" shall be deemed to constitute a reference to the singular and to the plural, and vice versa, and the agreements, obligations, undertakings, warranties and representations of those individuals and entities constituting Guarantor shall be joint and several, binding both separately and collectively upon all guarantors as specified in this Section.

(h) Guaranty: The guaranty, or collectively the guaranties, of even date herewith executed by Guarantor guaranteeing the obligations of Mortgagor under this Mortgage, the Note and the Security Documents.

(i) Hazardous Materials. Any flammable explosives, radioactive materials, oil or petroleum or chemical liquids or solids, liquid or gaseous products or hazardous wastes, toxic substances and similar substances and materials, including all substances and materials defined as hazardous or toxic wastes, substances or materials under any applicable law.

(j) Impositions: All (i) real estate and personal property taxes and other taxes and assessments, water and sewer rates and charges, and all other governmental charges and any interest or costs or penalties with respect thereto, and charges for any easement or agreement maintained for the benefit of the Mortgaged Property which at any time prior to or after the execution of the Security Documents may be assessed, levied, or imposed upon the Mortgaged Property or the rent or income received therefrom or any use or occupancy thereof, and (ii) other taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Mortgagor or any of its properties.

(k) Indebtedness: The principal of and interest on, and all other amounts, costs, expenses, payments and premiums due under the Note, and all other indebtedness of Mortgagor and others to Mortgagee under and/or secured by the Security Documents, or any amendments, modifications, renewals and extensions of any of the foregoing.

(l) Land: The real estate described in Schedule A attached hereto.

(m) Leases: Any and all leases, subleases, licenses, concessions or grants of other possessory interests now or hereafter in force, oral or written, covering or affecting the Mortgaged Property, or any part thereof, together with all rights, powers, privileges, options and other benefits of Mortgagor thereunder.

(n) Loan Agreement: The Loan Agreement dated November 19, 1998, between Mortgagor, Entity Guarantors and Mortgagee.

(o) Mortgaged Property: The Land, the Buildings, the Fixtures, the Leases and the Rents together with:

(i) all rights, privileges, profits, permits, licenses, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances of the Land and/or the Buildings belonging or in any way appertaining thereto and all right, title and interest of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof;

(ii) all the estate, right, title, interest, claim or demand whatsoever of Mortgagor, either at law or in equity, in and to the Land, the Buildings, the Fixtures, the Leases and the Rents; and

(iii) all the estate, right, title, interest, claim or demand whatsoever of Mortgagor, either at law or in equity, in and to the Awards, or payments with respect to casualties.

As used herein, the term "Mortgaged Properties" shall mean each Mortgaged Property as described above, together with each Mortgaged Property described in the other Deeds of Trust.

(p) Mortgagee: Ford Motor Credit Company, a Delaware corporation, and its successors and assigns and the holders, from time to time, of the Note.

(q) Mortgagee's Address: 6302 Fairview Road, Suite 500, Charlotte, North Carolina 28210.

(r) Mortgagor: The persons named as such in the preamble of this Mortgage, and their respective heirs, administrators, executors, successors and assigns and their successors in interest in and to the Mortgaged Property.

(s) Mortgagor's Address: 6407 Idlewild Road, Charlotte, North Carolina 28212.

(t) Note: The promissory note, dated November 19, 1998, made by Mortgagor to the order of Mortgagee, in the principal amount of \$150,000,000.00, together with all extensions, renewals, modifications and amendments thereof, secured, in part, by this Mortgage, which is due and payable in full on December 30, 2009.

(u) Obligations: Any and all of the covenants, promises and other obligations (other than the Indebtedness) made or owing by Mortgagor and others to or due to Mortgagee under and/or as set forth in the Note and/or the Security Documents, and any and all extensions, renewals, modifications and amendments of any of the foregoing.

(v) Permitted Encumbrances: The Leases and the encumbrances described, with particularity, in Schedule B attached hereto.

(w) Personalty: All furniture, furnishings, equipment, machinery, trade fixtures and all other personal property (other than the Fixtures) now owned or hereafter acquired by Mortgagor which is now or hereafter used in connection with the Land and the Buildings or located in, upon or about the Land and the Buildings, together with all accessions, replacements and substitutions thereto or therefor and the proceeds and products thereof.

(x) Rents: All of the rents, revenues, income, profits, deposits, tenders and other benefits payable under the Leases and/or arising from the use and enjoyment of all or any portion of the Mortgaged Property.

(y) Security Agreement: The Security Agreement, contained in this Mortgage, wherein and whereby Mortgagor grants a security interest in the Personalty and the Fixtures to Mortgagee.

(z) Security Documents: Collectively, (1) the Deeds of Trust, the Loan Agreement and the Assignment and (2) any and all deeds of trust, mortgages, assignments, security agreements and other documents from Mortgagor, Guarantor, or others securing the Note and (3) any and all other documents now or hereafter securing the payment of the Indebtedness or the observance or performance of the Obligations.

## Article 2

## GRANT

2.1 Grant. To secure the payment of the Indebtedness and the performance and discharge of the Obligations, Mortgagor by these presents hereby grants, bargains, sells, assigns, mortgages, conveys and warrants unto Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances, to have and to hold the Mortgaged Property unto Mortgagee, its successors and assigns forever.

2.2 Condition of Grant. Provided always that if Mortgagor promptly shall pay the entire Indebtedness as and when the same shall become due and payable and shall observe, perform and discharge the Obligations, then the Security Documents and the estate and rights hereby granted shall cease, terminate and become void, and shall be released by Mortgagee, at the cost and expense of Mortgagor.

2.3 Doctrine of Merger. Upon the foreclosure of this Mortgage, no assigned Lease shall be destroyed or terminated by application of the doctrine of merger or as a matter of law unless Mortgagee or any purchaser at such foreclosure sale so elects. No act by or on behalf of Mortgagee or any such purchaser shall constitute a termination of any assigned or subordinate Lease unless Mortgagee or such purchaser gives written notice thereof to the applicable tenant or subtenant.

## Article 3

### SECURITY INTEREST AND ASSIGNMENT OF LEASES AND RENTS

3.1 Security Agreement. This Mortgage shall be construed as a mortgage of both real property and personal property and shall also constitute a "Security Agreement" within the meaning of, and shall create a security interest under, the Uniform Commercial Code as adopted in the state in which the Mortgaged Property is located (the "UCC"), in the Personalty, the Fixtures and the Leases and Rents.

3.2 Security Interest. Mortgagor hereby grants to Mortgagee a security interest in the Personalty, the Fixtures and the Leases and Rents, and the proceeds thereof and Mortgagee shall have all rights with respect thereto afforded to it by the UCC, in addition to, but not in limitation of, the other rights afforded to Mortgagee by the Security Documents.

