

STATE OF ALABAMA :  
 :SS  
COUNTY OF SHELBY :

SPACE ABOVE LINE FOR  
RECORDER'S USE

**LEASEHOLD CONSTRUCTION MORTGAGE WITH ASSIGNMENT OF  
RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING**

**THIS INDENTURE** (herein this "Mortgage") made as of May 3, 2002, between **SHELBY MOB III, LLC**, an Alabama limited liability company whose address is 1900 International Park Drive, Suite 100, Birmingham, Alabama 35243 (hereinafter called the "Borrower"), Mortgagor, and **UNION PLANTERS BANK, NATIONAL ASSOCIATION**, whose address is 255 Grant Street SE, Decatur, Alabama 35601 (hereinafter called "Bank"), Mortgagee.

**THIS MORTGAGE IS FILED AS AND SHALL CONSTITUTE A FIXTURE FILING IN ACCORDANCE WITH THE PROVISIONS OF SECTION 7-9-402(6) OF THE CODE OF ALABAMA. THIS MORTGAGE IS A "CONSTRUCTION MORTGAGE" WITHIN THE MEANING OF SUCH TERM IN SECTION 7-9-313(1)(c) AND SECTION 7-9-313(6) OF THE CODE OF ALABAMA.**

**W I T N E S S E T H:**

**WHEREAS**, Borrower is justly indebted to Bank on a certain loan and other obligations pursuant to that certain Loan Agreement dated as of even date herewith (the "Loan Agreement") between Borrower and Bank, which loan (the "Loan") is evidenced by the promissory note dated as of even date herewith (the "Note") in the original principal amount of \$8,400,000 executed by the Borrower in favor of the Bank;

**WHEREAS**, Borrower may hereafter become indebted to Bank or to a subsequent holder of this Mortgage (the Bank and any subsequent holder of this Mortgage being referred to herein as "Lender") on other loans or otherwise; and

**WHEREAS**, the parties desire to secure the principal amount of the Loan with interest, and all renewals, extensions and modifications thereof, and all refinancing of all or any part of the Loan and any and all other additional indebtedness of Borrower to Lender, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct or indirect, liquidated or unliquidated, including any renewals, extensions, modifications and refinancing thereof, and whether incurred or given as maker, endorser, guarantor or otherwise, and whether the same be evidenced by note, open account, assignment, endorsement, guaranty, pledge or otherwise (herein "Other Indebtedness").

**NOW, THEREFORE**, the Borrower, in consideration of Lender's making the Loan, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancing of same, and any charges herein incurred by Lender on account of Borrower, including reasonable attorneys' fees, and any and all Other Indebtedness as set forth above, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note and set forth in all other documents evidencing, securing or executed in connection with the Loan (this Mortgage, the Note and such other documents are sometimes referred to herein as the "Loan Documents"), and as may be set forth in instruments evidencing or securing Other Indebtedness (collectively, the "Other Indebtedness Instruments"), has bargained and sold and does hereby grant, bargain, sell, alien and convey unto the Lender, its successors and assigns, the following described land, real estate, estates, buildings, improvements, fixtures, furniture, and personal property (which together with any additional such property in the possession of the Lender or hereafter acquired by the Borrower and subject to the lien of this Mortgage, or intended to be so, as the same may be constituted from time to time is hereinafter sometimes referred to as the "Mortgaged Property") to-wit:

- (a) The leasehold interest (the "Leasehold") in that tract or parcel or parcels of land, easements and other estates particularly described on Exhibit "A" attached hereto and made a part hereof (the "Land"), created pursuant to that certain Ground Lease dated as of March \_\_, 2002 (the "Ground Lease") between Baptist Health System, Inc., as landlord, and Borrower, as tenant, and the easements and other rights created pursuant to that certain Access, Ingress, Egress, Parking and Utilities Easements and Restrictions Agreement dated as of even date with the Ground Lease, which easements are further described in Exhibit "B" attached to this Mortgage and incorporated in this Mortgage by reference, together with all rights, options and other benefits inuring to Borrower as lessee of the Leasehold, including any and all reversions or remainders in and to the Leasehold and all credits, deposits, options (including any options to purchase or renew set forth therein and other privileges and rights of lessee thereunder) (collectively, the "Leasehold Estate");
- (b) All buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the Land or the Leasehold Estate, and all fixtures, fittings, building materials, equipment, furniture and furnishings and personal property of every nature whatsoever now or hereafter owned by the Borrower and used or intended to be used in connection with or with the operation of said property, buildings, structures of other improvements, including all extensions, additions, improvements, betterments, renewals, substitutions, replacements and accessions to any of the foregoing, whether such fixtures, fittings, building materials, machinery,



equipment, furniture, furnishings and personal property actually are located on or adjacent to the Land or the Leasehold Estate or not, and whether in storage or otherwise, and wheresoever the same may be located (the "Improvements");

- (c) All personal and fixture property of every kind and nature including all furniture, fixtures, equipment, raw materials, inventory, other goods, accounts, contracts (including all construction contracts, architectural services contracts, management contracts, leasing agent contracts, purchase and sales contracts, put or other option contracts, and all other contracts and agreements relating to the construction of improvements on, or the operation, management and sale of all or any part of the Land, Improvements and Leasehold Estate), contract rights, rights to the payment of money, insurance refund claims and all other insurance claims and proceeds, tort claims, chattel paper, electronic chattel paper, documents, instruments (including promissory notes), securities and other investment property, deposit accounts, rights to proceeds of letters of credit, letter-of-credit rights, as-extracted collateral, supporting obligations of every nature, and general intangibles including all payment intangibles, tax refund claims, license fees, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, rights to sue and recover for past infringement of patents, trademarks and copyrights, computer programs, computer software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kind or nature pursuant to which (i) the Borrower operates or has authority to operate, (ii) the Borrower possesses, uses or has authority to possess or use property (whether tangible or intangible) of others, or (iii) others possess, use or have authority to possess or use property (whether tangible or intangible) of the Borrower, and all recorded data of any kind or nature, regardless of the medium of recording, including all software, writings, plans, specifications and schematics;
- (e) Together with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, leases, subleases, licenses, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Borrower, and the reversion and reversions, remainder and remainders, rents, issues and

profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Borrower of, in and to the same, including:

- (i) All rents, royalties, profits, products, issues and revenues of the Land, the Leasehold Estate and Improvements from time to time accruing, whether under leases or tenancies now existing or hereafter created; and
  - (ii) All judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings of the taking of the Land, the Leasehold Estate and Improvements or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Land, the Leasehold Estate and Improvements or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets. Lender hereby is authorized on behalf of and in the name of Borrower to execute and deliver valid acquittances for, and appeal from, any such judgments or awards. Lender may apply all such sums or any part thereof so received, after the payment of all its expenses, including costs and reasonable attorneys' fees, on any of the indebtedness secured hereby in such manner as it elects or, at its option, the entire amount or any part thereof so received may be released;
- (f) All cash and non-cash proceeds and all products of any of the foregoing items or types of property described in (a), (b), (c) or (d) above, including all insurance, contract and tort proceeds and claims, and including all inventory, accounts, chattel paper, documents, instruments, equipment, fixtures, consumer goods and general intangibles, including payment intangibles, as such terms are defined in the Uniform Commercial Code (as defined in Section 3.1 below) acquired with cash proceeds of any of the foregoing items or types of property described in (a), (b), (c) or (d) above.

**TO HAVE AND TO HOLD** the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns forever, subject, however, to the terms and conditions herein;

**PROVIDED, HOWEVER,** that these presents are upon the condition that, (i) if the Borrower shall fully pay or cause to be fully paid to the Lender the principal and interest payable with respect of the Loan, and any extensions, renewals, modifications and refinancing of same, at the times and in the manner stipulated therein and herein, all without any deduction or credit for



taxes or other similar charges paid by the Borrower, and shall pay all charges incurred herein by Lender on account of Borrower, including reasonable attorneys' fees, (ii) any and all Other Indebtedness, (iii) Borrower shall keep, perform and observe all and singular the covenants, conditions and agreements in this Mortgage, in the other Loan Documents, and in the Other Indebtedness Instruments expressed to be kept, performed, and observed by or on the part of the Borrower, all without fraud or delay, and (iv) the Lender shall have no further commitment or agreement to make advances, incur obligations or give value under the Loan, the Note, any other Loan Document or any Other Indebtedness Instrument (including advances, obligations or value relating to future advances, if any), then this Mortgage, and all the properties, interests and rights hereby granted, bargained, sold and conveyed shall cease, terminate and be void, but shall otherwise remain in full force and effect.

**AND** the Borrower further represents, warrants, covenants and agrees with the Lender as follows:

## **ARTICLE I GENERAL**

**1.1 Performance of Mortgage, Note and Loan Documents.** The Borrower shall perform, observe and comply with all provisions hereof, of the Note, of the other Loan Documents, and of the Other Indebtedness Instruments, and shall duly and punctually pay to the Lender the sums of money expressed in the Note, with interest thereon, and all other sums required to be paid by the Borrower pursuant to the provisions of this Mortgage, of the Note, of the other Loan Documents, and of the Other Indebtedness Instruments, all without any deductions or credit for taxes or other similar charges paid by the Borrower.

