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ACCOMMODATION MORTGAGE AND SECURITY AGREEMENT

STATE OF ALABAMA)

COUNTY OF SHELBY)


20050802000389480 1/29 \$96.00
Shelby Cnty Judge of Probate, AL
08/02/2005 11:15:52AM FILED/CERT

THIS ACCOMMODATION MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made and entered into effective as of the 28th day of July, 2005, by **The American Village Public Educational Building Authority of the City of Montevallo**, a corporation incorporated pursuant to § 16-18-1, et seq., Code of Alabama, 1975, ("Mortgagor"), and **Regions Bank**, a banking corporation ("Mortgagee").

WITNESSETH:

WHEREAS, The Citizenship Trust, an Alabama nonprofit corporation ("Borrower") is justly indebted to Mortgagee on a series of loans in the approximate aggregate amount of Five Million One Hundred Seventeen Thousand and no/100 Dollars (\$5,117,000.00) (the "Loans"), as evidenced by promissory notes dated as of July 28, 2005, payable to the Mortgagee with interest thereon (hereinafter, together with any and all extensions, revisions, modifications or amendments thereto at any time made, and together with any and all promissory notes at any time given in extension or renewal of, or in substitution or replacement for, such notes, referred to as the "Note"), payable as provided for in the Note [the Note, this Mortgage, the Accommodation Assignment of Rents and Leases from Mortgagor to Mortgagee of even date herewith (hereinafter, together with any and all extensions, revisions, modifications or amendments thereto at any time made, the "Assignment of Rents and Leases"), the Security Agreement dated as of July 28, 2005 (the "Security Agreement"), by and between Borrower and Mortgagee, and any and all other documents and instruments relating to the Loans, together with any and all extensions, revisions, modifications or amendments hereafter made to any of the foregoing, hereinafter collectively referred to as the "Loan Documents"]; and

WHEREAS, as an inducement for the Mortgagee to make the Loans to the Borrower, the Mortgagor has agreed to execute and deliver this Mortgage; and

WHEREAS, the parties desire to secure all of the following (hereinafter collectively referred to as the "Secured Obligations"):

(a) The payment of the principal amount of the Note, together with interest thereon, and all renewals, extensions and modifications thereof, and all refinancings of any part of the Note, and any and all indebtedness of Borrower to Mortgagee, due, or to become due, which Mortgagee has advanced, or has obligated itself to advance, and all other additional indebtedness of Borrower to Mortgagee arising out of or in any way relating to the Loans or any of the other Loan Documents, now existing or hereafter arising, whether joint or several, due or to become due, absolute or contingent, direct or indirect, liquidated or unliquidated, and any renewals, extensions and/or modifications thereof, and whether incurred or given as maker, endorser, guarantor or otherwise, and all indebtedness of Mortgagor to Mortgagee arising under this Mortgage (all of the foregoing hereinafter referred to collectively as the "Secured Indebtedness"), including, but not limited to (i) all sums advanced by Mortgagee to Mortgagor or Borrower or expended by Mortgagee for Mortgagor's or Borrower's account, including but not limited to advances for taxes and insurance pursuant to the terms of this Mortgage; (ii) all court costs, expenses and costs of whatever kind incident to the collection of any indebtedness secured hereby and the enforcement or protection of the lien of this conveyance, including reasonable attorney's fees; and (iii) any amounts expended by Mortgagee in removing, isolating or cleaning up any hazardous materials from the Mortgaged Property (as hereinafter defined), whether or not such action is required by any "Applicable Environmental Law" (as hereinafter defined); and

(b) The prompt performance of any and all other obligations of Mortgagor to Mortgagee hereunder, whether now existing or hereafter arising, and the prompt performance of any and all other obligations of Borrower to Mortgagee, whether now existing or hereafter arising under or pursuant to any one or more of the Loan Documents.

NOW, THEREFORE, for and in consideration of the Mortgagee making the Loans above-mentioned and to secure the prompt payment and performance of the Secured Obligations, Mortgagor does hereby irrevocably CONVEY, WARRANT, GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, PLEDGE and set over unto Mortgagee, and the successors and assigns of Mortgagee, all of the following described land and interests in land, estates, easements, rights, improvements, personal property, fixtures, equipment, furniture, furnishings, appliances and appurtenances, including replacements and additions thereto (herein referred to collectively as the "Mortgaged Property"):

(a) All those certain tracts, pieces or parcels of land, and interests in land, located in Shelby County, Alabama, more particularly described in Exhibit A attached hereto and by this reference made a part hereof (the "Land");

(b) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, water heaters, awnings and storm sashes, and cleaning apparatus which are or shall be attached to said buildings, structures or improvements, and all other furnishings, furniture, fixtures,

machinery, equipment, appliances, vehicles and personal property of every kind and nature whatsoever now or hereafter owned by Mortgagor and located in, on or about, or used or intended to be used with or in connection with the construction, use, operation or enjoyment of the Mortgaged Property, including all extensions, additions, improvements, betterments, renewals and replacements, substitutions, or proceeds from a permitted sale of any of the foregoing, and all building materials and supplies of every kind now or hereafter placed or located on the Land (collectively the "Improvements"), all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Mortgaged Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage;

(c) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all ground leases, estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversions, and remainders whatsoever, in any way belonging, relating or appertaining to the Mortgaged Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor; and

(d) All rents, issues, profits, revenues and proceeds of and from the Mortgaged Property, or any part thereof, from time to time accruing (including without limitation all payments under leases, ground leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits and escrow funds, and all proceeds from any sale or other disposition of the Mortgaged Property, or any part thereof), and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to the same, reserving only the right to Mortgagor to collect the same so long as Mortgagor is not in default hereunder or such collection is not otherwise restricted by this Mortgage.

(e) All proceeds, cash or non-cash (including, but not limited to, all inventory, accounts, chattel paper, documents, instruments, tort and insurance proceeds, equipment, fixtures, consumer goods and general intangibles acquired with cash proceeds of any of the property described above) of any of the foregoing types or items of property described in subparagraphs(a), (b), (c) or (d) above.

TO HAVE AND TO HOLD the Mortgaged Property and all parts, rights, members and appurtenances thereof, to the use and benefit of Mortgagee and the successors, successors-in-title and assigns of Mortgagee, forever; and Mortgagor covenants that Mortgagor is lawfully seized and possessed of the Mortgaged Property as aforesaid and has good right to convey the same, that the same are unencumbered except for those matters expressly set forth in Exhibit A hereto, and Mortgagor does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to those matters set forth in said Exhibit A.



PROVIDED, HOWEVER, that should the Secured Indebtedness secured by this Mortgage be paid according to the tenor and effect thereof when the same shall become due and payable as provided for in the Loan Documents, and should Mortgagor and Borrower perform all covenants contained in the Loan Documents in a timely manner, then this Mortgage shall be cancelled and released.

This mortgage is subject and subordinate to a certain prior mortgage dated December 1, 2003 executed by The American Village Public Educational Building Authority of the City of Montevallo, as mortgagor, to SouthTrust, as mortgagee, and recorded in the office of the Probate Judge of Shelby County, Alabama, in Instrument # 20031230000829470 on December 30, 2003. Mortgagor covenants and agrees to pay or see to the payment of the prior mortgage and to prevent any default under it, and further agrees that should any default be made in the payment of any installment of principal or any interest on the prior mortgage, and should such installment of principal or interest remain unpaid and in arrears for 30 days, or should any suit be commenced or other action taken to foreclose the prior mortgage, then the amount secured by this mortgage shall, at the option of the holder of this mortgage and the note secured by it, become and be due and payable in full at any subsequent time, on written notice.

MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:

ARTICLE I

1.01 Payment and Performance of Loan Documents. Mortgagor will perform, observe and comply with all the provisions hereof, and of each of the other Loan Documents to which Mortgagor is a party. By their signatures below, Borrower, Mortgagor and Mortgagee agree that Mortgagor's affirmative obligations, duties and indemnifications contained in this Article I shall be assumed and performed by Borrower.

1.02 Taxes, Liens and Other Charges.

(a) Mortgagor shall pay, on or before the delinquency date thereof, all taxes, levies, license fees, permit fees and all other charges (in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character whatsoever (including all penalties and interest thereon) now or hereafter levied, assessed, confirmed or imposed on, or in respect of, or which may be a lien upon the Mortgaged Property, or any part thereof, or any estate, right or interest therein, or upon the rents, issues, income or profits thereof, and shall submit to Mortgagee such evidence of the due and punctual payment of all such taxes, assessments and other fees and charges as Mortgagee may require. Mortgagor shall have the right before they become delinquent to contest or object to the amount or validity of any such tax, assessment, fee or charge by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such tax, assessment, fee or charge at the time and in the manner

provided herein, unless Mortgagor has given prior written notice to Mortgagee of Mortgagor's intent to so contest or object, and unless, at Mortgagee's sole option, (i) Mortgagor shall demonstrate to Mortgagee's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Mortgaged Property, or any part thereof, to satisfy such tax, assessment, fee or charge prior to final determination of such proceedings; and (ii) Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to Mortgagee; and (iii) Mortgagor shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(b) Mortgagor shall pay, on or before the due date thereof, all taxes, assessments, charges, expenses, costs and fees which may now or hereafter be levied upon, or assessed or charged against, or incurred in connection with, the Loans and/or any one or more of the Loan Documents.

(c) Mortgagor shall pay, on or before the due date thereof, (i) all premiums on policies of insurance covering, affecting or relating to the Mortgaged Property, as required pursuant to Section 1.03, below; (ii) all premiums on collaterally assigned life insurance policies, if any; (iii) all ground rentals, other lease rentals and other sums, if any, owing by Mortgagor and becoming due under any lease or rental contract affecting the Mortgaged Property; and (iv) all utility charges which are incurred by Mortgagor and/or Borrower for the benefit of the Mortgaged Property, or which may become a charge or lien against the Mortgaged Property for gas, electricity, water and sewer services and the like furnished to the Mortgaged Property, and all other public or private assessments or charges of a similar nature affecting the Mortgaged Property or any portion thereof, whether or not the nonpayment of same may result in a lien thereon. Mortgagor shall submit to Mortgagee such evidence of the due and punctual payment of all such premiums, rentals and other sums as Mortgagee may require.

(d) 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 security agreements, or debts secured thereby or in the manner of collecting such taxes so as to adversely affect Mortgagee, Mortgagor will pay any such tax on or before the due date thereof. If Mortgagor fails to make such prompt payment or if, in the opinion of Mortgagee, any such state, federal, municipal, or other governmental law, order, rule or regulation prohibits Mortgagor from making such payment or would penalize Mortgagor if Mortgagor makes such payment, or if, in the opinion of Mortgagee, the making of such payment might result in the imposition of interest beyond the maximum amount permitted by applicable law, then the entire balance of the Secured Indebtedness and all interest accrued thereon shall, at the option of Mortgagee, become immediately due and payable.

(e) Mortgagor shall not suffer any mechanic's, materialmen's, laborer's, statutory or other lien to be created or remain outstanding against the Mortgaged Property; provided, however, that Mortgagor may contest any such lien in good faith by appropriate legal proceedings provided the lien is bonded in such manner as not to

adversely affect the Mortgaged Property or this Mortgage. Mortgagor has not consented and will not consent to the performance of any work or the furnishing of any materials which might be deemed to create a lien or liens superior to the lien hereof.

1.03 Insurance.

(a) Mortgagor shall procure for, deliver to and maintain for the benefit of the Mortgagee during the term of this Mortgage, such insurance policies with such insurance companies and in such amounts as required by Mortgagee from time to time. In the event the Mortgagor fails to maintain any insurance as required hereunder, then the Mortgagee shall have the right to procure such insurance as Mortgagee may deem appropriate, whether or not the Mortgagor's failure to maintain such insurance constitutes an Event of Default hereunder or an event or condition which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default. Any amounts paid by the Mortgagee for insurance shall be due and payable to the Mortgagee upon demand and shall be secured by this Mortgage. The Mortgagee shall have such further rights with respect to any such insurance policies, including the right to make proof of loss for and to settle, adjust, compromise and collect the proceeds of any insurance claims, and all costs incurred by the Mortgagee in connection therewith shall be secured by this Mortgage.

(b) Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Section 1.03, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Mortgagee as its interest may appear, instead of to Mortgagor and Mortgagee jointly. In the event any insurance company fails to disburse directly and solely to Mortgagee but disburses instead either solely to Mortgagor or to Mortgagor and Mortgagee jointly, Mortgagor agrees immediately to endorse and transfer such proceeds to Mortgagee to the extent of Mortgagee's interest therein. Upon the failure of Mortgagor to endorse and transfer such proceeds as aforesaid, Mortgagee may execute such endorsements or transfers for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's agent and attorney-in-fact so to do. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees, Mortgagee shall apply the net insurance proceeds or any part thereof, at its option, (i) to the payment of the Secured Indebtedness, whether or not due and in whatever order Mortgagee elects (in which case a portion of or the entire Secured Indebtedness shall, at Mortgagee's option, immediately become due and payable), (ii) to the repair and/or restoration of the Mortgaged Property, or (iii) for any other purposes or objects for which Mortgagee is entitled to advance funds under this Mortgage, all without affecting the lien and security interest created by this Mortgage, and any balance of such monies then remaining shall be paid to Mortgagor or the person or entity lawfully entitled thereto. Mortgagee shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.04 Monthly Deposits. At the option of Mortgagee and further to secure the payment of the taxes, assessments and other sums referred to in Section 1.02 and the premiums on the insurance referred to in Section 1.03, Mortgagor shall upon request of Mortgagee deposit with Mortgagee, on the first day of each month, such amounts as, in the estimation of Mortgagee, shall be necessary to pay such charges as they become due; said deposits to be held and to be used by Mortgagee to pay current taxes and assessments, insurance premiums and other charges on the Mortgaged Property as the same accrue and are payable. Payment from said sums for said purposes shall be made by Mortgagee at its discretion and may be made even though such payments will benefit subsequent owners of the Mortgaged Property. Said deposits shall not be, nor be deemed to be, trust funds, but may be, to the extent permitted by applicable law, commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. If said deposits are insufficient to pay the taxes and assessments, insurance premiums and other charges in full as the same become payable, Mortgagor will deposit with Mortgagee such additional sum or sums as may be required in order for Mortgagee to pay such taxes and assessments, insurance premiums and other charges in full. Upon any default in the provisions of this Mortgage or the Note, or any instrument evidencing, securing or in any way related to the Secured Obligations, Mortgagee may, at its option, apply any money in the fund relating from said deposits to the payment of the Secured Indebtedness in such manner as it may elect.

1.05 Condemnation. If all or any portion of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental or quasi-governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, other than an insubstantial taking for the purpose of widening existing roads bordering the Land which does not adversely affect access or the use of the Land for a convenience store and gasoline station and is not so substantial as to permit any tenant (whether or not then in possession) to terminate its lease or reduce the term thereof or the rent payable thereunder, then a portion of or the entire Secured Indebtedness shall, at the option of Mortgagee, immediately become due and payable. Mortgagor, immediately upon obtaining knowledge of the institution, or the proposed, contemplated or threatened institution of any action or proceeding for the taking through condemnation of the Mortgaged Property or any part thereof will notify Mortgagee, and Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected by Mortgagee, in its own or in Mortgagor's name, any action or proceeding relating to any condemnation. Mortgagor may compromise or settle any claim for compensation, but shall not make any compromise or settlement for an award that is less than the Secured Indebtedness without the prior written consent of Mortgagee. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Mortgagor to Mortgagee, and Mortgagee is authorized, at its option, to collect and receive all such compensation, awards or damages and to give proper receipts and acquittances therefor without any obligation to question the amount of any such compensation, awards or damages. After deducting from said condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including reasonable attorney's fees, the net proceeds shall be dealt with by the Mortgagee in accordance with, and subject to, the same terms

and conditions as set forth in Paragraph (b) or Paragraph (c), as applicable, of Section 1.03 hereof as if the condemnation proceeds were insurance proceeds and as if the date the condemnation proceeds become payable to the Mortgagor was the date of loss.