3.3 Financing Statements. Mortgagor agrees to and shall execute and deliver to Mortgagee, in form satisfactory to Mortgagee, such "Financing Statements" and such further assurances as Mortgagee may, from time to time, consider reasonably necessary to create, perfect and preserve Mortgagee's liens upon the Personalty, the Fixtures and the Leases and Rents, and Mortgagee, at the expense of Mortgagor, may or shall cause such statements and assurances to be recorded and re-recorded, filed and re-filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such liens.

3.4 Assignment of Leases and Rents. In order to further secure payment of the Indebtedness and the observance, performance and discharge of the Obligations, Mortgagor hereby absolutely and irrevocably assigns and transfers to Mortgagee, all of Mortgagor's right,

title and interest in and to the Leases and the Rents, subject only to the Permitted Encumbrances. Mortgagor hereby appoints Mortgagee its true and lawful attorney-in-fact, with the right, at Mortgagee's option at any time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in Mortgagor's or Mortgagee's name, for all Rents. Notwithstanding the foregoing assignment of Leases and Rents, so long as no Event of Default has occurred which remains uncured, Mortgagor shall have a license (such license to be deemed revoked upon the occurrence of an Event of Default) to collect, retain and enjoy all Rents, provided that the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any subsequent assignment by Mortgagor shall be subject to the rights of the Mortgagee hereunder. This Assignment shall not be deemed or construed to constitute Mortgagee as a mortgagee in possession nor obligate Mortgagee to take any action or to incur expenses or perform or discharge any obligation, duty or liability. Exercise of any rights under this Section 3.4 and the application of the Rents to the Indebtedness or the Obligations shall not cure or waive any Event of Default.

#### Article 4

### COVENANTS

#### 4. Covenants

Until the entire Indebtedness shall have been paid in full, Mortgagor hereby covenants and agrees as follows:

4.1 Compliance with Laws. Mortgagor will promptly and faithfully comply with, conform to and obey all present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental authority or agency and of every Board of Fire Underwriters having jurisdiction, or similar body exercising similar functions, which may be applicable to it or to the Mortgaged Property, or any part thereof, or to the use or manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Mortgaged Property, or any part thereof, whether or not such law, ordinance, rule, order, regulation or requirement shall necessitate structural changes or improvements or interfere with the use or enjoyment of the Mortgaged Property.

4.2 Payment of Impositions. Mortgagor will duly pay and discharge, or cause to be paid and discharged, the Impositions, such Impositions or installments thereof to be paid prior to the day before any fine, penalty, interest or cost may be added thereto or imposed by law for the non-payment thereof; provided, however, that if, by law, any Imposition may be paid in installments, Mortgagor may pay the same in such installments, and further provided that Mortgagor shall not be required to pay any Imposition which Mortgagor is contesting in good faith by appropriate proceedings so long as Mortgagor has established a reserve in an amount acceptable to Mortgagee with an institution or escrow agent acceptable to Mortgagee, for any adverse result in such proceeding.

4.3 Repair. Mortgagor will keep the Mortgaged Property in good order and condition (normal wear and tear excepted) and make all necessary or appropriate repairs, replacements

and renewals thereof and will use its best efforts to prevent any act or thing which might impair the value or usefulness of the Mortgaged Property, and Mortgagor will obtain the written consent of Mortgagee prior to (a) making any alterations or additions to the Mortgaged Property or (b) removing any of the Buildings or Fixtures.

**4.4 Insurance.** Mortgagor will maintain insurance upon the Mortgaged Property against loss by fire and such other hazards, casualties and contingencies as are normally and usually covered by extended coverage policies in effect in the locality where the Mortgaged Property is situated and such other risks as may be specified by Mortgagee, from time to time, in amounts and with insurers acceptable to Mortgagee but not less than the full replacement value of the Buildings, Fixtures and Personalty, subject to a maximum deductible of \$5,000.00 per occurrence. Mortgagor shall cause each insurance policy issued in connection therewith to provide (and the insurer issuing such policy to certify to Mortgagee) that (a) loss payments will be payable to Mortgagee as its interests may appear, such payments to be applied to the restoration, repair or replacement of the Mortgaged Property; provided, however, that if an Event of Default has occurred and is continuing or an event has occurred and is continuing which with the passage of time or the giving of notice would constitute an Event of Default, then, at the option of Mortgagee, such payments shall be applied to the payment of the Indebtedness; (b) the interest of Mortgagee shall be insured regardless of any breach or violation by Mortgagor of any warranties, declarations or conditions in such policy; (c) if any such insurance policy be subject to cancellation or be endorsed or sought to be endorsed to effect a change in coverage for any reason whatsoever, such insurer will promptly notify Mortgagee and such cancellation or change shall not be effective as to Mortgagee until thirty (30) days after receipt by Mortgagee of such notice; and (d) Mortgagee may, but shall not be obligated to, make premium payments to prevent such cancellation, and that such payments shall be accepted by the insurer. For purposes of this Section 4.4, replacement value of the Buildings, Fixtures and Personalty shall be equal to the cost of replacing the Buildings, Fixtures and Personalty, exclusive of the cost of excavation, foundations and footings below the lowest basement floor and shall be determined from time to time during the term of the Note (but no more frequently than once in any 24 calendar months) at the written request of Mortgagee by an engineer, appraiser, architect or contractor designated by Mortgagee, approved in writing by Mortgagor, and paid by Mortgagor. In addition, Mortgagor shall furnish to Mortgagee duplicate executed copies of each such policy at the time of execution hereof, and copies of each renewal policy not less than thirty (30) days prior to the expiration of the original policy or the preceding renewal policy (as the case may be), together with receipts or other evidence that the premiums thereon have been paid; and furnish to Mortgagee on or before 120 days after the close of each fiscal year of Mortgagor a statement of Mortgagor of the amounts of insurance maintained in compliance with this Section 4.4, of the risks covered by such insurance and of the insurance company or companies which carry such insurance. If any improvements constituting a portion of the Mortgaged Property is located in a flood-prone area as designated by the United States Department of Housing and Urban Development, Mortgagor shall obtain and maintain flood insurance in an amount equal to the lesser of the principal amount of the Note or the maximum limit of coverage available for such improvements constituting a portion of the Mortgaged the Mortgaged Property under the National Flood Insurance Program.