**1.2 Warranty of Title.** Borrower hereby warrants that it is lawfully seized of an indefeasible leasehold interest in the land and real property hereby mortgaged, or is lawfully seized of such other estate or interest as is described on Exhibit A hereto, and has good and absolute title to all existing personal property hereby granted as security, and has good right, full power and lawful authority to sell, convey, mortgage and grant a security interest in the same in the manner and form aforesaid; that the Mortgaged Property is free and clear of all grants, reservations, security interests, liens, charges, and encumbrances whatsoever, including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature,, and that Borrower shall and will warrant and forever defend the title thereto and the quiet use and enjoyment thereof unto the Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

**1.3 Future Advances, Revolving and Open-End Loan, and Other Debts.** It is expressly understood that this Mortgage is intended to and does secure not only the Loan, but also future advances and any and all Other Indebtedness, obligations and liabilities, direct or contingent, of the Borrower to the Lender, whether now existing or hereafter arising, and any and all extensions, renewals, modifications and refinancing of same, or any part thereof, existing at any time before

actual cancellation of this instrument on the probate records of the county or counties where the Mortgaged Property is located, and whether the same be evidenced by notes, open account, assignment, endorsement, guaranty, pledge or otherwise. The Loan and the Other Indebtedness may, if provided in the applicable loan instruments, provide for revolving or open-end loans and advances, all of which shall be secured by this Mortgage.

**1.4 Monthly Tax Deposit.** Provided that no Event of Default has occurred under this Mortgage, the Note, or any of the other Loan Documents, Borrower shall pay the yearly taxes on the Mortgaged Property. If required by Lender after an Event of Default has occurred, Borrower shall pay on the first day of each month one-twelfth (1/12) of the yearly taxes on the Mortgaged Property, as estimated by Lender, in addition to each regular installment of principal and interest. Such sums shall not draw interest and shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender. Borrower agrees to pay Lender the amount of any deficiency necessary to enable Lender to pay such taxes when due. Such sums may be applied by the Lender to the reduction of the indebtedness secured hereby in any manner selected by Lender if an Event of Default shall occur under this Mortgage or under the Note, any of the other Loan Documents, or any of the Other Indebtedness Instruments, but, unless otherwise agreed by the Lender in writing, no application of tax deposits to the Loan, to Other Indebtedness, or to other obligations secured hereby, shall delay, reduce, alter or otherwise affect any regularly scheduled payment with respect to the Loan, the Other Indebtedness, or any such other obligations.

**1.5 Other Taxes, Utilities and Liens.**

- (a) The Borrower shall pay promptly, when and as due, and, if requested, will exhibit promptly to the Lender receipts for the payment of all taxes, assessments, water rates, utility charges, dues, charges, fines, penalties, costs and other expenses incurred, and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Property or any part thereof or upon the revenues, rents, issues and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof, or upon the interest of the Lender in the Mortgaged Property (other than any of the same for which provision has been made in Paragraph 1.4 of this Article I), or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property.
- (b) The Borrower promptly shall pay and shall not suffer any mechanic's, laborer's, statutory or other lien to be created or to remain outstanding upon any of the Mortgaged Property except that the Borrower shall not be required to pay or perform any such liens that are being actively contested in good faith by appropriate proceedings, provided that the Borrower has posted such security for the payment or



performance of such liens as the Lender may reasonably require and, by reason of nonpayment, none of the Mortgaged Property is prejudiced or in danger of being sold, foreclosed or otherwise lost or forfeited, and, provided further, that if any action or other proceeding is instituted to enforce any lien against the Mortgaged Property, the Borrower shall immediately make such payments, obtain such surety bonds and/or take such other action as the Lender may reasonably require in order to release such lien.

- (c) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes, then Borrower immediately shall pay any increased taxes if allowed by law, and if Borrower fails to pay such additional taxes, or if Borrower is prohibited from paying such taxes, or if Lender in any way is adversely affected by such law, order, rule or regulation, then in any of such events, all indebtedness secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the Lender.

#### **1.6 Insurance.**

- (a) The Borrower shall procure for, deliver to, and maintain for the benefit of the Lender during the term of this Mortgage, insurance policies in such amounts as the Lender shall reasonably require, insuring the Mortgaged Property against fire, extended coverage, war damage (if available), and such other insurable hazards, casualties and contingencies as the Lender may reasonably require. The form of such policies, the companies issuing them and the deductible amounts applicable thereunder shall be reasonably acceptable to the Lender, and, unless otherwise agreed by the Lender in writing, shall provide for coverage without coinsurance. All policies shall contain a New York standard, non-contributory mortgagee endorsement making losses payable to the Lender, as mortgagee. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the Lender shall be delivered to the Lender. The Borrower shall deliver to the Lender receipts evidencing the payment of all such insurance policies and renewals. In the event of the foreclosure of this Mortgage or any transfer of title to the Mortgaged Property in partial or full extinguishment of the indebtedness secured thereby, all right, title and interest of the

Borrower, or its assigns, in and to all insurance policies then in force shall pass to the purchaser or grantee.

- (b) If an Event of Default has occurred or is continuing, the Borrower shall pay on the first day of each month, in addition to any regular installment of principal and interest and other charges with respect to indebtedness secured hereby, and the monthly tax deposit provided for in Paragraph 1.4 hereof, one-twelfth (1/12th) of the yearly premiums for insurance maintained pursuant to the provisions of this Paragraph 1.6. Such amount shall be used by Lender to pay such insurance premiums when due. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Upon demand of the Lender, the Borrower agrees to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts deposited by Borrower with Lender pursuant to this Paragraph 1.6 to enable the Lender to pay such insurance premiums when due. In the event of an Event of Default hereunder or of a default by Borrower under the Note, any other Loan Documents, or any Other Indebtedness Instruments, the Lender may apply such sums to the reduction of the indebtedness secured hereby in any manner selected by Lender, but, unless otherwise agreed by the Lender in writing, no application of insurance proceeds to the Loan, to Other Indebtedness, or to other obligations secured hereby, shall delay, reduce, alter or otherwise affect any regularly scheduled payment with respect to the Loan, the Other Indebtedness, or any such other obligations.

**1.7 Insurance, Condemnation and Damage Claims.** All proceeds of any claim, demand, award, settlement or other payment arising or resulting from or otherwise relating to any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Mortgaged Property (a "Damage Claim") are assigned and shall be payable and delivered to the Lender (any such proceeds of any Damage Claim being referred to in this Mortgage as "Damage Proceeds"). So long as no Event of Default has occurred and is continuing, the Borrower may settle, compromise or adjust any Damage Claim for up to 70% of the total square footage of the Improvements with the prior written consent of Lender. In all other events, including the occurrence of an Event of Default, Lender shall have the sole right to settle, compromise or adjust any Damage Claim in such manner as Lender may determine, and for this purpose Lender may, in its own name or in the name of Borrower, take such action as necessary or appropriate to realize on any such Damage Claim; provided that Lender shall not be liable to Borrower or otherwise responsible for any failure to collect any Damage Proceeds regardless of the cause of such failure other than the gross negligence of Lender. In any case, all Damage Proceeds payable in connection with any such Damage Claim shall be delivered directly to



Lender. Any Damage Proceeds received by Lender, after deduction for the expenses incurred by Lender in connection with the collection of such funds, may be applied by Lender in payment of the Loan or the Other Indebtedness (whether then matured or to mature in the future) in such order and manner as Lender shall determine in its sole discretion, provided that Lender shall release such Damage Proceeds to Borrower for the restoration of the Improvements in a manner consistent with Lender's procedures for disbursements of construction loans in general, except that Lender shall not be required to release such Damage Proceeds (and may apply such Damage Proceeds to the Loan and the Other Indebtedness as set forth above) if (i) an Event of Default has occurred and is continuing, (ii) the Damage Claim affects 30% or more of the total square footage of the Improvements, or (iii) the Damage Proceeds with respect to any Damage Claim are received by the Lender within the one-year period immediately preceding the Maturity Date. Application of any Damage Proceeds to payment of the Loan shall not constitute a prepayment of the Loan for purposes of imposition of any prepayment premium.

#### **1.8 Care of the Property.**

- (a) The Borrower will preserve and maintain the Mortgaged Property in good condition and repair, and shall not commit or suffer any waste and shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.
- (b) Except as otherwise provided herein, no buildings, fixtures, personal property, or other part of the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the Lender. The Borrower may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery or appurtenances, subject to the lien hereof which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, not exceeding in value at the time of disposition thereof Five Thousand Dollars (\$5,000.00) for any single transaction, or a total of Twenty Thousand Dollars (\$20,000.00) in any one year, upon replacing the same with, or substituting for the same, free and clear of all liens and security interests except those created by the Loan Documents or Other Indebtedness instruments, other furniture, furnishings, equipment, tools, appliances, machinery or appurtenances not necessarily of the same character, but of at least equal value and of equal or greater utility in the operation of the Mortgaged Property, and costing not less than the amount realized from the property sold or otherwise disposed of. Such substitute furniture, furnishings, equipment, tools, appliances, machinery and appurtenances shall

forthwith become, without further action, subject to the provisions of this Mortgage.

