## STATE OF ALABAMA COUNTY OF SHELBY

# MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS AND LEASES ("Mortgage") entered into this 18th day of June, 1999, by DEASON PROPERTIES, LLC, an Alabama limited liability company (hereinafter referred to as "Mortgagor"), having its principal place of business at 921 Cleveland Avenue, Attalla, Alabama 35954, in favor of FLEET BUSINESS CREDIT CORPORATION, a Delaware corporation, with an office located at One South Wacker Drive, Suite 3900, Chicago, Illinois 60606 ("Mortgagee").

### WITNESSETH:

WHEREAS, Mortgagor is a party to that certain Loan and Security Agreement dated as of the date hereof by and among Mortgagee and one or more certain other parties (said Loan and Security Agreement and any and all renewals, extensions for any period, increases or rearrangements thereof is referred to as the "Loan Agreement;" all capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement). The terms, conditions, covenants, representations and warranties of Mortgagor under the Loan Agreement are hereby incorporated as if fully set forth herein.

WHEREAS, Mortgagor has executed and delivered to Mortgagee one or more promissory notes dated of even date herewith, in the aggregate principal amount of TWO MILLION EIGHT HUNDRED SEVENTY-SEVEN THOUSAND and 00/100ths DOLLARS (\$2,877,000.00) (said one or more promissory notes and any and all renewals, extensions for any period, increases or rearrangements thereof are collectively referred to as the "Note"), which Note shall be finally due and payable no later than July 31, 2009.

WHEREAS, as a condition to Mortgagee's extension of certain financial accommodations to Mortgagor including, without limitation, the extension of credit evidenced by the Note and pursuant to the Loan Agreement, Mortgagee has required that Mortgagor enter into this Mortgage and grant to Mortgagee the liens and security interests referred to herein to secure: (i) the payment of the principal amount evidenced by the Note together with interest thereon; (ii) payment and performance of the other Obligations; (iii) payment of the principal amount, together with interest thereon; of all present and future advances of money made by Mortgagee under the Loan Documents, as well as all other liabilities and obligations in favor of mortgagee arising under the Loan Documents; and (iv) other payment and performance obligations related to this Mortgage (the aforesaid Obligations and obligations to Mortgagee being hereinafter referred to collectively as the "Obligations").

O6/24/1999-26330
10:31 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
019 MMS 4369.00

-1-<sub>R,QQ</sub>,

WHEREAS, the Obligations secured hereby shall not exceed an aggregate principal amount, at any one time outstanding of two hundred percent (200%) of the maximum principal amount of the Note, <u>provided</u>, that the foregoing limitation shall apply only to the lien upon the real property created by this Mortgage, and it shall not in any manner limit, affect or impair any grant of a security interest or other right in favor of Mortgagee under the provisions of the Loan Agreement or under any of the other Loan Documents.

NOW, THEREFORE, in consideration of the premises contained herein and to secure payment of the Obligations and in consideration of One Dollar (\$1.00) in hand paid, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby grant, remise, release, alien, convey, mortgage, bargain, sell, transfer, assign and warrant to Mortgagee, its successors and assigns, all right, title and interest of Mortgagor which Mortgagor may have or hereafter acquire in and to that certain real estate located in Shelby County, Alabama, identified in Exhibit A attached hereto and by this reference made a part hereof (the "Premises"), and does further grant a security interest to Mortgagee in all Personal Property (as defined below) as well as all Mortgaged Property (as defined below) as may be secured under the Uniform Commercial Code (the "Code") in effect in the State in which the Premises is located (the "State").

TOGETHER WITH all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to all improvements, buildings and structures thereon of every nature whatsoever ("Improvements"; such Improvements, collectively with the Premises, are herein called the "Project").

TOGETHER WITH all right, title and interest, if any, including any afteracquired right, title and interest, and including any right of use or occupancy, which Mortgagor may now have or hereafter acquire in and to (a) all easements, rights of way, strips and gores of land or any lands now or previously occupied by streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and public places adjoining said Premises, and any other interests in property constituting appurtenances to the Premises, or which hereafter shall in any way accrue, belong, relate or be appurtenant thereto, and (b) all hereditaments, gas, oil, minerals (with the right to extract, sever and remove such gas, oil and minerals), and easements, of every nature whatsoever, located in or on the Premises and all other rights and privileges thereunto belonging or appertaining, (c) all water, ditch, well and reservoir rights which are appurtenant to or which have been used in connection with the Premises, (d) all development rights associated with the Premises, including any development rights previously or subsequently transferred to the Premises from other real property and any development rights now or hereafter susceptible of transfer from such Premises to other real property, (e) any land lying between the boundaries of the Premises and the center line of any adjacent street, road, avenue or alley, whether opened or proposed, (f) all other or greater rights and interest of every nature in the Mortgaged Property and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Mortgagor and (g) all extensions, additions, improvements, betterments, renewals, substitutions and replacements to, or of any of the rights and interests described in subparagraphs (a) through (f) above (hereinafter the "Property Rights").