**4.5 Restoration Following Casualty.** In the event of the happening of any casualty, of any kind or nature (whether insured against or not), resulting in damage to or destruction of the Mortgaged Property, Mortgagor will give prompt notice thereof to Mortgagee, and

Mortgagor will at Mortgagee's option, either, (a) subject to the terms of Section 4.4 (a), will promptly restore, repair, replace, rebuild or alter the Mortgaged Property as nearly as possible to its value and condition immediately prior to such damage or destruction, in which case the insurance proceeds will be made available to rebuild, or (b) repay the Indebtedness secured by this Mortgage.

4.6 Lease Agreement. Mortgagor agrees not to terminate, amend, or modify any of the Leases or subleases, or grant any concessions in connection therewith, or to accept a surrender thereof without the written consent of Mortgagee. Mortgagor agrees not to execute any future Leases or subleases pertaining to the Mortgaged Property without the prior written consent of Mortgagee, which shall not be unreasonably withheld or delayed.

4.7 Performance of Leases and Other Agreements. Mortgagor will duly and punctually perform all covenants and agreements expressed as binding upon it under the Leases and other agreements to which it is a party with respect to the Mortgaged Property or any part thereof, and will use its best efforts to enforce or secure the performance of each and every obligation and undertaking of the respective lessees under the Leases, and will appear and defend, at its cost and expense, any action or proceeding arising under or in any manner connected with the Leases or the obligations and undertakings of any lessee thereunder. Mortgagor will immediately notify Mortgagee in writing of any notice of default received by Mortgagor from any tenant thereunder.

4.8 Payment of Rents. Mortgagor hereby agrees that the respective lessees under the Leases, upon notice from Mortgagee of the occurrence of an Event of Default, shall thereafter pay to Mortgagee the Rents due and to become due under the Leases without any obligation to determine whether or not such an Event of Default does in fact exist. Until the occurrence of an Event of Default, Mortgagor shall be entitled to collect the Rents as and when they become due and payable, but never more than two (2) months in advance.

4.9 Inspection. Mortgagor will permit Mortgagee, at all reasonable times, in a reasonable manner and on reasonable advance notice, to inspect the Mortgaged Property. Mortgagee shall have the right to enter onto the Mortgaged Property, at all reasonable times, in a reasonable manner and on reasonable advance notice, to inspect the Mortgaged Property for the existence of Hazardous Materials on the Mortgaged Property and to determine the compliance of the Mortgaged Property and its use with any law, rule or regulation relating to industrial hygiene or environmental conditions, including without limitation, soil and ground water conditions and the compliance of the Mortgagor and the Mortgaged Property with the conditions and covenants set forth herein with respect to Hazardous Materials.

4.10 Hold Harmless. Mortgagor will defend and hold Mortgagee harmless from any action, proceeding or claim affecting or arising out of Mortgagor's use of the Mortgaged Property, or the value of the Note or the Security Documents, except to the extent caused by the gross negligence or intentional misconduct of Mortgagee. Mortgagor shall appear in and defend (or pay the expenses of Mortgagee to defend, if Mortgagee elects to handle such defense) any action or proceeding purporting to affect the security of this Mortgage and/or the rights and/or powers of Mortgagee hereunder, and Mortgagor shall pay all costs and expenses (including costs of evidence of title and reasonable attorneys' fees) in any action or proceeding in which Mortgagee may so appear and/or any suit brought by Mortgagee to foreclose this

Mortgage, to enforce any obligations secured by this Mortgage, and/or to prevent the breach hereof. Mortgagor's obligations under this Section 4.10 shall survive payment of the Indebtedness.

4.11 Books and Records. Mortgagor will maintain full and complete books of account and other records reflecting the results of its operations (in conjunction with its other operations as well as its operations of the Mortgaged Property), in accordance with generally accepted accounting principles, and furnish or cause to be furnished to Mortgagee such financial data and other information, including, without limitation, copies of all Leases, as Mortgagee shall, from time to time, reasonably request with respect to Mortgagor and the ownership and operation of the Mortgaged Property, and Mortgagee shall have the right, at reasonable times and upon reasonable notice, to audit Mortgagor's books of account and records.

4.12 Awards. Mortgagor will file and prosecute its claim or claims for any Awards in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee, and hereby irrevocably authorizes and empowers Mortgagee, if it so desires, to file such claim and collect any Awards and agrees that the proceeds of any Awards will be applied by Mortgagee in accordance with Article 7 hereof.

4.13 Licenses. Mortgagor shall keep in full force and effect all licenses, permits and other governmental approvals which are necessary for the operation of the Mortgaged Property and related facilities, and furnish evidence satisfactory to Mortgagee that the Mortgaged Property and the use thereof comply with all applicable zoning and building laws, regulations, ordinances and other applicable laws.

4.14 Junior Financing. Except to the extent not prohibited by the Loan Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, incur any additional indebtedness in excess of \$250,000.00 (other than indebtedness incurred by Mortgagor to any subsidiary or affiliate or Guarantor, provided such indebtedness is subordinated to the loan evidenced by the Loan Agreement, and upon terms satisfactory to Mortgagee), or create or permit to be created or to remain, any deed of trust, mortgage, pledge, lien, lease, encumbrance or charge on, or conditional sale or other title retention agreement, with respect to the Mortgaged Property or any part thereof or income therefrom, other than the Security Documents and the Permitted Encumbrances.

4.15 Representations and Warranties of Mortgagor. Mortgagor hereby represents and warrants to Mortgagee that:

(a) Mortgagor and Guarantor each are qualified to do business in every jurisdiction in which the nature of its business or properties makes such qualification necessary, and is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to Mortgagor or Guarantor, as the case may be.

(b) The Note, the Security Documents and the Guaranty are valid, duly authorized, enforceable and will not violate any provision of law (including, but not limited to, any law relating to usury), any order of any court or other agency or government, or any indenture, agreement or other instrument to which Mortgagor or Guarantor is a party or by which Mortgagor or Guarantor or any of their property is

bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or violate the articles of incorporation or by-laws, or the partnership agreement or the trust agreement, as the case may be, of the Mortgagor or Guarantor or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Mortgagor or Guarantor, except as contemplated by the Note and the Security Documents, and no action with respect thereto by Mortgagor or Guarantor is required.

(c) No consent or approval of any regulatory body to the execution, delivery and performance of the Note, Security Documents, the Guaranty or the transactions contemplated thereby is required by law.

(d) There are no suits, proceedings or investigations pending or threatened against or affecting Mortgagor or Guarantor, at law or in equity, or before or by any governmental or administrative agency or instrumentality which, if adversely determined, would have a material adverse effect on the business or condition of Mortgagor or Guarantor, other than those disclosed in writing to Mortgagee and referenced in Schedule B attached to the Loan Agreement.

