

RECORDATION REQUESTED BY:
Wachovia SBA Lending, Inc.
1620 East Roseville Parkway, Suite 100
Roseville, CA 95661


20041019000577130 Pg 1/6 26.00
Shelby Cnty Judge of Probate, AL
10/19/2004 13:00:00 FILED/CERTIFIED

WHEN RECORDED MAIL TO:
Wachovia SBA Lending, Inc.
P.O. Box 15143
Sacramento, CA 95851

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

NOTICE: THIS LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION

THIS LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION dated 10/18/04, is made and executed among Relationships, Inc. ("Lessee"); Relationships, Inc.; and Michael G. Semon ("Borrower"); and Wachovia SBA Lending, Inc. ("Lender"). In this Subordination Borrower is the owner and lessor of the Real Property described below, which is sometimes referred to in this Subordination as the "Premises."

LEASE. Lessee has executed a lease dated October 1, 2004 of the property described herein (the "Subordinated Lease").

REAL PROPERTY DESCRIPTION. The Lease covers a portion of the following described real property located in Shelby County, State of Alabama:

See Exhibit "A", which is attached to this Subordination and made a part of this Subordination as if fully set forth herein.

The Real Property or its address is commonly known as 2540 Valleydale Road, Birmingham, AL 35244. The Real Property tax identification number is 10-5-16-0-001-020.000

REQUESTED FINANCIAL ACCOMMODATIONS. Lessee and Borrower each want Lender to provide financial accommodations to Borrower in the form of (A) new credit or loan advances, (B) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (C) other benefits to Borrower. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its lien on the Real Property ("Lender's Lien") be and remain superior to the Subordinated Lease.

ASSIGNMENT OF LEASE. As an additional condition to the granting of the requested financial accommodations, Lender has also required an assignment, with right of reassignment, of the Subordinate Lease (also referred to as the "Lease" in this Subordination).

NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

LESSEE'S ASSIGNMENT OF LEASE. For value received, and as security for the financial accommodations (the "Loan") and as security for all other loans, advances or other financial accommodation, whenever made, issued or extended by Lender to Borrower or Lessee, Lessee hereby grants Lender a security interest in, and does hereby irrevocably assign, transfer and set over to Lender all of Lessee's right, title and interest in and to the leasehold granted and created by the Lease. As long as Lessee is not in default in the performance of any of Lessee's obligations under the Lease and so long as there is no default under this Subordination or under any other document securing the Guaranty or otherwise executed in connection with the Loan (hereinafter collectively referred to as the "Loan Documents"), Lessee may remain in possession of the Premises under the terms, covenants and conditions of the Lease.

REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee knowledge, by other party under the terms and provisions of the Lease exists as of the date hereof.

LESSEE PERFORMANCE UNDER THE LEASE. Lessee covenants and agrees with Lender that Lessee will perform all of the covenants, conditions, and agreements of the Lease and will keep Lender, its successors and assigns indemnified against all losses, liabilities, actions, suits, expenses and claims on account of non-payment of rent or other breach of the Lease. Default by Lessee of any obligation set forth in the Lease shall constitute a default under this Subordination.

CONSENT TO ASSIGNMENT. Apart from any contrary language that might exist in the Lease, Borrower hereby consents to the creation and grant of the security interest and assignment of Lessee's interest in the Lease to Lender and further consents to Lender's possession, enjoyment and assumption of the Lease in the place and stead of Lessee in the event a default occurs under the terms and conditions of any Loan Document. Lessee further acknowledges that, as long as Lender has a security interest in the Lease, any modification, alteration or amendment of any of the terms thereof without the prior written approval of Lender, such approval not to be unreasonably withheld, shall be null and void. Notwithstanding the prior sentence, Borrower shall not be prevented from deeming the Lease to be terminated pursuant to its terms so long as appropriate notice and opportunity to cure any default has been given. Lessee agrees to provide Lender with simultaneous notice of any default as a result of which Borrower intends to terminate

LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION (Continued)

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the Lease or commence any judicial proceeding to recover possession of the Premises, whether by an action for unlawful detainer, summary eviction or otherwise.