TOGETHER WITH all fixtures and appurtenances of every nature whatsoever now or hereafter located in, on or attached to, and used or intended to be used in connection A with, or with the operation of, the Project, including, but not limited to (a) all apparatus, machinery and equipment of Mortgagor; (b) all now existing and hereafter acquired machinery, equipment and other property comprising the facility located and operated on the Premises or to be located and operated on the Premises; and (c) all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to or of any of the foregoing (the "Fixtures"); as well as (d) all personal property and equipment owned by Mortgagor of every nature whatsoever now or hereafter located in or on the Project, (e) all insurance proceeds of or relating to any of the foregoing; and (f) all accessions and additions to, substitutions for, and replacements, products and proceeds of any of the foregoing clauses (d) and (e) (the items described in the foregoing clauses (d) through (f) and any other personal property referred to in this paragraph being the "Personal Property"). It is mutually agreed, intended and declared, that the Improvements and all of the Property Rights and Fixtures owned by Mortgagor (which are referred to collectively herein as the "Real Property") shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and for the purpose of this Mortgage to be real estate and covered by this Mortgage. It is also agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Code, this instrument shall constitute a security agreement, fixture filing and financing statement, and Mortgagor agrees to execute, deliver and file or refile any financing statement, continuation statement, or other instruments Mortgagee may reasonably require from time to time to perfect or renew such security interest under the Code. To the extent permitted by law, (i) all of the Fixtures are or are to become fixtures on the Premises; and (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to that part of the security in which a security interest may be perfected under the Code, by the specific statutory consequences now or hereafter enacted and specified in the Code, all at the Mortgagee's sole election.

Mortgagor may now have or hereafter acquire, in and to all judgments, insurance proceeds, awards of damages and settlements resulting from condemnation proceedings or the taking of the Real Property, or any part thereof, under the power of eminent domain or for any damage (whether caused by such taking or otherwise) to the Real Property, the Personal Property or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Real Property, the Personal Property or any part thereof; and the Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and to apply the same as provided for herein; and (ii) all contract rights, general intangibles, actions and rights in action, relating to the Real Property, or the Personal Property, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to the Real Property or damage to the Real Property; and (iii) all proceeds, products, replacements, additions, substitutions, renewals and

accessions of and to the Real Property or the Personal Property. (The rights and interests described in this paragraph shall hereinafter be called the "Intangibles.")

As additional security for the Obligations secured hereby, Mortgagor does hereby grant, transfer, pledge and assign to Mortgagee from and after the date hereof (including any period of redemption), primarily and on a parity with said real estate, and not secondarily, all the rents, issues, profits and revenues of the Real Property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advance rent, for security or as earnest money or as down payment for the purchase of all or any part of the Real Property or the Personal Property) (the "Rents") under any and all present and future leases, subleases, contracts or other agreements relative to the ownership of the Real Property or the Personal Property or to the occupancy of all or any portion of the Real Property and does hereby grant, transfer and assign to Mortgagee all of Mortgagor's right, title and interest in and to such leases and agreements (including all Mortgagor's rights under any contracts for the sale of any portion of the Mortgaged Property (as hereinafter defined) and all revenues and royalties under any oil, gas and mineral leases relating to the Real Property) (the "Leases"). Mortgagor further agrees to execute and deliver such assignments of leases or assignments of contracts as Mortgagee may from time to time request. In the event of an Event of Default, (1) the Mortgagor agrees, upon demand, to deliver to the Mortgagee all of the Leases with such additional assignments thereof as the Mortgagee may request and agrees that the Mortgagee may assume the management of the Real Property, and collect the Rents, applying the same against the Obligations in such order and manner as Mortgagee shall determine in its sole discretion, subject to applicable law, and (2) the Mortgagor hereby authorizes and directs all tenants, purchasers or other persons occupying or otherwise acquiring any interest in any part of the Real Property to pay the Rents due under the Leases to the Mortgagee upon request of the Mortgagee. This assignment shall constitute an actual and present assignment. Mortgagor hereby appoints Mortgagee as its true and lawful attorney in fact to manage said property and collect the Rents, with full power to bring suit for collection of the Rents and possession of the Real Property, giving and granting unto said Mortgagee and unto its agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in the protection of the security hereby conveyed; provided, however, that (i) this power of attorney and assignment of rents shall not be construed as an obligation upon said Mortgagee to make or cause to be made any repairs that may be needful or necessary and (ii) Mortgagee agrees that until such Event of Default as aforesaid, Mortgagee shall permit Mortgagor to perform the aforementioned management responsibilities. This power of attorney and assignment of rents is coupled with an interest and shall be irrevocable until this Mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of this power of attorney and assignment of rents. Mortgagee shall have and hereby expressly reserves the right and privilege (but assumes no obligation) to demand, collect, sue for, receive and recover the Rents, or any part thereof, now existing or hereafter made, and apply the same in such manner and order as Mortgagee shall determine in its sole discretion, subject to applicable law.

