


RETURN TO:
JOHN W. MONROE, JR.
EMMANUEL, SHEPPARD & CONDON
30 S. SPRING STREET
PENSACOLA, FL 32502


20050603000269890 1/14 \$2442.80
Shelby Cnty Judge of Probate, AL
06/03/2005 12:38:57PM FILED/CERT

5042
235210
A0458-105977 rfk 107714
PREPARED BY AND RETURN TO:
ROBERT L. MELLEN, III, ESQ.
AKERMAN SENTERFITT
P.O. BOX 231
ORLANDO, FL 32802-0231

WITH RESPECT TO THE SHELBY COUNTY, ALABAMA
MORTGAGE TAX, IRRESPECTIVE OF THE AMOUNT OF
INDEBTEDNESS SET FORTH HEREIN AND WHICH IS
SUBJECT TO ENFORCEMENT AGAINST THE MORTGAGED
PROPERTY, THIS INSTRUMENT IS GIVEN TO SECURE A
CURRENT BORROWING OF \$ 1,595,200.00.

MASTER
MORTGAGE DEED AND SECURITY AGREEMENT (ALABAMA)

THIS MASTER MORTGAGE DEED AND SECURITY AGREEMENT (ALABAMA) (this
"Mortgage") is made and entered into as of March 3, 2005 by:

ADAMS HOMES OF NORTHWEST FLORIDA, INC., a Florida corporation, and ADAMS
HOMES L.L.C., an Alabama limited liability company (collectively and individually, the
"Mortgagor"), having an address 3000 Gulf Breeze Parkway, Gulf Breeze, Florida 32563

in favor of

SUNTRUST BANK, a Georgia corporation (the "Mortgagee"), having an address at 220 West
Garden Street, Pensacola, Florida 32501; Attention: Real Estate Finance Group.

WITNESSETH:

That in consideration of the premises and in order to secure (a) the payment of (i) the principal, interest and other sums whatsoever payable at any time on that certain Master Revolving Mortgage Note, dated February 10, 2005, executed by the Mortgagor in favor of the Mortgagee in the face amount of \$30,000,000.00 (as the same may hereafter be modified, amended, renewed, extended or replaced from time to time, the "Note") or under the related Master Revolving Borrowing Base Loan Agreement, dated as of February 10, 2005, between the Mortgagor and the Mortgagee (as the same may hereafter be modified, amended, supplemented or restated from time to time, the "Loan Agreement;" the capitalized terms used herein and not otherwise defined having the meanings given to such terms in said Loan Agreement), any of the other Loan Documents or this Mortgage, and the performance and observance of all of the provisions of said Note, Loan Agreement, other Loan Documents and this Mortgage, and (ii) any other Obligations, including without limitation, any obligations of the Mortgagor to the Mortgagee under this Mortgage and in consideration of all future advances made pursuant to the terms of this Mortgage, and (b) the performance and observance of all of the provisions of said Note, Loan Agreement, other Loan Documents, other Obligations and this Mortgage (collectively, the "Liabilities"), the Mortgagor hereby grants, sells, warrants, conveys, assigns, transfers, mortgages and sets over and confirms unto the Mortgagee, all of the Mortgagor's estate, right, title and interest in, to and under all of that certain real property more particularly described on the attached Exhibit "A" and incorporated herein by reference and any additional real property which may be added to this Mortgage from time to time pursuant to one or more Spreader Agreements (collectively, the "Real Property"). The total amount secured by this Mortgage will not exceed at any time the maximum principal amount of Thirty Million Dollars (\$30,000,000.00).

{OR854075;2}

THIS MORTGAGE AND SECURITY AGREEMENT SERVES AS A FINANCING STATEMENT FILED
AS A FIXTURE FILING, PURSUANT TO SECTION 7-9-502(c), CODE OF ALABAMA 1975 AS
AMENDED.



20050603000269890 2/14 \$2442.80
Shelby Cnty Judge of Probate, AL
06/03/2005 12:38:57PM FILED/CERT

TOGETHER WITH all other property of every kind and nature set forth and described in Exhibit "B" attached hereto and made a part hereof (collectively, the "Other Property," and together with the Real Property, collectively, the "Mortgaged Property"). To the extent any of the Mortgaged Property is deemed to be personal property or fixtures under the UCC, the Mortgagor does hereby grant to the Mortgagee a security interest in all of said personal property and fixtures and the Mortgagor does hereby agree that this Mortgage shall constitute a security agreement from the Mortgagor to the Mortgagee under the UCC. Further, to the extent that any part of the Mortgaged Property is in the form of cash or other securities and is deposited with or held by the Mortgagee or any of the Mortgagee's Affiliates, the security interest granted hereunder to the Mortgagee shall continue to encumber all of the Mortgagor's right, title and interest in and to such deposits, and the Mortgagor specifically agrees that any such Affiliate of the Mortgagee shall be deemed to be the duly designated agent of the Mortgagee for purposes of holding possession of any such deposits, and further agree that upon the occurrence of an Event of Default (after expiration of any applicable curative or grace period), the Mortgagee or its Affiliate as aforesaid may at any time and from time to time, without demand or notice, appropriate and set-off against and apply the same to the indebtedness evidenced by the Note and the other Liabilities due or payable to the Mortgagee hereunder. In addition to all of its other rights under this Mortgage and otherwise, the Mortgagee shall have all of the rights of a secured party under the UCC. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Mortgaged Property and is to be filed for record in the real estate records of each county where any part of the Mortgaged Property (including such fixtures) is situated. This Mortgage shall also be effective as a financing statement with respect to any other Mortgaged Property as to which a security interest may be perfected by the filing of a financing statement and may be filed as such in any appropriate filing or recording office. The respective mailing addresses of the Mortgagor and the Mortgagee are set forth in the opening paragraph of this Mortgage. A carbon, photographic or other reproduction of this Mortgage or any other financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in this paragraph.

