

STATE OF ALABAMA
COUNTY OF SHELBY

Saginaw Ind. Park
Lot 1
Carter Homes.
Hwy 26 w/Haux

COVENANTS TO RUN WITH THE LAND

WHEREAS,

Carter Homes & Dev Inc.

hereinafter called the owner(s) of certain real property situated in SHELBY County, Alabama, described in Exhibit "A," attached hereto and incorporated fully;

and

WHEREAS, upon said property the owner(s) desire(s) to construct an alternative onsite sewage disposal system, hereinafter called the system, to service the facility/dwelling on said property; and

WHEREAS, the approval of the system by the Shelby County Health Department, hereinafter called the local health department, is conditioned upon the covenant by the owner(s) and his/her/their successors in title and his/her/their assigns that he/she/they will satisfy all of the requirements of the local health department and assure the proper functioning of the system.

NOW, THEREFORE, in consideration of the premises, the owner(s) hereby declare the following covenants to run with the land described in Exhibit "A":

1. The owner(s) and his/her/their successors in title and assigns shall comply with the Rules of the State Board of Health governing onsite sewage disposal (Chapter 420-3-1, Alabama Administrative Code), and with the terms and conditions of the permit issued by the local health department for the system, with respect to construction, installation, operation, maintenance, and repair of the system.
2. The owner(s) hereby give his/her/their assurance that the system shall be installed, and that the completed installation shall be certified by an

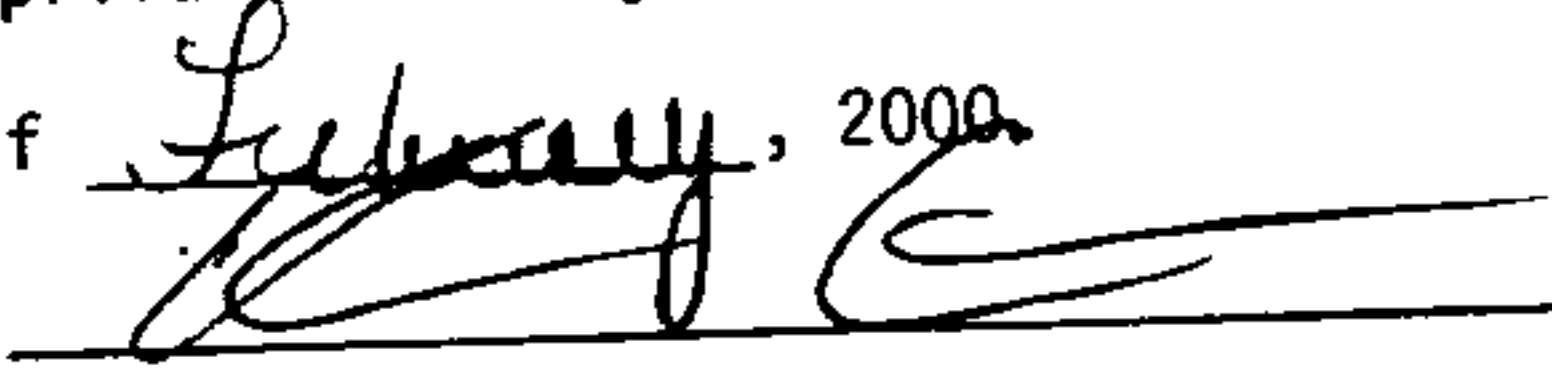
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engineer. The owner(s) and his/her/their successors in title and assigns hereby give his/her/their assurance that he/she/they will provide adequate maintenance for the system and that the system shall not receive hazardous waste, nonbiodegradable waste, or any waste which may contain high levels of metals, or chemicals from industrial, agricultural, or chemical establishments. The system shall receive only domestic liquid waste containing animal or vegetable matter in suspension or solution, and may include liquids containing chemicals in solution from water closets, urinals, lavatories, bathtubs, showers, laundry tubs or devices, floor drains, drinking fountains, or other sanitary fixtures.

