

This instrument prepared by:

Ray D. Gibbons, Esq.
Gordon, Silberman, Wiggins & Childs, P.C.
1400 SouthTrust Tower
Birmingham, Alabama 35203

Inst # 1999-38611

09/15/1999-38611
10:07 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made and entered into this 27th day of August, 1999 by **C & M DEVELOPMENT, L.L.C.**, an Alabama limited liability company, whose address is P.O. Box 91, Montgomery, Alabama 36101, Attention: Mr. Mike Jenkins, **JENKINS DEVELOPMENT COMPANY, L.L.C.**, an Alabama limited liability company, whose address is P.O. Box 91, Montgomery, Alabama 36101, Attention: Mr. Mike Jenkins, and **SUPER-STEP DEVELOPMENT CORPORATION**, an Alabama corporation, whose address is P.O. Box 91, Montgomery, Alabama 36101, Attention: Mr. Mike Jenkins (hereinafter referred to each singularly as a "Borrower" and collectively as the "Borrowers"), and **SOUTHTRUST BANK, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with principal offices in Birmingham, Alabama, whose address is 420 North 20th Street (35203), P. O. Box 2554, Birmingham, Alabama 35290, Attention: Regional Corporate Banking Department, as Beneficiary (the "Bank"). Any capitalized term used herein but not defined shall have the meaning ascribed to such term in that certain Credit Agreement among Borrowers and Bank dated of even date herewith (as amended from time to time, the "Credit Agreement").

WITNESSETH:

WHEREAS, Borrowers are justly indebted to Bank in the principal amount of Four Million Six Hundred Thousand and No/100 Dollars (\$4,600,000.00), or such portion thereof as has been disbursed from time to time under the provisions of the Credit Agreement, such indebtedness being represented by (i) the Term Note in the principal amount of \$3,400,000.00, and (ii) the Construction/Term Note in the principal amount of \$1,200,000.00; and

• **WHEREAS**, the parties desire to secure the Obligations, including but not limited to the obligation to pay the principal of and interest on the Notes in accordance with the respective terms thereof or of the Credit Agreement, including any and all extensions, modifications, and renewals thereof and substitutions therefor.

NOW, THEREFORE, for and in consideration of the Bank making the Loans and to secure the prompt payment and performance of the Obligations, each Borrower does hereby irrevocably CONVEY, WARRANT, GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, PLEDGE and set over unto Bank, and the successors and assigns of Bank, all of such Borrower's Interest in the following described land and interests in land, estates, easements, rights, improvements, personal property, fixtures, equipment, furniture, furnishings, appliances and appurtenances, whether now owned or hereafter acquired, and including replacements and additions thereto (herein referred to collectively as the "Mortgaged Property"):

(a) All those certain tracts, pieces or parcels of land, and interests in land, located in Houston County, Alabama, Montgomery County, Alabama, and Shelby County, Alabama more

particularly described in Exhibits A-1 through A-3 attached hereto and by this reference made a part hereof (the "Land");

(b) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, water heaters, awnings and storm sashes, cleaning apparatus, and all other furnishings, furniture, fixtures, machinery, equipment, appliances, vehicles and personal property of every kind and nature whatsoever now or hereafter owned by any Borrower and which are or shall be attached to said buildings, structures or improvements, including all extensions, additions, improvements, betterments, renewals and replacements, substitutions, or proceeds from a permitted sale of any of the foregoing, and all building materials and supplies of every kind now or hereafter placed or located on the Land (collectively the "Improvements"), all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Mortgaged Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage;

(c) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all ground leases, estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversions, and remainders whatsoever, in any way belonging, relating or appertaining to the Mortgaged Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by any Borrower; and

(d) All rents, issues, profits, revenues and proceeds from any sale or other disposition of the Mortgaged Property, or any part thereof, from time to time accruing (including without limitation all payments under leases, ground leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits and escrow funds), and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrowers of, in and to the same.

TO HAVE AND TO HOLD the Mortgaged Property and all parts, rights, members and appurtenances thereof, to the use and benefit of Bank and the successors, successors-in-title and assigns of Bank, forever; and each Borrower covenants that such Borrower is lawfully seized and possessed of such Borrower's Interest in the Mortgaged Property as aforesaid and has good right to convey the same, that the same are unencumbered except for those matters expressly set forth in Exhibits A-1 through A-3 hereto, and each Borrower does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to those matters set forth in said Exhibits A-1 through A-3.