1.06 Care of Mortgaged Property.

(a) Mortgagor will keep the buildings, parking areas, roads and walkways, landscaping, and all other Improvements of any kind now or hereafter erected on the Land or any part thereof in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Mortgaged Property or any other part thereof or which would or could result in the cancellation of any insurance policy carried with respect to the Mortgaged Property.

(b) Mortgagor will not remove, demolish or alter the structural character of any Improvement located on the Land without the written consent of Mortgagee.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee.

(d) Mortgagee or its representative is hereby authorized to enter upon and inspect the Mortgaged Property at any time.

(e) Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If any act or occurrence of any kind or nature (including any condemnation or any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Mortgaged Property, Mortgagor shall give prompt notice thereof to Mortgagee and Mortgagor shall promptly, at Mortgagor's sole cost and expense and regardless of whether insurance or condemnation proceeds (if any) shall be available or sufficient for the purpose, commence and continue diligently to completion to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to the damage, loss or destruction.

1.07 Leases, Contracts, Etc.

(a) As additional collateral and further security for the Secured Obligations, Mortgagor does hereby assign to Mortgagee Mortgagor's interest in and rights under any and all ground leases, leases, tenant contracts, rental agreements, franchise agreements, management contracts, contracts for the sale of the Mortgaged Property or any site within the Mortgaged Property and other contracts, licenses and permits now or hereafter affecting the Mortgaged Property, or any part thereof, and Mortgagor agrees to execute and deliver to Mortgagee such additional instruments, in form and substance satisfactory to Mortgagee, as hereafter may be requested by

Mortgagee further to evidence and confirm said assignment; provided, however, that acceptance of any such assignment shall not be construed as a consent by Mortgagee to any lease, tenant contract, rental agreement, franchise agreement, management contract, sales contract or other contract, license or permit, or to impose upon Mortgagee any obligation with respect thereto. Without first obtaining on each occasion the written approval of Mortgagee, Mortgagor shall not enter into any ground leases, leases, tenant contracts, rental agreements, franchise agreements, management contracts, contracts for the sale of the Mortgaged Property or any site within the Mortgaged Property or other contracts, licenses or permits affecting the Mortgaged Property, or any part thereof, or cancel or permit the cancellation of any franchise agreement, management contract, license, permit, lease or other contract, or accept, or permit to be made, any prepayments of any installment of rent or fees thereunder (except the usual prepayment of rent which results from the acceptance by a landlord on the first day of each month of the rent for the ensuing month). Mortgagor shall faithfully keep and perform, or cause to be kept and performed, all of the covenants, conditions and agreements contained in each of said instruments, now or hereafter existing, on the part of Mortgagor to be kept and performed and shall at all times do all things necessary to compel performance by each other party to said instruments of all obligations, covenants and agreements by such other party to be performed thereunder.

(b) Mortgagor shall not execute an assignment of the rents, issues or profits, or any part thereof, from the Mortgaged Property unless Mortgagee shall first consent to such assignment, which consent may be given or denied in Mortgagee's sole discretion, and unless such assignment shall expressly provide that it is subordinate to the assignment contained in this Mortgage and any assignment executed pursuant hereto.

(c) Mortgagor shall furnish to Mortgagee, within thirty (30) days after a request by Mortgagee to do so, a sworn statement setting forth the names of all lessees and tenants of the Mortgaged Property, the terms of their respective leases, tenant contracts or rental agreements, the space occupied, and the rentals payable thereunder, and stating whether any defaults, off-sets or defenses exist under or in connection with any of said leases, tenant contracts or rental agreements.

(d) Mortgagor shall submit to Mortgagee, within ten (10) days of its receipt thereof, copies of all leases executed and options exercised with respect to the Mortgaged Property.

(e) Each future lease, tenant contract or rental agreement pertaining to the Mortgaged Property, or any part thereof, shall provide that in the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee or tenant thereunder will, upon request of Mortgagee or any other person or entity succeeding to the interest of Mortgagee as a result of such enforcement, automatically become the lessee or tenant of Mortgagee or said successor in interest, without change in the terms or other provisions of said lease, tenant contract or rental agreement. The Mortgagor shall cause the foregoing requirement to be satisfied by the

execution by such tenants of subordination and attornment agreements satisfactory to Mortgagee.

1.08 Security Agreement. With respect to the apparatus, fittings, fixtures and articles of personal property referred to or described in this Mortgage, or in any way connected with the use and enjoyment of the Mortgaged Property, this Mortgage is hereby made and declared to be a security agreement encumbering each and every item of personal property included herein as a part of the Mortgaged Property, in compliance with the provisions of the Uniform Commercial Code as enacted in the state wherein the Land is situated, and Mortgagor hereby grants to Mortgagee a security interest in said personal property. A financing statement or statements reciting this Mortgage to be a security agreement affecting all of said personal property aforementioned shall be executed by Mortgagor and Mortgagee and appropriately filed. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Mortgage, or otherwise in respect of an Event of Default hereunder, shall be (a) as prescribed herein, or (b) as prescribed by general law, or (c) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such financing statement(s) in the records normally having to do with personal property shall not in any way affect the agreement of Mortgagor and Mortgagee that everything used in connection with the production of income from the Mortgaged Property or adapted for use therein or which is described or reflected in this Mortgage, is, and at all times and for all purposes and in all proceedings both legal or equitable, shall be regarded as part of the real estate conveyed hereby regardless of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in an Exhibit to this Mortgage, or (iii) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to (A) the proceeds of any fire and/or hazard insurance policy, or (B) any award in eminent domain proceedings for taking or for loss of value, or (C) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall not in any way alter any of the rights of Mortgagee as determined by this instrument or affect the priority of Mortgagee's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement(s) is solely for the protection of Mortgagee in the event any court shall at any time hold, with respect to the foregoing items (A), (B), or (C), that notice of Mortgagee's priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records. This Mortgage may be filed as a financing statement in any office where Mortgagee deems such filing necessary or desirable and Mortgagor will promptly upon demand reimburse Mortgagee for the costs therefor.

1.09 Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by Mortgagee, Mortgagor will make, execute, and deliver or cause to be made, executed and delivered to Mortgagee and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be rerecorded and/or

refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of Mortgagee, be necessary or desirable in order to effectuate, complete or perfect or to continue and preserve (a) the obligations of Borrower and/or Mortgagor under the Loan Documents, and (b) the security interest created by this Mortgage as a first and prior security interest upon, in and to all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor so to do, Mortgagee may make, execute, record, file, rerecord and/or refile any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor so to do. The security interest provided for in this Mortgage will automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Mortgaged Property or any part thereof.