- (c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower shall give immediate written notice of the same to the Lender.
- (d) The Lender hereby is authorized upon two days' prior written notice to Borrower to enter upon and inspect the Mortgaged Property, and to inspect the Borrower's or Borrower's agent's records with respect to the ownership, use, management and operation of the Mortgaged Property, at any time during normal business hours.
- (e) If all or any part of the Improvements shall be damaged by fire or other casualty, the Borrower promptly shall restore the Improvements to the equivalent of its original condition, regardless of whether or not there shall be any Damage Proceeds therefor; provided that if there are insurance proceeds, the Borrower shall not be required to restore the Improvements as aforesaid unless the Lender shall apply any net proceeds from the Damage Proceeds, as provided in Paragraph 1.7, toward restoring the damaged Improvements. If a part of the Improvements shall be physically damaged through condemnation, the Borrower promptly shall restore, repair or alter the remaining property in a manner satisfactory to the Lender; provided that if there are Damage Proceeds, the Borrower shall not be required to restore the Improvements as aforesaid unless the Lender shall apply any net proceeds of such Damage Proceeds as provided in Paragraph 1.7, toward restoring the damaged Improvements.

**1.9 Further Assurances; After-Acquired Property.**

- (a) At any time, and from time to time, upon request by the Lender, the Borrower, at Borrower's expense, will make, execute and deliver or cause to be made, executed and delivered to the Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the Lender any and all such other and further mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the Lender be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligation of the Borrower under the Note and this Mortgage, and the priority of this Mortgage as a first and prior lien upon all other of the Mortgaged Property,



whether now owned or hereafter acquired by the Borrower. Upon any failure by the Borrower so to do, the Lender may make, execute, and record any and all such mortgages, instruments, certificates, and documents for and in the name of the Borrower, and the Borrower hereby irrevocably appoints the Lender the agent and attorney-in-fact of the Borrower so to do. The lien and rights hereunder automatically will attach, without further act, to all after-acquired property (except consumer goods, other than accessions, not acquired within ten (10) days after the Lender has given value under the Note) attached to and/or used in the operation of the Mortgaged Property or any part thereof.

- (b) Without limitation to generality of the other provisions of this Mortgage, including subparagraph (a) of this Paragraph 1.9, it hereby expressly is covenanted, agreed and acknowledged that the lien and rights hereunder 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 acquired by the Borrower by whatsoever means, including that in the event the Borrower is the owner of an estate or interest in the Mortgaged Property or any part thereof (such as, for example, as the lessee or tenant) other than as the fee simple owner thereof, and prior to the satisfaction of record of this Mortgage the Borrower obtains or otherwise acquires such fee simple or other estate, then such further, greater, additional, or different estate in the Mortgaged Property, or a part thereof, shall automatically, and without any further action or filing or recording on the part of the Borrower or the Lender or any other person or entity, be and become subject to this Mortgage and the lien hereof. In consideration of Lender's making the Loan as aforesaid, and to secure the Loan, the Other Indebtedness and obligations set forth above, Borrower hereby grants, bargains, sells and conveys to Lender, on the same terms as set forth in this Mortgage and intended to be a part hereof, all such after-acquired property and estates.

**1.10 Additional Security.** The Lender also shall have and hereby is granted a security interest in all monies, securities and other property of the Borrower, now hereafter assigned, held, received, or coming into the possession, control, or custody of the Lender by or for the account of the Borrower, whether expressly as collateral security, custody, pledge, transmission, collection or for any other purpose, and also upon any and all deposit balances, including any dividends declared, or interest accruing thereon, and proceeds thereof. On an Event of Default, the Lender may, in addition to any other rights provided by this Mortgage or any of the other Loan Documents, but shall not be obligated to, apply to the payment of the Loan or Other Indebtedness secured hereby, and in such manner as the Lender may determine, any such monies, securities or other property held

or controlled by the Lender. No such application of funds shall, unless otherwise expressly agreed by the Lender in writing, reduce, alter, delay or otherwise affect any regularly scheduled payment with respect to the Loan or such Other Indebtedness or obligations.

**1.11 Leases Affecting Mortgaged Property.** The Borrower shall comply with and observe its obligations as landlord or tenant under all leases affecting the Mortgaged Property or any part thereof. If requested by Lender, Borrower shall furnish Lender with executed copies of all leases now or hereafter existing on the Mortgaged Property; and all leases now or hereafter entered existing will be in form and substance subject to the approval of Lender. Borrower shall not accept payment of rent more than one (1) month in advance without the express written consent of Lender. If requested by the Lender, the Borrower shall execute and deliver to Lender, as additional security, such other documents as may be requested by Lender to evidence further the assignment to Lender hereunder, and to assign any and all such leases whether now existing or hereafter created, including all rents, royalties, issues and profits of the Mortgaged Property from time to time accruing. The Borrower shall not cancel, surrender or modify any lease affecting the Mortgaged Property or any part thereof without the prior written consent of the Lender.

**1.12 Expenses.** The Borrower shall pay or reimburse the Lender for all reasonable attorneys' fees, costs and expenses incurred by the Lender in connection with the collection of the indebtedness secured hereby or the enforcement of any rights or remedies provided for in this Mortgage, in any of the other Loan Documents or the Other Indebtedness Instruments, or as may otherwise be provided by law, or incurred by Lender in any proceeding involving the estate of a decedent or an insolvent, or in any action, proceeding or dispute of any kind in which the Lender is made a party, or appears as party plaintiff or defendant, affecting this Mortgage, the Note, any of the other Loan Documents, any of the Other Indebtedness Instruments, Borrower or the Mortgaged Property, including the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, any environmental condition of or affecting the Mortgaged Property, or any action to protect the security hereof; and any such amounts paid or incurred by the Lender shall be added to the indebtedness secured hereby and shall be further secured by this Mortgage.

**1.13 Performance by Lender of Defaults by Borrower.** If the Borrower shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property, or otherwise described in Paragraphs 1.4 and 1.5 hereof; in the payment of any utility charge, whether public or private; in the payment of insurance premiums, in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; or in the performance or observance of any other covenant, condition or term of this Mortgage, of the Note, of any of the other Loan Documents, or of any of the Other Indebtedness Instruments, then the Lender, at its option, may perform or observe the same; and all payments made for costs or expenses incurred by the Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by, the Borrower to the Lender with interest thereon calculated in the manner set forth in the Note, and at the default interest rate specified in the Note, or, if no default interest rate is specified, then at the rate set forth in the Note, plus two percentage points (2%). The Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment,



charge, claim and premium, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Lender hereby is empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Borrower or any person in possession holding under the Borrower for trespass or otherwise.

**1.14 Reserved.**

**1.15 Estoppel Affidavits.** The Borrower within ten (10) days after written request from the Lender shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of and interest on the Loan and Other Indebtedness and whether or not any offsets or defenses exist against any principal and interest.

**1.16 Alienation or Sale of Mortgaged Property.** The Borrower shall not sell, assign, mortgage, encumber, grant a security interest in or otherwise convey all or any part of the Mortgaged Property without obtaining the express written consent of the Lender at least thirty (30) days prior to such conveyance. If Borrower should sell, assign, mortgage, encumber, grant a security interest in or convey all, or any part, of the Mortgaged Property without such consent by Lender, then, in such event, the entire balance of the indebtedness (including the Loan and all Other Indebtedness) secured by this Mortgage and all interest accrued thereon (or such parts as Lender may elect) shall without notice become due and payable forthwith at the option of the Lender.