Borrower and Lessee further agree that upon Lender's receipt of a notice of default from Borrower, Lender shall have the option to (A) assume Lessee's obligations under the Lease, cure the aforesaid default and take possession of the Premises as a lessee or assign the Lease to any third party, subject to the approval of Borrower of such third party as set forth in the Lease, which approval shall not be unreasonably withheld; or (B) take no action whatsoever in the event Lender elects not to enforce its security interest in the Lease. Until Lender has elected to enter into possession of the Premises, Lender shall have no obligation or responsibility to pay rent or to perform or observe any of the terms, covenants or conditions of the Lease. Lender shall have no further rights in the assigned Lease under this Subordination in the event it should fail, within ninety (90) days of its receipt of written notice that Lessee is in default, to inform Borrower in writing of its intention to cure the default and to initiate such action as may be necessary to take possession of the Premises; provided, however, that in the event Lender is restrained, enjoined or stayed from taking possession of the Premises, Borrower shall not terminate the Lease as long as Lender is making a good faith effort to vacate such restraining order, injunction or stay. All damages of Borrower accruing during any such period of prohibition, injunction, or stay, not to exceed ninety (90) days from the entry of any such order of prohibition, injunction, or stay shall be deemed the sole liability of Lessee; and shall not be attributable to Lender in the calculation of Lender's cure upon default.

Borrower further agrees that if Lender has elected to take possession of the leased Premises and should thereafter assign, convey or otherwise transfer its leasehold interest to a third party, Borrower shall release Lender from any and all further liability under the Lease and have recourse only against the transferee. Any sums expended by Lender in connection with the Lease as well as all costs, expenses and attorneys' fees incurred by Lender relating thereto shall become a part of the indebtedness secured hereby and shall become immediately due and payable from Lessee without demand and shall bear interest at the same rate as the secured indebtedness.

LEASE TERMINATION. Borrower further agrees that in the event Borrower is informed by Lender in writing of its intention to assume the Lease and there is a termination of the Lease as the result of any bankruptcy or related insolvency proceeding commenced by or against Lessee; Lessee, within thirty (30) days of such termination, will enter into a new lease with Lender on substantially the same terms and conditions as set forth in the Lease and, if Lender should thereafter assign, convey or otherwise transfer its leasehold interest to a third party, Borrower shall release Lender from any and all further liability under the Lease and shall have recourse only against the transferee.

PERSONAL PROPERTY COLLATERAL. Borrower and Lessee further acknowledge and agree that to the extent Lender now or hereafter has a security interest in any of Lessee's personal property, which now or hereafter may be located on or affixed to the Premises (the "Collateral"), the following provisions shall apply with regard to such Collateral: (A) Borrower hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Borrower now has or may hereafter acquire in the Collateral. (B) Borrower agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Subordination. (C) Borrower and Lessee grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Subordination will continue until a reasonable time after Lender receives notice in writing from Borrower that Lessee no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Borrower not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or crediting Borrower for the cost of repair.

OTHER RIGHTS. The rights, powers and remedies given to Lender by this Subordination shall be in addition to all rights, powers and remedies given to Lender by virtue of any statute or rule of law. Any forbearance or failure or delay by Lender in exercising any right, power or remedy hereunder against Lessee, shall not be deemed to be a waiver of such power or remedy against Lessee, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof and such right, power or remedy shall continue in full force and effect until such right, power and remedy is specifically waived by an instrument in writing executed by Lender. No waiver by Lender of any default shall operate as a waiver of any other default or of the same default on a future occasion.

LESSEE WAIVERS. Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Amendments. This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is

**LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION
(Continued)**

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involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Lessee also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Lessee's property, if any.

Caption Headings. Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

Governing Law. This Subordination will be governed by, construed and enforced in accordance with federal law and the laws of the State of Alabama. This Subordination has been accepted by Lender in the State of Alabama. No provision contained in this Subordination shall be construed (1) as requiring Lender to grant to Borrower or Lessee any financial assistance or other accommodations, or (2) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Choice of Venue. If there is a lawsuit, Lessee agrees upon Lender's request to submit to the jurisdiction of the courts of Placer County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Definitions. The following capitalized words and terms shall have the following meanings when used in this Subordination. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Subordination shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Relationships, Inc.; and Michael G. Semon and includes all co-signers and co-makers signing the Note.