1.10 Indemnity; Expenses. Mortgagor will pay or reimburse Mortgagee, upon demand therefor, for all reasonable attorney's fees, costs and expenses incurred by Mortgagee in any suit, action, legal proceeding or dispute of any kind in which Mortgagee is made a party or appears as party plaintiff or defendant, affecting the Secured Obligations, this Mortgage or the interest created herein, or the Mortgaged Property, including, but not limited to, the exercise of the power of sale contained in this Mortgage, any condemnation action involving the Mortgaged Property or any action to protect the security hereof, and any such amounts paid by Mortgagee shall be added to the Secured Indebtedness and shall be secured by this Mortgage. Mortgagor will indemnify and hold Mortgagee harmless from and against all claims, damages, and expenses including attorney's fees and court costs, resulting from any action by a third party against Mortgagee relating to this Mortgage or the interest created herein, or the Mortgaged Property, including, but not limited to any action or proceeding claiming loss, damage or injury to person or property, or any action or proceeding claiming a violation of any national, state or local law, rule or regulation, including those relating to environmental standards or dangerous or hazardous wastes, provided Mortgagor shall not be required to indemnify Mortgagee for matters directly caused by Mortgagee's intentional or reckless misconduct.

1.11 Estoppel Affidavits. Either Mortgagee or Mortgagor, upon ten (10) days prior written notice, shall furnish the other a written statement, duly acknowledged, based upon its records, setting forth the unpaid principal of, and interest on, the Secured Indebtedness, stating whether or not to its knowledge any off-sets or defenses exist against the Secured Indebtedness, or any portion thereof, and, if such off-sets or defenses exist, stating in detail the specific facts relating to each such off-set or defense.

1.12 Subrogation. To the full extent of the Secured Indebtedness, Mortgagee is hereby subrogated to the liens, claims and demands, and to the rights of the owners and holders of each and every lien, claim, demand and other encumbrance on the

Mortgaged Property which is paid or satisfied, in whole or in part, out of the proceeds of the Secured Indebtedness, and the respective liens, claims, demands and other encumbrances shall be, and each of them is hereby, preserved and shall pass to and be held by Mortgagee as additional collateral and further security for the Secured Indebtedness, to the same extent they would have been preserved and would have been passed to and held by Mortgagee had they been duly and legally assigned, transferred, set over and delivered unto Mortgagee by assignment, notwithstanding the fact that the same may be satisfied and cancelled of record.

1.13 Books, Records, Accounts and Reports. Mortgagor shall keep and maintain or shall cause to be kept and maintained, at Mortgagor's cost and expense, and in accordance with standard accounting principles, proper and accurate books, records and accounts reflecting all items of income and expense in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property. Mortgagee, by Mortgagee's agents, accountants and attorneys, shall have the right from time to time to examine such books, records and accounts at the office of Mortgagor or such other person or entity maintaining such books, records and accounts, to make such copies or extracts thereof as Mortgagee shall desire, and to discuss Mortgagor's affairs, finances and accounts with Mortgagor and with the officers and principals of Mortgagor, at such reasonable times as may be requested by Mortgagee. In addition, Mortgagor will furnish (or cause to be furnished) to Mortgagee such financial statements or such other financial information as may be required by Mortgagee from time to time.

1.14 Limit of Validity. If from any circumstances whatsoever, fulfillment of any provision of the Note, this Mortgage or any other Loan Document shall, at the time performance of such provision shall be due, cause any applicable usury or similar law to be violated when appropriate consideration is given to obligations of like character and amount and to borrowers and lenders of like character and classification, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, so that the obligation so to be performed and the validity thereof shall be reduced to the extent necessary (but only to the extent necessary) so as to not cause a violation of such applicable usury or similar law. The provisions of this Section 1.14 shall control every other provision of the Loan Documents.

1.15 No Default Affidavits. At Mortgagee's request, all payments made under the Note or hereunder shall be accompanied by the affidavit of Mortgagor, a principal officer thereof if Mortgagor is a partnership or a principal financial or accounting officer of Mortgagor if Mortgagor is a corporation, dated within five (5) days of the delivery of such payment to Mortgagee, swearing that Mortgagor knows of no Event of Default (as hereinafter defined), nor of any default which, after notice or lapse of time or both, would constitute an Event of Default, which has occurred and is continuing or, if any such default or Event of Default has occurred and is continuing, specifying the nature and period of existence thereof and the action Mortgagor has taken or proposes to take with respect thereto and, except as otherwise specified, stating that Mortgagor has fulfilled all of Mortgagor's obligations under this Mortgage which are required to be fulfilled on or prior to the date of such affidavit.

1.16 Legal Actions. In the event that Mortgagee is made a party, either voluntarily or involuntarily, in any action or proceeding affecting the Mortgaged Property, any one or more of the Loan Documents, the Secured Obligations or the validity or priority of this Mortgage (but excluding any action or proceeding involving a dispute solely between Mortgagee and a participating lender, if any), Mortgagor shall immediately, upon demand, reimburse Mortgagee for all costs, expenses and liabilities incurred by Mortgagee by reason of any such action or proceeding, including reasonable attorney's fees, and any such amounts paid by Mortgagee shall be added to the Secured Indebtedness and shall be secured by this Mortgage.

1.17 Use and Management of Mortgaged Property. Mortgagor shall at all times operate the Mortgaged Property for the benefit of and in connection with the business operations of Borrower. Mortgagor shall not be permitted to alter or change the use of the Mortgaged Property without the prior written consent of Mortgagee.

1.18 Conveyance of Mortgaged Property. Mortgagor shall not directly or indirectly encumber (by lien, junior mortgage, or otherwise), pledge, convey, transfer or assign any or all of its interest in the Mortgaged Property without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld. Mortgagee's consent to such a transfer shall not release or alter in any manner the liability of Mortgagor or anyone who has assumed or guaranteed the payment or performance of the Secured Obligations or any portion thereof. At the option of Mortgagee, the Secured Indebtedness shall be immediately due and payable in the event that Mortgagor conveys all or any portion of the Mortgaged Property or any interest therein, or in the event that Mortgagor's equitable title thereto or interest therein shall be assigned, transferred or conveyed in any manner, without obtaining Mortgagee's prior written consent thereto, and any waiver or consent for any prior transfer shall not preclude Mortgagee from declaring the Secured Indebtedness due and payable for any subsequent transfer.

1.19 Acquisition of Collateral. Mortgagor shall not acquire any portion of the personal property covered by this Mortgage subject to any security interest, conditional sales contract, title retention arrangement or other charge or lien taking precedence over the security title and lien of this Mortgage.

1.20 Compliance with Applicable Environmental Law. The term "Applicable Environmental Law" shall be defined as any federal, state or local statutory laws, rules, regulations or case law pertaining to health or the environment, or petroleum products, or oil, or hazardous substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), as codified at 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), as codified at 42 U.S.C. Section 6901 et seq.; and the Superfund Amendments and Reauthorization Act of 1986, as amended ("SARA"), as codified at 42 U.S.C. Section 9671 et seq.; the terms "hazardous substance," "hazardous waste" and "release" shall have the meanings specified in CERCLA; provided, in the event CERCLA is amended to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective

date of such amendment; and provided, to the extent that the laws of the State of Alabama establish a meaning for "hazardous substance," "hazardous waste" or "release" which is broader than that specified in CERCLA, such broader meaning shall apply. The Mortgagor represents and warrants to the Mortgagee that, to the best of its knowledge, the Mortgaged Property and the Mortgagor are not in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Applicable Environmental Law and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Mortgaged Property; that, to the best of its knowledge after reasonable inquiry, the Mortgagor has obtained any and all permits, licenses or similar authorizations necessary to construct, occupy, operate or use any buildings, improvements, fixtures or equipment forming a part of the Mortgaged Property by reason of any Applicable Environmental Law and is in full compliance with the terms and conditions of such permits, licenses or similar authorizations; that, to the best of its knowledge after reasonable inquiry, the Mortgagor has taken all steps necessary to determine and has determined that no petroleum products, oil, toxic or hazardous substances, or toxic, hazardous or solid wastes have been disposed of or otherwise released on the Mortgaged Property in violation of any Applicable Environmental Law; and that, to the best of its knowledge after reasonable inquiry, the use which the Mortgagor or any tenant of the Mortgaged Property has made, makes or intends to make of the Mortgaged Property will not result in the location on or disposal or other release of any petroleum products, oil, toxic or hazardous substances, or toxic, hazardous or solid waste on or to the Mortgaged Property in violation of any Applicable Environmental Law. The Mortgagor hereby agrees to take all reasonable steps necessary to avoid liability under CERCLA, including (1) taking reasonable steps to stop and prevent any future continuing releases of pollutants which would subject the Mortgagor or others associated with the Property to CERCLA liability, (2) granting access for and fully cooperating with the performance of environmental response actions by others on or about the Property, and (3) complying with any applicable use restrictions imposed upon the Property due to environmental conditions. The Mortgagor hereby further agrees to pay any fines, charges, penalties, fees, expenses, damages, losses, liabilities or response costs arising from or pertaining to the application of any such Applicable Environmental Law to the Mortgaged Property and to indemnify and forever save the Mortgagee harmless from any and all judgments, fines, charges, claims, demands, penalties, fees, expenses (including, without limitation, legal expenses, consultant fees and laboratory fees), damages, losses, liabilities, response costs, or attorneys' fees and expenses arising from the application of any such Applicable Environmental Law to the Mortgaged Property or the Mortgagee; and this indemnity shall survive any payment of the Note or foreclosure of this Mortgage or the taking by the Mortgagee of a deed in lieu of foreclosure. The Mortgagor agrees to notify the Mortgagee in the event that any governmental agency or other entity notifies the Mortgagor that it may not be in compliance with any Applicable Environmental Laws. The Mortgagor agrees to permit the Mortgagee to have access to the Mortgaged Property at all reasonable times in order to conduct, at the Mortgagee's expense, any

tests which the Mortgagee deems are necessary to ensure that the Mortgagor and the Mortgaged Property are in compliance with all Applicable Environmental Laws.

ARTICLE II

2.01 Events of Default. The terms "default", "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure by Borrower to pay any portion of the Secured Indebtedness, as and when the same comes due; or

(b) Failure by Mortgagor duly to observe or perform any term, covenant, condition or agreement of this Mortgage which failure is not cured within ten (10) days of written notice thereof; or

(c) The occurrence of a default or Event of Default under any one or more of the Loan Documents or any other instrument or agreement now or hereafter evidencing or securing the Note or the Secured Obligations; or

(d) Any representation, statement or warranty of Borrower and/or Mortgagor contained in any one or more of the Loan Documents or in any other instrument, document, transfer, conveyance, assignment or loan agreement given by Borrower and/or Mortgagor with respect to the Secured Obligations, proving to be untrue or misleading in any material respect; or

(e) The filing by Borrower, Mortgagor or any guarantor of the Note of a voluntary petition in bankruptcy or any such person's adjudication as a bankrupt or insolvent; or the filing by any such person 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 law or regulation relating to bankruptcy, insolvency or other relief for debtors or any such person's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of any such person or its property or of all or any substantial part of the Mortgaged Property or of any or all of the rents, issues, profits, or revenues thereof; or the making by any such person of any general assignment for the benefit of creditors; or the admission in writing by any such person of its inability to pay its debts generally as they become due; or

(f) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against Borrower, Mortgagor or any guarantor of the Note and not dismissed within sixty (60) days seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors or the appointment of any trustee, receiver or liquidator of any such person or its property or of all or any substantial part of the Mortgaged Property or of any or all rents, issues, profits or revenues thereof without the consent or acquiescence of such person; or

(g) Any of the Mortgaged Property is subjected to actual or threatened waste, or any part thereof is removed, demolished or altered without the prior written consent of Mortgagee; or

(h) Any material adverse claim relating to any of the Land or the Mortgaged Property, by title, lien or otherwise is established in any legal or equitable proceeding; or

(i) Unless the written consent of Mortgagee is first obtained (which consent may be withheld in Mortgagee's sole discretion), there occurs any transfer of any of the Mortgaged Property, or any interest therein, or any further encumbrance of any of the Mortgaged Property.

Provided that with respect to any of the foregoing which would otherwise require notice, such Event of Default will be deemed to have occurred upon the occurrence of such event without notice being required if Mortgagee is prevented from giving notice by bankruptcy or other applicable law.

2.02 Cross-Default. Each of the Loan Documents shall be fully cross-defaulted; accordingly, a breach or default in the performance of any of the covenants and agreements contained in this Agreement shall constitute a breach of and default under each of the Note and all other Loan Documents, and vice-versa. At any time after a breach or default under any of the Loan Documents, Mortgagee shall be entitled to exercise all rights and remedies under each of the Loan Documents.

2.03 Acceleration of Maturity. If an Event of Default shall have occurred, then the entire Secured Indebtedness shall, at the option of Mortgagee, immediately become due and payable without notice or demand, time being of the essence of this Mortgage, and no omission on the part of Mortgagee to exercise such option when entitled to do so shall be construed as a waiver of such right.

2.04 Right to Enter and Take Possession.

(a) If an Event of Default shall have occurred, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Mortgaged Property and, if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession of all or any part of the Mortgaged Property without the appointment of a receiver or an application therefor, and may exclude Mortgagor and its agents and employees wholly therefrom, and take possession of the books, papers and accounts of Mortgagor;

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee may obtain a judgment or decree conferring upon Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of the Mortgaged Property to Mortgagee. Mortgagor will pay to Mortgagee, upon demand, all expenses of obtaining such judgment or decree, including reasonable compensation to Mortgagee,

its attorneys and agents, and all such expenses and compensation shall, until paid, become part of the Secured Indebtedness and shall be secured by this Mortgage;

(c) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, 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, personalty and other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all of the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise act with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may determine to be in its best interest. Mortgagee may collect and receive all the rents, issues, profits and revenues from the Mortgaged Property, including those past due as well as those accruing thereafter, and, after deducting (A) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions; (C) the cost of such insurance; (D) such taxes, assessments and other similar charges as Mortgagee may at its option pay; (E) other proper charges upon the Mortgaged Property or any part thereof; and (F) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, Mortgagee shall apply the remainder of the monies and proceeds so received by Mortgagee, first, to the payment of accrued interest; second, to the payment of deposits required in Section 1.04 and to other sums required to be paid hereunder; and third, to the payment of overdue installments of principal. Anything in this Section 2.04 to the contrary notwithstanding, Mortgagee shall not be obligated to discharge or perform the duties of a landlord to any tenant or incur any liability as a result of any exercise by Mortgagee of its rights under this Mortgage and Mortgagee shall be liable to account only for the rents, incomes, issues and profits actually received by Mortgagee;

(d) Whenever all such interest, deposits and principal installments and other sums due under any of the terms, covenants, conditions and agreements of this Mortgage shall have been paid and all Events of Default shall have been cured, Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor, its successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

2.05 Performance by Mortgagee. If Mortgagor shall default in the payment, performance or observance of any term, covenant or condition of this Mortgage, or any of the other Loan Documents to which it is a party, Mortgagee may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by Mortgagee in connection therewith, with interest thereon at the After Maturity Rate specified in the Term Note or at the maximum rate from time to time allowed by applicable law, whichever is less, shall be secured hereby and shall be, without

demand, immediately repaid by Mortgagor to Mortgagee. Mortgagee shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Mortgagee is hereby 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 term, covenant or condition without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Notwithstanding anything to the contrary herein, Mortgagee shall have no obligation, explicit or implied, to pay, perform or observe any term, covenant, or condition.

2.06 Receiver. If any Event of Default shall have occurred, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right, without notice and without regard to the occupancy or value of any security for the Secured Obligations 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 and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers permitted under the laws of the state wherein the Land is situated. Mortgagor will pay unto Mortgagee upon demand all expenses, including receiver's fees, reasonable attorney's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 2.06, and any such amounts paid by Mortgagee shall be added to the Secured Indebtedness and shall be secured by this Mortgage.

