

Inst # 2001-57245

MORTGAGE

12/28/2001-57245

01:20 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

STATE OF ALABAMA
COUNTY OF SHELBY

This mortgage, referred to as Security Instrument, ^{806 CH 1151.00} is given on December 27, 2001. The mortgagor, referred to as Borrower, is **Jones Family Fund, LLC**, a Tennessee limited liability company and whose address is 7519 Capital Drive, Suite 2, Germantown, Shelby County, Tennessee 38138. This Security Instrument is given to **Schilling Enterprises, L.L.C.**, a Alabama Limited Liability Company, referred to as Lender and whose address is 7519 Capital Drive, Suite 2, Germantown, Shelby County, Tennessee 38138.

Borrower owes Lender the principal sum of Seven Hundred Fifty Thousand and No/100 Dollars (U.S. \$750,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument, referred to as Note, which provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 27, 2013.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions, and modifications; (b) the payment of all other sums, with interest, advanced under Section Seven to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant, and convey to Lender the following-described property located in Shelby County, Alabama:

Part of Block 1 of Cahaba Valley Park North as recorded in Map Book 13, Page 140, in the Office of the Judge of Probate, Shelby County, Alabama, being situated in Section 31, Township 19 South, Range 2 West, more particularly described as follows:

COMMENCE at the centerline of point of tangent station 15+73.05 of Cahaba Valley Parkway; thence run Northwesterly along the centerline of said Cahaba Valley Parkway for 6.92 feet; thence 90 degrees 00 minutes 00 seconds left and run Southwesterly for 30.00 feet to a point on the Westerly right-of-way line of said Cahaba Valley Parkway, said point being the point of beginning of the property herein described; thence continue Southwesterly along the last described course for 210.00 feet to a point on the Southwesterly line of said Block 1; thence 90 degrees 00 minutes 00 seconds left and run Southeasterly along said line of Block One for 400.00 feet; thence 90 degrees 00 minutes 00 seconds left and run Northeasterly for 213.91 feet to a point on the Westerly right-of-way line of said Cahaba Valley Parkway; thence 89 degrees 58 minutes 36 seconds left and run Northeasterly along the said right-of-way line for 192.12 feet; thence 1 degree 57 minutes 23 seconds left to become tangent to a curve to the right; said curve subtending a central angle of 1 degree 56 minutes 00 seconds and having a radius of 5,956.59 feet; thence run 200.99 feet Northwesterly along the arc of said curve and along said right-of-way line to the end of said curve; thence at tangent to said curve; run Northwesterly along said right-of-way line for 6.92 feet to the point of beginning; being situated in Shelby County, Alabama.

which has the address of 141 Cahaba Valley Parkway, Pelham, Shelby County, Alabama, and is referred to as Property Address.

To have and to hold this property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Borrower and Lender covenant and agree as follows:

SECTION ONE

PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES

Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

SECTION TWO

TAXES AND INSURANCE

Until such time as the Note is paid in full, Borrower shall at all times keep the Property insured against fire and all hazards in amount equal to the value of the Property and shall, when

required, provide proof of such insurance to Lender by current certificates of insurance. Until such time as the Note is paid in full, Borrower shall at all times pay any and all taxes and assessments against the Property before they become delinquent. See Sections Four and Five for additional provisions regarding taxes and insurance.

SECTION THREE APPLICATION OF PAYMENTS

Unless applicable law provides otherwise, all payments received by Lender under Sections One shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note, if any, ; third, to amounts payable by Borrower under Section Two; fourth, to interest due; and last, to principal due.

SECTION FOUR CHARGES; LIENS

Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property that may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay them on time directly to the person owed payment. If Borrower makes these payments directly, Borrower shall furnish to Lender receipts evidencing the payments when requested by Lender. Borrower shall promptly discharge any lien that has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien that may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within thirty (30) days of the giving of notice.