All of the mortgaged property described above, and each item of mortgaged property therein described, not limited to but including the Premises, the Project, the Property

Rights, the Fixtures, the Real Property, the Personal Property, the Intangibles, the Rents and the Leases, is herein referred to as the "Mortgaged Property." It is mutually agreed, declared and intended by the parties that the description of the Mortgaged Property herein contained shall not be deemed to limit the scope of the security interest granted in any other Loan Document.

Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee-in-possession in the absence of the taking of actual possession of the Mortgaged Property by the Mortgagee. Nothing contained in this Mortgage shall be construed as imposing on Mortgagee any of the obligations of the lessor under any lease of the Real Property in the absence of an explicit assumption thereof by Mortgagee. In the lawful exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor.

TO HAVE AND TO HOLD the Mortgaged Property, properties, rights and privileges hereby conveyed or assigned, or intended so to be, unto Mortgagee, its successors and assigns, forever for the uses and purposes herein set forth. Mortgagor hereby covenants, warrants and represents that, at the time of the execution and delivery of these presents, Mortgagor holds a good and valid interest with full legal and equitable title to the Mortgaged Property, with good right, full power and lawful authority to sell, assign, convey and mortgage the same, and that title to the Mortgaged Property is free and clear of encumbrances, excepting any easements, covenants, restrictions and other items listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagee's interest in the Mortgaged Property (the "Permitted Liens"), and that Mortgagor will forever defend the same against all lawful claims other than Permitted Liens.

The following provisions shall also constitute an integral part of this Mortgage:

- 1. Payment of Obligations. Mortgagor agrees to pay, when due or declared due in accordance with the Note, the Loan Agreement or the other Loan Documents, all of the Obligations secured hereby.
- 2. <u>Representations and Warranties</u>. Mortgagor hereby covenants, represents and warrants that:
  - (a) Mortgagor is duly authorized to make and enter into this Mortgage and to carry out the transactions contemplated herein.
  - (b) This Mortgage has been duly executed and delivered pursuant to authority legally adequate therefor; Mortgagor has been and is authorized and empowered by all necessary persons having the power of direction over it to execute and deliver said instrument; said instrument is a legal, valid and binding obligation of Mortgagor, enforceable in accordance with its terms, subject, however, to bankruptcy and other law, decisional or statutory, of general application affecting creditors' rights and remedies, and to the fact that the availability of the remedy of specific performance

or of injunctive relief in equity is subject to the discretion of the court before which any proceeding therefor may be brought.

- (c) Mortgagor is not now in default under any instruments or obligations relating to the Mortgaged Property and no party has asserted in writing any claim of default against Mortgagor relating to the Mortgaged Property.
- (d) The execution and performance of this Mortgage and the consummation of the transactions hereby contemplated will not result in any breach of, or constitute a default under, any mortgage, lease, bank loan, or credit agreement, trust indenture, or other instrument to which Mortgagor is a party or by which it may be bound or affected; nor do any such instruments impose or contemplate any obligations which are or may be inconsistent with any other obligations imposed on Mortgagor under any other instrument(s) heretofore or hereafter delivered by Mortgagor.
- (e) There are no actions, investigations, suits or proceedings (including, without limitation, any condemnation or bankruptcy proceedings) pending or threatened against or affecting Mortgagor or the Mortgaged Property, or which may adversely affect the validity or enforceability of this Mortgage, at law or in equity, or before or by any governmental authority; Mortgagor is not in default with respect to any writ, injunction, decree or demand of any court or any governmental authority affecting the Mortgaged Property.
- (f) All statements submitted to Mortgagee in connection with this transaction are true and correct in all material respects and (with respect to any financial statements) have been prepared in accordance with generally accepted accounting principles and fairly present the financial condition of the parties or entities covered by such statements as of the date thereof.
- (g) The Real Property presently complies with, and will continue to comply with, all applicable restrictive covenants and applicable zoning and subdivision ordinances and building codes.
  - (h) Except as previously disclosed to Mortgagee in writing:
  - (i) The operations of Mortgagor at the Real Property and the Real Property itself are in compliance in all material respects with all applicable environmental, health and safety statutes, regulations and other governmental requirements;
  - (ii) Mortgagor has obtained, and will continue to maintain, all environmental, health and safety permits necessary for the operations of Mortgagor; all such permits are in good standing and Mortgagor is and will remain in material compliance with all terms and conditions of such permits;