The Lien of this Mortgage automatically will attach to any further, greater, additional or different estate, rights, titles or interests in or to any of the Mortgaged Property at any time hereafter acquired by any Borrower by whatsoever means and without any further action or filing or recording on the part of any Borrower or the Bank or any other Person.

EACH BORROWER HEREBY FURTHER COVENANTS AND AGREES WITH BANK AS FOLLOWS:

ARTICLE I

1.01 Payment and Performance of Loan Documents. Each Borrower will perform, observe and comply with all the provisions hereof, and of each of the other Loan Documents, including, but not limited to, the due and punctual payment of the principal amount due under the Notes, together with interest thereon, and all other sums of money required to be paid by Borrowers pursuant to any one or more of the Loan Documents.

1.02 Security Agreement. With respect all personal property (the "Personal Property") constituting part of the Mortgaged Property which is subject to the provisions of Article 9 of the Uniform Commercial Code as enacted in the state wherein the Land is situated (the "UCC"), this Mortgage is hereby made and declared to be a security agreement encumbering each and every item of such Personal Property in compliance with the provisions of the UCC, and each Borrower hereby grants to Bank a security interest in said Personal Property. A financing statement or statements reciting this Mortgage to be a security agreement affecting all of such Personal Property shall be executed by Borrowers and Bank and appropriately filed. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Mortgage, or otherwise in respect of an Event of Default, shall be (a) as prescribed herein or in any other Loan Document with respect thereto, or (b) as prescribed by applicable Law, including the UCC, all at Bank's sole election. Each Borrower agrees that the filing of such financing statement(s) in the records normally having to do with personal property shall not in any way affect the agreement of Borrowers and Bank that everything used in connection with the production of income from the Mortgaged Property or adapted for use therein or which is described or reflected in this Mortgage, is, and at all times and for all purposes and in all proceedings both legal or equitable, shall be regarded as part of the real estate conveyed hereby regardless of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in an Exhibit to this Mortgage, or (iii) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to (A) the proceeds of any fire and/or hazard insurance policy, or (B) any award in eminent domain proceedings for taking or for loss of value, or (C) any Borrower's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall not in any way alter any of the rights of Bank as determined by this instrument or affect the priority of Bank's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement(s) is solely for the protection of Bank in the event any court shall at any time hold, with respect to the foregoing items (A), (B), or (C), that notice of Bank's priority of interest, to be effective against a particular class of persons, must be filed in the UCC records. This Mortgage may be filed as a financing statement in any office where Bank deems such filing necessary or desirable and Borrowers will promptly upon demand reimburse Bank for the costs therefor.

1.03 Use of Mortgaged Property. Borrowers shall at all times operate the Mortgaged Property in connection with the operation of the Borrowers' business. Borrowers shall not be permitted to alter or change the use of the Mortgaged Property without the prior written consent of Bank.

1.04 Conveyance of Mortgaged Property. Except as otherwise expressly permitted by the Credit Agreement, no Borrower shall directly or indirectly encumber (by lien, junior mortgage, or otherwise), pledge, convey, transfer or assign any or all of its interest in the Mortgaged Property without the prior written consent of Bank.

1.05 Acquisition of Collateral. Except as otherwise expressly permitted by the Credit Agreement, no Borrower shall acquire any Personal Property subject to any Lien taking precedence over the Lien of this Mortgage.

ARTICLE II

2.01 Events of Default. The term "Event of Default", wherever used in this Mortgage, shall mean an "Event of Default" as defined in the Credit Agreement.