(e) No judgment, decree or order of any court or governmental or administrative agency or instrumentality has been issued against Guarantor or Mortgagor which has or may have any material adverse effect on the business or condition of Guarantor or Mortgagor.

(f) All information, reports, papers and data given to Mortgagee with respect to Mortgagor, Guarantor or others obligated under the terms of the Security Documents are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Mortgagee a true and accurate knowledge of the subject matter thereof.

(g) Mortgagor has good and marketable title in fee simple to the Land and Buildings, and good and marketable title to the Fixtures and Personalty, and the right to assign the Leases and Rents to Mortgagee free and clear of any prior assignment, liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Encumbrances.

(h) Mortgagor has not executed any prior assignment of the Leases or of its right, title, interest therein or in the Rents to accrue thereunder. Mortgagor has delivered to Mortgagee a true and complete copy of all of the existing Leases assigned hereunder, together with all amendments, supplements and other modifications, and to the best of Mortgagor's knowledge, no material default by Mortgagor or any other person under any existing Lease remains uncured.

(i) The Permitted Encumbrances have not materially interfered with the operation of the Mortgaged Property, nor does Mortgagor reasonably foresee any material interference arising from the Permitted Encumbrances during the term of the Note.

(j) Mortgagor and Guarantor have filed all Federal, state, county and municipal income tax returns required to have been filed by them and have paid all taxes prior to delinquency pursuant to any assessments received by them, and Mortgagor and Guarantor do not know of any basis for additional assessment in respect to such taxes.

(k) The Mortgaged Property is being, and will continue to be, used for commercial purposes.

(l) To the best of Mortgagor's knowledge, other than as disclosed in writing to Mortgagee, as listed on Schedule A to the Hazardous Waste Indemnification Agreement dated as of even date herewith, no release of Hazardous Material (a "Release") has occurred on the Land or other real property in the state in which the Mortgaged Property is located now or previously owned by Mortgagor or any of the partners of Mortgagor (if Mortgagor is a partnership), or any of the stockholders or other persons having a legal or beneficial interest in Mortgagor (if Mortgagor is a corporation, trust or other legal entity). Mortgagor has not received any notice from any governmental agency or from any tenant under a Lease or from any other party with respect to any such Release.

(m) No part of the Mortgaged Property constitutes a part of Mortgagor's business or residential homestead.

(n) To the best of Mortgagor's knowledge, no covenants, restrictions or declarations encumbering the Mortgaged Property have been violated and the Mortgaged Property is in compliance with any and all such conveyances, restrictions and declarations.

(o) To the best of Mortgagor's knowledge, Mortgagor has obtained all necessary certificates, licenses and other approvals, governmental and otherwise, necessary for the operation of the Mortgaged Property and the conduct of its business and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof and not subject to revocation, suspension, forfeiture or modification.

(p) To the best of Mortgagor's knowledge, the Mortgaged Property and the present and contemplated use and occupancy thereof are in full compliance with all applicable laws, including, without limitation, zoning ordinances, building codes, land use and environmental laws, laws relating to the disabled (including, but not limited to, the ADA) and other similar laws.

(q) The Mortgaged Property is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Mortgaged Property has accepted or is equipped to accept such utility service.

(r) To the best of Mortgagor's knowledge, all liquid and solid waste disposal, septic and sewer systems located on the Mortgaged Property are in good and safe condition and repair and in compliance with all applicable laws.

Breach of such representations and warranties shall constitute an Event of Default under Section 5.5 hereof. Mortgagor shall promptly give written notice to Mortgagee of any breach under this Section 4.15.

4.16 Mechanics' Lien. Mortgagor shall not permit or suffer any mechanics', materialmen's or other lien to be created or to remain a lien upon any of the Mortgaged Property, provided, however, that Mortgagor shall be entitled to contest any such lien or claim of lien by appropriate proceeding so long as appropriate reserves are established for an adverse ruling acceptable to Mortgagee and deposited with an institution or escrow agent acceptable to Mortgagee.

4.17 Hazardous Materials. (a) Without limiting the generality of Section 4.1 hereof, Mortgagor shall not cause or permit the violation of any law relating to industrial hygiene or environmental conditions in connection with the Mortgaged Property, including without limitation, soil and ground water conditions; or use, generate, manufacture, store or dispose of any Hazardous Materials on, under or about the Mortgaged Property, except in accordance with all applicable laws.

(b) Mortgagor shall indemnify and hold Mortgagee harmless from any loss, damage, liability, cost, expense and/or claim (including without limitation the cost of any fines, remedial action, damage to the environment and cleanup, court related costs and the reasonable fees of attorneys and other experts), other than those occasioned by Mortgagee's gross negligence or intentional misconduct, arising from (i) the use, Release or disposal of any Hazardous Materials on, under or about the Mortgaged Property or the transport of any Hazardous Materials to or from the Mortgaged Property; and (ii) the violation of any law relating to industrial hygiene or environmental conditions in connection with the Mortgaged Property, including soil and ground water conditions; and (iii) the breach of any of the representations, warranties and covenants of Mortgagor with respect to Hazardous Materials set forth in this Section 4.17 and Section 4.15 hereof.

4.18 Waste. Mortgagor agrees not to abandon the Mortgaged Property or leave the Mortgaged Property unprotected, unguarded or deserted and not to cause or permit waste to the Mortgaged Property.

## Article 5

### EVENTS OF DEFAULT

#### 5. Events of Default

The term "Event(s) of Default", as used in the Security Documents and in the Note, shall mean the occurrence or happening, from time to time, of any one or more of the following:

5.1 Payment of Indebtedness. If Mortgagor shall default in the due and punctual payment of all or any portion of any installment of the Indebtedness as and when the same shall become due and payable, whether at the due date thereof or at a date fixed for

prepayment or by acceleration or otherwise, and such default shall continue for a period of ten (10) days after written notice thereof by Mortgagee to Mortgagor.

5.2 Performance of Obligations. If Mortgagor shall default in the due observance or performance of any of the Obligations other than payment of money and such default shall not be curable, or if curable shall continue for a period of thirty (30) days after written notice thereof from Mortgagee to Mortgagor (unless such default, if curable, requires work to be performed, acts to be done or conditions to be remedied which by their nature cannot be performed, done or remedied, as the case may be, within such thirty (30) day period and Mortgagor shall commence to cure such default within such thirty (30) day period and shall thereafter diligently and continuously process the same to completion but in no event shall the period for cure exceed one hundred twenty (120) days unless otherwise agreed by Mortgagee).