- (iii) Neither Mortgagor nor any of its present Real Property or operations is subject to any order from or agreement with any governmental authority or private party respecting the release or threatened release of a Contaminant (as defined below) into the environment;
- (iv) With respect to Mortgagor's Real Property or operations, there are no judicial or administrative proceedings pending against the Mortgagor alleging a violation of any environmental health or safety statute, regulation or other governmental requirement;
- (v) To Mortgagor's knowledge, none of Mortgagor's present or past operations is the subject of any investigation by any governmental authority evaluating whether any remedial action is needed to respond to a release from the present or past operations of the Mortgagor or threatened release of a Contaminant (as defined below) into the environment;
- (vi) Mortgagor has not filed any notice under any statute, regulation or other governmental requirement indicating past or present treatment, storage or disposal of a hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent;
- (vii) Mortgagor has not filed any notice under any Environmental Law (as defined below) reporting a release of a Contaminant (as defined below) into the environment;
- (viii) There is not now, nor to Mortgagor's knowledge, has there ever been on or in the Real Property (A) any generation, treatment, recycling, storage or disposal of any hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent, (B) any underground storage tanks or surface impoundments, (C) any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment, or (D) any asbestos containing material;
- (ix) Mortgagor has no material contingent liability in connection with any release or threatened release of any Contaminants (as defined below) into the environment; and
- (x) As of the date hereof, Mortgagor has not received notice of, and is not otherwise aware of any lien against, the Real Property in favor of any governmental entity for (A) liability under federal or state environmental laws or regulations, or (B) damages arising from or costs incurred by such governmental entity in response to a release or threatened release of a Contaminant (as defined below) into the environment.
- (xi) "Contaminant" shall mean any pollutant, hazardous substance, hazardous chemical, toxic substance, hazardous waste or special waste (as those

terms are defined in any environmental law applicable to the Real Property), radioactive material, petroleum, crude oil, any petroleum-derived substance, product or waste, including, but not limited to, polychlorinated biphenyls and asbestos.

- (xii) "Environmental Laws" shall mean all statutes, rules, codes, regulations, ordinances and other laws relating to or addressing the environment, health or safety, including, but not limited to, the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Toxic Substances Control Act and the Occupational Safety and Health Act.
- (xiii) Mortgagor shall hold harmless, defend and indemnify Mortgagee, its affiliates, successors and/or assigns and all of its and their officers, directors, trustees, employees and agents from and against all proceedings (including but not limited to governmental actions), claims, damages, penalties, costs and expenses (including without limitation reasonable fees and expenses of attorneys and expert witnesses, investigatory fees, and clean-up and remediation expenses, whether or not incurred within the context of the judicial process), arising directly or indirectly from (A) any breach of any representation, warranty or obligation of Mortgagor contained in this subsection 2(h) or (B) the presence or alleged presence of any Contaminants on or under the Real Property.
- (i) Mortgagor owns, is licensed or otherwise has the right to use or is in possession of all licenses, permits and government approvals or authorizations, franchises, authorizations and other rights that are necessary in any material respect for its operations on the Real Property, without conflict with the rights of any other person with respect thereto.
- (j) Neither the execution and delivery of this Mortgage by Mortgagor nor the performance by Mortgagor of its obligations hereunder requires the filing of this Mortgage or any other document or instrument with, the giving of any notice to, or the receipt of any approval or consent from any governmental authority or any other person.
- Maintenance, Repairs and Alterations. Mortgagor agrees (a) not to abandon the Project; (b) to keep the Real Property in good, safe and insurable condition and repair and not to commit or suffer waste; (c) to make when necessary and appropriate any and all repairs to the Project, whether structural or nonstructural, exterior or interior, foreseen or unforeseen, ordinary or extraordinary, and to cause all such repairs to be of first-class quality; (d) to refrain from taking any action that would impair or diminish the value of this Mortgage, including any action that would increase the risk of fire or any other hazard for the Project; and (e) neither to make nor to permit structural or other substantial alterations in the buildings or any substantial construction on the Premises without the written consent of Mortgagee. Mortgagor may remove any Personal Property or Fixture used in connection with the Project

which is worn out or obsolete, provided that, either prior to or simultaneously with such removal, Mortgagor shall replace such property with other property with the same or greater utility and value as the replaced property had when first acquired, and such replacement property shall be free and clear of any liens or security interests other than those of Mortgagee but shall be subject to the lien and security interest created by this Mortgage.

