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Prepared by: John W. Monroe, Jr.
Emmanuel, Sheppard & Condon
30 S. Spring St.
Pensacola, FL 32501
A0458-108387

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Shelby Cnty Judge of Probate, AL
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With respect to the Alabama mortgage tax, irrespective
of amount of indebtedness set forth herein, this instrument
is given to secure a current borrowing of \$74,025.00

MORTGAGE SPREADING AGREEMENT

THIS MORTGAGE SPREADING AGREEMENT (the "Agreement"), is made and
entered into as of the 26th day of May, 2005, by and between:

- (i) **ADAMS HOMES OF NORTHWEST FLORIDA, INC.**, a Florida corporation and **ADAMS HOMES, L.L.C.**, an Alabama limited liability company, with a mailing address at 1101 Gulf Breeze Parkway, Suite 229, Gulf Breeze, Florida 32561 (collectively, the "Mortgagor"); and
- (ii) **OHIO SAVINGS BANK**, a Federal Savings Bank, with an address at 1801 East Ninth Street, Suite 200, Cleveland, Ohio 44144 ("Lender").

WITNESSETH:

WHEREAS, the Mortgagor executed and delivered that certain Second Amended and Restated Secured Revolving Renewal promissory note (the "Note") dated as of 1st day of July, 2003, payable to the order of the Lender in the face principal amount of Fifty Million and 00/100 Dollars (\$50,000,000.00), which Note is secured, in part, by that certain Mortgage and Security Agreement dated May 3, 2002, made by the Mortgagor to and in favor of the Lender, attached hereto and incorporated herein as Exhibit B-1, together with a Notice of Future Advance and Mortgage Modification Agreement dated July 1, 2003, attached hereto and incorporated herein as Exhibit B-2. (the "Mortgage").

WHEREAS, the Mortgage provides for the submission of additional lots, pieces or parcels of land to the lien and encumbrance thereof as additional security for payment of the Note and the performance of all of the obligations of the Mortgagor secured thereby.

NOW, THEREFORE, in consideration of the premises and the sum of Ten Dollars (\$10.00), and for other good and valuable considerations, the receipt and

sufficiency of which are hereby acknowledged, the Mortgagor hereby spreads the lien of the Mortgage as follows:

1. Definitions. All capitalized terms used herein, unless otherwise defined, shall have their same respective meanings herein as in the Mortgage.

2. Additional Land. The Mortgagor hereby grants, bargains, sells, conveys, assigns, transfers, mortgages, pledges, delivers, sets over, warrants, confirms and hypothecates to the Lender, and grants Lender a security interest in all those certain lots, pieces, or parcels of land lying and being in Shelby County, Alabama, together with the buildings and improvements now or hereafter situated thereon, said land being legally described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

(the "Additional Land") as security for the payment of the Note, together with interest thereon as provided therein, and all other obligations and indebtedness of the Mortgagor to the Lender, whether now existing or hereafter arising and all of the obligations of the Mortgagor to the Lender under the Loan Documents, subject to each of the terms, covenants and conditions contained in the Mortgage.

3. Acknowledgment. The Mortgagor agrees that the Lender has complied with each and every term, covenant and condition of the Mortgage, and all other agreements relating thereto, and that Borrower as of the date hereof, has no set off or claim of any nature against the Lender relating to the Mortgage, or any agreement relating thereto.

4. Representations and Warranties. The Mortgagor hereby makes and remakes each of the representations and warranties contained in the Mortgage as of the date hereof, which representations and warranties shall be deemed continuing and shall survive the execution and delivery hereof.

5. Reaffirmation. Except as modified hereby, the Mortgage shall remain in full force and effect according to its original terms, covenants and conditions (which are hereby incorporated herein by reference), and the modifications contained herein shall not be deemed to be a waiver by Mortgagee of any rights contained in the Mortgage, including, but not limited to, the right to demand payment in full of the Note and to foreclose the Mortgage should the Mortgagor default in any of its obligations contained in the Note, the Mortgage or in any other documents or instrument executed in connection with, or as security for, the Note.

6. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.



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IN WITNESS WHEREOF, Borrower have caused this Agreement to be executed on the date first above written.