2.07 Enforcement.

(a) If an Event of Default shall have occurred, then at the option of Mortgagee this Mortgage may be foreclosed in any manner now or hereafter provided by Alabama law, and the Mortgagee, or its agent, may sell the Mortgaged Property or any part of the Mortgaged Property at one or more public sales before the main or front door of the courthouse of the county or counties, as may be required, in which the Land or any part of the Land is situated, after having first given notice of the time, place and terms of sale, together with a description of the Land, at least once a week for three (3) successive weeks preceding the date of such sale in some newspaper published in said county or counties, or as may otherwise be required by applicable law. At any such sale, Mortgagee may execute and deliver to the purchaser a conveyance of the Mortgaged Property or any part of the Mortgaged Property. Mortgagee shall have the right to enforce any of its remedies set forth herein without notice to Mortgagor, except for such notice as may be required by law. In the event of any sale under this Mortgage by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceedings or otherwise, the Mortgaged Property may be sold as an entirety or in separate parcels and in such manner or order as Mortgagee in its sole discretion may elect, and if Mortgagee so elects, Mortgagee may sell the personal property covered by this Mortgage at one or more separate sales in any manner permitted by the Uniform Commercial Code of the state in which the Land is located, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until the entire Mortgaged Property is sold or the Secured Indebtedness is paid in full. If the Secured Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments,

Mortgagee at its option may exhaust the remedies granted under any of said security instruments or this Mortgage either concurrently or independently, and in such order as Mortgagee may determine.

Said sale may be adjourned by the Mortgagee, or its agent, and reset at a later date; provided that an announcement to that effect be made at the scheduled place of sale at the time and on the date the sale is originally set, and the original notice shall be published once again with a statement at the bottom that said sale has been postponed and the date when it will occur.

(b) In the event of any sale of the Mortgaged Property as authorized by this Section 2.07, all prerequisites of such sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the non-payment or non-performance of the Secured Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

(c) If an Event of Default shall have occurred, Mortgagee may, in addition to and not in abrogation of the rights covered under Subparagraph (a) of this Section 2.07, either with or without entry or taking possession as herein provided or otherwise, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy to pursue any other remedy available to it, all as Mortgagee in its sole discretion shall elect.

2.08 Purchase by Mortgagee. Upon any foreclosure sale or sale of all or any portion of the Mortgaged Property under the power herein granted, Mortgagee may bid for and purchase the Mortgaged Property if the highest bidder therefor.

2.09 Application of Proceeds of Sale. In the event of a foreclosure or other sale of all or any portion of the Mortgaged Property, the proceeds of said sale shall be applied: (a) first, to the expenses of such sale and of all proceedings in connection therewith, including reasonable attorneys' fees as may be necessary in the collection of the indebtedness secured by this Mortgage and/or the foreclosure of this Mortgage; (b) then to the repayment of money, including interest thereon, which Mortgagee may have paid, or become liable to pay, or which it may be necessary to pay for, including insurance premiums, liens, assessment, taxes and charges including utility charges advanced by Mortgagee, and interest thereon; (c) then to payment of the Secured Indebtedness and accrued interest thereon, in such order of priority as Mortgagee shall determine, in its sole discretion; and (d) finally the remainder, if any, shall be paid to the person or entity appearing to be the record owner of the Mortgaged Property at the time of sale, after deducting any expenses incurred in ascertaining who is such owner, or as may otherwise be provided by law.

2.10 Mortgagor as Tenant Holding Over. In the event of any such foreclosure sale or sale under the powers herein granted, Mortgagor (if Mortgagor shall remain in possession) and all persons holding under Mortgagor shall be deemed

tenants holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

2.11 Waiver of Appraisement, Valuation, Etc. Mortgagor agrees, to the full extent permitted by law, that in case of a default on the part of Mortgagor hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets subject to the security interest of this Mortgage marshaled upon any foreclosure or sale under the power herein granted.

2.12 Waiver of Homestead. Mortgagor hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Mortgaged Property as against the collection of the Secured Indebtedness, or any part thereof.

2.13 Leases. Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceeding instituted by Mortgagee to collect the sums secured hereby.

2.14 Discontinuance of Proceedings. In case Mortgagee shall have proceeded to enforce any right, power 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 Mortgagee, then in every such case, Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceedings had occurred.

2.15 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee 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 now or hereafter existing at law, in equity or by statute.

2.16 Waiver.

(a) No delay or omission by Mortgagee 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 this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver expressed or implied by Mortgagee to or of any breach or default by Mortgagor in the performance of the obligations of Mortgagor hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or failure to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies of Mortgagee hereunder.

(b) No act or omission by Mortgagee shall release, discharge, modify, change or otherwise affect the original liability of Mortgagor and/or Borrower under any one or more of the Loan Documents or any other obligation of Mortgagor, Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof or any maker, co-signer, endorser, surety or guarantor, nor preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then existing or of any subsequent default, nor alter the lien of this Mortgage, except as expressly provided in an instrument or instruments executed by Mortgagee. Without limiting the generality of the foregoing, Mortgagee may (i) grant forbearance or an extension of time for the payment of all or any portion of the Secured Indebtedness; (ii) take other or additional security for the payment of any of the Secured Indebtedness; (iii) waive or fail to exercise any right granted herein or in any one or more of the other Loan Documents; (iv) release any part of the Mortgaged Property from the security interest or lien of this Mortgage or otherwise change any of the terms, covenants, conditions or agreements of any one or more of the Loan Documents; (v) consent to the filing of any map, plat or replat affecting the Mortgaged Property; (vi) consent to the granting of any easement or other right affecting the Mortgaged Property; (vii) make or consent to any agreement subordinating the security title or lien hereof, or (viii) take or omit to take any action whatsoever with respect to any one or more of the Loan Documents, the Mortgaged Property or any document or instrument evidencing, securing or in any way related to the Secured Obligations, all without releasing, discharging, modifying, changing or affecting any such liability, or precluding Mortgagee from exercising any such right, power or privilege or affecting the lien of this Mortgage. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the Secured Indebtedness, or with reference to any of the terms, covenants, conditions or agreements hereof, 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 liabilities, obligations or undertakings.

2.17 Suits to Protect the Mortgaged Property. Mortgagee shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or constitute a default under this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the rents, issues, profits and revenues 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 materially impair the security hereunder or be prejudicial to the interest of Mortgagee.

2.18 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the entire amount due and payable by Mortgagor under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Mortgagor hereunder after such date.

ARTICLE III

3.01 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective heirs, executors, legal representatives, successors, successors-in-title, and assigns. Whenever a reference is made in this Mortgage to "Mortgagor" or "Mortgagee", such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors, successors-in-title and assigns of Mortgagor or Mortgagee, as the case may be, but shall not imply any permission to make or permit any transfer which is otherwise prohibited.

3.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and Articles are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to Articles, Sections or subparagraphs shall refer to the corresponding Articles, Sections or subparagraphs of this Mortgage unless specific reference is made to Articles, Sections or subparagraphs of another document or instrument.

3.03 Severability; Complete Agreement. If any provisions of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. This Mortgage, the Note, the other Loan Documents, and any other instruments executed in connection herewith constitute the full and complete agreement of the parties and supersede all prior negotiations, correspondence, and memoranda relating to the subject matter hereof, and this Mortgage may not be amended except by a writing signed by the parties hereto.

3.04 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the State of Alabama.