**1.17 Environmental and Compliance Matters.** Borrower represents, warrants and covenants as follows, except as otherwise disclosed in the Loan Documents:

- (a) Other than Bio-Hazardous Medical Waste (hereinafter defined), to the best knowledge of the Borrower, no Hazardous Materials (hereinafter defined) have been, are, or will be, while any part of the indebtedness secured by this Mortgage remains unpaid, contained in, treated, stored, handled, generated, located on, discharged from, or disposed of on, or constitute a part of, the Mortgaged Property. As used herein, the term "Bio-Hazardous Medical Waste" means any waste, substance or material (solid, liquid or gaseous), which is generated, produced or results from the diagnosis, treatment or immunization of human beings, or any research pertaining thereto, or the production or testing of biological agents, including any definition thereof or reference thereto in any applicable laws, including any substance defined or referred to in 29 CFR Part 2910.1030. As used herein, the term "Hazardous Materials" includes, without limitation, any asbestos, urea formaldehyde foam insulation, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related or unrelated substances or materials defined, regulated, controlled, limited or prohibited in the

Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.C. Sections 9601, *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. Sections 5101, *et seq.*), the Resource Conservation and Recovery Act ("RCRA") (42 U.S.C. Sections 6901, *et seq.*), the Clean Water Act (33 U.S.C. Sections 1251, *et seq.*), the Clean Air Act (42 U.S.C. Sections 7401, *et seq.*), the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*), each such Act as amended from time to time, and in the rules and regulations adopted and publications promulgated pursuant thereto, and in the rules and regulations of the Occupational Safety and Health Administration ("OSHA") pertaining to occupational exposure to asbestos, as amended from time to time, or in any other federal, state or local environmental law, ordinance, rule, or regulation now or hereafter in effect;

- (b) To the best knowledge of the Borrower, no underground storage tanks, whether in use or not in use, are located in, on or under any part of the Mortgaged Property;
- (c) To the best knowledge of the Borrower, all of the Mortgaged Property complies and will comply in all respects with applicable environmental laws, rules, regulations, and court or administrative orders;
- (d) To the best knowledge of the Borrower, there are no pending claims or threats of claims by private or governmental or administrative authorities relating to environmental impairment, conditions, or regulatory requirements with respect to the Mortgaged Property;
- (e) The Borrower promptly shall comply with all present and future laws, ordinances, rules, regulations, orders and decrees of any governmental authority affecting the Mortgaged Property or any part thereof. To the best knowledge of the Borrower, without limiting the foregoing, the Borrower represents and covenants that the Mortgaged Property is in present compliance with, and in the future shall comply with, as applicable, the Americans with Disabilities Act of 1990, ("ADA") (42 U.S.C. Sections 12101 *et seq.*) and the Rehabilitation Act of 1973 ("Rehabilitation Act") (29 U.S.C. Sections 749, *et seq.*), each such Act as amended from time to time, and in the rules and regulations adopted and publications promulgated pursuant thereto; and



- (f) Borrower shall give immediate oral and written notice to Lender of its receipt of any notice of a violation of any law, rule or regulation covered by this Paragraph 1.17, or of any notice of other claim relating to the environmental or physical condition of the Mortgaged Property, or of its discovery of any matter which would make the representations, warranties and/or covenants herein to be inaccurate or misleading in any respect.

Borrower agrees to and does hereby indemnify and hold Lender harmless from all loss, cost, damage, claim and expense incurred by Lender on account of (i) the violation of any representation or warranty set forth in this Paragraph 1.17, (ii) Borrower's failure to perform any obligations of this Paragraph 1.17, (iii) Borrower's or the Mortgaged Property's failure to fully comply with all environmental laws, rules and regulations, with all occupational health and safety laws, rules and regulations, with the ADA or the Rehabilitation Act, as applicable, or (iv) any other matter related to environmental or physical conditions on, under or affecting the Mortgaged Property. This indemnification shall survive the closing of the Loan, payment of the Loan, the exercise of any right or remedy under any Loan Document, and any subsequent sale or transfer of the Mortgaged Property, and all similar or related events or occurrences. However, this indemnification shall not apply to any new Hazardous Materials first stored, generated or placed on the Mortgaged Property after the acquisition of title to the Mortgaged Property by Lender through foreclosure or deed in lieu of foreclosure or purchase from a third party after the Loan has been paid in full.

**1.18 Inspection Rights and Easements.** In addition to other inspection rights of Lender, the Borrower shall and hereby does grant and convey to the Lender, its agents, representatives, contractors, and employees, to be exercised by Lender following an Event of Default hereunder or under any of the other Loan Documents, license to enter on the Mortgaged Property at any time and from time to time for the purpose of making such audits, tests, inspections, and examinations, including inspection of buildings and Improvements, subsurface exploration and testing and groundwater testing (herein "Inspections"), as the Lender, in its sole discretion, deems necessary, convenient, or proper to determine the condition and use of the Mortgaged Property, to make an inventory of the Mortgaged Property, and to determine whether the ownership, use and operation of the Mortgaged Property are in compliance with all federal, state, and local laws, ordinances, rules, and regulations, including environmental laws, health and public accommodation laws, the ADA and the Rehabilitation Act, as applicable, and ordinances, rules and regulations relating thereto. Notwithstanding the grant of the above license to the Lender, the Lender shall have no obligation to perform any such inspections, or to take any remedial action. All the costs and expenses incurred by the Lender with respect to any inspections which the Lender may conduct or take pursuant to this Paragraph 1.18, including the fees of any engineers, laboratories, and contractors, shall be repaid by the Borrower, with interest, and shall be secured by this Mortgage and the other Loan Documents.

**1.19 The Ground Lease.** Borrower hereby unconditionally warrants and represents to Lender as follows:

- (a) The Ground Lease constitutes, to the best of Borrower's knowledge, the legal, valid and binding obligation of the Borrower as tenant thereunder, and is enforceable by Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights and remedies generally or by application of general equity principles and the terms thereof as set forth in the copy of the Ground Lease and related documents which have been delivered to the Lender;
- (b) All rent, additional rent and other charges reserved in the Ground Lease have been paid to the extent they are payable to the date hereof;
- (c) Borrower enjoys the quiet and peaceful possession of the Land in accordance with and subject to the terms of the Ground Lease;
- (d) Borrower's leasehold interest in and to the Land is not subject to any other assignments by Borrower, and Borrower has good right and authority to assign and encumber the Ground Lease and the Leasehold Estate to Lender;
- (e) Borrower is not in default in any material respect under any of the terms of the Ground Lease and, to the best of its knowledge, there are no circumstances that, with the passage of time or the giving of notice or both, would constitute any material event of default thereunder; and
- (f) To the best of Borrower's knowledge, the lessor under the Ground Lease (the "Lessor") is not in default under any of the material terms or provisions thereof on the part of the Lessor to be observed or performed.

**1.20 Covenants Relating to the Ground Lease.**

- (a) Borrower will make all payments and otherwise perform in all material respects all obligations in respect of the Ground Lease and will maintain the Leasehold Estate in full force and effect and not allow the Ground Lease to lapse or be terminated (except in connection with the exercise by Borrower of a purchase option in respect of the real and other property subject thereto) or any rights to renew the Ground Lease or options to purchase the premises demised thereby to be forfeited or canceled. Borrower will notify Lender of any material default by any party with respect to the Ground Lease.



- (b) Except with respect to the termination of the Ground Lease in connection with the exercise by Borrower of a purchase option in respect of any real property subject thereto, Borrower will not, without the prior written consent of Lender, cancel or terminate the Ground Lease or consent to or accept any cancellation or termination thereof, or agree in any manner to any other amendment, modification or change of any term or condition thereof, or amend or otherwise modify the Ground Lease or give any consent, waiver or approval thereunder, or waive any default thereunder or breach thereof, agree in any manner to any other amendment, modification or change of any term or condition thereof, or take any other action in connection therewith that would, or would be reasonably likely to, individually or in the aggregate, (1) impair the rights and interests of Lender, (2) result in expiration or termination of the Ground Lease prior to repayment in full of the Obligations, or (3) prevent the unfettered use by Mortgagor of the premises leased thereunder for any and all activities related to the primary business operation of Borrower
- (c) Subject to the foregoing, if Borrower defaults under subsection (a) hereof by failing to make any payment required to be made by Borrower pursuant to the provisions of the Ground Lease or to keep, observe or perform, or cause to be kept, observed or performed, any of the terms, covenants, provisions or agreements of the Ground Lease (unless waived by the Lessor thereunder), Borrower agrees that Lender may (but shall not be obligated to) take any action on behalf of Borrower, to keep or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Premises and take all such action thereon as may be reasonably necessary therefor, and all money so expended by Lender, with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by Borrower to Lender promptly upon demand by Lender and shall be added to the indebtedness secured by this Mortgage.
- (d) Borrower covenants and agrees that, without the prior written consent of Lender, neither Borrower nor its successors or assigns shall suffer or permit the fee title to the Land and the Leasehold Estate to merge, it being understood and agreed that said estates shall always remain separate and distinct, notwithstanding the union of said estates in any person whomever by purchase or otherwise; and in case Borrower acquires the fee title or any other estate, title or interest in the Land, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate

shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage.

- (e) If the Ground Lease is terminated prior to the expiration of its term, and Lender or its designee acquires a new lease on the premises covered thereby from the Lessor, Borrower shall have no right, title, or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

#### **1.21 Lessor's Bankruptcy.**

- (a) Borrower acknowledges that pursuant to Section 365 of the Bankruptcy Act, a Lender in bankruptcy of the Lessor, or the Lessor as a debtor-in-possession, could reject the Ground Lease, in which case Borrower, as lessee, would have the election described in Section 365(h) of the Bankruptcy Act (as amended from time to time, the "Election") to treat the Ground Lease as terminated by such rejection or, in the alternative, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof that is enforceable by the lessee under applicable nonbankruptcy law. Borrower covenants that it will not suffer or permit the termination of the Ground Lease by exercise of the Election or otherwise without the prior written consent of Lender. Borrower acknowledges that since the Lease is a primary part of the security for the Obligations, it is not anticipated that Lender would consent to termination of the Ground Lease in connection with any such election and Lender shall not under any circumstances be obliged to give such consent.
- (b) In order to secure the covenant made in this section and as security for the Obligations, Borrower hereby assigns the Election and all rights related thereto to Lender for the benefit of Lender. Borrower acknowledges and agrees that the foregoing assignment of the Election and related rights is one of the rights which Lender may use at any time in order to protect and preserve the other rights and interests of Lender under this Mortgage, since exercise of the Election in favor of terminating the Ground Lease would constitute waste hereunder.
- (c) Borrower acknowledges and agrees that the Election is in the nature of a remedy and is not a property interest which Borrower can separate from the Ground Lease. Therefore, Borrower agrees that exercise of the Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute a taking or



sale of the Mortgaged Property by Lender and shall not entitle Borrower to any credit against the Obligations.