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

Mary C Hart
Witness
MARY C. HART

By: Glenn H. Schneider
Name: Glenn H. Schneider
Title: Assistant Controller

R. Kates
Witness
REBECCA F. KATES

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

Mary C Hart
Witness
MARY C. HART

BY: ADAMS HOMES OF
NORTHWEST FLORIDA, INC., a
Florida corporation, as Member

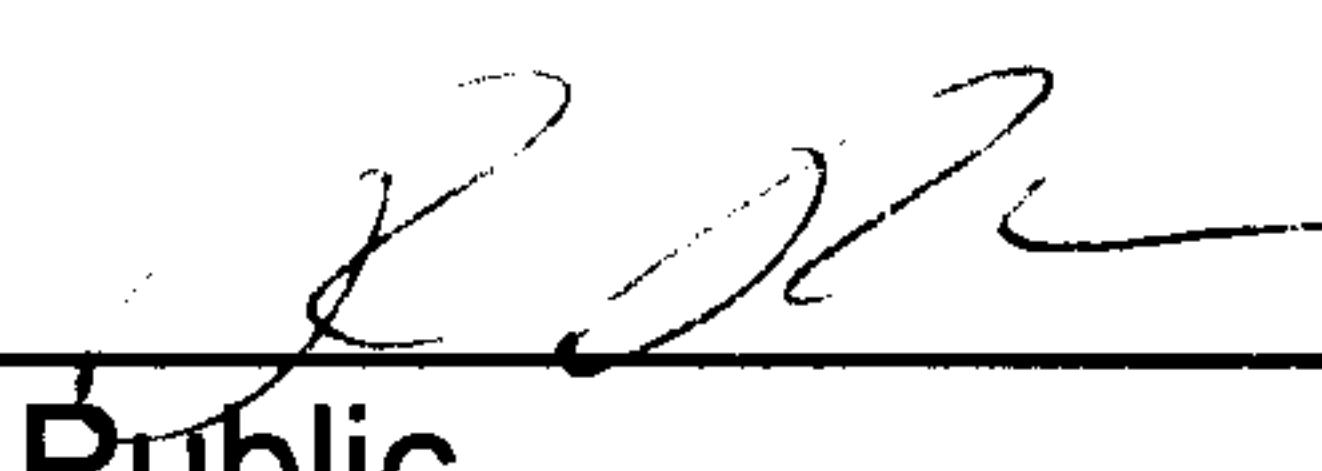
R. Kates
Witness
REBECCA F. KATES

By: Glenn H. Schneider
Name: Glenn H. Schneider
Title: Assistant Controller

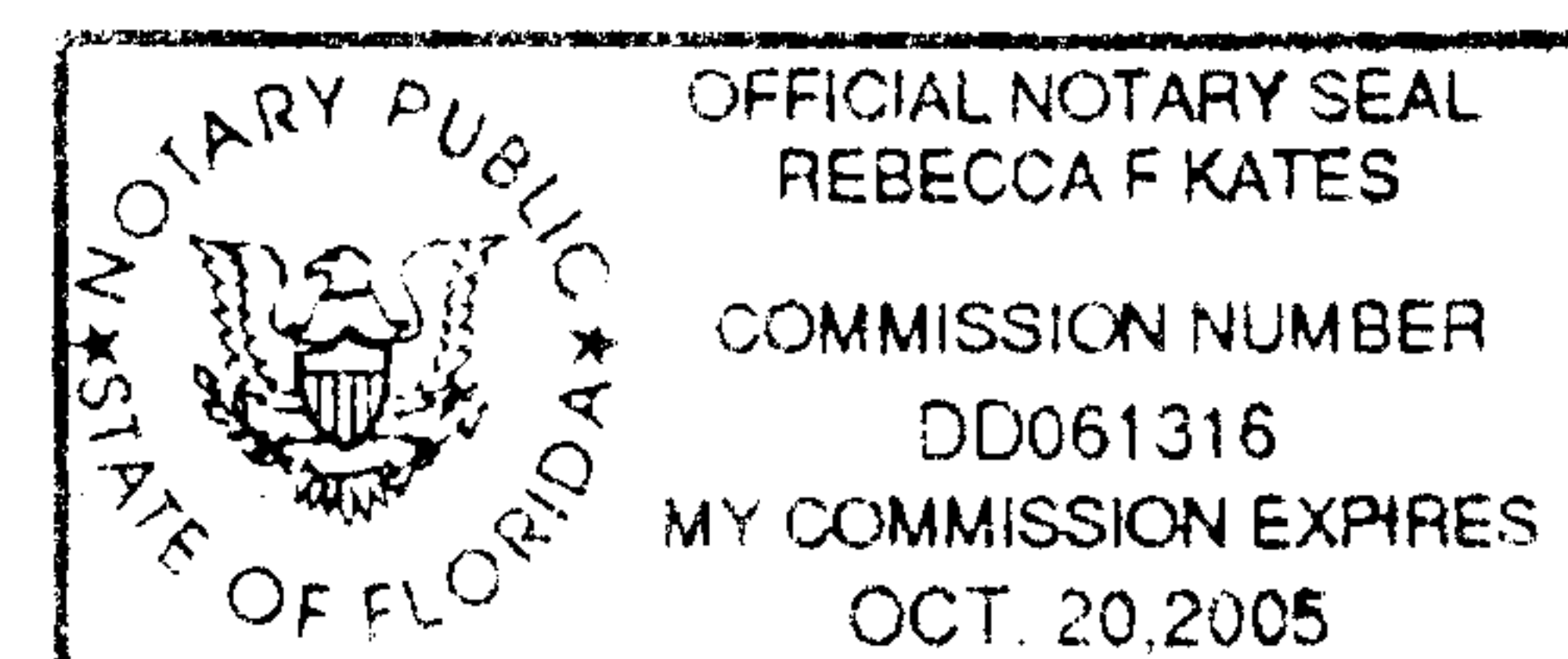
STATE OF FLORIDA
COUNTY OF ESCAMBIA

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Glenn H. Schneider, whose name as Assistant Controller of Adams Homes of Northwest Florida, Inc., a Florida 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 26th day of May, 2005.



Notary Public
Name: _____



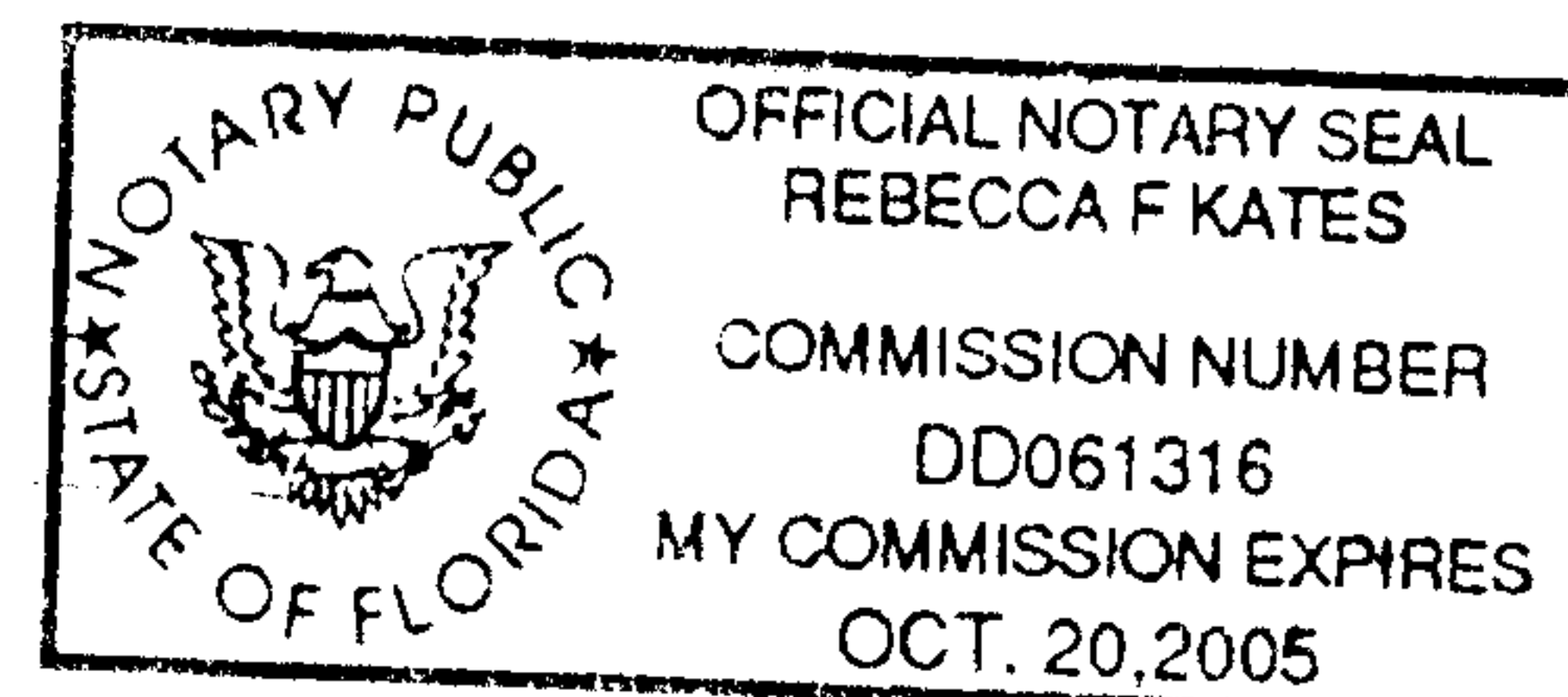
STATE OF FLORIDA
COUNTY OF ESCAMBIA

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Glenn H. Schneider, whose name as Assistant Controller, of Adams Homes of Northwest Florida, Inc. Member of Adams Homes, L.L.C., an Alabama limited liability company, 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 member and manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this 26th day of May, 2005.