2.02 Rights and Remedies.

(a) If an Event of Default shall have occurred, then in addition to the rights and remedies provided for under any other Loan Document or under applicable Law, then at the option of Bank this Mortgage may be foreclosed in any manner now or hereafter provided by Alabama law, and to the extent provided or allowed by Alabama law, the Bank, or its agent, may sell the Mortgaged Property or any part of the Mortgaged Property at one or more public sales before the front or main door of the courthouse of the county or counties, as may be required, in which the Land or any part of the Land is situated, after having first given notice of the time, place and terms of sale at least once a week for three (3) successive weeks preceding the date of such sale in some newspaper published in said county or counties, as may be required. At any such sale, Bank may execute and deliver to the purchaser a conveyance of the Mortgaged Property or any part of the Mortgaged Property. Bank shall have the right to enforce any of its remedies set forth herein without notice to Borrowers, except for such notice as may be required by law. In the event of any sale under this Mortgage by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceedings or otherwise, the Mortgaged Property may be sold as an entirety or in separate parcels and in such manner or order as Bank in its sole discretion may elect, and if Bank so elects, Bank may sell the personal property covered by this Mortgage at one or more separate sales in any manner permitted by the UCC, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until the entire Mortgaged Property is sold or the Obligations are paid in full. If the Obligations are now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Bank at its option may exhaust the remedies granted under any of said security instruments or this Mortgage either concurrently or independently, and in such order as Bank may determine.

Said sale may be adjourned by the Bank, or its agent, and reset at a later date without additional publication; provided that an announcement to that effect be made at the scheduled place of sale at the time and on the date the sale is originally set.

(b) In the event of any sale of the Mortgaged Property as authorized by this Section, all prerequisites of such sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the non-payment or non-performance of the Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

2.03 Purchase by Bank. Upon any foreclosure sale or sale of all or any portion of the Mortgaged Property under the power herein granted, Bank may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the Obligations as a credit to the purchase price.

2.04 Borrowers as Tenants Holding Over. In the event of any such foreclosure sale or sale under the powers herein granted, Borrowers (if Borrowers shall remain in possession) and all Persons holding under Borrowers shall be deemed tenants holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

2.05 Waiver of Appraisement, Valuation, Etc. Each Borrower agrees, to the full extent permitted by law, that in case of a default on the part of any Borrower hereunder, no Borrower nor anyone claiming through or under any Borrower will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and each Borrower, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets subject to the security interest of this Mortgage marshaled upon any foreclosure or sale under the power herein granted.

2.06 Waiver of Homestead. Each Borrower hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Mortgaged Property as against the collection of the Obligations, or any part thereof.

2.07 Leases. Bank, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by any Borrower, a defense to any proceeding instituted by Bank to collect the sums secured hereby.

2.08 Discontinuance of Proceedings. In case Bank shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Bank, then in every such case, Borrowers and Bank shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Bank shall continue as if no such proceedings had occurred.

ARTICLE III

3.01 Successors and Assigns. This Mortgage shall be binding upon the Borrowers, their successors and assigns and subsequent owners of the Mortgaged Property, or any part thereof, and shall inure to the benefit of Bank, its successors and assigns and any holder of the Notes.

3.02 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the State of Alabama.

3.03 Notices. All notices provided for herein shall be given and deemed received when given and received in accordance with the terms of the Credit Agreement.

3.04 Assignment. This Mortgage is assignable by Bank and any assignment of this Mortgage by Bank shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Bank.

3.05 Future Advances. THIS MORTGAGE SECURES FUTURE ADVANCES.

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IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be duly executed as of the day and year first above written.

BORROWERS:

C & M DEVELOPMENT, L.L.C.,
an Alabama limited liability company

By: Tommy D. Andreadis
Its: MC

JENKINS DEVELOPMENT COMPANY, L.L.C.,
an Alabama limited liability company

By: Tommy D. Andreadis
Its: MC

SUPER-STEP DEVELOPMENT CORPORATION,
an Alabama corporation

By: Tommy D. Andreadis
Its: CFO & Sec

BANK:

SOUTHTRUST BANK, NATIONAL ASSOCIATION

By: Alba Fay
Its: Vice President

STATE OF Alabama
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tommy G. Andreades, whose name as Manager of C & M Development, L.L.C., an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this the 27th day of August, 1999.

Elizabeth A. Conner (SEAL)
Notary Public
My Commission Expires: 11/10/2001

STATE OF Alabama
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tommy G. Andreades, whose name as Manager of Jenkins Development Company, L.L.C., an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this the 27th day of August, 1999.

Elizabeth A. Conner (SEAL)
Notary Public
My Commission Expires: 11/10/2001

STATE OF Alabama)
COUNTY OF Jefferson)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Tommy G. Andreades, whose name as Chief Financial Officer of Super-Step Development Corporation, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 27th day of August, 1999.