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, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining including, but not limited to, any impact fee credits or rebates, sewer, water or trip allocation rights or credits, and any other rights of the Mortgagor with respect to the Mortgaged Property arising out of any agreements between the Mortgagor and the applicable Governmental Authority where the Mortgaged Property is located, together with the reversion and reversions thereof, and all the estate, right, title, interest, homestead, possession, claim and demand whatsoever, as well in law as in equity, of the Mortgagor and unto the same, and every part thereof, with the appurtenances of the Mortgagor in and to the same, and every part and parcel thereof unto the Mortgagee.

The Mortgagor warrants that the Mortgagor has a good title to an indefeasible fee estate in the real property comprising the Mortgaged Property subject to no liens or encumbrances except such as the Mortgagee has agreed to accept in writing (collectively, the "Permitted Encumbrances"), and the Mortgagor covenants that this Mortgage is and will remain a valid and enforceable mortgage on the Mortgaged Property subject only to the Permitted Encumbrances. The Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form herein done or intended hereafter to be done. The Mortgagor will preserve such title and will forever warrant and defend the same to the Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons whomsoever.

The Mortgagor will, at the sole cost of the Mortgagor, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every one of such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as the Mortgagee shall from time to time require in order to preserve the priority of the lien of this Mortgage or to facilitate the performance of the terms hereof.

PROVIDED HOWEVER, that if the Mortgagor shall pay, perform, and discharge (or cause to be paid, performed and discharged) to the Mortgagee the indebtedness in the principal sum of Thirty Million Dollars (\$30,000,000.00), as evidenced by the Note, executed by the Mortgagor and payable to the order of the Mortgagee, with interest and upon the terms as provided therein, together with all other sums advanced by the Mortgagee to or on behalf of the Mortgagor pursuant to the Note (including any future advances hereunder) or this Mortgage, or otherwise due and owing by the Mortgagor to the Mortgagee at any time, and any and all of the other Liabilities,

whether now existing or hereafter arising, due or to become due, absolute or contingent, of the Mortgagor to the Mortgagee, and shall perform all other covenants and conditions of the Note, all of the terms of which Note are incorporated herein by reference as though set forth fully herein, and of this Mortgage and such other Liabilities, and PROVIDED FURTHER HOWEVER, that the Mortgagor shall have no further right to an Advance under said Loan Agreement, then this Mortgage and the estate hereby created shall cease and terminate; otherwise same shall remain in full force and effect. A certificate or statement from Mortgagee confirming that the Liabilities have not been paid in full or fully performed and discharged shall be sufficient evidence thereof for the purposes of reliance by third parties on that fact.

The Mortgagor further covenants and agrees with the Mortgagee as follows:

1. **PAYMENT OF NOTE.** The Mortgagor shall pay all sums, including interest secured hereby, when due as provided for in the Note and this Mortgage, all such sums to be payable in Dollars at the Mortgagee's aforesaid principal office or at such other place as the Mortgagee may designate from time to time in writing.

2. **PAYMENT OF TAXES AND FEES ON OR RELATED TO MORTGAGED PROPERTY.** The Mortgagor shall pay when due, and before any delinquency or default shall occur, and without requiring any notice from the Mortgagee, all taxes, assessments of any type or nature and other charges levied or assessed against the Mortgaged Property or this Mortgage and all revenue and maintenance or similar fees related to the Mortgaged Property which are necessary for the extension and continued availability of water capacity, sewer treatment capacity and/or trip capacity for the Mortgaged Property and, in each case shall produce receipts therefor upon demand.

3. **PAYMENT OF ENCUMBRANCES.** The Mortgagor shall immediately pay and discharge (or transfer in full to a bond) any lien or encumbrance (except for Permitted Encumbrances) against the Mortgaged Property that may be or become superior to this Mortgage and shall not permit any default or delinquency on any other lien or encumbrance, against the Mortgaged Property (including Permitted Encumbrances).

4. **DEPOSITS FOR TAXES AND INSURANCE.** If required by the Mortgagee at any time following the occurrence and continuance of an Event of Default, the Mortgagor shall make monthly deposits with the Mortgagee, in a non-interest bearing account, together with and in addition to interest and principal, of a sum equal to one-twelfth of the yearly taxes and assessments which may be levied against the Mortgaged Property, and (if so required) one-twelfth of the yearly premiums for insurance thereon. The amount of such taxes, assessments and premiums, when unknown, shall be estimated by the Mortgagee. Such deposits shall be used by the Mortgagee to pay such taxes, assessments and premiums when due. Any insufficiency of such account to pay such charges when due shall be paid by the Mortgagor to the Mortgagee on demand. If, by reason of any default by the Mortgagor under any provision of this Mortgage, the Mortgagee declares all sums secured hereby to be due and payable, the Mortgagee may then apply any funds in said account against the entire indebtedness secured hereby. The enforceability of the covenants relating to taxes, assessments and insurance premiums herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this paragraph. The Mortgagee may from time to time at its option waive, and after any such waiver reinstate, any or all provisions hereof requiring such deposits, by notice to the Mortgagor in writing. While any such waiver is in effect, the Mortgagor shall pay taxes, assessments and insurance premiums as herein elsewhere provided.