Notary Public
Name: _____





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CERTIFICATE AS TO ALABAMA ADVANCES

The undersigned hereby certifies that the total principal indebtedness (being the Alabama Advances) secured as of the date hereof is \$74,025.00.

OHIO SAVINGS BANK

By: 

Name: Craig Ridinger

Title: Vice President

STATE OF FLORIDA

COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 23rd day of June, 2005, by Craig Ridinger as Vice President of Ohio Savings Bank, a Federal Savings Bank, on behalf of said bank, who is personally known to me.



Rhonda Choquette
My Commission DD328972
Expires June 07 2008



Notary Public

Print Name: Rhonda Choquette

State of Florida at Large


My Commission Expires: 6/7/08

Exhibit "A"


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Lots 7, 8 and 23, 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.

RETURN TO:
JOHN W. MONROE, JR.
EMMANUEL, SHEPPARD & CONDON
30 S. SPRING STREET
PENSACOLA, FL 32501
675279


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Prepared by and return to:
 Gregory L. Holzhauser, Esq.
 Windermoodle, Haines, Ward & Woodman, P.A.
 Post Office Box 880
 Winter Park, Florida 32790-0880

of Alabama, Baldwin County
 I certify this instrument was filed
 on 08/15/2005 at 12:15:27PM

08/15/2005 - 8 2:18PM

675279 Pages 30
 Mortgage 133.95
 Min Tax 1.00
 Deed DP
 Index 3.00
 Judge of Probate

MORTGAGE and SECURITY AGREEMENT
(Baldwin County, Alabama)
(WITH ASSIGNMENT OF RENTS AND LEASES
AND ASSIGNMENT OF AGREEMENTS AFFECTING REAL ESTATE)

THIS MORTGAGE AND SECURITY AGREEMENT, INCLUDING ASSIGNMENT OF RENTS AND LEASES AND ASSIGNMENT OF AGREEMENTS AFFECTING REAL ESTATE (the "Mortgage"), is made and executed as of the 3rd day of May, 2002, by **ADAMS HOMES, L.L.C., an Alabama limited liability company**, with a mailing address at 1101 Gulf Breeze Parkway, Suite 229, Gulf Breeze, Florida 32561 (hereinafter, "Mortgagor"), which term as used herein in every instance shall include Mortgagor's successors, legal representatives and permitted assigns, including all subsequent grantees, either voluntary by act of the parties or involuntary by operation of law), to and in favor of **OHIO SAVINGS BANK**, a Federal savings bank, with an address at 1801 East Ninth Street, Suite 200, Cleveland, Ohio 44144 (hereinafter "Mortgagee"), which term as used herein in every instance shall include Mortgagee's successors, legal representatives and assigns, including all subsequent assignees, either voluntary by act of the parties or involuntary by operation of law).

PRELIMINARY STATEMENT:

THIS IS A FIRST MORTGAGE

Mortgagor, is justly indebted to Mortgagee in the principal amount of Thirty Million and 00/100 Dollars (\$30,000,000.00), lawful money of the United States of America (the "Loan"). The Loan is to be paid by Mortgagor to Mortgagee with interest thereon at the rate and times and in the manner specified in that certain Consolidated Renewal Secured Revolving Promissory Note (the "Note") of even date herewith, which is made by Mortgagor payable to the order of Mortgagee in the principal amount of Thirty Million and 00/100 Dollars (\$30,000,000.00). This Mortgage is being executed and delivered to secure the prompt payment of the Alabama Advances only such "Alabama Advances" being each and every advance under the Note to Mortgagor pursuant to the Loan Documents with respect to real property only in Alabama and any improvements located or to be constructed thereon together with and including all future advances with interest

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thereon and any extensions, renewals, modifications or amendments of same and further to secure the performance of each of the Loan Documents (as hereafter defined).

The Note, together with this Mortgage, and each and every other document or instrument now or hereafter evidencing or securing the Loan or any other indebtedness which may be secured hereby from time to time, are hereinafter collectively referred to as the "Loan Documents".

Granting Clause

WITNESSETH:

NOW, THEREFORE, to induce the Mortgagee to make and in consideration of Mortgagee making the Loan to Mortgagor, the receipt of which is hereby acknowledged, and to secure the Loan, including all obligations of Mortgagor and all amounts due under the Note and other Loan Documents, and any future or other advances which may be made by Mortgagee pursuant to this Mortgage, Mortgagor does hereby grant, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, grant a security interest in, deliver, set over, warrant and confirm unto Mortgagee, Mortgagor's fee simple interest in the premises, lands and properties legally described in Exhibit "A", attached hereto and made a part hereof, of which Mortgagor is now seized and possessed (collectively, the "Land"), TOGETHER WITH all buildings, structures, fixtures and improvements now or hereafter situate or constructed upon the Land (collectively, the "Improvements"; together with the Land, the "Financed Property").

TOGETHER WITH the following property rights (to be considered as part of the Financed Property as hereinabove defined):

1. All Rights and Appurtenances: All easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Land or Financed Property, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues, proceeds and profits thereof, and all of the estate, right, tide, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor, of, in and to the same.