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Shelby Cnty Judge of Probate, AL
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3.05 Notices. All notices provided for herein, or in any one or more of the other Loan Documents, or in any other instrument or document evidencing or securing any of the Secured Obligations, or required by applicable law, shall be given personally, by mail, or by Federal Express or other similar national overnight courier, and addressed to the appropriate party at the address designated for such party as set forth below, or such other single address as the party who is to receive such notice may designate in writing.

If to Mortgagor, to:

The American Village Public Educational Building Authority of the
City of Montevallo
P. O. Box 6
Montevallo, AL 35115

If to Mortgagee, to:

Regions Bank
2964 Pelham Parkway
Pelham, AL 35124

With a copy to:

James W. Fuhrmeister
Allison, May, Alvis, Fuhrmeister & Kimbrough, LLC
P. O. Box 380275
Birmingham, AL 35238

Notice by mail shall be by registered or certified mail. All fees or expenses of mail or overnight courier shall be paid by the sender. Notice shall be deemed received at the earlier of the time actually received or two (2) days following the time deposited when sent by mail or overnight courier in the manner aforesaid. Actual receipt of notice shall not be required to effect notice hereunder.

3.06 Replacement of Note. Upon receipt of evidence reasonably satisfactory to Mortgagor of the loss, theft, destruction or mutilation of either of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Mortgagor or, in the case of any such mutilation, upon surrender and cancellation of either of the Note, Mortgagor at Mortgagee's expense will execute and deliver, in lieu thereof, a replacement note, identical in form and substance to such Note and dated as of the date of such Note, and upon such execution and delivery all references in this Mortgage to the Note shall be deemed to refer to and include such replacement note.

3.07 Assignment. This Mortgage is assignable by Mortgagee and any assignment hereof by Mortgagee shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Mortgagee.

3.08 Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor and/or Borrower under this

Mortgage, each of the other Loan Documents, and any and all other instruments now or hereafter evidencing, securing or otherwise relating to the Secured Obligations.

3.09 Release. Provided that no Event of Default then exists, Mortgagee agrees to release this Mortgage upon payment in full by Borrower and/or Mortgagor of all of the Secured Indebtedness.

3.10 Future Advances. Upon request of Mortgagor, Mortgagee, at Mortgagee's option so long as this Mortgage secures indebtedness held by Mortgagee, may make future advances to Borrower. Such future advances, with interest thereon, shall be secured hereby if made under the terms of this Mortgage, the Note or the Loan Agreement, or if made pursuant to any other promissory note, instrument or agreement stating that sums advanced thereunder are secured hereby.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized representative, and Mortgagee has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

MORTGAGOR:

THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING
AUTHORITY OF THE CITY OF MONTEVALLO, a corporation
incorporated pursuant to § 16-18-1, et seq., Code of
Alabama, 1975

By: _____

RICHARD ANDERSON

Its: _____

Chairman

Attest:

JOHN P. KELLY

Its Secretary-Treasurer

MORTGAGEE:

REGIONS BANK, a banking corporation

By: _____

Its: _____

VICE PRESIDENT




BY IT'S SIGNATURE BELOW, BORROWER AGREES TO ASSUME AND PERFORM ALL OF MORTGAGORS AFFIMATIVE OBLIGATIONS AND INDEMNIFICATIONS IN ARTICLE I OF THIS ACCOMMODATION MORTGAGE.

BORROWER:

THE CITIZENSHIP TRUST, an Alabama nonprofit corporation

By:  (SEAL)
GORDON G. MARTIN
CHAIRMAN

Attest:


THOMAS G. WALKER, JR.
Secretary and Executive Director

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that RICHARD ANDERSON whose name as Chairman of **The American Village Public Educational Building Authority of the City of Montevallo**, a corporation incorporated pursuant to § 16-18-1, et seq., Code of Alabama, 1975, 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 the instrument, he, as such Chairman and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this 27 day of July, 2005.

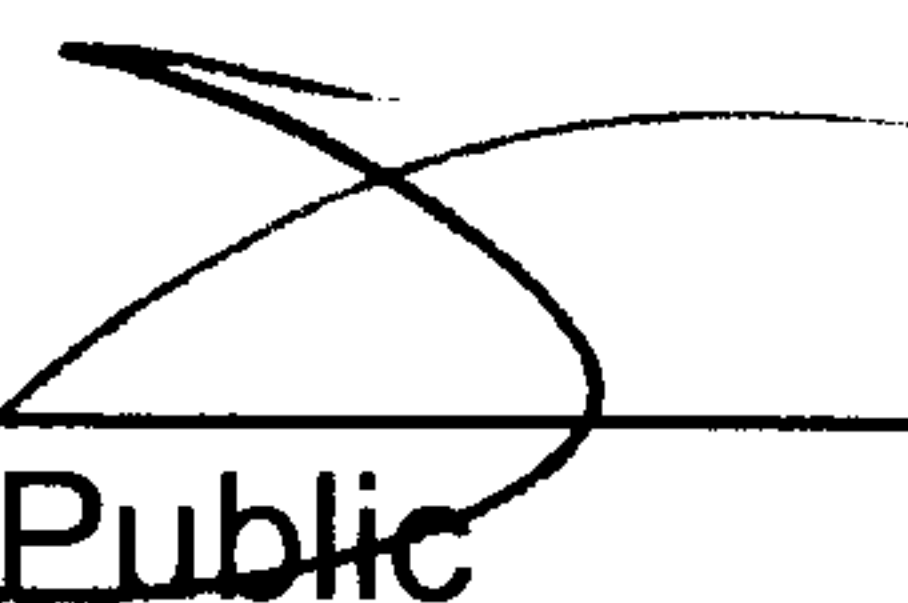

Notary Public
My Commission Expires: May 22, 2007
LAURA BITTINGER
Commission Expires
May 22nd, 2007

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that LEIGHTON C. McLEOD, III whose name as Vice President of Regions Bank, a banking corporation, 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, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking corporation.

Given under my hand and official seal, this the 28 day of July, 2005.




Notary Public
My Commission Expires: 5/21/07

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that GORDON G. MARTIN and THOMAS G. WALKER, JR. whose names as Chairman and Secretary of **The Citizenship Trust**, an Alabama not-for-profit corporation, is signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 28 day of July, 2005.



Notary Public
My commission expires: 5/21/07

EXHIBIT A

LEGAL DESCRIPTION

TRACT A:

Parcel I

Beginning at the NE corner of Section 10, Township 22 South, Range 3 West; thence North 89 deg. 45 min. 37 sec. West along the North line of said Section a distance of 299.38 feet to a point; thence South 13 deg. 01 min. 00 sec. West a distance of 2700.64 feet to a point that is 15.00 feet North of the centerline of Quinn Lane; thence South 66 deg. 04 min. 55 sec. East, parallel with said Quinn Lane a distance of 640.82 feet to a point, said point being on the Westerly right of way line of Highway 119 (Montevallo-Ashville Road); thence North 32 deg. 40 min. 07 sec. East along said right of way line a distance of 383.02 feet to a point; thence North 57 deg. 19 min. 53 sec. West a distance of 20.00 feet to a point; thence North 32 deg. 40 min. 07 sec. East a distance of 408.30 feet to a point of curve to the right through a central angle of 08 deg. 06 min. 07 sec. an arc distance of 239.99 feet a chord bearing of North 36 deg. 43 min. 11 sec. East a distance of 239.79 feet to a point; thence South 49 deg. 13 min. 46 sec. East a distance of 20.00 feet to a point; thence around a curve to the right through a central angle of 30 deg. 06 min. 18 sec. an arc distance of 886.14 feet a chord bearing of North 55 deg. 54 min. 23 sec. East a distance of 875.87 feet to a point; thence North 18 deg. 57 min. 28 sec. West a distance of 20.00 feet to a point; thence North 71 deg. 02 min. 32 sec. East a distance of 312.15 feet to a point of a curve to the left through a central angle of 01 deg. 45 min. 37 sec. an arc distance of 48.45 feet a chord bearing of North 70 deg. 09 min. 44 sec. East a distance of 48.45 feet to a point; thence North 21 deg. 08 min. 18 sec. West leaving said right of way a distance of 811.46 feet to a point; thence North 66 deg. 05 min. 09 sec. East a distance of 153.39 feet to a point; thence North 28 deg. 47 min. 32 sec. West a distance of 299.21 feet to a point; thence North 10 deg. 35 min. 26 sec. East a distance of 315.07 feet to a point on the North line of Section 11, Township 22 South, Range 3 West; thence North 89 deg. 04 min. 10 sec. West along said North line a distance of 1058.21 feet to the point of beginning; being situated in Shelby County, Alabama.