5. **PAYMENT OF TAXES AND ASSESSMENTS ON MORTGAGE.** The Mortgagor shall promptly pay all taxes and assessments assessed or levied under and by virtue of any state, federal or municipal law or regulation hereafter passed against the Mortgagee upon this Mortgage or the indebtedness secured hereby, or upon its interest under this Mortgage; provided, however, in the event of the passage of any such law or regulation imposing a tax or assessment against the Mortgagee upon this Mortgage or the indebtedness secured hereby, the entire indebtedness secured by this Mortgage shall thereupon become immediately due and payable at the option of the Mortgagee.

6. **INSURANCE.** The Mortgagor shall keep the Mortgaged Property insured against loss or damage by fire, and all perils insured against by an extended coverage endorsement, and such other risks and perils as the Mortgagee in its discretion may require, including without limitation, public liability, and shall comply, at all times,

with all Insurance Requirements applicable to or affecting the Mortgaged Property, or any part thereof, or any use or condition of the foregoing, or any part thereof. The policy or policies of such insurance shall be in the form in general use from time to time in the locality in which the Mortgaged Property is situated, shall be in such amount as the Mortgagee may reasonably require, shall be issued by a company or companies licensed in the state where the Mortgaged Property is located and rated "A-" or better according to the current Best's Key Rating Guide, shall contain a standard mortgage clause with loss payable to the Mortgagee by New York Standard or Union Standard long form endorsements and shall specifically provide that the same shall not be canceled or modified adversely to the interest of the Mortgagee without thirty (30) days prior written notice to the Mortgagee by the insurer. Whenever required by the Mortgagee, copies of such policies shall be delivered immediately to and held by the Mortgagee. Any and all amounts received by the Mortgagee under any of such policies may be applied by the Mortgagee on the indebtedness secured hereby in such manner as the Mortgagee may, in its sole discretion, elect or, at the option of the Mortgagee, the entire amount so received or any part thereof may be released; provided, however, if no Default has occurred and is continuing, the Mortgagee, upon request of the Mortgagor, shall permit the Mortgagor to use any such amounts for repair or restoration of the Mortgaged Property so long as the Mortgagee reasonably determines that such amounts are sufficient to complete such repair or restoration and that said repair or restoration can be completed prior to the Maturity Date and the Mortgagor promptly complies with such other terms and conditions as the Mortgagee may reasonably require. Neither the application nor the release of any such amounts shall cure or waive any default under this Mortgage. Upon exercise of the power of sale given in this Mortgage or other acquisition of the Mortgaged Property or any part thereof by the Mortgagee, such policies and all amounts paid or payable thereunder shall become the absolute property of the Mortgagee.

7. **CONSENT TO CHANGES IN MORTGAGED PROPERTY.** The Mortgagor shall first obtain the written consent of the Mortgagee, which consent shall not unreasonably be withheld or delayed by the Mortgagee, before: (a) removing or demolishing any building now or hereafter erected on the Mortgaged Property; (b) altering the arrangement, design or structural character thereof; or (c) making any repairs which involve the removal of structural parts or the exposure of the interior of such building to the elements.

8. **MAINTENANCE OF MORTGAGED PROPERTY; INSPECTION.** The Mortgagor shall maintain the Mortgaged Property in good condition and repair, including without limitation, the making of such repairs as the Mortgagee may from time to time reasonably determine to be necessary for the protection or preservation of the Mortgaged Property and shall not commit or permit any waste thereof. During the term of this Mortgage, the Mortgagor shall allow the Mortgagee and any employees, agents or representatives of the Mortgagee, on reasonable notice to the Mortgagor, with unimpeded access to the Mortgaged Property for the purpose of inspecting the Mortgaged Property and/or preparing any review, audits, studies, tests, appraisals, updates, or reports with regard to the Mortgaged Property.

9. **COMPLIANCE WITH LAWS, ETC.** The Mortgagor shall comply with all Legal Requirements and with covenants, conditions and restrictions affecting the Mortgaged Property, including without limitation, to the extent applicable, the Americans With Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq) and any similar Alabama law and all rules and regulations promulgated thereunder, as such Act, law, rules and regulations may from time to time be amended or modified, and shall not cause or permit any violation thereof.

10. **FAILURE TO PAY ENCUMBRANCES.** If the Mortgagor fail (a) to pay any claim, lien or encumbrance on the Mortgaged Property, regardless of whether it is superior or junior to this Mortgage (provided, however, this clause shall not by itself authorize or permit any placement of a junior encumbrance on the Mortgaged Property if otherwise prohibited by the remaining terms of this Mortgage), or when due, any tax or assessment or insurance premium, (b) to keep the Mortgaged Property in good repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of the Mortgagor therein, including without limitation, eminent domain and bankruptcy or reorganization proceedings, then the Mortgagee, at its option, may, but is not required to, pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as the Mortgagee reasonably deems advisable, and for any of such purposes the Mortgagee may advance such sums of money, including all costs, reasonable attorneys' fees and other items of expense as it deems necessary and all of such sums of money shall be secured by the lien of this Mortgage. The Mortgagee shall be the

sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium and of the amount necessary to be paid in satisfaction thereof. The Mortgagee shall not be held accountable for any delay in making any such payment, which delay may result in any additional interest, costs, charges, expenses or otherwise.