2. All estate and right, title and interest of Mortgagor in and to:

a. Road Beds: the land lying in the bed of any street, road, highway or avenue, opened or proposed, in front of or adjoining the land or Financed Property, and in and to the appurtenances thereto;



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b. All Rents and Leases: all leases of the Land and/or Financed Property, or portions thereof, now existing or hereafter entered into, as the same may be extended, renewed, consolidated or otherwise amended or modified from time to time, and all right, title and interest of the Mortgagor thereunder, including, without limitation, all cash, securities or other property at any time deposited and all guarantees, letters of credit and other instruments or property at any time issued to secure performance by the lessees of their obligations thereunder, together with all rents, profits, issues, proceeds and revenues of the Financed Property from time to time accruing, whether under leases or tenancies now existing or hereafter created or otherwise, including, further, in addition to other rights granted to Mortgagee hereunder, in equity, and at law (including, but not limited to, the rights provided in Section 697.07 FLA. STAT.), the right, at its option following the occurrence of any Event of Default hereunder, to enter upon the Financed Property, receive and collect the rents under each such lease directly from Mortgagor or the tenant, as Mortgagee shall, in its sole discretion, deem advisable, and to receive all other sums hereinabove referred to, and to let, or relet the Financed Property, or any portion thereof, or cancel or amend any such lease without any liability unto Mortgagor, and to apply any monies actually received thereby to payment of all incidental expenses, and then to the indebtedness secured hereby; provided, however, that Mortgagee shall have no obligation under any such lease and, at all times prior to the occurrence of an Event of Default hereunder, Mortgagor may retain, use and enjoy, as its own, the benefits accruing under such leases and collect and receive the rents, profits, issues, proceeds and revenues of the Financed Property, but immediately upon the occurrence of any such Event of Default, all such rights of Mortgagor shall cease and terminate; and

c. All Awards and Payments: all judgments, awards of damages and payments, including interest thereon, and the right to receive the same, which may be made with respect to the Financed Property as a result of the exercise of the right of eminent domain, the alteration of the grade of any street, any other injury to or decrease in the value of the Financed Property, or proceeds of insurance awards, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagor, and of attorneys' fees, costs and disbursements incurred by Mortgagee in connection with the collection of such judgment, award or payment. Mortgagee is hereby authorized on behalf and in the name of Mortgagor to execute and deliver valid acquittances for, and to appeal from, any such judgments or awards. Mortgagee may apply all such sums or any part thereof so received, after the payment of all its expenses, including costs and attorney's fees, to the indebtedness secured hereby in such manner as it elects, or at its option, the entire amount or any part thereof so received may be released;

d. All Agreements: all management, engineering, architectural and construction agreements or contracts now or hereafter existing with respect to all or any portion of the Financed Property, or the development or operation thereof, together with all plans, drawings, specifications, building permits, sewer tap rights, utility commitments, approvals of governmental or private authorities and any and all other licenses, permits, certificates, agreements, contracts, options, warranties and other data or material now or hereafter existing related directly or indirectly to the Land, Improvements or Financed Property, including, without limitation, all contracts, options, warranties and other data or material now or hereafter existing related directly or indirectly to the Land, Improvements or Financed Property, including, without limitation, all contracts or other agreements for the sale of any portion of the Financed Property, as any of the same may be amended from time to time, together with all cash, securities or other property at any time deposited and all guarantees, letters of credit and other instruments or property at any time issued to secure the performance thereof, including further all proceeds thereof (collectively, the "Agreements"); provided however, so long as no Event of Default shall have occurred hereunder, Mortgagor shall have the right to retain, for its own use and benefit, the rights arising out of each of the Agreements, but immediately upon the occurrence of an Event of Default hereunder, all rights of Mortgagor in and to the Agreements shall, at the option of Mortgagee, cease and terminate and thereupon, Mortgagee may, in addition to exercising any other rights available to it, use and enjoy, cancel, amend and/or renew the Agreements, and otherwise succeed to all proceeds of and rights and benefits conferred under the Agreements, but in no event shall Mortgagee have any obligation or liability, nor shall Mortgagee be liable for any act or omission made in connection with any of the Agreements.

TO HAVE AND TO HOLD the Financed Property unto Mortgagee, forever, presently, absolutely and unconditionally, subject, however, to the terms and conditions of this Mortgage;

PROVIDED, HOWEVER, that these presents are upon the condition that:

If Mortgagor shall fully pay or cause to be fully paid to Mortgagee the principal and interest due under the Note secured hereby, at the time and in the manner stipulated therein and herein, and any and all other indebtedness secured hereby from time to time, all without any deduction or credit for taxes or other similar charges paid by or on behalf of Mortgagor, and shall fully and faithfully keep, perform and observe all and singular its obligations, covenants and promises in the Note, and provided that Mortgagor shall fully and faithfully keep, perform and observe all and singular its obligations under each of the other Loan Documents, and the Mortgagee shall have no further obligation to fund any additional or further advances under the terms of the Loan



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Agreement, then this Mortgage, and all the properties, interests and rights hereby granted, alienated, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, delivered, set over, warranted and confirmed unto Mortgagee, shall cease, desist and be void, but shall otherwise remain in full force and effect.

ARTICLE I

Representations, Warranties and Covenants of Mortgagor

Mortgagor represents and warrants unto, and covenants and agrees with, Mortgagee that:

Section 1.1 Mortgagor to Perform its Loan Obligations. Mortgagor shall pay the Note according to its terms and all other indebtedness secured hereby from time to time and shall fully and faithfully keep, perform and observe each of its Loan obligations, including its undertakings under this Mortgage, and all other Loan Documents executed by it or by which it may be bound.

Section 1.2 Mortgage a Good and Valid First Lien upon the Security Financed Property. Mortgagor is indefeasibly seized with the absolute and fee simple title in and to the Financed Property; Mortgagor's title thereto is good, marketable and insurable; Mortgagor has full power and lawful authority to grant, convey, assign, transfer, pledge and mortgage the Financed Property unto Mortgagee as herein provided; it shall be lawful at any time hereafter for Mortgagee to peaceably and quietly enter upon, have, hold and enjoy the Financed Property, and every part thereof; this Mortgage is and will remain a valid and enforceable first lien on the Financed Property; the Financed Property is free and discharged from all liens, encumbrances and claims of any kind, including taxes and assessments, except current year real estate taxes accrued but not yet due and payable and those matters set forth in the policy of title insurance insuring this Mortgage; and Mortgagor fully warrants the title to the Financed Property and will defend the same against the claims and demands of all persons whomsoever.

Section 1.3 Payment of all Taxes, Liens and Assessments.

(a) Mortgagor will pay and discharge, before the same become delinquent, all taxes of every kind and nature (including, without limitation, real and personal property taxes and income, franchise, withholding, profits and gross receipt taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public charges whether of alike or different nature, imposed upon or assessed against it or the Financed Property of any part thereof or upon the revenues, rents, issues, income and profits of all or any part of the Financed Property or arising in respect of the occupancy, use or possession thereof. Mortgagor will, upon the request of Mortgagee, deliver to Mortgagee receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against it or the Financed Property or the revenues, rents, issues, income or profits thereof,

(b) Mortgagor will pay, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien upon the Financed Property or any part thereof, or upon the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien hereof shall be fully preserved and constitute the only lien upon the Financed Property. Mortgagor may contest such lawful claims and demands so long as the claim is bonded to avoid the imposition of a lien on the Financed Property.