- (d) Borrower acknowledges and agrees that in the event the Election is exercised in favor of Borrower's remaining in possession, Borrower's resulting rights under the Ground Lease, as adjusted by the effect of Section 365 of the Bankruptcy Act, shall then be part of the Leasehold Estate and shall be subject to the lien created by this Mortgage.

## **ARTICLE II ASSIGNMENT OF RENTS AND LEASES**

2.1 **Assignment.** Borrower, in consideration of Lender's making the Loan as aforesaid and for other good and valuable consideration, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Borrower, including reasonable attorneys' fees, and any and all Other Indebtedness, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note, in the other Loan Documents, and in the Other Indebtedness Instruments, does hereby sell, assign and transfer unto the Lender all leases, subleases and lease guaranties of or relating to all or part of the Mortgaged Property, whether now existing or hereafter created or arising, including those certain leases, if any, specifically described on an exhibit to this Mortgage, and all the rents, issues and profits now due and which may hereafter become due under or by virtue of any such lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Mortgaged Property or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by the Lender under the powers herein granted, it being the intention of the parties to hereby establish an absolute transfer and assignment of all the said leases, subleases, lease guaranties and agreements, and all the avails thereof, to the Lender, and the Borrower does hereby appoint irrevocably the Lender its true and lawful attorney in its name and stead (with or without taking possession of the aforesaid Mortgaged Property as hereinafter provided), to rent, lease or let all or any portion of the Mortgaged Property to any party or parties at such rental and upon such term, in its discretion as it may determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and all of the leases, subleases, lease guaranties and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Mortgaged Property, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Lender would have upon taking possession of the Mortgaged Property pursuant to the provisions hereinafter set forth.

2.2 **Prepayment of Rent.** The Borrower represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Property for more

than one installment in advance and that the payment of none of the rents to accrue for any portion of said Mortgaged Property has been or will be waived, released, reduced, or discounted, or otherwise discharged or compromised by the Borrower. The Borrower waives any right of setoff against any person in possession of any portion of the Mortgaged Property. The Borrower agrees that it will not assign any of the rents or profits except to the purchaser or grantee of the Mortgaged Property.

**2.3 Not Mortgagee in Possession; No Liability.** Nothing herein contained shall be construed as constituting the Lender as "mortgagee in possession" in the absence of the taking of actual possession of the Mortgaged Property by the Lender pursuant to the provisions hereinafter contained in the exercise of the powers herein granted the Lender, no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Borrower.

**2.4 Present Assignment.** It is the intention of the parties that this assignment of rents and leases shall be a present assignment; however, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Borrower shall have the right to collect the rents so long as there exists no Event of Default under this Mortgage, and, provided further, that Borrower's right to collect such rents shall terminate and cease automatically upon the occurrence of any such Event of Default without the necessity of any notice or other action whatsoever by Lender.

**2.5 No Obligation of Lender Under Leases.** The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, subleases or rental agreements relating to the Mortgaged Property, and the Borrower shall and does hereby agree to indemnify and hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under any leases, subleases or agreements or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases, subleases or agreements. Should the Lender incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands asserted against the Lender in connection with any one or more of said leases, subleases or agreements, the Borrower agrees to reimburse the Lender for the amount thereof, including costs, expenses and reasonable attorney's fees immediately upon demand, and until the same are fully reimbursed by the Borrower, all such costs, expenses and reasonable attorneys' fees shall be secured by the assignment hereunder and by this Mortgage.

**2.6 Instruction to Lessees.** The Borrower does further specifically authorize and instruct each and every present and future lessee, tenant, sublessee or subtenant of the whole or any part of the Mortgaged Property to pay all unpaid rental agreed upon any lease, sublease or tenancy to the Lender upon receipt of demand from said Lender to pay the same.



2.7 **Default (Assignment).** Upon the occurrence of any Event of Default, as described in Paragraph 4.1 of this Mortgage, then, in addition to the right to demand and collect directly from tenants rents accruing from leases of the Mortgaged Property, Lender shall have all rights and remedies set forth in Article IV or elsewhere in this Mortgage.

### **ARTICLE III SECURITY AGREEMENT**

3.1 **Definitions.** All terms used herein which are defined in the Alabama Uniform Commercial Code, as presently in effect and as revised, amended, modified or supplemented from time to time (the "Uniform Commercial Code"), shall have the same meaning herein as in the Uniform Commercial Code unless otherwise indicated herein.

3.2 **Grant of Security Interest.** Borrower (the "Borrower" for purposes of the Uniform Commercial Code), in consideration of Lender's (the "secured party" for purposes of the Uniform Commercial Code) making the Loan as aforesaid and for other good and valuable consideration, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Borrower, including reasonable attorneys' fees, and any and all Other Indebtedness, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note, in the other Loan Documents, and in the Other Indebtedness Instruments, does hereby assign and grant to Lender title to and a security interest in such portions of the Mortgaged Property the security interest in and disposition of which is governed by the Uniform Commercial Code (the "**Collateral**").

3.3 **Financing Statements.** No financing statement covering any Collateral or any proceeds thereof is on file in any public office, except for financing statements specifically set forth on an addendum attached hereto, if any, and except for the financing statements executed by Borrower and Lender. The Borrower hereby authorizes the Lender and the Lender's agents, at any time and from time to time, to prepare and file financing statements, continuation statements and amendments thereto (collectively, "financing statements") that describe the Collateral as all assets of Borrower or words of similar effect and which contain any other information required by the Uniform Commercial Code for the sufficiency or filing office acceptance of any such financing statement, including whether Borrower is an organization, the type of organization and any organization number issued to Borrower. At the Lender's request, the Borrower will join with Lender in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Lender, and will pay the cost of filing the same in all public offices wherever filing is deemed by the Lender to be necessary or desirable. The Borrower authorizes the Lender (i) to prepare and to file financing statements covering the Collateral signed only by the Lender, (ii) to sign the Borrower's signature to such financing statements in jurisdictions where Borrower's signature is required, and (iii) to file any financing statement without Lender's or Borrower's signature in jurisdictions where no signature is required. The Borrower promises to pay to the Lender the fees incurred in filing the financing statements, including all filing fees, recording

costs and mortgage recording taxes payable in connection with filings on fixtures, which fees shall become part of the indebtedness secured hereby.

**3.4 Representations of Borrower (Collateral).** With respect to all of the Collateral, Borrower represents and warrants that:

- (a) The Collateral is used or bought primarily for business purposes and no part of the Collateral is consumer goods as defined in the Uniform Commercial Code;
- (b) The Loan has been incurred by the Borrower solely for business purposes;
- (c) If the Loan is a construction loan, the Collateral is being acquired and/or installed with the proceeds of the Note which Lender may disburse directly to the seller, contractor, or subcontractor;
- (d) All the Collateral will be kept at the address of Borrower shown in Paragraph 5.8(a) or, if not, at the real property described in Exhibit A hereto. Borrower promptly shall notify Lender of any change in the location of the Collateral. Except for transactions in the ordinary course of Borrower's business, Borrower, its agents or employees, will not remove the Collateral from said location without the prior written consent of the Lender;
- (e) If certificates of title are issued or outstanding with respect to any of the Collateral, the Borrower shall cause the Lender's interest to be properly noted thereon; and
- (f) Borrower's name has always been as set forth on the first page of this Mortgage, except as otherwise disclosed in writing to the Lender. Borrower promptly shall advise the Lender in writing of any change in Borrower's name.

**3.5 Assignment by Lender.** If at any time or times by sale, assignment, negotiation, pledge, or otherwise, Lender transfers any or all of the indebtedness or instruments secured hereby, such transfer shall, unless otherwise specified in writing, carry with it Lender's rights and remedies hereunder with respect to such indebtedness or instruments transferred, and the transferee shall become vested with such rights and remedies whether or not they are specifically referred to in the transfer. If and to the extent Lender retains any of such indebtedness or instruments, Lender shall continue to have the rights and remedies herein set forth with respect thereto.