- Taxes and Assessments. Mortgagor agrees to pay, not later than the due date and before any penalty or interest attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed or imposed on or against the Mortgaged Property and, at the request of Mortgagee, to exhibit to Mortgagee, official receipts evidencing such payments; provided, however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to the date on which each such installment becomes due and payable. Mortgagor agrees to exhibit to Mortgagee, at least annually and at any time upon request, official receipts showing payment of all taxes, assessments and charges which Mortgagor is required or elects to pay hereunder. Notwithstanding the foregoing, Mortgagor shall have the right to contest such taxes, assessments and impositions, but only if (a) Mortgagor has notified Mortgagee of its intent to contest such taxes, impositions and assessments prior to such contest and (b) such taxes are being contested in good faith by appropriate proceedings and adequate reserves or other appropriate provisions for the payment thereof are being maintained in accordance with generally accepted accounting principles.
- 5. <u>Insurance and Insurance Proceeds</u>. Mortgagor shall, at its sole expense, obtain for, deliver to, assign and maintain for the benefit of Mortgagee, until the Obligations are paid in full, insurance policies as specified in the Loan Agreement. In the event of a casualty loss, the net insurance proceeds from such insurance policies shall be paid and applied as specified in the Loan Agreement.
- 6. <u>Insurance and Tax Escrow.</u> At any time after the occurrence of an Event of Default and if required by Mortgagee, the Mortgagor shall pay the Mortgagee monthly, together with and in addition to the payments of principal of and interest on the Note and any sums due under any of the other Loan Documents, an amount determined by the Mortgagee to be necessary to enable the Mortgagee to pay all taxes and insurance premiums one month before the amounts due for such taxes and insurance premiums become due. If the total payments made to the Mortgagee pursuant to the preceding sentence are less than the amount required to pay any taxes or insurance premiums one month before they come due, the Mortgagor shall pay the Mortgagee, on demand, the amount necessary to make up the deficiency. If there is an excess of such payments, the excess will reduce subsequent payments required under this Section 6. Amounts escrowed pursuant to this Section 6 may be commingled by Mortgagee with the general funds of Mortgagee. No interest on funds escrowed hereunder shall be paid by Mortgagee to Mortgagor. If an Event of Default has occurred, the Mortgagee may at its option apply any amounts received pursuant to this Section 6 to the payment of the Obligations in such order as the Mortgagee may elect.

- 7. Compliance with Laws. Mortgagor agrees that it will comply with all restrictions affecting the Mortgaged Property and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power of regulation or supervision over Mortgagor, or any part of the Mortgaged Property, whether the same be directed to the repair thereof, manner of use thereof, structural alteration of buildings located thereon, or otherwise.
- 8. <u>Condemnation</u>. Mortgagor hereby assigns to Mortgagee, as additional security, all awards of damage resulting form condemnation proceedings or the taking of or injury to the Real Property for public use, and Mortgagor agrees that the proceeds of all such awards shall be paid to Mortgagee and applied as specified in the Loan Agreement.
- Mortgagee's Right to Perform. Mortgagor agrees that, from and after the occurrence and during the continuance of a default under this Mortgage, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient after reasonable inquiry into the validity thereof. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, (i) make full or partial payments of insurance premiums which are unpaid by Mortgagor, prior or coordinate liens or encumbrances, if any, (ii) purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof, or (iii) redeem all or any part of the Project from any tax or assessment. All money paid for any of the purposes herein authorized and all other moneys advanced by Mortgagee to protect the Mortgaged Property and the lien hereof shall be additional Obligations secured hereby and shall become immediately due and payable without notice and shall bear interest thereon at the Default Rate (as such term is defined in the Loan Agreement) (the "Default Rate") until paid to Mortgagee in full. In making any payment hereby authorized relating to taxes, assessments or prior or coordinate liens or encumbrances, Mortgagee shall be the sole judge of the legality, validity and priority thereof and of the amount necessary to be paid in satisfaction thereof.
- agreement, such Event of Default shall constitute an Event of Default under this Mortgage. If any such default or Event of Default shall have occurred, then, to the extent permitted by applicable law, the following provisions shall apply:
  - (a) All Obligations shall, at the option of Mortgagee or as otherwise provided in the Note, become immediately due and payable without presentment, demand or further notice.
  - (b) It shall be lawful for Mortgagee (i) immediately to foreclose this Mortgage by action or power of sale, and the Mortgagor hereby authorizes the Mortgagee to do so, power being herein expressly granted to sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the front or main door of the Court House in the county where said property is located, either in person

or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper of general circulation published in said county, and, upon payment of the purchase money, Mortgagee or any person conducting the sale for Mortgagee is authorized to execute to the purchaser at said sale a foreclosure deed to the premises so purchased. Mortgagee may bid at said sale and purchase said premises, or any part thereof, if the highest bidder therefor. Out of the proceeds arising from such sale, Mortgagee shall be entitled to pay all indebtedness secured hereby with interest, and all reasonable legal costs and charges of such foreclosure and reasonable attorneys' fees permitted by law, which costs, charges and fees the Mortgagor agrees to pay. In the event of a sale under this Mortgage, whether by virtue of judicial proceedings or power of sale or otherwise, the Mortgaged Property may, at the option of the Mortgagee, be sold as an entirety or in such other manner and order as the Mortgagee in its sole discretion may elect. The court in which any proceeding is pending for the purpose of foreclosure of this Mortgage may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the Obligations secured hereby, and without regard to the then value of the Mortgaged Property or the occupancy thereof as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loans evidenced by the Note and the other financial accommodations to Mortgagor have been made) for the benefit of Mortgagee, with power to manage and operate the Mortgaged Property and collect any Rents, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such Rents, when collected, may pay costs incurred in the management and operation of the Real Property, prior and coordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the Real Property or the Personal Property, and may pay all or any part of the Obligations then due and payable, or other sums secured hereby or any deficiency decree entered in such foreclosure proceedings.