(c) Nothing in this Section 1.3 shall require the payment or discharge of any obligation imposed upon Mortgagor by this Section so long as Mortgagor shall, in good faith and at its own expense, contest the same or the validity thereof by appropriate legal proceedings which stay and operate to prevent the collection of such obligation and the realization, sale or forfeiture of the Financed Property or any part thereof to satisfy the same; provided that, prior to such contest, Mortgagor shall give Mortgagee written notice of such contest, and during such contest Mortgagor shall provide security satisfactory to Mortgagee, assuring the discharge of the Mortgagor's obligation hereunder and of any additional charge, penalty or expense arising from or incurred as a result of such contest, and provided further that Mortgagor shall pay all sums necessary to prevent the delivery of a tax deed conveying the Financed Property or any portion thereof.

(d) To the extent allowed by law, Mortgagor will pay prior to the delinquency thereof all duties, imposts, assessments, charges and taxes (except income taxes of Mortgagee), including, without limitation, documentary stamp and intangible personal property taxes, arising out of the Loan or imposed on Mortgagee by reason of Mortgagee's ownership, or the execution, delivery, and/or recordation, of the Note, this Mortgage and/or any of the other Loan Documents.

(e) In the event Mortgagor shall fail to pay any tax, assessment or other charge referred to within this Section prior to the delinquency thereof, Mortgagee may, with or without declaring such failure as an Event of Default hereunder, and without waiving any rights or remedies available to it, pay such tax, assessment, or other charge and the amount thereof shall be secured hereby, together with interest thereon, from the date of payment until fully paid to Mortgagee, at the highest rate of interest allowed by Florida law, and all such amounts together with interest accruing thereon shall be paid to Mortgagee upon demand.

Section 1. 4 Taxes Payable in Installments.

(a) Notwithstanding anything herein to the contrary, within ten (10) days after receipt by Mortgagor of written request by the Mortgagee, Mortgagor shall pay to the Mortgagee monthly an installment of the taxes and special assessments levied, or to be levied, against the Land or any portion of the Financed Property; provided, however, so long as no Event of Default has occurred or no regulatory requirement for the collection of such installments is imposed on Mortgagee or would require Mortgagee to establish



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additional reserves for any Loan absent such collection, Mortgagor shall not be obligated to pay such installments. Such installments may be commingled with other funds of Mortgagee and shall be paid in an amount determined by Mortgagee to be sufficient to satisfy such taxes and assessments in full at the time they first become due. The Mortgagee shall not be obligated to pay interest on any such installment to Mortgagor. If the total of the payments made shall exceed the amount of payments actually paid by the Mortgagee for taxes and assessments, such excess shall be credited by the Mortgagee on subsequent payments of the same nature to be made by the Mortgagor. If, however, the monthly payments made under this Section 1.4 shall not be sufficient to pay such taxes and assessments when the same shall become due and payable, then Mortgagor shall pay to the Mortgagee on demand the amount of the deficiency. If an Event of Default under this Mortgage shall occur, then thereupon or at any time thereafter, the Mortgagee shall be, and hereby is, authorized and empowered to apply the balance then remaining in the fund accumulated under this Section 1.4 as a credit against any sum or sums due under the Note or any other of the Loan Documents.

(b) If requested by Mortgagee in the event Mortgagee does not collect installments from the Mortgagor for the payment of such taxes or assessments, the Mortgagor shall exhibit to the Mortgagee, at its address hereinabove stated, proof satisfactory to the Mortgagee that all taxes and assessments have been fully paid prior to the delinquency thereof, such proof to be exhibited to Mortgagee within thirty (30) days after any such tax or assessment could last be paid without being delinquent.

Section 1.5 Further Assurances of Mortgagor. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, undertake and/or omit to undertake such action, do and/or cause to be done, and execute, acknowledge and deliver such documents and instruments, including, without limitation, such deeds, mortgages, pledge agreements, security agreements, assignments, and notices of assignment, and shall effectuate such transfers and conveyances and deliver such assurances to Mortgagee as Mortgagee shall from time to time reasonably require for the better assuring, conveying, assigning, pledging, transferring and confirming unto Mortgagee the Financed Property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage or such other documents as Mortgagee may require. Without limiting generality of the foregoing, Mortgagor will, upon the request of Mortgagee, execute and deliver, and Mortgagor hereby empowers and authorizes Mortgagee to execute and deliver in the name of Mortgagor to the extent it may lawfully do so, such financing statements, chattel mortgages or comparable security instruments as Mortgagee shall reasonably deem advisable to evidence more effectively the lien hereof upon the Financed Property; and Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution, delivery and acknowledgment of such documents and instruments, including this Mortgage and the Loan Documents.

Section 1.6 Mortgagor to Maintain its Existence; and Comply with Laws. Mortgagor will do all things necessary to preserve and keep in full force and effect: (a) its existence, franchises, rights and privileges as a corporation organized and existing under the laws of the State of Alabama, and (b) all approvals and permits incident to the Financed Property and the business and operations of Mortgagor conducted thereon. Mortgagor will comply with all laws, regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to Mortgagor or to the Financed Property or any part thereof.

Section 1.7 Alterations and Additions to the Financed Property. All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Financed Property, hereafter acquired by, or released to, Mortgagor or constructed, assembled or placed by Mortgagor on the Financed Property, immediately upon such acquisition, release, construction, assembling or placement, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the granting clause hereof, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

Section 1.8 Insurance.

(a) Mortgagor shall maintain the following insurance:

- (i) Public Liability and Worker's Compensation Insurance. Mortgagor at its expense shall have delivered evidence satisfactory to Mortgagee of the existence of public liability and worker's compensation insurance in amounts and issued by companies approved by Mortgagee. All liability policies shall name Mortgagee as an additional insured as its interest may appear.
- (ii) Other Insurance. Mortgagor at its expense shall also have furnished to Mortgagee from time to time such other insurances as may be required by the Loan Documents or as Mortgagee may from time to time reasonably request.

All such insurance shall be maintained for the benefit of Mortgagee, in amounts satisfactory to Mortgagee, and written for such periods under policies, in form and substance, and with companies, reasonably satisfactory to Mortgagee. Losses thereunder shall be payable to Mortgagee pursuant to loss payable clauses reasonably satisfactory to Mortgagee. All such policies shall contain a Standard First Mortgage Endorsement substantially equivalent to the New York Standard mortgagee non-contribution clause, shall contain an extended coverage endorsement reasonably



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satisfactory to Mortgagee and shall obligate the insurer to give not less than thirty (30) days written notice to Lender prior to any cancellation thereof or any material change in the coverage provided thereby. Mortgagor shall pay promptly, when due, all premiums on all such insurance policies, and shall assign and deliver all insurance policies to the Mortgagee. Upon request by Mortgagee, Mortgagor shall cause the insurer to deliver to Mortgagee any certificate of appraisal used by any insurer in underwriting or valuing the Financed Property.