**3.6 No Obligation of Lender Under Assigned Contracts.** The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any contracts or agreements relating to the Mortgaged Property, and the Borrower shall and does hereby agree to indemnify and hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under any such contracts or agreements or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said contracts or agreements. Should the Lender incur any such liability, loss or damage, under said contracts or agreements or under or by reason of the assignment thereof, or in the defense of any claims or demands asserted against the Lender in Connection with any one or more of said Contracts or agreements, the Borrower agrees to reimburse the Lender for the amount thereof, including costs, expenses and reasonable attorneys' fees immediately upon demand, and until the same are fully reimbursed by the Borrower, all such costs, expenses and reasonable attorneys' fees shall be secured by the assignment hereunder and by this Mortgage.

**3.7 Default (Security Agreement).** Upon the occurrence of any Event of Default, as described in Paragraph 4.1 of this Mortgage, the Lender shall have all rights and remedies set forth in Article IV or elsewhere in this Mortgage.

**3.8 Savings Clause.** Nothing contained in this Mortgage or in other Loan Document shall be construed to narrow the scope of the Lender's security interest in any of the Collateral or the perfection or priority thereof or otherwise limit any of the rights, powers, privileges or remedies of the Lender under any Loan Document, except (and then only to the extent) mandated by the Uniform Commercial Code to the extent then applicable.

## **ARTICLE IV EVENTS OF DEFAULT AND REMEDIES**

**4.1 Event of Default.** The term "**Event of Default**," wherever used in this Mortgage, shall mean the occurrence or existence of any one or more of the following events or circumstances:

- (a) An Event of Default (as defined therein) shall occur under any Note, the Loan Agreement or any other Loan Document; or
- (b) Failure by the Borrower to pay within 10 days after written notice from the Lender to the Borrower, any escrow deposit or other charge payable under this Mortgage or under any other Loan Document; or
- (c) Failure by the Borrower to duly observe any other Covenant, condition or agreement of this Mortgage, of the Note, of any of the other Loan Documents, or of any of the Other Indebtedness

Instruments, and either (i) such failure shall continue for more than 30 days after notice of such failure is given by the Lender to the Borrower, unless such failure is not reasonably capable of being cured within such 30-day period (but is reasonably capable of being cured within 90 days after such notice) and the Borrower commences action to cure such failure within such 30-day period and diligently and continuously prosecutes such action to completion and causes such failure to be cured within 90 days after such notice, or (ii) such failure is not reasonably capable of being cured within 90 days after notice of such failure is given by the Lender to the Borrower; or

- (d) The filing by the Borrower or any guarantor of any indebtedness secured hereby or of any of Borrower's obligations hereunder, of a voluntary petition in bankruptcy or the Borrower's or any such guarantor's adjudication as a bankrupt or insolvent, or the filing by the Borrower or any such guarantor of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, Insolvency or other relief for Borrowers, or the Borrower's or any such guarantor's seeking or consenting to or acquiescence in the appointment of any trustee, receiver or liquidator of the Borrower or any such guarantor or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or of any interest or estate therein, or the making of any general assignment for the benefit of creditors or the admission in writing of its inability to pay its debts generally as they become due; or
- (e) The entry by a court of competent jurisdiction or any order, judgment, or decree approving a petition filed against the Borrower or any guarantor of any of the indebtedness secured hereby or of any of Borrower's obligations hereunder, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for Borrowers, which order, judgment or decree remains unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of the Borrower or any such guarantor or of all or any substantial part of the Mortgaged Property or of any or all at the rents, revenues, issues, earnings, profits or income thereof, or of any interest or estate therein, without the consent or



acquiescence of the Borrower and/or any such guarantor which appointment shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

- (f) The filing or enforcement of any other mortgage, lien or encumbrance on the Mortgaged Property or any part thereof, or of any interest or estate therein; or
- (g) If any portion of the Mortgaged Property is a leasehold estate, the occurrence of a default under such lease or other instrument creating the estate; or
- (h) If there shall occur or exist any default or event of default with respect to any Other Indebtedness including any indebtedness, obligation or liability of Borrower to Lender or under any document or instrument evidencing, securing, guaranteeing or otherwise relating to any such Other Indebtedness, liability or obligation of Borrower to Lender.

**4.2 Acceleration of Maturity.** If an Event of Default shall have occurred, then the entire balance of the indebtedness (including the Loan and the Other Indebtedness) secured hereby (or such parts as Lender may elect) with interest accrued thereon (or such parts as Lender may elect) shall, at the option of the Lender, become due and payable without notice or demand, time being of the essence. Any omission on the part of the Lender to exercise such option when entitled to do so shall not be considered as a waiver of such right.

**4.3 Right of Lender to Enter and Take Possession.**

- (a) If an Event of Default shall have occurred and be continuing, the Borrower, upon demand of the Lender, shall forthwith surrender to the Lender the actual possession of the Mortgaged Property, and if and to the extent permitted by law, the Lender or its agents may enter and take and maintain possession of all the Mortgaged Property, together with all the documents, books, records, papers and accounts of the Borrower or then owner of the Mortgaged Property relating thereto, and may exclude the Borrower and its agents and employees wholly therefrom.
- (b) Upon every such entering upon or taking of possession, the Lender, as attorney-in-fact or agent of the Borrower, or in its own name as Mortgagee and under the powers herein granted, may hold, store, use, operate, manage and control the Mortgaged Property (or any portion thereof selected by Lender) and conduct the business thereof either

personally or by its agents, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personally and other property; (ii) insure or keep the Mortgaged Property (or any portion thereof selected by Lender) insured; (iii) manage and operate the Mortgaged Property (or any portion thereof selected by Lender) and exercise all the rights and powers of the Borrower in its name or otherwise, with respect to the same, including legal action, for the recovery of rent, legal dispossessory actions against tenants holding over and legal actions in distress of rent, and with full power and authority to cancel or terminate any lease or sublease for any cause or on any ground which would entitle the Borrower to cancel the same, and to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof; (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lender, all as the Lender from time to time may determine to be to its best advantage; and the Lender may collect and receive all the income, revenues, rents, issues and profits of the Mortgaged Property (or any portion thereof selected by Lender), including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes), (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions, (cc) the cost of such insurance, (dd) such taxes, assessments and other charges prior to this Mortgage as the Lender may determine to pay, (ee) other proper Charges upon the Mortgaged Property or any part thereof, and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of the Lender, Lender shall apply the remainder of the moneys so received by the Lender, first to the payment of accrued interest under the Note; second to the payment of tax deposits required in Paragraph 1.4; third to the payment of any other sums required to be paid by Borrower under this Mortgage or under the other Loan Documents; fourth to the payment of overdue installments of principal on the Note; fifth to the payment of any sums due under Other Indebtedness Instruments, whether principal, interest or otherwise; and the balance, if any, as otherwise required by law.

- (c) Whenever all such Events of Default have been cured and satisfied, the Lender may, at its option, surrender possession of the Mortgaged Property to the Borrower, or to whomsoever shall be entitled to



possession of the Mortgaged Property as a matter of law. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

**4.4 Receiver.**

- (a) If an Event of Default shall have occurred and be continuing, the Lender, upon application to a court of competent jurisdiction, shall be entitled, without notice and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect the rents, profits, issues, royalties and revenues thereof.
- (b) The Borrower shall pay to the Lender upon demand all Costs and expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions contained in this Paragraph 4.4; and all such expenses shall be secured by this Mortgage.

**4.5 Lender's Power of Enforcement.** If an Event of Default shall have occurred and be continuing, the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Loan; (b) to foreclose this Mortgage; (c) to enforce or exercise any right under any Other Indebtedness Instrument; and (d) to pursue any other remedy available to Lender, all as the Lender may elect.

**4.6 Rights of a Secured Party.** Upon the occurrence of an Event of Default, the Lender, in addition to any and all remedies it may have or exercise under this Mortgage, the Note, any of the other Loan Documents, the Other Indebtedness Instruments or under applicable law, may immediately and without demand exercise any and all of the rights of a secured party upon default under the Uniform Commercial Code, all of which shall be cumulative, including the following:

- (a) The right to take possession of the Collateral without judicial process and to enter upon any premises where the Collateral may be located for the purposes of taking possession of, securing, removing, and/or disposing of the Collateral without interference from Borrower and without any liability for rent, storage, utilities or other sums;
- (b) The right to sell, lease, or otherwise dispose of any or all of the Collateral, whether in its then condition or after further processing or preparation, at public or private sale; and unless the Collateral is perishable or threatens to decline speedily in value or is of a type

customarily sold on a recognized market, Lender shall give to Borrower at least ten (10) days' prior notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition of the Collateral is to be made, all of which Borrower agrees shall be reasonable notice of any sale or disposition of the Collateral;

- (c) The right to require Borrower, upon request of Lender, to assemble and make the Collateral available to Lender at a place reasonably convenient to Borrower and Lender; and
- (d) The right to notify account debtors, and demand and receive payment therefrom.

To effectuate the rights and remedies of Lender upon default, Borrower does hereby irrevocably appoint Lender attorney-in-fact for Borrower, with full power of substitution to sign, execute, and deliver any and all instruments and documents and do all acts and things to the same extent as Borrower could do, and to sell, assign, and transfer any collateral to Lender or any other party.