SECTION FIVE HAZARD INSURANCE

Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be withheld unreasonably.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty (30) day period will begin when the notice is received.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Sections One or change the amount of the payments. If under Section Nineteen, the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

SECTION SIX PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS

Borrower shall not destroy, damage, or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

SECTION SEVEN
PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY; MORTGAGE INSURANCE

If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien that has priority over this Security Instrument, appearing in court, paying reasonable attorney fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this Section Seven shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, on notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

SECTION EIGHT
INSPECTION

Lender or its agent may make reasonable entries on and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

SECTION NINE
CONDEMNATION

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty [30] days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Section One or change the amount of the payments.

SECTION TEN
BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER

The extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

SECTION ELEVEN
SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS

The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Section Seventeen. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant, and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

SECTION TWELVE LOAN CHARGES

If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower that exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

SECTION THIRTEEN LEGISLATION AFFECTING LENDER'S RIGHTS

If the enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by Section Nineteen. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of Section Seventeen.

SECTION FOURTEEN NOTICES

Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated above or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when received.

SECTION FIFTEEN GOVERNING LAW; SEVERABILITY

This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, the conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

SECTION SIXTEEN BORROWER'S COPY

Borrower shall be given one conformed copy of the Note and of this Security Instrument.

SECTION SEVENTEEN TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty [30] days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

SECTION EIGHTEEN BORROWER'S RIGHT TO REINSTATE

If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) five [5] days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums that then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorney fees; and (d)

takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property, and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. On reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Sections Thirteen or Seventeen.

SECTION NINETEEN ACCELERATION; REMEDIES

Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Sections Thirteen and Seventeen unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty [30] days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section Fourteen. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Shelby County, Alabama, and then shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of Shelby County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorney fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

SECTION TWENTY LENDER IN POSSESSION

On acceleration under Section Nineteen, or abandonment of the Property, Lender (in person, by agent, or by judicially appointed receiver) shall be entitled to enter on, take possession of and manage the Property, and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorney fees, and then to the sums secured by this Security Instrument.

SECTION TWENTY-ONE RELEASE

On payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

SECTION TWENTY-TWO WAIVERS & MISCELLANIOUS

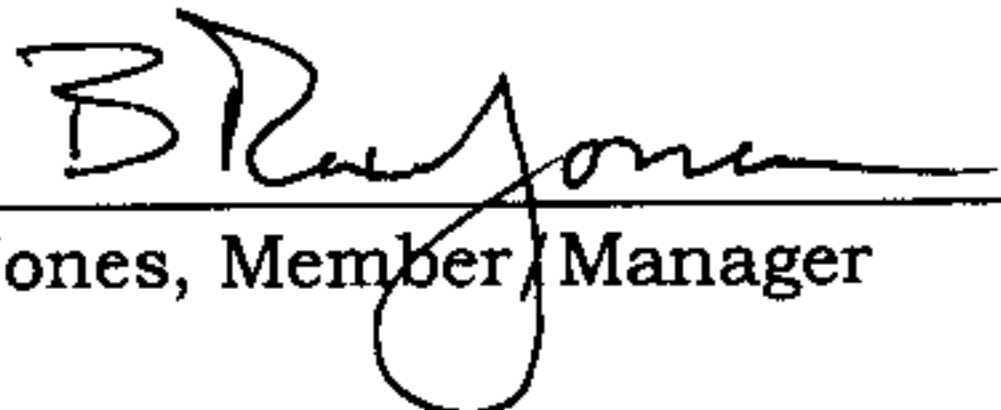
Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property.

This Security Instrument is given on the condition that the Borrower is solely responsible for the Note and any sums due hereunder and no Member, officer or manager of the Borrower shall have any responsibility therefore, or be liable therefore, except in the case of fraud or knowing, willful negligence, for any and all such claims being waived by Lender's acceptance of this Security Instrument, evidenced by Lender's accepting deliver of the Note.