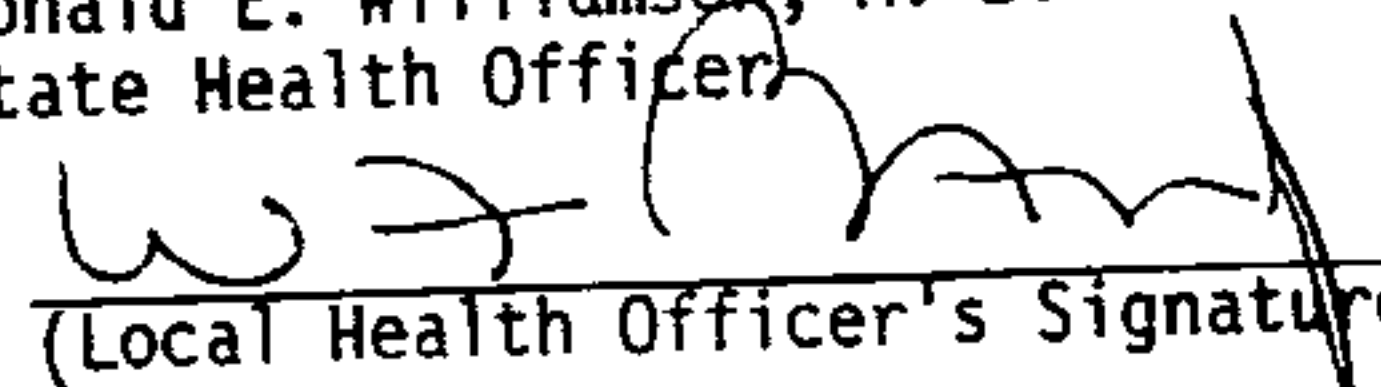
3. These covenants shall run with the land and be binding on all present and future owners or occupants of said facility/dwelling and the property on which it is situated until such time as the system is no longer required by the Administrative Code, the same being the case when the facility/dwelling is connected to a public or private sanitary sewer system.

Dated this, the 15th day of February, 2000.



(Signature(s) of Owner(s))

Donald E. Williamson, M. D.
State Health Officer

By: 

(Local Health Officer's Signature)

Exhibit "A"

All the property in the survey of See Exhibit, a map/deed of which is recorded in Map/Deed Book _____, page _____ or instrument # _____ in the Probate Office of Shelby County, Alabama. Or all property described in the attached legal description.

STATE OF ALABAMA

COUNTY OF SHELBY

I, The undersigned Notary Public in and for said County, in said State, hereby certify that Kenneth Carter, whose name(s) is/are signed to the foregoing instrument, and who is/are known to me, acknowledge(s) before me this day that, being informed of the contents thereof, he/she/they has/have executed the same voluntarily on the day the same bears date. Given under my hand and official seal, this 15th day of February, 2000.

Cathy Powell
Notary Public

My commission Expires July 21, 2000

Notary Public, State of Alabama At Large
My Commission Expires July 21, 2002

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned Notary Public in and for said County, in said state, hereby

Donald E. Williamson, M. D.

certify that By: W E B

Local Health officer's Name

whose name is signed to the foregoing instrument, and who is known to me, acknowledges before me this day, that being informed of the contents hereof, has executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this 15 day of February, 2000

Shelia D. Cook
Notary Public

My Commission Expires 09/13/03

COPY

**Bank
MORTGAGE**

THIS MORTGAGE IS between Carter Homes & Development, Inc., whose address is 104 C Canyon Park Circle, Pelham, AL 35124 (referred to below as "Grantor"); and Regions Bank, whose address is 2964 Pelham Parkway, Pelham, AL 35124 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following-described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in Shelby County, State of Alabama (the "Real Property"):

Lot 1, according to the survey of Saginaw Industrial Park, as recorded in Map Book 25, page 54, in the Probate Office of Shelby County, Alabama. Also, an access easement, crossing Lot 2, Saginaw Industrial Park in the shape of a semi-circle, being situated in the Southeast 1/4 of the Southeast 1/4 of Section 12, Township 21 south, Range 3 West, Shelby County, Alabama, being more particularly described as follows: An easement being in the shape of a semi-circle, the radius point of said semi-circle being the Southwest corner of Lot 2, at the intersection of the easterly right of way of Shelby County Highway 26. Said radius being 29.00 feet, semi-circle beginning at the intersection of the easterly right of way of said Highway and extending clockwise to end at the intersection of the South line of said Lot 2; being situated in Shelby County, Alabama.

THE REAL PROPERTY DESCRIBED ABOVE DOES NOT CONSTITUTE THE HOMESTEAD OF THE GRANTOR.
The Real Property or its address is commonly known as Lot 1 Saginaw Industrial Park, Alabaster, AL 35007.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Grantor. The word "Grantor" means Carter Homes & Development, Inc.. The Grantor is the mortgagor under this Mortgage.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means Regions Bank, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated March 24, 1999, in the original principal amount of \$40,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in a reasonable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "release," and "threatened release," as used in

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