Parcel II

Begin at the point where the Northerly boundary of Section 11, Township 22 South, Range 3 West, intersects the West boundary of the Montevallo-Siluria Public Road, run South along the West boundary of said Public Road 150 feet; thence run West and perpendicular to said public road 300 feet; thence North and parallel to said public road 150 feet, more or less, to the North boundary line of said Section 11; thence East along the North boundary line of said Section 11 to the point of beginning; being situated in Shelby County, Alabama.

Parcel III

Commence at the NW corner of Section 11, Township 22 South, Range 3 West; thence South 89 deg. 04 min. 10 sec. East along the North line of said Section 11 a distance of 1058.21 feet to the point of beginning; thence South 10 deg. 35 min. 26 sec. West a distance of 315.07 feet to a point; thence South 28 deg. 47 min. 32 sec. East a distance

of 299.21 feet to a point; thence South 66 deg. 05 min. 09 sec. West a distance of 153.39 feet to a point; thence South 21 deg. 08 min. 18 sec. East a distance of 811.46 feet to a point, said point being on the Westerly right of way line of Highway 119 (Montevallo-Ashville Road) said point also on a curve to the left through a central angle of 13 deg. 59 min. 20 sec. an arc distance of 385.05 feet a chord bearing of North 62 deg. 07 min. 16 sec. East a distance of 384.10 feet to a point; thence North 34 deg. 42 min. 25 sec. West a distance of 15.00 feet to a point; thence around a curve to the left through a central angle of 20 deg. 59 min. 57 sec. an arc distance of 572.51 feet a chord bearing of North 44 deg. 47 min. 37 sec. East a distance of 569.32 feet to a point; thence South 55 deg. 42 min. 22 sec. East a distance of 35.00 feet to a point; thence around a curve to the left through a central angle of 25 deg. 14 min. 59 sec. an arc distance of 703.82 feet a chord bearing North 21 deg. 40 min. 09 sec. East a distance of 698.14 feet to a point; thence North 89 deg. 04 min. 48 sec. West leaving said Westerly right of way a distance of 300.00 feet to a point; thence North 06 deg. 21 min. 06 sec. East a distance of 150.00 feet to a point; thence North 89 deg. 04 min. 10 sec. West a distance of 976.83 feet to the point of beginning; being situated in Shelby County, Alabama.

All being situated in Shelby County, Alabama.

LESS AND EXCEPT that parcel conveyed to The Citizenship Trust, a nonprofit corporation dated February 23, 2001 and recorded in Inst. # 2001-06806 in the Probate Office of Shelby County, Alabama, described as follows:

Commence at the northwest corner of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 11, Township 22 South, Range 3 West; thence run easterly along the north line of said Section 2,335.05 feet to a point on the westerly right of way line of Alabama Highway # 119, said point being on a curve to the right, said curve to the right having a radius of 1,597.10 feet and being subtended by a central angle of 30 deg. 37 min. 51 sec.; thence turn an angle to the right of 108 deg. 12 min. 53 sec. to chord of said curve to the right and run southeasterly along the arc of said curve 853.82 feet to the end of said curve; thence turn an angle to the right of 105 deg. 18 min. 55 sec. from chord and run northwesterly 35.00 feet to the beginning of a curve to the right, said curve to the right having a radius of 1,562.10 feet and being subtended by a central angle of 20 deg. 59 min. 57 sec.; thence turn an angle to the left of 79 deg. 30 min. 01 sec. to chord of said curve to the right and run southwesterly along the arc of said curve 572.51 feet to the end of said curve; thence turn an angle to the left of 79 deg. 30 min. 03 sec. from chord and run southeasterly 15.00 feet to the beginning of a curve to the right, said curve to the right having a radius of 1,577.10 feet and being subtended by a central angle of 15 deg. 44 min. 57 sec.; thence turn an angle to the right of 97 deg. 52 min. 30 sec. to chord of said curve to the right and run southwesterly along the arc of said curve 433.50 feet to the end of said curve; thence at tangent to said curve run southwesterly 312.15 feet; thence turn an angle to the left of 90 deg. 00 min. 00 sec. and run southwesterly 20.00 feet to the beginning of a curve to the left, said curve to the left having a radius of 1,677.21 feet and being subtended by a central angle of 7 deg. 02 min. 39 sec.; thence turn an angle to the right of 86 deg. 28 min. 41 sec. to chord of said curve to the left and

run southwesterly along the arc of said curve 206.20 feet; thence turn an angle to the right of 84 deg. 17 min. 07 sec. from chord and run northwesterly 335.17 feet; thence turn an angle to the right of 86 deg. 35 min. 36 sec. and run northeasterly 260.50 feet; thence turn an angle to the left of 89 deg. 58 min. 04 sec. and run northwesterly 279.71 feet; thence turn an angle to the right of 90 deg. 00 min. 00 sec. and run northeasterly 37.61 feet to the point of beginning; thence continue along the last described course 201.00 feet; thence turn an angle to the right of 90 deg. 00 min. 00 sec. and run southeasterly 65.00 feet; thence turn an angle to the left of 90 deg. 00 min. 00 sec. and run northeasterly 42.00 feet; thence turn an angle to the right of 90 deg. 00 min. 00 sec. and run southeasterly 135.85 feet to the beginning of a curve to the right, said curve to the right having a radius of 309.99 feet and being subtended by a central angle of 25 deg. 06 min. 56 sec.; thence turn an angle to the right of 83 deg. 00 min. 11 sec. to chord of said curve to the right and run southwesterly along the arc of said curve 135.88 feet to the end of said curve to the right and the beginning of another curve to the left, said curve to the left having a radius of 168.43 feet and being subtended by a central angle of 48 deg. 36 min. 53 sec.; thence turn an angle to the right of 45 deg. 02 min. 32 sec. from chord to chord of said curve to the left and run northwesterly along the arc of said curve 142.91 feet to the end of said curve; thence turn an angle to the right of 51 deg. 57 min. 17 sec. from chord and run northwesterly 131.81 feet to the point of beginning; being situated in Shelby County, Alabama.

PERMITTED ENCUMBRANCES

1. Mortgage and Trust Indenture from The American Village Public Educational Building Authority of the City of Montevallo to SouthTrust dated December 1, 2003, in the amount of \$6,180,000-DO, as recorded in Inst. # 20031230000829470, with additional security by UCC-1 as recorded in Inst. #20031230000829490 in the Probate Office.

2. Easement(s) to Alabama Power Company as shown by instrument recorded in Inst #199944326 in Probate Office.

3. Easement Agreement by and between The American Village Public Educational Building Authority and The Citizenship Trust dated May 9, 2003 and recorded in Inst. # 20030514000301280 in the Probate Office.

4. Easement — Distribution Facilities granted to Alabama Power Company as shown by instrument recorded in Inst #20040910000505530 in the Probate Office.

5. Lease Agreement by and between The American Village Public Educational Building Authority of the City of Montevallo and The Citizenship Trust, dated December 1, 2003 and recorded December 30, 2003 at 08:26 am as Inst. #20031230000829480 in the Probate Office.