11. **PAYMENT OF ADVANCES.** The Mortgagor will pay to the Mortgagee, immediately upon demand, all sums of money advanced by the Mortgagee to protect the security hereof pursuant to this Mortgage, including without limitation, all costs reasonably incurred by the Mortgagee in evaluating or correcting dangerous, harmful or unlawful conditions found to exist on or about the Mortgaged Property, reasonable attorneys' fees and other items of expense, together with interest on each such advancement at the highest lawful rate of interest per annum allowed from time to time by the law of the State of Florida or other applicable law, and all such sums and interest thereon shall be secured hereby.

12. **NO LEASE, ETC. OF MORTGAGED PROPERTY.** The Mortgagor shall not, without the prior written consent of the Mortgagee, lease the Mortgaged Property or any part thereof. Any such act shall be expressly subject to this Mortgage and the prior lien created hereby, and written consent of Mortgagee to any one such act shall not be construed to be a waiver of this provision with respect to any subsequent act. Except in the ordinary course of business, the Mortgagor shall not sell, transfer, or remove any personal property owned by the Mortgagor now or hereafter located on the Mortgaged Property, unless such action results in substitution or replacement with similar items of equal value, owned by the Mortgagor and not otherwise encumbered, without the prior written consent of the Mortgagee.

13. **AMOUNTS ABSOLUTELY DUE.** The Mortgagor shall pay all sums of money secured hereby without any relief whatever from any valuation or appraisal laws.

14. **EVENTS OF DEFAULT; REMEDIES.** Upon the happening and during the continuance of any Event of Default (as defined in the Loan Agreement), all of the indebtedness secured hereby shall become and be immediately due and payable at the option of the Mortgagee, without further notice or demand, except as may otherwise be provided in the Note, which are hereby expressly waived, in which event the Mortgagee may (but shall be under no duty or obligation to) avail itself of all rights and remedies, at law or in equity, including without limitation, those available to a secured party upon default under the Uniform Commercial Code as in effect in the state where the Mortgaged Property is located, and this Mortgage may be foreclosed with all rights and remedies afforded by the laws of the state where the Mortgaged Property is located and the Mortgagor shall pay all costs and expenses incurred by the Mortgagee in (a) enforcing this Mortgage; (b) preserving, securing or protecting the Mortgaged Property; (c) evaluating any conditions on or about the Mortgaged Property, including environmental assessments, surveys or studies; (d) realizing upon the Mortgaged Property or any part thereof; and (e) collecting any of the indebtedness secured hereby, including without limitation, reasonable attorneys' fees whether suit is brought or not and whether incurred in connection with collection, at trial, on rehearing, retrial or appeal, in bankruptcy or otherwise. The indebtedness secured hereby shall bear interest at the Interim Default Rate or the Default Rate, whichever is applicable under the Loan Agreement, from and after the date of any such default of the Mortgagor. If the Note provide for installment payments, the Mortgagee may, at its option, collect a late charge as may be provided for in the Note, to reimburse the Mortgagee for expenses in collecting and servicing such installment payments.

15. **POWER OF SALE.** If an Event of Default shall occur and be continuing, Mortgagee may sell the Mortgaged Property secured hereby at public outcry to the highest bidder for cash in front of the main entrance of the county courthouse of the county where said Mortgaged Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in a newspaper published in said county, and, upon payment of the purchase money, Mortgagee or any person conducting the sale for Mortgagee is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Mortgagee may bid at said sale and purchase said 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 Mortgagee may elect.

16. **RIGHT TO RECEIVER ON DEFAULT.** Upon the happening and during the continuance of any Event of Default:

(a) the Mortgagee is authorized at any time, without notice, in its sole discretion to enter upon and take possession of the Mortgaged Property or any part thereof, to perform any acts the Mortgagee deems necessary or proper to conserve the security and to collect and receive all rents, issues and profits thereof, including those past due as well as those accruing thereafter; and

(b) the Mortgagee shall be entitled, as a matter of strict right, without notice and ex parte, and without regard to the value or occupancy of the security, or the solvency of the Mortgagor, or the adequacy of the Mortgaged Property as security for the Note, to have a receiver appointed to enter upon and take possession of the Mortgaged Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all the rights and powers permitted under the laws of Alabama.

In either such case, the Mortgagee or the receiver may also take possession of, and for these purposes use, any and all personal property which is a part of the Mortgaged Property and used by the Mortgagor in or arising from the sale, rental or leasing thereof or any part thereof. The expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. The Mortgagee shall (after payment of all costs and expenses incurred) apply such rents, issues, proceeds and profits received by it on the indebtedness secured hereby in such order as the Mortgagee determines. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the rents, issues, proceeds and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The Mortgagee shall be liable to account only for such rents, issues, proceeds and profits actually received by the Mortgagee.