(b) In the event Mortgagor fails to timely pay the premiums for any such insurance when due, Mortgagee may, with or without declaring the same to constitute an Event of Default hereunder, and without waiving any rights or remedies available to it, secure insurance of its choosing or pay such premiums and all amounts paid therefor by Mortgagee shall be secured hereby, together with interest thereon, from the date of payment until fully paid to Mortgagee, at the highest rate of interest allowed by Florida law, and all such amounts together with interest accruing thereon shall be paid to Mortgagee upon demand.

(c) Mortgagor shall give Mortgagee prompt written notice of any claim made against any such policy of insurance, and Mortgagee may submit proof of any loss of damage to the insurer. Mortgagee shall have the right to be joined in adjusting any loss or damage.

(d) Any monies received by any party as payment for any loss under any such insurance shall be paid over to Mortgagee, and so long as no Event of Default has occurred or exists under any of the Loan Documents, such monies shall be applied to the reimbursement of Mortgagor for expenses incurred by it in the restoration, of the Financed Property, upon such terms and conditions as Mortgagee may reasonably prescribe; otherwise, Mortgagee, at its option, may apply such monies to the prepayment of the Note or to any other indebtedness secured hereby. Each insurance company making any payment in connection with, or for the restoration or replacement of, the Financed Property or any part thereof is hereby authorized and directed to make such payment directly to the Mortgagee, instead of to the Mortgagor or to the Mortgagor and the Mortgagee jointly. In the event of foreclosure of this Mortgage or other transfer of title to the Financed Property in extinguishment of the debt secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the successor in title to the Financed Property.

(e) In no event will any casualty insurance include a co-insurance provision without sufficient coverage to insure the full replacement value of the Financed Property. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with the insurance required to be maintained under this Section 1.8, unless Mortgagee is included thereon as a named insured with loss payable to Mortgagee under a Standard Mortgage Endorsement of the character above described and unless such insurance otherwise complies with the requirements of this Section 1.8. Mortgagor shall immediately notify Mortgagee whenever any separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of

such insurance. The holder of this Mortgage shall be entitled in the event of other insurance and contribution between the insurers to receive from the insurance monies to be paid such an amount as would have been payable under the policy or policies held for the Mortgagee's benefit in case there had been no contribution.

(f) Mortgagor shall deliver certificates, and if requested by Mortgagee, copies of the policies of, insurance required to be maintained by Mortgagor pursuant to this Mortgage, and prior to the expiration date of any of such policies of insurance, renewal certificates or policies thereof reasonably satisfactory to Mortgagee shall be delivered to Mortgagee, together with receipts evidencing the payment of all insurance premiums.

(g) Notwithstanding anything herein to the contrary, upon ten (10) days written request by the Mortgagee, the Mortgagor shall pay to the Mortgagee monthly an installment of the insurance premiums due, or to be due, pursuant to the terms of this Section 1.8; provided, however, so long as no Event of Default has occurred or no regulatory requirement for the collection of such installments is imposed on Mortgagee or would require Mortgagee to establish additional reserves for any Loan absent such collection, Mortgagor shall not be obligated to pay such installments. Such installments may be commingled with other funds of Mortgagee and shall be paid in an amount determined by Mortgagee to be sufficient to satisfy any such insurance premiums in full when they become due. The Mortgagee shall not be obligated to pay interest on any such installment to Mortgagor. If the total of the payments made shall exceed the amount of payments actually paid by the Mortgagee for insurance premiums, such excess shall be credited by the Mortgagee on subsequent payments of the same nature to be made by the Mortgagor. If, however, the monthly payments made under this Section 1.8 shall not be sufficient to pay such insurance premiums when the same shall become due and payable, then Mortgagor shall pay to the Mortgagee on demand the amount of the deficiency. If an Event of Default under this Mortgage shall occur, then thereupon or at any time thereafter, the Mortgagee shall be, and hereby is, authorized and empowered to apply the balance then remaining in the fund accumulated under this Section 1.8 as a credit against any sum or sums due under the Note or any other of the Loan Documents.

Section 1.9 Loss or Damage to be Reported; Financed Property to be Restored.
Whether or not covered by any insurance policy, in the event of the occurrence of any casualty, of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, resulting in damage to or destruction of any portion of the Financed Property involving a loss or damage in excess of \$10,000.00, Mortgagor will give prompt notice thereof to Mortgagee and Mortgagor will promptly, at Mortgagor's sole cost and expense, commence and diligently pursue to completion of the restoration, repair, replacement and rebuilding of the damaged or destroyed Financed Property so as to return the Financed Property to at least its condition immediately prior to such damage or destruction.

Section 1.10 Records Books and Right of Inspection.



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Mortgagor will keep adequate records and books of account in accordance with generally accepted accounting principles covering its operations and the Financed Property and will permit Mortgagee, its agents, accountants and/or attorneys, to visit, enter upon and inspect the Financed Property for any purpose whatsoever and examine such records and books of account, wherever located, and to discuss the affairs, finances and accounts of Mortgagor and the Financed Property with Mortgagee at such reasonable times as Mortgagee may from time to time request, all at the sole cost of Mortgagor.

Section 1.11 Mortgagor to Maintain Security Financed Property, and Permit No Waste or Alteration. Mortgagor will not commit or permit any waste upon the Financed Property or allow any part of the Financed Property to become subject thereto, nor shall Mortgagor make any change in the use of the Financed Property which will in any way increase any ordinary fire or other hazard arising out of the operation of the Financed Property. Mortgagor will, at all times, maintain the Improvements in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end. The Improvements shall not be removed, demolished or altered, nor shall the Financed Property be altered or any fixtures be removed therefrom, without the prior written consent of Mortgagee. It shall constitute an Event of Default hereunder upon: (a) any actual or threatened demolition, or removal, of any of the Improvements; (b) any actual or threatened alteration of any Financed Property other than in the ordinary course of the Mortgagor's business as may be required to construct residential units on the Financed Property; (c) any use of the Financed Property or any part thereof for an illegal purpose or in violation of any certificate of occupancy, building permit or other permit, certificate, ordinance or regulation affecting the Land or Financed Property or the occupancy thereof; or (d) the existence of any condition upon or affecting, or the presence of any article located within or upon, the Financed Property or any part thereof (i) which may be dangerous or adversely affect the value or marketability of the Financed Property, unless safeguarded as required by law, or (ii) which may constitute an actionable nuisance, public or private, or (iii) which may make void or voidable any insurance then in force with respect to the Financed Property.