5.3 Bankruptcy, Receivership, Insolvency, Etc. If voluntary or involuntary proceedings under the Federal Bankruptcy Code, as amended, shall be commenced by or against Mortgagor or Guarantor or bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Mortgagor or Guarantor with respect to all or any part of Mortgagor's or Guarantor's property under the Federal Bankruptcy Code, as amended, or other law of the United States or of any state or other competent jurisdiction, and if such proceedings are instituted against Mortgagor or Guarantor, it shall consent thereto or shall fail to cause the same to be discharged within sixty (60) days.

5.4 Laws Affecting Obligations and Indebtedness. If subsequent to the date of this Mortgage, any governmental entity in which the Mortgaged Property is located passes any law (a) which renders payment of the Indebtedness and/or performance of the Obligations by Mortgagor unlawful, or (b) which prohibits Mortgagee from exercising any of its rights and remedies under the Security Documents.

5.5 False Representation. If any representation or warranty made by Mortgagor or others in, under or pursuant to the Note or the Security Documents, shall prove to have been false or misleading in any material respect as of the date on which such representation or warranty was made.

5.6 Destruction of Improvements. If any of the Buildings is demolished or removed or demolition or removal thereof is imminent, eminent domain proceedings excepted.

5.7 Default Under Other Mortgage. If the holder of any junior mortgage or any other lien on the Mortgaged Property (without hereby implying Mortgagee's consent to any such junior mortgage or lien) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder, or if a monetary default (or non-monetary default beyond applicable notice and cure provisions, if any) exists under any other mortgage or lien on the Mortgaged Property, and such monetary default (or non-monetary default beyond applicable notice and cure provisions, if any) shall continue for a period of ten (10) business days after written notice thereof by Mortgagee to Mortgagor, notwithstanding any provision in the Security Documents to the contrary with respect to notice and right to cure being provided to Mortgagee.

5.8 Security Documents. If a default shall occur under any of the Security Documents.

5.9 Due On Sale. If, without the prior written consent of Mortgagee, there is (a) any lease with a term of one (1) year or longer, sale, transfer, agreement for deed, conveyance, assignment, hypothecation or encumbrance, whether voluntary or involuntary, of all or part of the Mortgaged Property or any interest therein, or (b) any sale, assignment, pledge, encumbrance or transfer to a third party of an aggregate of more than 20% of the corporate voting stock of the Mortgagor or Guarantor, if such entity is a corporation, or an aggregate of more than 20% of the partnership interests of Mortgagor or Guarantor, if such entity is a partnership, or an aggregate of more than 20% of the ownership interests of Mortgagor or Guarantor, if such entity is a limited liability company or other form of ownership organization, or (c) the seizure of the Mortgaged Property, Personalty or Fixtures or attachment of any lien thereon, whether voluntary or involuntary, which has not been removed or bonded off to Mortgagee's satisfaction within sixty (60) days of such attachment.

5.10 Judgment. If a final judgment for the payment of money in excess of Twenty-Five Thousand Dollars (\$25,000.00) shall be rendered against Mortgagor or Guarantor and the same shall remain unpaid for a period of sixty (60) consecutive days during which period execution shall not be effectively stayed.

5.11 Use of Mortgaged Property. Use of Mortgaged Property. If for any reason the Mortgaged Property ceases to be used primarily as an automobile dealership facility for the sale of both new and used automobiles (except for the Mortgaged Property described in the Loan Agreement as: Abra Auto Body and Glass Facility (Parcel 23), HMC Financial Company (Parcel 24 A), Halifax-Edgewater (used cars) (Parcel 24 B), Saturn of Chattanooga (Parcel 11), and Toyota of Cleveland (Parcel 17)).

## Article 6

### DEFAULT AND FORECLOSURE

6.1 Remedies. If an Event of Default shall occur, and be continuing, Mortgagee may, at its option, exercise one or more or all of the following remedies:

6.1.1 Acceleration. Declare the unpaid portion of the Indebtedness to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

6.1.2 Entry on Mortgaged Property. Enter upon the Mortgaged Property and take possession thereof and of all books, records, and accounts relating thereto.

6.1.3 Operation of Mortgaged Property. Hold, lease, operate or otherwise use or permit the use of the Mortgaged Property, or any portion thereof, in such manner, for such time and upon such terms as Mortgagee may deem to be in its best interest (making such repairs, alterations, additions and improvements thereto, from time to

time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rents, profits or other amounts payable in connection therewith.

**6.1.4 Enforcement of Mortgage.** Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may: (a) sell the Mortgaged Property and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, to the extent permitted by and pursuant to the procedures provided by law, at one or more sales, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law; (b) institute proceedings for the complete or partial foreclosure of this Mortgage; or (c) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage, (without being required to foreclose this Mortgage) or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

**6.1.5 Foreclosure and Private Sale.** Sell the Mortgaged Property, in whole or in part, (a) under the judgment or decree of a court of competent jurisdiction, or (b) at public auction (if permitted by the laws of the jurisdiction in which the Mortgaged Property is situated) in such manner, at such time or times and upon such terms as Mortgagee may determine, or as provided by law; and/or sell the Personalty and/or the Fixtures, in whole or in part, at one or more public or private sales, in such manner, at such time or times and upon such terms as Mortgagee may determine, or as provided by law.

**6.1.6 Receiver.** Mortgagee shall be entitled, as a matter of strict right, without notice and ex parte, and without regard to the value or occupancy of the security, or the solvency of the Mortgagor or of the Guarantor, or the adequacy of the Mortgaged Property as security for the Note, to have a receiver appointed to enter upon and take possession of the Mortgaged Property, collect the Rents and profits therefrom and apply the same as the court may direct, such receiver to have all the rights and powers permitted under the laws of the jurisdiction where the Mortgaged Property is located. Mortgagor hereby waives any requirements on the receiver or Mortgagee to post any surety or other bond. Mortgagee or the receiver may also take possession of, and for these purposes use, any and all Personalty which is a part of the Mortgaged Property and used by Mortgagor in the rental or leasing thereof or any part thereof. The expense (including the receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured by this Mortgage. Mortgagee shall (after payment of all costs and expenses incurred) apply such Rents, issues and profits received by it on the Indebtedness in the order set forth in Section 6.7 hereof. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the Rents, issues and profits thereof, whether by receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such Rents, issues and profits actually received by Mortgagee.

6.1.7 Additional Rights and Remedies. With or without notice, and without releasing Mortgagor from any Indebtedness or Obligations, and without becoming a mortgagee in possession, Mortgagee shall have the right, but not the obligation, to cure any breach or default of Mortgagor and, in connection therewith, by themselves or their agents or through a receiver appointed by a court of competent jurisdiction, to enter upon the Mortgaged Property and to do such acts and things as Mortgagee deem necessary or desirable to protect the security hereof including, but without limitation, to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of Mortgagee, is prior or superior hereto, the judgment of Mortgagee being conclusive as between the parties hereto; to obtain insurance to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them.