Lender. The word "Lender" means Wachovia SBA Lending, Inc., its successors and assigns.

Premises. The word "Premises" means the real property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Subordination.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

Superior Indebtedness. The words "Superior Indebtedness" mean the indebtedness described in the section of this Subordination titled "Superior Indebtedness".

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED 10/18/04.

THIS SUBORDINATION IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS SUBORDINATION IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION
(Continued)

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BORROWER:

RELATIONSHIPS, INC.

By: Michael G. Semon Pres. (Seal)
Michael G. Semon, President/Secretary of
Relationships, Inc.

X Michael G. Semon (Seal)
Michael G. Semon, Individually

LESSEE:

RELATIONSHIPS, INC.

By: Michael G. Semon Pres. (Seal)
Michael G. Semon, President/Secretary of
Relationships, Inc.

LENDER:

X Yvonne Caro (Seal)
Authorized Officer

This Lessee's Assignment of Lease and Subordination prepared by:

Name: Sharon Millar, Senior Commercial Loan Processor
Address: 1620 East Roseville Parkway, Suite 100
City, State, ZIP: Roseville, CA 95661

CORPORATE ACKNOWLEDGMENT

STATE OF Alabama)
) SS
COUNTY OF Jefferson)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Michael G. Semon, President/Secretary of Relationships, Inc.**, a corporation, is signed to the foregoing Subordination and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lessee's Assignment of Lease and Subordination, he or she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 18th day of October, 20 04.

Jennifer L. Leuna
Notary Public

My commission expires 10-2-08

LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION
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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Alabama)
) SS
COUNTY OF Jefferson)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Michael G. Semon**, whose name 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 Subordination, he or she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 18 day of October, 20 04.

Jennifer L. Semon
Notary Public

My commission expires 10-2008

CORPORATE ACKNOWLEDGMENT

STATE OF Alabama)
) SS
COUNTY OF Jefferson)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Michael G. Semon, President/Secretary of Relationships, Inc.**, a corporation, is signed to the foregoing Subordination and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lessee's Assignment of Lease and Subordination, he or she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

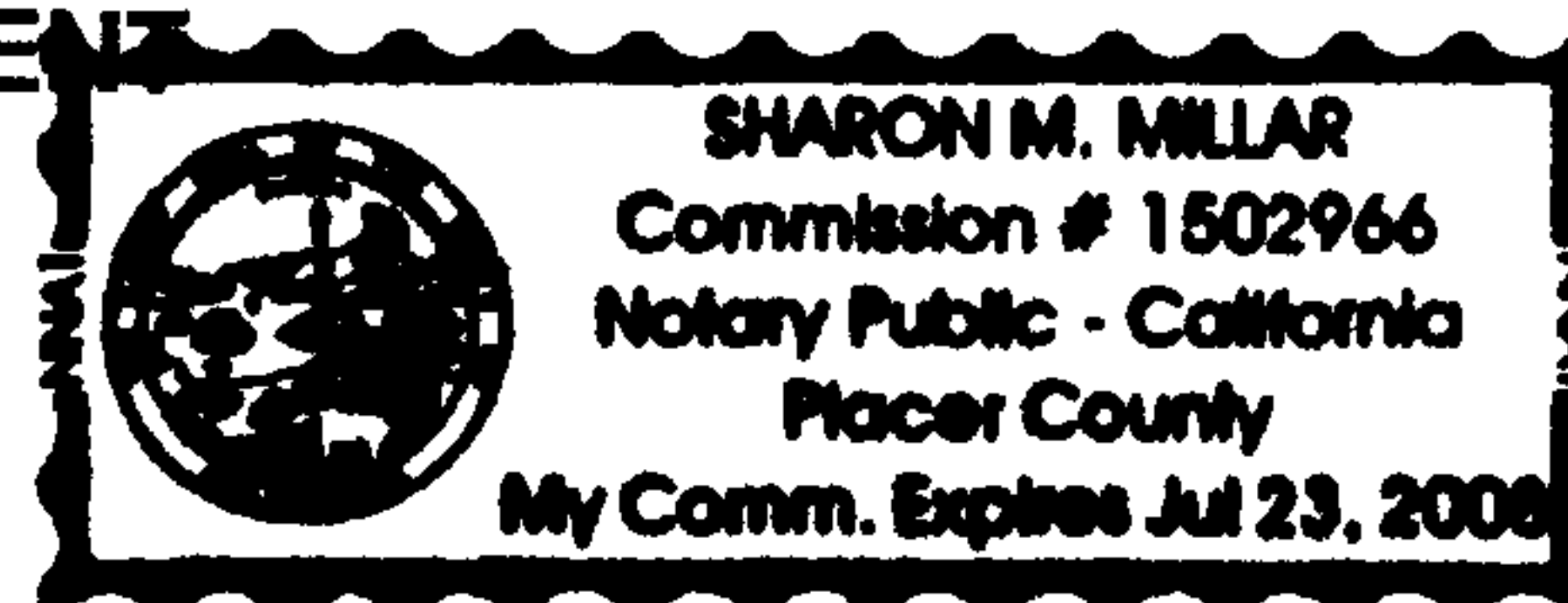
Given under my hand and official seal this 18 day of October, 20 04.