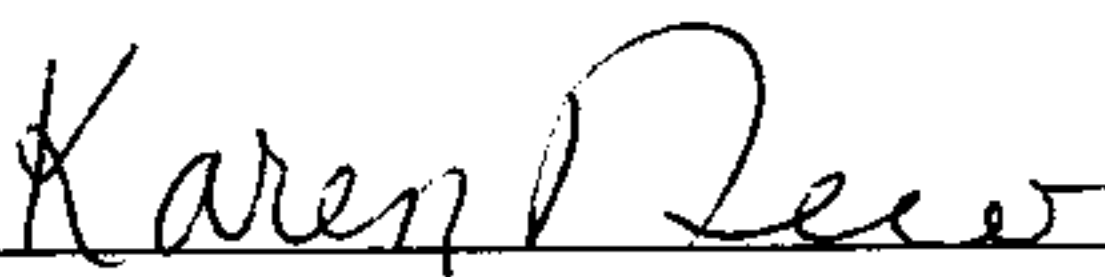
End of page – see following page for signatures

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument as of the date stated above.

BORROWER:
JONES FAMILY FUND, LLC

By: 
Rex Jones, Member/Manager

ATTEST:


Karen New,
Secretary of Jones Family Fund, LLC

STATE OF TENNESSEE
COUNTY OF SHELBY

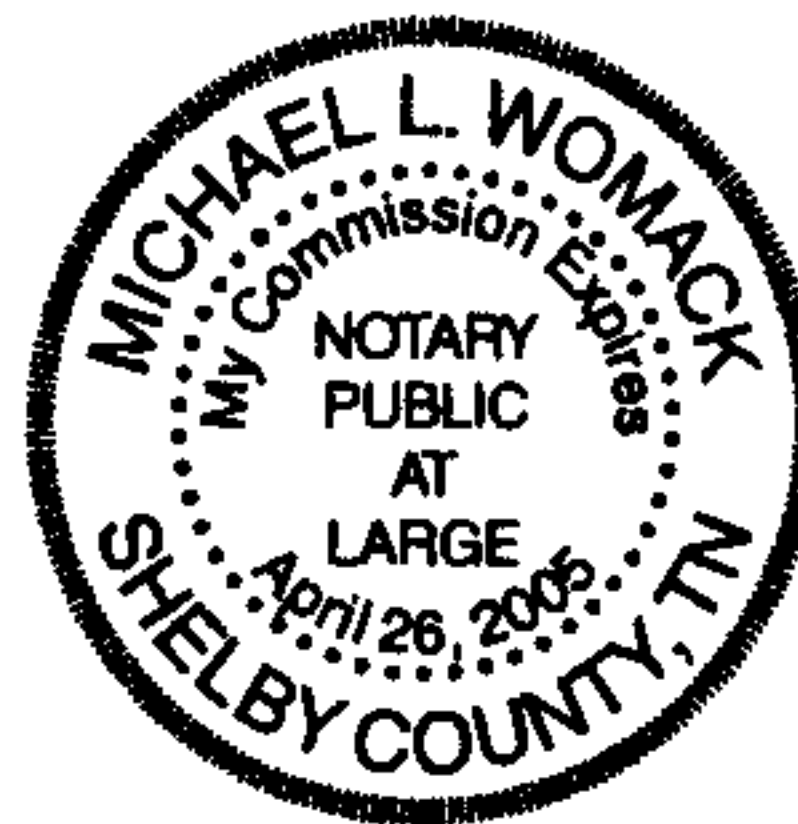
BEFORE ME, the undersigned Notary Public in and for the State and County aforesaid, duly commissioned and qualified, personally appeared Rex Jones and Karen New, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged upon oath or affirmation that they executed the within instrument for the purposes therein contained, and who further acknowledged upon oath or affirmation that they are the Member/Manager and Secretary respectively of JONES FAMILY FUND, LLC, the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker for the purposes therein contained.

WITNESS my hand, at office, in Memphis, Shelby County, Tennessee this 27th day of December, 2001.


NOTARY PUBLIC

My Commission Expires:
4-26-05

Prepared by and Return to:
Michael L. Womack
Williams, McDaniel, Wolfe & Womack, P.C.
5521 Murray Avenue
Memphis, Tennessee 38119



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