Rizobeth A. Conway (SEAL)
Notary Public
My Commission Expires: 1/10/2001

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Allan Causey, whose name as Vice President of SouthTrust Bank, National Association, a national banking association, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand and official seal, this the 27th day of August, 1999.

Rizobeth A. Conway (SEAL)
Notary Public
My Commission Expires: 1/10/2001

EXHIBIT A-1

LEGAL DESCRIPTION OF HOUSTON COUNTY PROPERTY AND PERMITTED EXCEPTIONS

One lot or parcel of land in the City of Dothan, Houston County, Alabama, as surveyed by Branton Land Surveyors as per plat dated 2-1-94, and being more particularly described as follows:

Beginning at an existing iron pipe and fence on the North R/W of Carroll Street (60' R/W) marking the intersection of the West line of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 26, Township 3 North, Range 26 East and from said point run North $01^{\circ}36'01''$ West along said fence and the West line of said forty a distance of 243.99 feet to an existing iron pipe and the SW corner of the Ace Hardware Property; thence North $42^{\circ}07'00''$ East along the Southerly line of the Ace Hardware Property a distance of 369.15 feet to an existing iron pipe on the Southwesterly R/W of the Ross Clark Traffic Circle (250' R/W); thence South $43^{\circ}45'20''$ East along said R/W a distance of 200 feet to a set iron pipe; thence South $42^{\circ}07'00''$ West a distance of 418.77 feet to a set iron pipe; thence South $01^{\circ}36'01''$ East a distance of 65.41 feet to a set iron pipe on the North R/W of the above mentioned Carroll Street; thence North $89^{\circ}34'00''$ West along said R/W a distance of 100 feet to the point of beginning. Said land being located in the above mentioned forty.

SUBJECT TO exceptions numbered 4, 5, and 6 as set forth in that certain commitment for title insurance, Commitment No. 2740-F, NBU #149904349, issued by Chicago Title Insurance Company and dated July 26, 1999.

EXHIBIT A-2

LEGAL DESCRIPTION OF MONTGOMERY COUNTY PROPERTY
AND PERMITTED EXCEPTIONS

Commence at the Southeast corner of the Southwest Quarter of Section 14, Township 16 North, Range 19 East, Montgomery County, Alabama; thence run along the North-South half section line of said Section 14, North 00°14'32" East, 1320.54 feet to an iron pin; thence North 00°18'09" East, 662.95 feet to an iron pin and the point of beginning; thence North 99°46'46" West, 320.67 feet to an iron pin; thence North 00°20'19" East, 376.09 feet to an iron pin lying on the South right of way of Highway 80; thence run along said right of way North 88°41'43" East, 320.06 feet to an iron pin; thence leave said right of way and run South 00°13'42" West, 384.62 feet to the point of beginning.

Said described property lying in the Southwest Quarter of Section 14, Township 16 North, Range 19 East, Montgomery County, Alabama.

SUBJECT TO exceptions numbered 4, 5, 6 and 7 as set forth in that certain commitment for title insurance, Commitment No. 2735-F, NBU #149904350, issued by Chicago Title Insurance Company and dated July 22, 1999.

EXHIBIT A-3

LEGAL DESCRIPTION OF SHELBY COUNTY PROPERTY
AND PERMITTED EXCEPTIONS

A parcel of land located in the Southwest Quarter of Section 31, Township 19 South, Range 2 West and the Northwest Quarter of Section 6, Township 20 South, Range 2 West, Shelby County, Alabama, more particularly described as follows:

Commence at the Southeast corner of the Southwest Quarter of Section 31; thence run North along the quarter line 506.79 feet; thence left $121^{\circ}25'36''$, 1325.96 feet to the point of beginning; thence continue along the same course Southwesterly 87.36 feet; thence right $39^{\circ}39'13''$, 251.74 feet to the Easterly right of way of U.S. Highway 31; thence right $90^{\circ}00'$, 415.25 feet Northerly along said R.O.W.; thence right $90^{\circ}00'$, 319.00 feet; thence right $90^{\circ}00'$, 359.51 feet to the point of beginning.

SUBJECT TO exceptions numbered 4, 5, and 6 as set forth in that certain commitment for title insurance, Commitment No. 2741-F, NBU #149904348, issued by Chicago Title Insurance Company and dated July 27, 1999.

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SHELBY COUNTY JUDGE OF PROBATE
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