- (c) Mortgagee shall, at its option, have the right, acting through its agents or attorneys, either with or without process of law, to enter upon and take possession of the Mortgaged Property, expel and remove any persons, goods, or chattels occupying or upon the same, to collect or receive all the rents, issues and profits thereof and to manage and control the same, and to lease the same or any part thereof, from time to time, and, after deducting all attorneys' and paralegals' fees and expenses, and all expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income upon the Obligations or other sums secured hereby or upon any deficiency decree entered in any foreclosure proceedings.
- (d) Exercise all of the rights and remedies of a secured party provided by the Code including the right to proceed, in whatever order it chooses, against any items of

Personal Property or Fixtures included in the Mortgaged Property or the proceeds thereof under the Code provisions governing default as to any such property which may be included in the Mortgaged Property separately from the Premises included therein, or to proceed as to all of the Mortgaged Property in accordance with its rights and remedies with respect to said Premises. If the Mortgagee should elect to proceed separately as to such Personal Property and Fixtures, the Mortgager agrees to make such Personal Property and Fixtures available to the Mortgagee at a place or places acceptable to the Mortgagee, and if any notification of intended disposition of any of such Personal Property and Fixtures is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition in the manner below provided.

- 11. <u>Foreclosure</u>. In any foreclosure of this Mortgage by action, or any sale of the Mortgaged Property under power of sale granted herein, there shall be allowed (and included in the decree for sale in the event of a foreclosure by action), to be paid out of the rents or the proceeds of such foreclosure proceeding or sale:
  - (a) All of the Obligations and other sums secured hereby which then remain unpaid;
  - (b) All other items advanced or paid by Mortgagee pursuant to this Mortgage, with interest thereon at the Default Rate from the date of advancement; and
  - All court costs, reasonable attorneys' and paralegals' fees and expenses, appraiser's fees, advertising costs, filing fees and transfer taxes, notice expenses, expenditures for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantees, title insurance policies, Torrens certificates and similar data with respect to title which Mortgagee may deem necessary. All such expenses shall become additional Obligations secured hereby and immediately due and payable, with interest thereon at the Default Rate, when paid or incurred by Mortgagee in connection with any proceedings, including but not limited to probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured or in connection with the preparations for the commencement of any suit for the foreclosure, whether or not actually commenced, or sale under power of sale. The proceeds of any sale (whether through a foreclosure proceeding or Mortgagee's exercise of the power of sale) shall be distributed and applied to the items described in (a), (b), and (c) of this paragraph, as Mortgagee may in its sole discretion determine, and any surplus of the proceeds of such sale shall be paid to Mortgagor.
- 12. <u>Mortgagor Waivers</u>. The Mortgagor shall not at any time insist upon, or plead, or in any manner whatsoever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part

thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and the Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property, or any part thereof, marshaled upon any foreclosure hereof.

- 13. Remedies Not Exclusive. Each remedy or right of Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or in different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.
- Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any Obligations, execution may be made upon any one or more of the properties, lots or parcels and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales or sales by advertisement may likewise be conducted separately or concurrently, in each case at Mortgagee's election.
- 15. <u>No Merger</u>. In the event of a foreclosure of this Mortgage, the Obligations then due the Mortgagee shall not be merged into any decree of foreclosure entered by the court, and Mortgagee may concurrently or subsequently seek to foreclose one or more mortgages or deeds of trust which also secure said Obligations.
- 16. Further Assurances. Mortgagor agrees that, upon request of Mortgagee from time to time, it will execute, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may reasonably be necessary to fully effectuate the intent of this Mortgage. In the event that Mortgagor shall fail to do any of the foregoing, Mortgagee may, in its sole discretion, do so in the name of Mortgagor, and Mortgagor hereby appoints Mortgagee as its attorney-in-fact to do any of the foregoing.
- 17. Notices. Except as otherwise provided herein, any notices, demands, consents, requests, approvals, undertakings or other instruments required or permitted to be given in

connection with this Mortgage (and all copies of such notices or other instruments) shall be given in accordance with the terms of the Loan Agreement.