6.1.8 Other. Exercise any other remedy specifically granted under the Security Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise, including the rights described below.

6.2 Separate Sales. Any real estate or any interest or estate therein sold pursuant to any non-judicial proceedings or any writ of execution issued on a judgment obtained by virtue of the Note, this Mortgage or the other Security Documents, or pursuant to any other judicial proceedings under this Mortgage or the other Security Documents, may be sold in one parcel, as an entirety, or in such parcels, and in such manner or order as Mortgagee, in its sole discretion, may elect.

6.3 Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided in the Note, this Mortgage and in the Security Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or Guarantor or against other obligors or against the Mortgaged Property, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof, nor shall the choice of one remedy be deemed an election of remedies to the exclusion of other remedies.

6.4 No Cure or Waiver. Neither Mortgagee's nor any receiver's entry upon and taking possession of all or any part of the Mortgaged Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Indebtedness and Obligations, nor the exercise of any other right or remedy by Mortgagee or any receiver shall impair the status of the security, or cure or waive any default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option or a subordination of the lien of this Mortgage.

6.5 Payment of Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately and without demand all costs and expenses incurred by Mortgagee in exercising the remedies under the Note and Security Documents (including but without limit,

court costs and attorneys' fees, whether incurred in litigation or not) with interest at the greater of the Defaulted Interest Rate or the highest rate payable under any Indebtedness and Obligations, from the date of expenditure until said sums have been paid. Mortgagee shall be entitled to bid, at the sale of the Mortgaged Property held pursuant to the power of sale granted herein or pursuant to any judicial foreclosure of this instrument, the amount of said costs, expenses and interest in addition to the amount of the other Indebtedness and Obligations as a credit bid, the equivalent of cash.

6.6 Waiver of Redemption, Notice, Marshaling, Etc. Mortgagor hereby waives and releases (a) all benefit that might accrue to Mortgagor and Guarantor by virtue of any present or future law exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any appraisement, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) unless specifically required herein, all notices of Mortgagor's default or of Mortgagee's election to exercise, or Mortgagee's actual exercise, of any option or remedy under the Note or the Security Documents; (c) any right to have the liens against the Mortgaged Property marshaled; and (d) the right to plead or assert any statute of limitations as a defense or bar to the enforcement of the Note or the Security Documents.

6.7 Application of Proceeds. The proceeds of any sale of all or any portion of the Mortgaged Property and the amounts generated by any holding, leasing, operation or other use of the Mortgaged Property shall be applied by Mortgagee in the following order:

(a) first, to the payment of the costs and expenses of taking possession of the Mortgaged Property (which are expressing secured hereby) and of holding, using, leasing, repairing, improving and selling the same (including, without limitation, payment of any Impositions or other taxes);

(b) second, to the extent allowed by law, to the payment of attorneys' fees and other legal expenses, including expenses and fees incurred on appeals and legal expenses and fees of a receiver;

(c) third, to the payment of accrued and unpaid interest on the Indebtedness; and

(d) fourth, to the payment of the balance of the Indebtedness.

The balance, if any, shall be paid to the parties entitled to receive it.

6.8 Strict Performance. Any failure by Mortgagee to insist upon strict performance by Mortgagor or Guarantor of any of the terms and provisions of the Security Documents or of the Note shall not be deemed to be a waiver of any of the terms or provisions of the Security Documents or the Note and Mortgagee shall have the right thereafter to insist upon strict performance by Mortgagor or Guarantor of any and all of them.

6.9 No Conditions Precedent to Exercise of Remedies. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the Indebtedness (including Guarantor) shall be relieved of such obligation by reason of the failure of Mortgagee

to comply with any request of Mortgagor or Guarantor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Security Documents or the Note, or by reason of the release, regardless of consideration, of all or any part of the security held for the Indebtedness, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Security Documents or Note without first having obtained the consent of Mortgagor, Guarantor or such other person; and in the latter event Mortgagor, Guarantor and all such other persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee.

6.10 Release of Collateral. Mortgagee may release, regardless of consideration, any part of the security held for the Indebtedness or Obligations without, as to the remainder of the security, in any way impairing or affecting the liens of the Security Documents or their priority over any subordinate lien. Without affecting the liability of Mortgagor, Guarantor or any other person (except any person expressly released in writing) for payment of any Indebtedness secured hereby or for performance of any Obligations contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after maturity of said Note, and without notice or consent: (a) release any person liable for payment of all or any part of the Indebtedness or for performance of any Obligations; (b) make any agreement extending the time or otherwise altering terms of payment of all or any part of the Indebtedness, or modifying or waiving any Obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (c) exercise or refrain from exercising or waive any right Mortgagee may have; (d) accept additional security of any kind; and (e) release or otherwise deal with any property, real or personal, securing the Indebtedness, including all or any part of the Mortgaged Property.

6.11 Other Collateral. For payment of the Indebtedness, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

6.12 Discontinuance of Proceedings. In the event Mortgagee shall have proceeded to enforce any right under the Note or the Security Documents and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Mortgagor, Guarantor and Mortgagee shall be restored to their former positions and the rights, remedies and powers of Mortgagee shall continue as if no such proceedings had been taken.

## Article 7

### CONDEMNATION

7.1 Condemnation. Mortgagor hereby assigns, transfers and sets over to Mortgagee all rights of Mortgagor to any Awards in respect of (a) any taking of all or a portion of the Mortgaged Property as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain; (b) any such taking of any appurtenances to the Mortgaged Property or of vaults, areas or projections outside the boundaries of the Mortgaged Property, or

rights in, under or above the alleys, streets or avenues adjoining the Mortgaged Property, or rights and benefits of light, air, view or access to said alleys, streets, or avenues or for the taking of space or rights therein, below the level of, or above the Mortgaged Property; and (c) any damage to the Mortgaged Property or any part thereof due to governmental action, but not resulting in, a taking of any portion of the Mortgaged Property, such as, without limitation, the changing of the grade of any street adjacent to the Mortgaged Property. Mortgagor hereby agrees to file and prosecute its claim or claims for any such Awards in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee, and hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise, to collect and receipt for any such Awards and, in the event Mortgagor fails to act, or in the event that an Event of Default has occurred and is continuing, to file and prosecute such claim or claims.