17. **CUMULATIVE RIGHTS ON DEFAULT.** If the indebtedness secured hereby is now or hereafter further secured by mortgages, security interests, financing statements, pledges, contracts of guaranty, assignments of leases or other securities, or if the Mortgaged Property hereby encumbered consists of more than one parcel of real property, the Mortgagee may, at its option, exhaust any one or more of said securities and security hereunder, or such parcels of the security hereunder, either concurrently or independently, and in such order as it may determine. Nothing contained in this Mortgage, in any of the other Loan Documents or in any applicable law shall obligate the Mortgagee as to the procedure or method by which the Mortgagee may pursue collection of the Liabilities or any of the Collateral at any time securing same. The Mortgagor does hereby expressly waive any requirement that the Mortgagee proceed under any marshalling of assets procedure or theory and, upon the happening and during the continuance of an Event of Default, the Mortgagee may, in its discretion, pursue any or all the Collateral as it, in its discretion, determines.

18. **FUTURE ADVANCES.** This Mortgage shall secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee or otherwise, as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, but such secured indebtedness shall not exceed at any time the maximum principal amount of \$60,000,000.00, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property with interest on such disbursements. Any such future advances, whether obligatory or to be made at the option of the Mortgagee or otherwise, may be made either prior to or after the due date of the Note or any other Liabilities secured by this Mortgage. This Mortgage is given for the specific purpose of securing any and all indebtedness of the Mortgagor to the Mortgagee (but in no event shall the secured indebtedness exceed at any time the maximum principal amount set forth in this paragraph) in whatever manner this indebtedness may be evidenced or represented until this Mortgage is satisfied of record. All covenants and agreements contained in this Mortgage shall be applicable to all further advances made by the Mortgagee to the Mortgagor under this future advance clause. The Mortgagor agrees that it will not, without the consent of the Mortgagee, execute and record any notice limiting the right of the Mortgagee to make or the Mortgagor to accept future advances hereunder.

19. **NO WAIVER.** No delay by the Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance

of any Event of Default hereunder. No waiver by the Mortgagee of any Event of Default shall constitute a waiver of or consent to subsequent Events of Default. No failure of the Mortgagee to exercise any option herein given to accelerate maturity of the debt hereby secured; no forbearance by the Mortgagee before or after the exercise of such option and no withdrawal or abandonment of foreclosure proceedings by the Mortgagee shall be taken or construed as a waiver of its right to exercise such option or to accelerate the maturity of the debt hereby secured by reason of any past, present or future default on the part of the Mortgagor; and, in like manner, the procurement of insurance or the payment of taxes or other liens or encumbrances by the Mortgagee shall not be taken or construed as a waiver of its right to accelerate the maturity of the debt hereby secured.

20. **PARTIAL RELEASE.** Without affecting the liability of the Mortgagor or any other person (except any such person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may, at any time and from time to time, either before or after the maturity of the Note, and without notice or consent:

(a) Release any person liable for payment of all or any part of the indebtedness evidenced by the Note or for performance of any of the other Liabilities;

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness evidenced by the Note, or modifying or waiving any of the other Liabilities, or subordinating, modifying or otherwise dealing with the lien or charge hereof;

(c) Exercise or refrain from exercising or waive any right the Mortgagee may have;

(d) Accept additional security of any kind; and

(e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the Mortgaged Property.

21. **NO ADDITIONAL INDEBTEDNESS.** The Mortgagor shall not incur any secondary secured financing with regard to all or any part of the Mortgaged Property during the term of this Mortgage without the prior written consent of the Mortgagee.

22. **NO FURTHER LIENS OR ENCUMBRANCES.** The Mortgagor shall not grant to any other person whatsoever any lien, mortgage or any other encumbrance whatsoever on any of the Mortgaged Property. Any such mortgage or encumbrance in violation hereof shall be invalid and shall not constitute a lien on the Mortgaged Property.

23. **PRIORITY OVER FUTURE LIENS.** Any amendment or modification of this Mortgage hereafter made by the Mortgagor and the Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any lien, mortgage or encumbrance on the Mortgaged Property arising subsequent to the date of this Mortgage (provided, however, that this clause shall not by itself authorize or permit any subsequent liens, mortgages or encumbrances on the Mortgaged Property which are otherwise prohibited under the terms of this Mortgage).

24. **CONDEMNATION.** In the event of condemnation proceedings of the Mortgaged Property or any part thereof, the award or compensation payable thereunder shall be paid to the Mortgagee. The Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. In any such condemnation proceedings, the Mortgagee may be represented by counsel selected by the Mortgagee. The proceeds of any award or compensation so received shall, at the option of the Mortgagee, either be applied to the prepayment of the Note and at the rate of interest provided therein, regardless of the rate of interest payable on the award by the condemning authority, or at the option of the Mortgagee, such award shall be paid over to the Mortgagor for restoration of the Mortgaged Property; provided, however, if no Default has occurred and is continuing, the Mortgagee, upon request of the Mortgagor, shall permit the Mortgagor to use any such proceeds for restoration of the Mortgaged Property upon such terms and conditions as the Mortgagee may reasonably require.

25. **DUE ON SALE.** The loan represented by this Mortgage and the Note is personal to the Mortgagor and the Mortgagee made the loan evidenced by the Note to the Mortgagor based upon the credit of the Mortgagor and the Mortgagee's judgment of the ability of the Mortgagor to repay all sums due under this Mortgage, and therefore, this Mortgage may not be assumed by any subsequent holder of an interest in the Mortgaged Property. If all or any part of the Mortgaged Property or any interest therein, is sold, conveyed, transferred (including a transfer by agreement for deed or land contract) or further encumbered by the Mortgagor without the Mortgagee's prior written consent, excluding partial releases of portions of the Mortgaged Property as provided in paragraph 29 of this Mortgage then, in that event, the Mortgagee may declare all sums secured by this Mortgage immediately due and payable.