- 18. No Effect Upon Lien. Mortgagor agrees that, without affecting the liability of any person for payment of the Obligations secured hereby or affecting the lien of this Mortgage upon the Mortgaged Property or any part thereof (other than persons or property explicitly released as a result of the exercise by Mortgagee of its rights and privileges hereunder), Mortgagee may at any time and from time to time, on request of the Mortgagor, without notice to any person liable for payment of any Obligations secured hereby, extend the time, or agree to alter the terms of payment of such Obligations. Mortgagor further agrees that any part of the security herein described may be released with or without consideration without affecting the remainder of the Obligations or the remainder of the security.
- 19. Governing Law. This Mortgage was delivered in, and except as otherwise specifically stated in any given section hereof, shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois, except to the extent that it is mandatory that the laws of the State Alabama apply to creation, priority, perfection and maintenance of the lien and the security interest hereof and to the enforcement of the foreclosure remedies of Mortgagee and any of its successors and assigns.
- 20. <u>Satisfaction</u>. Upon full payment of all sums secured hereby, this conveyance shall be null and void and, upon demand therefor following such payment, a satisfaction of mortgage or reconveyance of the Real Property shall be provided promptly by Mortgagee to Mortgagor.
- 21. Successors and Assigns. This Mortgage shall be binding upon Mortgagor and upon the successors, assigns and vendees of Mortgagor and shall inure to the benefit of Mortgagee's successors and assigns; all references herein to Mortgagor and to Mortgagee shall be deemed to include their successors and assigns. Mortgagor's successors and assigns shall include, without limitation, a receiver, trustee or debtor in possession of or for Mortgagor. Wherever used, the singular number shall include the plural and the plural shall include the singular.
- 22. Future Advances. The Mortgagor intends, confirms and agrees that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure unpaid balances of loan advances and other extensions of credit made after this Mortgage is delivered to the appropriate recording offices of the State, whether made pursuant to an obligation of Mortgagee or otherwise, and such future advances shall be secured to the same extent as if such advances were made on the date hereof, although there may be no advance made at the time of the execution hereof and although there may be no indebtedness outstanding at the time any advance is made. Such unpaid balances of loan advances and other extensions of credit may or may not be evidenced by notes executed pursuant to the Loan Documents.
- 23. <u>Cross-Collateralization</u>. Mortgagor agrees that this instrument and the liens and security interests created hereby secure not only the Loans evidenced by the Note, the Loan

Agreement and the other Loan Documents, but also any and all other loans, advances, debts, Obligations, obligations, covenants and duties owing to Mortgagee by Mortgagor or any affiliate of Mortgagor, of any kind or nature, whether present or future, whether evidenced by any note, guaranty or other instrument, whether for the payment of money, arising by reason of an extension of credit, loan, guaranty, indemnification or in any other manner and whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired.

- 24. <u>Estoppel Statements</u>. Mortgagor, within ten (10) days after the request in person or within fifteen (15) days after request by mail, will furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest, if any, has been paid and stating either that no offsets or defenses exist against the Obligations, or, if such offsets or defenses are alleged to exist, the nature thereof.
- No Liens or Transfers. Except for Permitted Liens, Mortgagor shall not permit any liens, including, but not limited to, a lien in favor of any governmental entity for (a) any liability under federal or state environmental laws or regulations, or (b) damages arising from or costs incurred by such governmental entity in response to a release of a hazardous or toxic waste, substance or constituent, or other substance into the environment, or security interests to be filed or attached to the Mortgaged Property without the written consent of Mortgagee. Mortgagor shall not sell, convey, transfer, lease, sublease or further encumber any interest in or any part of the Mortgaged Property, or suffer or permit any of the foregoing without the prior written consent of the Mortgagee having been obtained to (i) the sale, conveyance, transfer, lease, sublease, pledge, assignment or other transfer to the purchaser, transferee, assignee or pledgee, and (ii) to the form and substance of any instrument evidencing any such sale, transfer, lease, sublease, pledge, assignment or other transfer. The Mortgagor shall not, without the prior written consent of the Mortgagee, further assign the Rents. If Mortgagor does sell, convey, transfer, lease, sublease or otherwise dispose of all or any part of the Mortgaged Property, or any interest therein or suffer or permit any of the foregoing, or if Mortgagor suffers or permits any liens or security interests which are not Permitted Liens to be filed against the Mortgaged Property in contravention of this paragraph, Mortgagee may elect, by notice in writing to Mortgagor, to declare all of the Obligations, or any part thereof, and all other sums secured hereby to be and to become due and payable immediately upon the giving of such notice. The Mortgagor agrees that in the event the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than the Mortgagor in violation of this Mortgage, the Mortgagee may, without notice to the Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage and other sums hereby secured without in any way vitiating or discharging the Mortgagor's liability hereunder or upon other sums hereby secured. No sale of the Mortgaged Property in violation of this Mortgage, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Obligations shall operate to release, discharge, modify, change or affect the original liability of the Mortgagor, either in whole or in part.
- 26. <u>Severability</u>. In the event any one or more of the provisions contained in this Mortgage or in the Note shall for any reason be held to be invalid, illegal or unenforceable in