Section 1.12 Condemnation. Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Financed Property or any portion thereof, or for change of grade of streets, or access thereto from the Financed Property, or which relate to other property rights affecting the Financed Property, will notify Mortgagee of the institution or pendency of such proceedings, whether threatened or in effect and whether instituted or to be instituted by any federal, state, county, municipal or other governmental entity, agency, institution, or authority. Mortgagee may participate in any such proceedings and Mortgagor from time to time will deliver to Mortgagee all instruments requested by it to permit such participation. In the event of such condemnation proceedings, the award or compensation payable is hereby assigned to and shall be paid to Mortgagee, who is hereby authorized, directed and empowered to collect such award or compensation, and to give proper receipts and acquittances therefor. Mortgagee shall be under no obligation to question or litigate the



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amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. If Mortgagee in its sole and absolute discretion chooses to litigate the amount of the award, in any such condemnation proceedings, Mortgagee may be represented by counsel selected by Mortgagee. So long as no Event of Default has occurred or exists under any of the Loan Documents, the proceeds of any award or compensation so received shall be paid over to Mortgagor for the restoration of the Financed Property, upon such terms and conditions as Mortgagee may reasonably prescribe; otherwise, Mortgagee, at its option, may apply such proceeds to the prepayment of the Note or any other indebtedness secured hereby and at the rate of interest provided therein regardless of the rate of interest payable on the award by the condemning authority.

Section 1.13 Leasing. Mortgagor will not execute any lease of the Financed Property or any part thereof without Mortgagee's prior written consent, which may be granted or withheld in Mortgagee's sole and absolute discretion.

Section 1.14 Mortgagor Shall Not Sell, Transfer or Encumber Financed Property. It is understood and agreed by Mortgagor that as a part of the inducement to Mortgagee to make each Loan, Mortgagee has considered and relied on the expertise, creditworthiness and reliability of Mortgagor. Mortgagor covenants and agrees that, except as may be expressly permitted under the Loan Agreement or unless Mortgagor shall first obtain the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole discretion, Mortgagor shall not, either directly or indirectly, by sale of stock, consolidation, merger, dissolution, reorganization of Mortgagor, or otherwise: (i) sell, convey, mortgage, pledge, hypothecate, assign, transfer, alienate, encumber or lease all or any part of the Financed Property or any interest therein other than the sale of residential units as contemplated by the Loan Agreement; or (ii) enter into any agreement or contract for deed, land sale installment contract, or similar arrangement or agreement whereby equitable or legal title to all or any portion of the Financed Property would be conveyed or transferred; or (iii) enter into any management or other agreement respecting the Financed Property other than such agreements as are in existence on the date hereof. Any such sale, conveyance, transfer, mortgage, pledge, lease, encumbrance, agreement for deed or other transaction prohibited under this Section made without Mortgagee's prior written consent shall be void and shall constitute an Event of Default hereunder.

Section 1.15 Impositions After Closing. In the event of the passage, after the date of this Mortgage, of any law imposing upon Mortgagee the obligation to pay the whole, or any part, of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts which affect this Mortgage or the indebtedness secured by the Loan Documents, the entire unpaid balance due under the Note and other sums secured hereby shall, at the option of Mortgagee, after thirty (30) days written notice to Mortgagor, become immediately due and payable; provided, however, notwithstanding any provision in the Loan Documents to the contrary, that if: (a) in the opinion of Mortgagee's counsel, it shall be lawful for Mortgagor to pay such taxes, assessments, or



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charges, or to reimburse Mortgagee therefor; and (b) a written agreement satisfactory to Mortgagee is executed by Mortgagor and delivered to Mortgagee within the aforesaid thirty (30) day period providing for the payment or reimbursement by Mortgagor of the taxes, charges and assessments described in, and pursuant to, the provisions of this paragraph, then there shall be no such acceleration.

Section 1.16 Additional Covenants and Agreements, and Warranties and Representations of the Mortgagor.

(a) In addition to the other covenants and agreements contained in this Mortgage or in the other Loan Documents, Mortgagor covenants and agrees:

(i) to furnish Mortgagee with such other information or certifications as Mortgagee may from time to time reasonably request;

(ii) to pay from time to time when requested by Mortgagee all expenses, fees, costs, and charges relating to any Loan, and all modifications, extensions and renewals thereof, including, but not limited to, any fees, costs, and charges for: (1) title insurance satisfactory to Mortgagee insuring Mortgagee as the holder of this Mortgage, and insuring that this Mortgage is a continuing first lien on the Financed Property in at least the aggregate principal amount of all Loans; (2) a survey of the Financed Property certified and satisfactory to Mortgagee effective as of a date not more than ninety (90) days prior to the date hereof; (3) a current appraisal of the Financed Property certified and satisfactory to Mortgagee; (4) such inspections, evaluations and tests of the Financed Property as Mortgagee may require, including, but not limited to, structural and environmental engineering audits; (5) a site plan and building plans and specifications for the Improvements and Financed Property certified and satisfactory to Mortgagee; (6) reasonable attorney's fees incurred by Mortgagee; (7) all applicable recording and filing fees; (8) all taxes (excluding Mortgagee's income taxes), including, but not limited to, all documentary stamp and intangible personal property tax due the State of Florida; and (9) all other amounts relating to the Loan or necessary to effectuate the agreement between Mortgagor and Mortgagee with respect to each Loan as contemplated in the Loan Documents;

(iii) to indemnify Mortgagee against any and all claims which may be asserted against Mortgagee and any and all loss or expense, including but not limited to, attorney's fees, incurred by Mortgagee arising out of or in any way relating to the Financed Property or any portion thereof or any breach of any warranty, representation or agreement made herein or otherwise by Mortgagor to, with or for the benefit of Mortgagee; and

(iv) not to enter into, amend, modify or terminate any of the Agreements or seek, join in or consent to any change in any private covenant, zoning law or other public or private restriction which would limit the use of the



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Financed Property or any part thereof or reduce its fair market value, without Mortgagee's prior written consent.