**4.7 Power of Sale.** If an Event of Default shall have occurred, Lender may sell the Mortgaged Property to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Mortgaged Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Lender may bid at said sale and purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner as Lender may elect. The provisions of Paragraph 4.6 of this Mortgage shall apply with respect to Lender's enforcement of rights or interests in personal property which constitutes Mortgaged Property hereunder.

**4.8 Application of Foreclosure or Sale Proceeds.** The proceeds of any foreclosure sale pursuant to Paragraph 4.7, or any sale pursuant to this Paragraph 4.8, shall be applied as follows, to the extent not prohibited by the Uniform Commercial Code:

- (a) First, to the costs and expenses of (i) retaking, holding, storing and processing the Collateral and preparing the Collateral or the Mortgaged Property (as the case may be) for sale, and (ii) making the sale, including a reasonable attorneys' fee for such services as may be



necessary in the collection of the indebtedness secured by this Mortgage or the foreclosure of this Mortgage;

- (b) Second, to the repayment of any money, with interest thereon to the date of sale at the applicable rate or rates specified in the Note, this Mortgage, the other Loan Documents or the Other Indebtedness Instruments, as applicable, which Lender may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided, and as may be provided in the Note or the other Loan Documents, such repayment to be applied in the manner determined by Lender;
- (c) Third, to the payment of the indebtedness (including the Loan and the Other Indebtedness) secured hereby, with interest to date of sale at the applicable rate or rates specified in the Note, this Mortgage, the other Loan Documents or the Other Indebtedness Instruments, as applicable, whether or not all of such indebtedness is then due;
- (d) Fourth, the balance, if any, shall be paid as provided by law.

To the extent that the Uniform Commercial Code prohibits the application of the proceeds of a foreclosure of any Collateral pursuant to the foregoing subsections (a), (b), (c) and (d), then the proceeds of such a foreclosure shall be governed by the Uniform Commercial Code

**4.9 Lender's Option on Foreclosure.** At the option of the Lender, this Mortgage may be foreclosed as provided by law or in equity, in which event a reasonable attorneys' fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event Lender exercises its option to foreclose this Mortgage in equity, Lender may, at its option, foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants party defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by the Borrower, a defense to any proceedings instituted by the Lender to collect the sums secured hereby, or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

**4.10 Waiver of Exemption.** Borrower waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and Borrower waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Mortgaged Property be set off against any part of the indebtedness secured hereby.

**4.11 Suits to Protect the Mortgaged Property.** The Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any

impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the income, revenues, rents and profits arising therefrom; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Lender.

**4.12 Borrower to Pay the Note on any Default in Payment; Application of Moneys by Lender.** If default shall occur in the payment of any amount due under this Mortgage, the Note, any of the other Loan Documents or any of the Other Indebtedness Instruments, or if any other Event of Default shall occur under this Mortgage, then, upon demand of the Lender, the Borrower shall pay to the Lender the whole amount due and payable under the Note and under all Other Indebtedness Instruments; and in case the Borrower shall fail to pay the same forthwith upon such demand, the Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of the Lender's agents and attorneys.

**4.13 Delay or Omission No Waiver.** No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by the Note, this Mortgage, any of the other Loan Documents, or the Other Indebtedness Instruments to the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

**4.14 No Waiver of One Default to Affect Another.** No waiver of any default hereunder, under any of the other Loan Documents, or under any of the Other Indebtedness Instruments shall extend to or shall affect any subsequent or any other then existing default or shall impair any rights, powers or remedies consequent thereon.

If the Lender (a) grants forbearance or an extension of time for the payment of any Indebtedness secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein, in the Note, in any of the other Loan Documents, or in any of the Other Indebtedness Instruments; (d) releases any part of the Mortgaged Property from this Mortgage or otherwise changes any of the terms of this Mortgage, the Note, any the other Loan Documents or the Other Indebtedness Instruments; (e) consents to the filing of any map, plat, or replat of or consents to the granting of any easement on, all or any part of the Mortgaged Property; or (f) makes or consents to any agreement subordinating the priority of this Mortgage, any such act or omission shall not release, discharge, modify, change, or affect the original liability under this Mortgage, the Note, the other Loan Documents, or the Other Indebtedness Instruments of the Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude the Lender from exercising any rights, power or privilege herein granted or intended to be granted in the event of any other default then made or of any subsequent default, nor, except as otherwise expressly provided in an



instrument or instruments executed by the Lender shall the provisions of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, the Lender, without notice to any person, corporation or other entity except notice shall (be given to Borrower so long as Borrower remains liable under the Note, this Mortgage or any of the other Loan Documents) hereby is authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, or of the other Loan Documents, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

**4.15 Discontinuance of Proceedings —Position of Parties Restored.** In case the Lender shall have proceeded to enforce any right 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 the Lender, then and in every such case the Borrower and the Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Lender shall continue as if no such proceeding had been taken.

**4.16 Remedies Cumulative.** No right, power, or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder, or under the Note, any of the other Loan Documents, the Other Indebtedness Instruments or now or hereafter existing at law or in equity or by statute.

**4.17 Notice of Defaults Under the Loan Documents and Other Credit Arrangements.** Borrower shall give prompt notice to Lender of any defaults by Borrower under this Mortgage or any of the other Loan Documents, and of any notice of default received by Borrower under any other credit arrangement of Borrower.

## **ARTICLE V MISCELLANEOUS**

**5.1 Binding Effect.** Wherever in this Mortgage one of the parties hereto is named or referred to, the heirs, administrators, executors, successors, assigns, distributees, and legal and personal representatives of such party shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of the Borrower or by or on behalf of Lender shall bind and inure to the benefit of their respective heirs, administrators, executors, successors, assigns, distributees, and legal and personal representatives, whether so expressed or not. Notwithstanding the foregoing, the Borrower shall not be entitled to assign any of its rights, titles, and interests hereunder, or to delegate any of its obligations, liabilities, duties, or responsibilities hereunder, and will not permit any such assignment or delegation to occur (voluntarily or involuntarily, or directly or indirectly), without the prior written consent of the Lender.

5.2 **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise effect any of the terms hereof. "Herein," "hereby," "hereunder," "hereof," and other equivalent words or phrases refer to this Mortgage and not solely to the particular portion thereof in which any such word or phrase is used, unless otherwise clearly indicated by the context.

5.3 **Gender; Number.** Whenever the context so requires, the masculine includes the feminine and neuter, the singular includes the plural, and the plural includes the singular.

5.4 **Invalid Provisions to Affect No Others.** In case any one or more of the covenants, agreements, terms or provisions contained in this Mortgage, in the Note, in any of the other Loan Documents, or in the Other Indebtedness Instruments shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein, and in the Note, in the other Loan Documents and in the Other Indebtedness Instruments shall be in no way affected, prejudiced or disturbed thereby.

5.5 **Loan Documents.** Wherever reference is made herein to this Mortgage, the Note, the Loan Documents, or the Other Indebtedness Instruments, such reference shall include all renewals, extensions, modifications and refinancings thereof.

5.6 **Conflict in Loan Documents.** In the event of conflict in the terms of any provision in this Mortgage, the Note, any of the other Loan Documents, or the Other Indebtedness Instruments, the terms of the provision most favorable to the Lender shall apply.

5.7 **Instrument Under Seal.** This Mortgage is given under the seal of all parties hereto, and it is intended that this Mortgage is and shall constitute and have the effect of a sealed instrument according to law.

5.8 **Addresses and Other Information.** The following information is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code for instruments to be filed as financing statements:

(a) Name of Borrower (Borrower):  
**SHELBY MOB III, LLC**

Address of Borrower:  
1900 International Park, Suite 100  
Birmingham, Alabama 35243

(b) Name of Lender (Secured Party):  
**UNION PLANTERS BANK, NATIONAL ASSOCIATION**



Address of Lender:  
Commercial Lending  
255 Grant Street SE  
Decatur, Alabama 35601

- (c) Record Owner of the leasehold interest in the real estate described on Exhibit "A" attached hereto:

Borrower

**5.9 Applicable Law.** This Mortgage shall be governed by the laws of the State of Alabama.

**5.10 Rules of Construction.** The captions and headings used in this Mortgage are made for convenience and general reference only and should not be construed to describe, define, limit or expand the scope and intent of any term or provision of this Mortgage. The parties acknowledge that this Mortgage was initially prepared by the Bank solely as a convenience and that all parties hereto, and their counsel, have read and fully negotiated all of the language used in this Mortgage. The parties acknowledge that, because all parties and their counsel participated in negotiating and drafting this Mortgage, no rule of construction shall apply to this Mortgage which construes ambiguous and unclear language in favor of or against any party because such party drafted this Mortgage. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders. The word "including" when following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific terms or matters as provided immediately following the word "including," or to similar items or matters, whether or not nonlimiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference to the word "including" or the similar items or matters, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general statement, term or matter.

**5.11 Rider.** Additional provisions of this Mortgage, if any, are set forth below or on a Rider attached hereto and made a part hereof.