any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

- Interest Rate Provisions. Nothing in this Mortgage, the Note, the Loan 27. Agreement or any other Loan Documents shall require the Mortgagor to pay, or the Mortgagee to accept, interest in an amount which would subject the Mortgagee to any penalty or forfeiture under applicable law. In the event that the payment of any charges, fees or other sums due hereunder or under the Note or any such other agreement, which are or could be held to be in the nature of interest and which would subject the Mortgagee to any penalty or forfeiture under applicable law, then ipso facto, the obligations of the Mortgagor to make such payment shall be reduced to the highest rate authorized under applicable law. Should the Mortgagee receive any payment which is or would be in excess of the highest rate authorized under law, such payment shall have been, and shall be deemed to have been, made in error, and shall automatically be applied to reduce the outstanding balance of the Obligations.
- Time of Essence. Time is of the essence with respect to the provisions of this 28. Mortgage which may relate to or result in an Event of Default.
- Waiver of Jury Trial. Mortgagor and Mortgagee (by its acceptance of this Mortgage) hereby knowingly, voluntarily and intentionally waive any right to a trial by jury in any litigation action or proceeding to enforce or defend any rights under this Mortgage or otherwise relating hereto or in connection herewith, and agree that any such action or proceeding shall be tried before a court and not a jury.
  - Purchase Money Mortgage. This Mortgage is a purchase money mortgage. 30.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

> DEASON PROPERTIES, LLC, an Alabama limited liability company

By: Robert D. Deason
Print Name: Robert D. Deason

Title: Cresioont

STATE OF ALABAMA	)
· •	) ss
COUNTY OF Eduration	)

I, Donna K. Mctall, a Notary Public in and for said county in said state, hereby certify that Robert D. Deason, whose name as President of DEASON PROPERTIES, LLC, an Alabama limited liability company, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this date that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company. Given under my hand this 18th day of June, 1999.

NOTARY PUBLIC

MY COMMISSION EXPIRES SEPT. 9, 2000

This Document was Prepared by and,
After Recording, Should Be Returned to:
Fleet Business Credit Corporation
One South Wacker Drive
Chicago, Illinois 60606
Attention: Franchise Finance Division

## JOINDER OF TENANT

The undersigned, as tenant of the Mortgaged Property pursuant to that certain Lease Agreement dated June 18, 1999, by and between Mortgagor and Deason Foods, Inc., together with any and all renewals, extensions, amendments, modifications, restatements and supplements thereto (the "Lease"), hereby joins in the execution and delivery of this Mortgage for the purpose of subordinating its interest in the Lease to this Mortgage and the liens created in favor of Mortgagee and for the benefit of Mortgagee hereunder and in favor of Mortgagee under the other Loan Documents, and the undersigned, on its own behalf and on behalf of its successors and assigns, hereby covenants and agrees with and for the benefit of Mortgagee and its successors and assigns that the Lease and all right, title and interest of the undersigned, its successors and assigns, in, to and under the Lease shall be and are hereby made and shall continue to be subject and subordinate in all respects to the Mortgage, the other Loan Documents, the liens created in favor of or for the benefit of Mortgagee thereunder, and to any and all amendments, modifications, supplements, restatements, renewals and extensions of any of the foregoing.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the day and year first written above.

DEASON FOODS, INC., an Alabama corporation

Robert D. Deason, President

STATE OF ALABAMA

, ) ss.

COUNTY OF Edurah

I, Don't K. Mc Lall, a Notary Public in and for said county in said state, hereby certify that Robert D. Deason, whose name as president of DEASON FOODS, INC., an Alabama corporation, is signed to the foregoing subordination, and who is known to me, acknowledged before me on this date that, being informed of the contents of the subordination, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company. Given under my hand this \( \frac{1}{12} \) day of June, 1999.

NOTARY PUBLIC

MY COMMISSION EXPIRES SEPT. 9, 2000

#### EXHIBIT A

#### **Legal Description**

A parcel of land situated in the SW 1/4 of the NW 1/4 of Section 25, Township 20 South, Range 3 West, being more particularly described as follows: Commence at the point of intersection of the South line of said 1/4-1/4 Section and the Westerly right-of-way of Highway 31; thence run Northeasterly 161.16 feet along said right-of-way to the point of beginning; thence continue along last described course 138.0 feet; thence left 103°00'35" and run Westerly 171.86 feet; thence right 90° and run Northerly 89.79 feet; thence left 90° and run Westerly 52.14 feet; thence left 90° and run Southerly 203.94 feet; thence left 83°59'25" and run Easterly 194.00 feet to the point of beginning. Together with access, driveway, parking and drainage easements described in the Easement Agreement between Sherman Hollard, Jr. and D & T Associates, comprised of Duane L. Hoover and Patricia Anne Hoover, as shown in Deed Volume 107, Page 351, Probate Office, Shelby County, Alabama.

Inst # 1999-26330

-19
O16/24/1999-26330

O16/24/1999-26330

O19 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

O19 AMS 4369.00