7.2 Application of Proceeds. All Awards received by Mortgagee with respect to a taking of all or any part of the Mortgaged Property or with respect to damage to all or any part of the Mortgaged Property from governmental action not resulting in a taking of the Mortgaged Property, if not made available to Mortgagor for restoration of the Mortgaged Property in Mortgagee's sole discretion, shall be applied as follows, in the order of priority indicated:

- (a) to reimburse Mortgagee for all costs and expenses, including reasonable attorneys' fees incurred in connection with collecting the said proceeds;
- (b) to the payment of accrued and unpaid interest on the Note;
- (c) to the prepayment of the unpaid principal of the Note, without premium; and
- (d) to the payment of the balance of the Indebtedness.

The balance, if any, will be paid to Mortgagor.

## Article 8

### MISCELLANEOUS

8.1 Further Assurances. Mortgagor, upon the reasonable request of Mortgagee, will execute, acknowledge and deliver such further instruments (including, without limitation, financing statements, estoppel certificates and declarations of no set-off) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Security Documents, to facilitate the assignment or transfer of the Note and the Security Documents, and to subject to the liens of the Security Documents, any property intended by the terms thereof to be covered thereby, and any renewals, additions, substitutions, replacements or betterments thereto. Upon any failure by Mortgagor to execute and deliver such instruments, certificates and other documents on or before fifteen (15) days after receipt of written request therefor, Mortgagee may make, execute and record any and all such instruments, certificates, and other documents, and Mortgagor irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

8.2 Recording and Filing. Mortgagor, at its expense, will cause the Security Documents, all supplements thereto and any financing statements at all times to be recorded and filed and re-recorded and re-filed in such manner and in such places as Mortgagee shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges, including recordation taxes.

8.3 Notice. All notices, demands, requests and other communications required under the Security Documents and the Note shall be in writing and shall be deemed to have been properly given if sent by U. S. certified or registered mail, postage prepaid, addressed to the party for whom it is intended at the Mortgagor's Address or the Mortgagee's Address, as the case may be. Any party may designate a change of address by written notice to the other, giving at least ten (10) business days before such change of address is to become effective.

8.4 Mortgagee's Right to Perform the Obligations. If Mortgagor shall fail to make any payment or perform any act required by the Note or the Security Documents, and such failure shall continue beyond written notice of the same to Mortgagor and the expiration of the applicable cure period (other than failure to make payment of insurance premiums or other emergency situations where the value or integrity of the Mortgaged Property is jeopardized), then, at any time thereafter, without notice to or demand upon Mortgagor and without waiving or releasing any obligation or default, Mortgagee may make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Mortgaged Property for such purpose and to take all such action thereon and with respect to the Mortgaged Property as may be necessary or appropriate for such purpose. All sums so paid by Mortgagee, and all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses so incurred together with interest thereon at the Defaulted Interest Rate, from the date of payment or incurring, shall constitute additions to the Indebtedness secured by the Security Documents, and shall be paid by Mortgagor to Mortgagee, on demand. If Mortgagee shall elect to pay any Imposition, Mortgagee may do so in reliance on any bill, statement or assessment procured from the appropriate public office, without inquiring into the accuracy thereof or into the validity of such Imposition. Mortgagor shall indemnify Mortgagee for all losses and expenses, including reasonable attorneys' fees, incurred by reason of any acts performed by Mortgagee pursuant to the provisions of this Section 8.4 or by reason of the Security Documents, and any funds expended by Mortgagee to which it shall be entitled to be indemnified, together with interest thereon at the Defaulted Interest Rate from the date of such expenditures, shall constitute additions to the Indebtedness and shall be secured by the Security Documents and shall be paid by Mortgagor to Mortgagee upon demand.

8.5 Covenants Running with the Land. All covenants contained in the Security Documents shall run with the Mortgaged Property.

8.6 Severability. In case any one or more of the Obligations shall be invalid, illegal or unenforceable in any respect, the validity of the Note, Security Documents and remaining Obligations shall be in no way affected, prejudiced or disturbed thereby.

8.7 Modification. The Security Documents and the terms of each of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

8.8 Due on Sale. The loan evidenced by the Note and secured by this Mortgage is personal to Mortgagor, and Mortgagee made such loan to Mortgagor based upon the credit of Mortgagor and Guarantor and Mortgagee's judgment of the ability of Mortgagor to repay the entire Indebtedness and therefore this Mortgage may not be assumed by any subsequent holder of an interest in the Mortgaged Property without Mortgagee's prior written consent. This Section 8.8 does not limit the effect and generality of Section 5.9 hereof. Mortgagor shall notify Mortgagee promptly in writing of any transaction or event described in Section 5.9 hereof.

8.9 Tax on Indebtedness or Mortgage. In the event of the passage, after the date of this Mortgage, of any law deducting from the value of land for the purposes of taxation, any lien thereon, or imposing upon Mortgagee the obligation to pay the whole, or any part, of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts as to affect this Mortgage or the Indebtedness, the entire unpaid balance of the Indebtedness shall, at the option of Mortgagee, after thirty (30) days written notice to Mortgagor, become due and payable; provided, however, that if, in the opinion of Mortgagee's counsel, it shall be lawful for Mortgagor to pay such taxes, assessments, or charges, or to reimburse Mortgagee therefor, then there shall be no such acceleration of the time for payment of the unpaid balance of the Indebtedness if a mutually satisfactory agreement for reimbursement, in writing, is executed by Mortgagor and delivered to Mortgagee within the aforesaid period.

8.10 Maximum Rate of Interest. Notwithstanding any provision in this Mortgage, or in any instrument now or hereafter relating to or securing the Indebtedness evidenced by the Note, the total liability for payments of interest and payments in the nature of interest, including, without limitation, all charges, fees, exactions, or other sums which may at any time be deemed to be interest, shall not exceed the limit imposed by applicable usury laws. In the event the total liability for payments of interest and payments in the nature of interest, including without limitation, all charges, fees, exactions or other sums which may at any time be deemed to be interest, shall, for any reason whatsoever, result in an effective rate of interest, which for any month or other interest payment period exceeds the limit imposed by the applicable usury laws, all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice by, between, or to any party hereto, be applied to the reduction of the Indebtedness immediately upon receipt of such sums by Mortgagee, with the same force and effect as though Mortgagor had specifically designated such excess sums to be so applied to the reduction of the Indebtedness and Mortgagee had agreed to accept such sums as a premium-free payment of the Indebtedness, provided, however, that Mortgagee may, at any time and from time to time, elect, by notice in writing to Mortgagor, to waive, reduce, or limit the collection of any sums (or refund to Mortgagor any sums collected) in excess of those lawfully collectible as interest rather than accept such sums as a prepayment of the Indebtedness.

8.11 Survival of Warranties and Covenants. The warranties, representations, covenants and agreements set forth in the Security Documents shall survive the making of the loan and the execution and delivery of the Note, and shall continue in full force and effect until the Indebtedness shall have been paid in full, except such obligations as specified in Sections 4.10 and 4.17 hereof which shall survive.