26. **GOOD STANDING OF THE MORTGAGOR.** The Mortgagor represents and warrants that it is now and will be during the term of this Mortgage, in the case of Adams Homes/Northwest, a duly formed and validly existing corporation under the laws of the State of Florida and, in the case of Adams Homes, a duly formed and validly existing limited liability company under the laws of the State of Alabama, in each case, with full power and authority to consummate the loan contemplated hereby.

27. **NO PARTNERSHIP.** The relationship between the Mortgage and the Mortgagor is solely that of lender and borrower. The Mortgagee has no fiduciary or other special relationship with the Mortgagor. Nothing contained in this Mortgage or in any of the other Loan Documents is intended to create any partnership, joint venture, association or special relationship between the Mortgagor and the Mortgagee or in any way make the Mortgagee a co-principal with the Mortgagor with reference to the Mortgaged Property. All agreed contractual duties between the Mortgagor and the Mortgagee are set forth herein and in the other Loan Documents and any additional implied covenants or duties are hereby disclaimed. Any inferences to the contrary of any of the foregoing are hereby expressly negated.

28. **LOAN AGREEMENT.** Mortgagor hereby covenants that it will comply with all of the terms, provisions and covenants of the Loan Agreement, will diligently develop or construct the Improvements to be developed or constructed pursuant to the terms thereof, all of which terms are incorporated herein by reference as though set forth fully herein, and will permit no defaults to occur thereunder and if a default shall occur thereunder which is not cured within the applicable curative period, if any, it shall constitute a default under this Mortgage and the Note.

29. **RELEASE OF MORTGAGED PROPERTY.** So long as no Default or Event of Default has occurred under the Loan Agreement or any of the other Loan Documents, the Mortgagee will release Developed Lots, Homes and/or other portions of the Mortgaged Property from the lien and charge of this Mortgage upon the payment to the Mortgagee of the release price, if any, required by the Loan Agreement.

30. **SEVERABILITY.** In the event any one or more of the provisions contained in this Mortgage or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provisions of this Mortgage, and this Mortgage shall then be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The total interest payable pursuant to the Note or this Mortgage shall not in any one year exceed the highest lawful rate of interest allowed from time to time by the law of the State of Florida or other applicable law.

31. **SUCCESSORS AND ASSIGNS.** The covenants and agreements herein contained shall bind, and the benefits and advantages shall inure to, the respective legal representatives, successors and assigns of the parties hereto.

32. **MISCELLANEOUS.** Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders. The use of the words "herein," "hereof," "hereunder" and other similar compounds of the word "here" shall refer to this entire Mortgage and not to any particular paragraph or provision. Further, the term "person" and words importing persons as used in this Mortgage shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations,

limited liability companies and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons. If more than one Mortgagor executes this Mortgage, the term "Mortgagor" includes each of the Mortgagor, and all covenants, agreements and undertakings hereunder shall be joint and several. Time is of the essence of this Mortgage. The captions set forth to the paragraphs in this Mortgage are for convenience only and do not limit, expand or define the terms and conditions of this Mortgage.

33. **WAIVER OF JURY TRIAL.** TO THE EXTENT PERMITTED BY LAW, BY EXECUTION AND DELIVERY OF THIS MORTGAGE THE MORTGAGOR AND, BY ACCEPTANCE OF THIS MORTGAGE, THE MORTGAGEE, HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE AND ANY OF THE OTHER LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE MORTGAGOR OR THE MORTGAGEE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE TO EXTEND OR CONTINUE TO EXTEND CREDIT OR OTHER FINANCIAL ACCOMMODATION TO THE MORTGAGOR. FURTHER, THE MORTGAGOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE MORTGAGEE OR THE MORTGAGEE'S COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE MORTGAGEE WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISIONS. NO REPRESENTATIVE OR AGENT OF THE MORTGAGEE OR THE MORTGAGEE'S COUNSEL HAS THE AUTHORITY TO WAIVE, CONDITION, OR MODIFY THIS PROVISION.

34. **COMPLETE AGREEMENT.** This Mortgage constitutes the complete agreement between the parties hereto and it may not be amended, changed or modified except by a writing signed by the party to be charged by said amendment, change or modification.

35. **NO CONSEQUENTIAL DAMAGES, ETC.** WITH REGARD TO ANY ACTION, COUNTERCLAIM OR PROCEEDING UNDER THE NOTE, THIS MORTGAGE OR ANY OF THE OTHER LOAN DOCUMENTS, UNDER NO CIRCUMSTANCES WILL THE MORTGAGEE BE LIABLE TO THE MORTGAGOR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER OR NOT SUCH DAMAGES ARE CAUSED BY THE FAULT OR NEGLIGENCE OF THE MORTGAGEE AND WHETHER OR NOT THE MORTGAGEE IS NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