Jennifer L. Semon
Notary Public

My commission expires 10-2008

LENDER ACKNOWLEDGMENT

STATE OF California)
) SS
COUNTY OF Placer)



I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Yvonne Caro a corporation, is signed to the foregoing Subordination and who is known to me, acknowledged before me on this day that, being informed of the contents of said Lessee's Assignment of Lease and Subordination, he or she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 7th day of October, 20 04.

Sharon M. Millar
Notary Public

My commission expires 7/23/08

Exhibit "A" to Lessee's Assignment of Lease and Subordination

20041019000577130 Pg 6/6 26.00
Shelby Cnty Judge of Probate, AL
10/19/2004 13:00:00 FILED/CERTIFIED

Part of the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 16, Township 19 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

From the NE corner of the NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of said Section 16, run in a Westerly direction along the North line of said $\frac{1}{4}$ - $\frac{1}{4}$ section for a distance of 408.09 feet to Riches' corner; thence turn an angle to the left of 91 degrees, 25 minutes and run in a Southerly direction for a distance of 423 feet, more or less, to the North right of way line of Valleydale Road; thence turn an angle to the right of 47 degrees, 51 minutes and run in a Southwesterly direction along the North right of way line of said Valleydale Road for a distance of 306.50 feet to an existing iron pin found at the Easternmost corner of a tract of land sold to M.C. Crow by deed executed by H.M. Winslet and wife, Bessie Winslet, dated September 10, 1960, and recorded in Deed Book 213, Page 159, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 14 degrees, 15 minutes and run Southwesterly along the Southeast side of the M.C. Crow property for a distance of 209.40 feet to an existing 1 inch bolt being the Southernmost corner of the M.C. Crow property; thence continue in a Southwesterly direction along the Northwest right of way line of Valleydale Road for a distance of 18.0 feet to an existing iron rebar set by Weygand and being the point of beginning; thence continue in a Southwesterly direction along the Northwest right of way line of Valleydale Road for a distance of 112.89 feet to an existing 1 inch open top iron pin; thence turn an angle to the right of 103 degrees, 19 minutes, 23 seconds and run in a Northwesterly direction for a distance of 135.36 feet to an existing iron rebar set by Weygand; thence turn an angle to the right of 81 degrees, 42 minutes, 13 seconds and run in a Northeasterly direction for a distance of 66.68 feet to an existing iron rebar set by Weygand; thence turn an angle to the right of 5 degrees, 06 minutes, 39 seconds and run in a Northeasterly direction for a distance of 52.99 feet to an existing iron rebar set by Weygand; thence turn an angle to the right of 89 degrees, 33 minutes, 54 seconds and run in a Southeasterly direction for a distance of 63.28 feet to an existing iron rebar set by Weygand; thence turn an angle to the right of 16 degrees, 07 minutes, 43 seconds and run in a Southeasterly direction for a distance of 60.19 feet, more or less, to the point of beginning.

Situated in Shelby County, Alabama.