8.12 APPLICABLE LAW. THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ALABAMA AND THE UNITED STATES OF AMERICA. THE NOTE, LOAN AGREEMENT AND THE GUARANTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF NORTH CAROLINA AND THE UNITED STATES OF AMERICA. EACH OF THE OTHER DEEDS OF TRUST SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE IN WHICH SAID DEEDS OF TRUST ARE RECORDED AND THE UNITED STATES OF AMERICA.

8.13 Loan Expenses. Mortgagor shall pay all costs and expenses in connection with the preparation, execution, delivery, administration and performance of the Note and the Security Documents, including (but not limited to) fees and disbursements of its and Mortgagee's counsel, broker's fees, recording costs and expenses, conveyance fee, documentary stamp, recordation taxes, intangible and other taxes, surveys, appraisals and policies of title insurance, physical damage insurance, and liability insurance.

8.14 Tax and Insurance Escrow. In the event Mortgagor is delinquent for 10 days in any payment required under the Note or the Security Documents, Mortgagee shall have the option upon fifteen (15) days' prior written notice to Mortgagor to require Mortgagor to pay to Mortgagee, on each of the monthly due dates of interest payments, as set forth in the Note, an amount equal to one-twelfth (1/12) of the annual (a) Impositions and (b) insurance premiums for such insurance as is required hereunder. Mortgagor shall also pay into such account such additional amounts, to be determined by Mortgagee from time to time, as will provide a sufficient fund, at least thirty (30) days prior to the due dates of the next installment of such Impositions and premiums, for payment of such Impositions and premiums so as to realize the maximum discounts permitted by law. Amounts held hereunder by Mortgagee shall be non-interest bearing and may be commingled with Mortgagee's other funds. Upon assignment of this Mortgage, Mortgagee shall have the right to pay over the balance of such amounts then in its possession to the assignee and Mortgagee shall thereupon be completely released from all liability with respect to such amounts. Upon full payment of the Indebtedness, or, at the election of Mortgagee at any prior time, the balance of such amounts shall be paid over to Mortgagor and no other party shall have any right or claim thereto. Amounts held by Mortgagee pursuant to this Section 8.14 shall (a) be made available to Mortgagor in sufficient time to allow Mortgagor to satisfy Mortgagor's obligations under the Security Documents to pay Impositions and required insurance premiums, within the maximum discount period, where applicable and (b) not bear interest.

8.15 No Representations by Mortgagee. By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee, pursuant to the Security Documents, including (but not limited to) any officer's certificate, survey, appraisal or insurance policy, Mortgagee shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Mortgagee.

8.16 Headings. The article headings and the section and subsection captions are inserted for convenience of reference only and shall in no way alter or modify the text of such articles, sections and subsections.

**8.17 Credit Line.** This Mortgage is given to secure all present and future obligations which may be incurred from time to time pursuant to the terms of the Note, the Loan Agreement and the Security Documents. As provided in the Note and the Loan Agreement, the indebtedness evidenced thereby and secured hereby is a credit line initially and the amount advanced under the credit line is determined by the terms of the Loan Agreement. The period in which future disbursements and obligations may be made and incurred is the period between the date hereof and June 30, 1999, which is defined as the Advance Termination Date in the Loan Agreement. During the Credit Line (as defined in the Loan Agreement) portion of the Loan (as defined in the Loan Agreement) and prior to the Advance Termination Date, the amount secured may fluctuate up and down from time to time as Advances (as defined in the Loan Agreement) are made and the Principal Balance (as defined in the Loan Agreement) or any portion thereof is repaid. Thereafter, the Credit Line shall continue to be secured by this Mortgage and shall mature and be due and payable in full on the Credit Line Maturity Date (as defined in the Loan Agreement). Provided there are no uncured Events of Default on the Credit Line Maturity Date, the Loan evidenced by the Note and secured by this Mortgage shall convert to the Mortgage Loan (as defined in the Loan Agreement) and shall continue to be secured by this Mortgage and shall mature and be due and payable in full on the Mortgage Loan Maturity Date (as defined in the Loan Agreement). The amount of present obligations secured by this Mortgage is Eighty Nine Million Six Hundred Thousand and 00/100 Dollars (\$89,600,000.00), and the maximum principal amount, including present and future obligations, which may be secured by this Mortgage at any one time is One Hundred Fifty Million and No/100 Dollars (\$150,000,000.00). Any additional amounts advanced by Mortgagee pursuant to the provisions of this Mortgage shall be deemed necessary expenditures for the protection of the security. Mortgagee need not sign any instrument or notation evidencing or stipulating that future advances are secured by this Mortgage.

**8.18 Partial Release.** Mortgagor shall be entitled to a partial release of this Mortgage upon the terms and conditions set forth in the Loan Agreement relating thereto.

**8.19 Counterparts and Recordation.** This Mortgage may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. This Mortgage shall be recorded in the registries of each of the counties and states in which the Land is located.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage under seal as of the date first above written.

Signed, sealed and delivered  
in the presence of:



MMR HOLDINGS, L.L.C.,  
a North Carolina limited liability company

By   
Benjamin F. Bracy, President

**ACKNOWLEDGMENT**

STATE OF NORTH CAROLINA )  
 ) SS.  
COUNTY OF MECKLENBURG )

On APRIL 23, 1999, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Benjamin F. Bracy, President known to me (or proved to me on the basis of satisfactory evidence) to be the managers of MMR Holdings, L.L.C., a North Carolina limited liability company, the limited liability company therein named, and acknowledged the execution thereof to be the free and voluntary act and deed of said President for the uses and purposes therein mentioned and on oath stated that they were authorized to execute the said instrument on behalf of said company.

WITNESS my hand and official seal.

(SEAL)

Deanna L. Bales  
Notary Public in and for the State  
of North Carolina

My commission expires: 12-29-2003

**Exhibit A**

**Lot 1-BB, according to a Resurvey of Lot 1-B of Resurvey of Lot 1-A, of Resurvey of Lot 1, B & S Subdivision, as recorded in Map Book 13, page 143, in the Probate Office of Shelby County, Alabama.**

## SCHEDULE B

### Permitted Encumbrances

Those exceptions accepted by Mortgagee, listed in Chicago Title Insurance Company Mortgagee's Title Insurance Commitment Numbers 2050-D and 2051-D, dated as of even date herewith.

Inst # 1999-20585

-27-

171078/AL  
Parcel 38, Tranche 3, Advance 5

05/17/1999-20585  
08:26 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
027 NKS 872.25