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IN WITNESS WHEREOF, Borrower has caused this Mortgage to be executed and effective as of the day and year first above written, although actually executed on the date or dates reflected below.

“Mortgagor”

**SHELBY MOB III, LLC**

By its manager:

HPS of Alabama, LLC, an Alabama limited liability company


By   
T. Lynn Adams  
Manager

STATE OF ALABAMA                    )  
JEFFERSON COUNTY                 )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that T. Lynn Adams, whose name as Manager of HPS of Alabama, LLC, as manager of SHELBY MOB III, LLC, 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, she executed the same as such manager and with full authority, for the purposes therein contained as of the day the same bears date on behalf of said company.

Given under my hand and official seal on this the 3<sup>rd</sup> day of May, 2002.

{SEAL}

  
Notary Public

My Commission Expires: 1-12-05



**Exhibit "A"**

**LEASEHOLD LEGAL DESCRIPTION**

**MOB Tract**

Commence at the Southwest corner of the Northwest quarter of the Northwest quarter of Section 36, Township 20 South, Range 3 West and run in an Easterly direction along the North line of said quarter-quarter line a distance of 316.16 feet to a point; thence deflect  $88^{\circ}34'47''$  and run to the right and in a Southerly direction a distance of 262.86 feet to a point; thence deflect  $136^{\circ}48'41''$  and run to the left and in a South-Easterly direction a distance of 86.47 feet to the point of beginning of the herein described parcel; thence deflect  $50^{\circ}35'59''$  and run to the right and in a Southerly direction a distance of 120.67 feet to a point; thence turn an interior angle of  $90^{\circ}00'00''$  and run to the right and in a Westerly direction a distance of 184.00 feet to a point; thence turn an interior angle of  $90^{\circ}00'00''$  and run to the right and in a Northerly direction a distance of 120.67 feet to a point; thence turn an interior angle of  $90^{\circ}00'00''$  and run to the right and in an Easterly direction a distance of 184.00 feet to the point of beginning of the herein described parcel, containing 0.5 acres, more or less.

## Exhibit "B"

### DESCRIPTION OF EASEMENTS

TOGETHER WITH THE FOLLOWING NON-EXCLUSIVE EASEMENTS:

#### PARKING AREAS

Any parking areas located on the following tract:

##### Access Easement No. 1

Commence at the Northwest corner of the Southwest 1/4 of the Northwest 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama and run in a Westerly direction along the bearing of the North line of said 1/4 - 1/4 Section a distance of 14.33 feet to a point on a curve to the left having a central angle of  $2^{\circ}37'54''$  and a radius of 5629.58 feet, said point also being on the Easterly right-of-way line of U.S. Highway 31; thence deflect  $80^{\circ}09'10''$  to the left to the tangent of said curve and run in a Southerly direction along the arc of said curve and right of way a distance of 258.58 feet to the Point of Beginning of the herein described access easement; thence deflect  $95^{\circ}08'59''$  from the tangent of said curve and run to the left in a Northeasterly direction a distance of 147.08 feet to a point; thence turn an interior angle of  $180^{\circ}36'31''$  and run in an Easterly direction a distance of 227.72 feet to a point; thence turn an interior angle of  $85^{\circ}15'31''$  and run in a Southerly direction a distance of 56.71 feet to a point; thence turn an interior angle of  $90^{\circ}00'00''$  and run in a Westerly direction a distance 60.00 feet to a point; then turn an interior angle of  $90^{\circ}00'00''$  and run in a Northerly direction a distance of 20.63 feet to a point; thence turn an interior angle of  $274^{\circ}44'29''$  and run in a Westerly direction a distance of 104.19 feet to a point; thence turn an interior angle of  $175^{\circ}24'19''$  and run in a Northwesterly direction a distance of 84.96 feet to a point; thence turn an interior angle of  $270^{\circ}00'00''$  and run in a Southeasterly direction a distance of 244.23 feet to a point; thence turn an interior angle of  $90^{\circ}00'00''$  and run in a Southwesterly direction a distance of 87.87 feet to a point; thence turn an interior angle of  $135^{\circ}00'00''$  and run in a Northwesterly direction a distance of 54.41 feet to a point, said point being on the Easterly right-of-way line of U.S. Highway 31; thence turn an interior angle of  $135^{\circ}03'20''$  and run in a Northerly direction along said right-of-way a distance of 101.81 feet to a point on a curve to the right, having a central angle of  $1^{\circ}13'08''$  and a radius of 5629.58 feet; thence continue along the arc of said curve and said right-of-way a distance of 119.77 feet to the Point of Beginning of said easement.

##### Access Easement No.2 (Walkway)

Commence at the Northwest corner of the Southwest 1/4 of the Northwest 1/4 of Section 36, Township 20 South, Range 3 West, Shelby County, Alabama, and run in an Easterly direction along the North line of said 1/4-1/4 Section a distance of 316.16 feet to a point; thence deflect  $78^{\circ}14'10''$  to the right and run in a Southeasterly direction a distance of 331.53 feet to a point; thence deflect  $17^{\circ}41'19''$  to the right and run in a Southerly direction a distance of 115.0 feet to a point; thence



deflect 90°00'00" to the right and run in a Westerly direction a distance of 95.48 feet to the Point of Beginning of the herein described access easement; thence deflect 90°00'00" to the left and run in a Southerly direction a distance of 31.48 feet to a point; thence turn an interior angle of 90°00'00" and run in a Westerly direction a distance of 15.00 feet to a point; thence turn an interior angle of 90°00'00" and run in a Northerly direction a distance of 31.48 feet to a point; thence turn an interior angle of 90°00'00" and run in an Easterly direction a distance of 15.00 feet to the Point of Beginning of the herein described easement.

#### Sanitary Sewer Easement

Commence at the Northwest corner of the Southwest quarter of the Northwest quarter of Section 36, Township 20 South, Range 3 West and run in a Westerly direction a distance of 14.33 feet to a point on a curve to the left having a central angle of 3°51'02" and a radius of 5629.58 feet, said point also being on the Easterly right-of-way line of U.S. Highway 31; thence deflect 80°09'10" to the left to the tangent of said curve and run in a Southerly direction along the arc of said curve and said right-of-way a distance of 378.35 feet to a point; thence continue on the tangent of said curve and said right-of-way a distance of 135.11 feet to the Point of Beginning of a 10 foot Sanitary Sewer Easement, lying 5 feet each side of, parallel to and abutting the following described centerline; thence deflect 95°37'52" to the left and run in a Northeasterly direction a distance of 241.85 feet to a point; thence deflect 84°10'00" to the left and run in a Northerly direction a distance of 84.57 feet to a point; thence deflect 89°51'56" to the right and run in an Easterly direction a distance of 128.00 feet to the endpoint of said easement.

#### Gas and Water Line Easement

Commence at the Northwest corner of the Southwest quarter of the Northwest quarter of Section 36, Township 20 South, Range 3 West and run in a Westerly direction a distance of 14.33 feet to a point on a curve to the left having a central angle of 3°09'31" and a radius of 5629.58 feet, said point also being on the Easterly right-of-way of U.S. Highway 31; thence deflect 80°09'10" to the left to the tangent of said curve and run along the arc of said curve and right-of-way in a Southerly direction a distance of 310.35 feet to the Point of Beginning of the centerline of a 20 foot easement lying 10 feet each side of, parallel to and abutting the following described line:

Thence deflect 90°00'00" from the tangent of the last described curve and run in an Easterly direction a distance of 42.89 feet to a point; thence deflect 64°43'38" to the left and run in a Northeasterly direction a distance of 45.19 feet to a point; thence deflect 59°14'55" to the right and run in an Easterly direction a distance of 379.07 feet to a point; thence deflect 94°26'20" to the right and run in a Southerly direction a distance of 39.55 feet to the endpoint of said easement.

#### Storm Sewer Easement

Commence at the Northwest corner of the Southwest quarter of the Northwest quarter of Section 36, Township 20 South, Range 3 West and run in a Westerly direction a distance of 14.33 feet to a point

on a curve to the left having a central angle of  $3^{\circ}06'02''$  and a radius of 5629.58 feet, said point also being on the Easterly right-of-way line of U.S. Highway 31; thence deflect  $80^{\circ}09'10''$  to the left to the tangent of said curve and run in a Southerly direction along the arc of said curve and said right-of-way a distance of 304.65 feet to the Point of Beginning of a 10 foot Storm Sewer Easement, lying 5 feet each side of, parallel to and abutting the following described centerline; thence deflect  $62^{\circ}15'23''$  to the left and run in a Easterly direction a distance of 256.00 feet to a point; thence deflect  $27^{\circ}32'41''$  to the left and run in an Southeasterly direction a distance of 68.03 feet to a point; thence deflect  $90^{\circ}00'00''$  to the left and run in a Northerly direction a distance of 21.32 feet to the Endpoint of said easement.

THIS INSTRUMENT PREPARED BY  
AND WHEN RECORDED MAIL TO:  
Sirote & Permutt, P.C.  
2311 Highland Avenue South  
Birmingham, Alabama 35205  
Attention: Tom Ansley