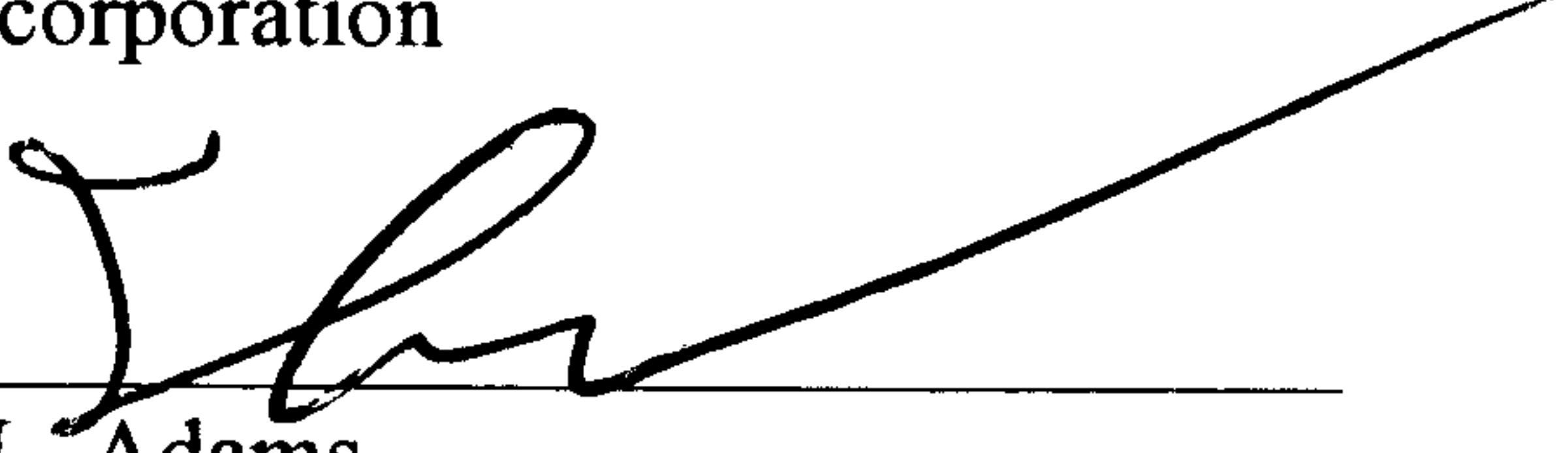
36. **GOVERNING LAW.** It is the parties' express intent that this Mortgage, and its validity, enforcement and interpretation, shall be governed by the laws of the State of Alabama without regard to conflicts of laws principles.

[Signature follows on next page]

IN WITNESS WHEREOF, the Mortgagor has duly executed this Mortgage as of the day and year first above written.

MORTGAGOR:

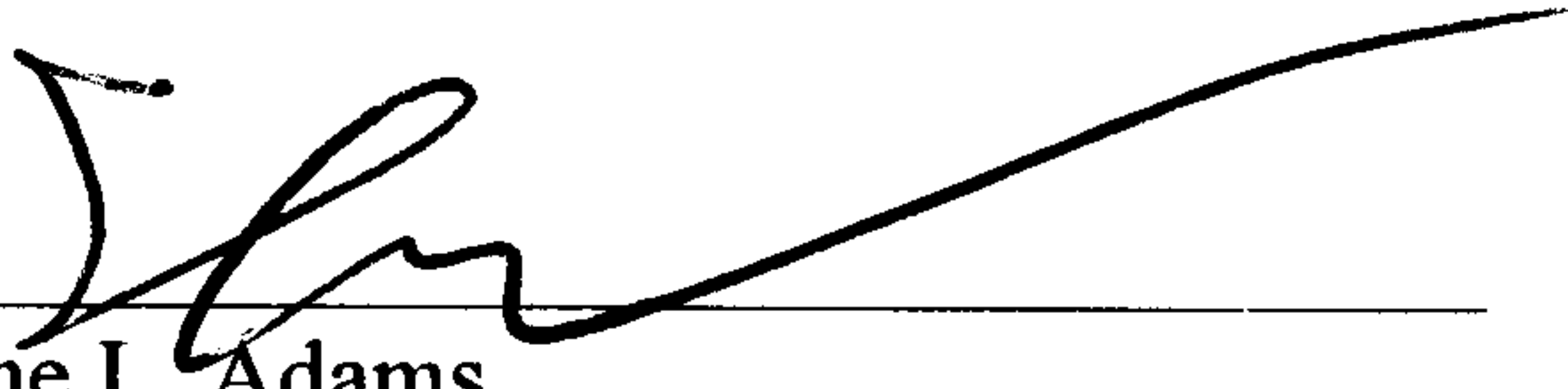
**ADAMS HOMES OF NORTHWEST FLORIDA,
INC., a Florida corporation**

By: 
Name: Wayne L. Adams
Title: President

and

**ADAMS HOMES L.L.C.,
an Alabama limited liability company**

By Adams Homes of Northwest Florida, Inc.,
a Florida corporation, as a Member

By: 
Name: Wayne L. Adams
Title: President

and


Wayne L. Adams, individually, as a Member



20050603000269890 11/14 \$2442.80
Shelby Cnty Judge of Probate, AL
06/03/2005 12:38:57PM FILED/CERT

The State of Florida)

Santa Rosa County)

I, Shauna L. Kirby, a notary public in and for said County in said State, hereby certify that Wayne L. Adams whose name as President of **ADAMS HOMES OF NORTHWEST FLORIDA, INC.**, a Florida corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 3rd day of March, 2005.



Shauna L. Kirby
My Commission DD240876
Expires December 07 2007

Shauna L. Kirby
NOTARY PUBLIC
My Commission expires: 12/7/07

The State of Florida)

Santa Rosa County)

I, Shauna L. Kirby, a notary public in and for said County in said State, hereby certify that Wayne L. Adams whose name individually as a Member of **ADAMS HOMES L.L.C.**, an Alabama limited liability company, and as President of Adams Homes of Northwest Florida, Inc., a Florida corporation and a Member of said limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such member and officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.


Given under my hand this the 3rd day of March, 2005.



Shauna L. Kirby
My Commission DD240876
Expires December 07 2007

Shauna L. Kirby
NOTARY PUBLIC
My Commission expires: 12/7/07

EXHIBIT "A"


20050603000269890 12/14 \$2442.80
Shelby Cnty Judge of Probate, AL
06/03/2005 12:38:57PM FILED/CERT

Legal Description of Real Property

Lots 14, 17, 18, 19, 20, 21, 22, 24, 25 and 26, according to the plat of CEDAR MEADOWS, also a Resurvey of Lot 6, Block 1 of Mountain View Estates, as recorded in Map book 4, Page 19, in the Office of the Judge of Probate of Shelby County, Alabama, as recorded as Document Number 20050317000119380.

EXHIBIT "B"

Description of Other Property

All the following described property:

(a) All of the structures, buildings and improvements now or hereafter situated upon the Real Property.

(b) Any and all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, air rights, water, water stock, water rights, titles, interests, privileges, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Real Property or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Mortgagor of, in and to the same.

(c) All right, title and interest of the Mortgagor, if any, in and to the land lying in the bed of any streets, roads or avenues, opened or proposed, in front of or adjoining the Real Property, and in and to the appurtenances thereto.

(d) If applicable at any time, all rents, profits, issues and revenues of the Real Property and the buildings on the Real Property from time to time accruing, whether under leases or tenancies now existing or hereafter created.

(e) All of the Mortgagor's right, title and interest in and to any judgments, awards of damages, condemnation payments and settlements, including interest thereon, and the right to receive the same, which may be made with respect to the Real Property as a result of the exercise of the right of eminent domain, the alteration of the side of any street, any other injury or a decrease in the value of the Real Property, or proceeds of insurance awards.

(f) All machinery, apparatus, equipment, fittings, fixtures and tangible personal property of every kind and nature whatsoever now or hereafter attached to or forming a part of or located on the Real Property or in any buildings or improvements upon the Real Property, or any part thereof, and used or usable in connection with the construction of or any occupancy of any buildings on the Real Property or the operation of the Real Property, all additions thereto, and all substitutions and replacements therefor, but specifically excluding all equipment, machinery, furniture and other items of tangible personal property owned by tenants occupying buildings on the Real Property or used in the operation of the Mortgagor's business.

(g) The Mortgagor's interest in any and all purchase and sale contracts relating to or leases of the Real Property or portions thereof now existing or hereafter entered into by the Mortgagor, and all right, title and interest of the Mortgagor thereunder, including without limitation, cash or securities deposited thereunder to secure performance by the purchasers or lessees of their obligations thereunder and other payments whatsoever with respect thereto, subject, however, to the terms of the contracts or leases pursuant to which such deposits are held.

(h) All deposits made with, or other security given to, utility companies by the Mortgagor or any lessee of the Mortgagor with respect to the Real Property.

(i) All of the Mortgagor's rights relating to the Real Property or the operation thereof, or used in connection therewith, including without limitation, the non-exclusive right to use trade names, service marks and trademarks.

(j) All rights to any permits, licenses, authorizations and approvals granted to or otherwise held by the Mortgagor in regard to the Real Property such as, but not limited to, all building permits, certificates of occupancy, etc.

(k) All rights of the Mortgagor to any contracts relating to the Real Property such as, but not limited to, all marketing, management and leasing contracts with regard to any improvements constructed on the Real Property.

(l) All surveys, reports, assessments, soils tests, feasibility studies, appraisals, engineering reports and similar materials in respect to the Real Property or of any improvements constructed or to be constructed thereon.

(m) All plans and specifications for any improvements constructed or to be constructed on the Real Property and all insurance policies, intellectual property, contracts and agreements relating to the design, construction, operation or inspection of any such improvements or used in connection with or relating to and about the development of the Real Property, all payment and performance bonds relating to any construction contract or subcontract in connection with the development or equipping of the Real Property, all warranties (seller's, manufacturer's, contractor's or other), service or maintenance contracts and guarantees in connection with the foregoing, and all claims and causes of action against any architects, engineers, contractors and subcontractors involved in the development of the Real Property.

(n) All of the Mortgagor's rights in any construction and other materials stored on the Property or elsewhere.

(o) All general intangibles and intangible rights of the Mortgagor relating to the design, development, construction, ownership, operation, management and use of the Real Property such as, but not limited to, all impact fee credits, sewer and water fee credits, sewer, water and traffic capacity rights, and development rights including, but not limited to, rights regarding concurrency and the right to develop.

(p) All deposit balances, accounts, items, certificates of deposit and monies of the Mortgagor in possession of or on deposit with the Mortgagee, including without limitation, any interest reserve, equity deposit, cash collateral, construction or other account established or maintained with respect to the Mortgagee's loan to the Mortgagor.

(q) All proceeds of the conversion, voluntary or involuntary, or any of the foregoing into cash or liquidated claims, including proceeds of insurance and condemnation awards.