(b) In addition to other representations and warranties contained in this Mortgage or in the other Loan Documents, Mortgagor represents and warrants to Mortgagee, which representations and warranties shall survive the making of such Loan, that:

(i) (1) it is an entity duly organized, and validly existing having an active status under the laws of the State of its organization and is duly authorized to transact business in the State of Alabama; (2) it has the power and authority to own its properties and to carry on its business as now being conducted, including, but not limited to, the power and authority to construct, own and operate the Financed Property as a planned residential community of single family dwellings; (3) the execution, delivery and performance of the terms, provisions and conditions of the Loan Documents are within the powers of the Mortgagor and have been duly authorized by all proper and necessary action and are not in conflict with its charter, by-laws or any indenture, contract or agreement to which it is a party or by which it is bound or with any statute, rules or regulation binding upon it; and (4) the officers, directors and management of Mortgagor are operating and managing the Mortgagor in a fiscally sound manner, utilizing prudent business judgment considering the nature of Mortgagor's business, and none of Mortgagor's officers, directors, shareholders or managers has taken undue financial advantage of Mortgagor to the detriment of Mortgagor's financial condition;

(ii) the Mortgagor is not required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency in connection with or as a condition of the execution, delivery or performance of the Loan Documents;

(iii) (1) except as previously disclosed in writing by Mortgagor to Mortgagee, there is no pending or, to the best of Mortgagor's knowledge, threatened suit, litigation or proceeding by or before any court, public body, agency or authority of a material adverse nature, including condemnation proceedings, pending against the Mortgagor, or the Financed Property, or to the knowledge of Mortgagor, any of its officers or shareholders; (2) there exist no violations of any law, ordinance, rule, regulation or requirement of any federal, state, municipal or other governmental agency or commission or public or quasi-public body having jurisdiction over the Financed Property or of any covenants and restrictions, public or private, affecting the Financed Property of which Mortgagor is aware; and (3) the Improvements and the construction thereof by the Mortgagor comply with all applicable laws, rules, requirements, regulations and ordinances of all governmental bodies having jurisdiction thereof and all covenants and restrictions, public and private, affecting the Financed Property.



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(iv) neither the execution nor delivery of this Mortgage, or any of the other Loan Documents, will conflict with or result in a breach of any of the provisions of any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority, or of any agreement or other instrument to which Mortgagor is a party or by which it is bound or constitute a default under any thereof, or result in the creation or imposition of any lien, charge or encumbrance upon the Financed Property or any other properties or assets of the Mortgagor, other than those created under the Loan Documents in favor of Mortgagee;

(v) Mortgagor has obtained or will obtain all approvals, permits, licenses, authorizations and consents required from all governmental or quasi-governmental authorities and all other entities having jurisdiction or rights over the Financed Property, and has complied with all applicable laws, rules, requirements, regulations and ordinances, necessary to construct residential dwellings on the Land and to carry on the business of the Mortgagor to be conducted on the Financed Property, including, but not limited to those approvals required for: (1) street openings or closings; (2) occupational, health and business licenses; (3) zoning or use permits, variances or special exceptions, and zoning reclassifications; and (4) the sale of the Financed Property in the ordinary course of Mortgagor's business as contemplated in the Loan Agreement;

(vi) all utility services necessary for the operation of the Improvements for their intended purpose are available at the boundary of the Land, including, without limitation, water supply, storm and sanitary sewer facilities, electric, and telephone facilities and all are of sufficient capacity to service the Financed Property adequately at full capacity operation and all necessary governmental regulatory consents to the connecting of such facilities to the Improvements have been, or will be, obtained (which consents are not on a temporary or "stand-by" basis);

(vii) there is lawful access to the Financed Property and all necessary rights-of-way for all roads necessary for the full utilization of the Financed Property for its intended purposes have been acquired and/or have been dedicated to public use and accepted by the appropriate governmental authority;

(viii) the Mortgagor is not insolvent, no Loan will render the Mortgagor insolvent; and the Mortgagor is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidating of all or any major portion of its assets, and the Mortgagor has no knowledge of any person contemplating the filing of any such petition against the Mortgagor or any of its properties or assets;

(ix) (1) no statement of fact made by or on behalf of the Mortgagor in this Mortgage, in any of the other Loan Documents or in any document,

instrument, application, certificate, financial statement or schedule or any modifications, amendments or changes thereto furnished to the Mortgagee, contains any untrue statement of a material fact or omits to state any material fact necessary to make it not misleading; (2) there is no fact presently known to the Mortgagor which has not been disclosed to the Mortgagee in the Loan Documents which adversely affects, nor as far as the Mortgagor can foresee, will adversely affect the Financed Property, or the business, operations or condition (financial or otherwise) of the Mortgagor; (3) all financial statements and other financial data which have been furnished to the Mortgagee by Mortgagor, do, and any such statements or data hereafter furnished to Mortgagee shall, fairly represent the financial condition of the Mortgagor and the results of its operations for the period and as of the dates for which the same are furnished to the Mortgagee and all such statements and data are, and at the time the same are so furnished to Mortgagee shall be, complete, accurate and correct in all material respects; and (4) there has been no material adverse change in the financial condition of the Mortgagor since the date of last financial statements of Mortgagor which were submitted to Mortgagee;

(x) the Mortgagor has filed all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments; and to the knowledge of the Mortgagor, no investigation of its tax liability by any state or federal agency or authority is pending, threatened or expected;

(xi) the Loan Documents executed by Mortgagor, upon delivery, will be the valid and binding obligations of the Mortgagor, enforceable in accordance with their respective terms;

(xii) the Mortgagor has dealt with no mortgage or other broker in connection with the Loan, and the Mortgagor has not taken or refrained from taking any action or made any agreement with or representation to any broker or any other party which could result in any claim for any brokerage commission or similar fee as a result of the Loan transaction.

Section 1.17 Covenants and Agreements Run with Land. Consistent with Section 3.11 hereof, all covenants and agreements contained herein are deemed to be and shall be construed as covenants and agreements which touch, concern, and run with the Land and it is the express intent of Mortgagor and Mortgagee that any successor or assign of Mortgagor or any person or entity who acquires title to the Financed Property or any part thereof, without partial release by the Mortgagee, shall be bound by such covenants and agreements as if such person or entity had made such covenants and agreements directly with Mortgagee.

ARTICLE II

Events of Default and Remedies

Section 2.1 Events of Default. Without limiting any other provision of this Mortgage specifying any event which would constitute an Event of Default hereunder, Mortgagor agrees the occurrence of any of the following not cured within any applicable notice and cure period provided herein shall constitute an Event of Default under this Mortgage:

(a) (i) if any installment of interest under the Note is not received when due by the holder of the Note and any applicable notice and grace periods provided for in the Note have expired; or (ii) if any installment of principal under the Note is not received when due by the holder of the Note, whether at maturity or by acceleration or otherwise and any applicable notice and grace periods provided for in the Note have expired; or (iii) if Mortgagor shall fail to pay any tax within the time required by Section 1.3 or 1.4 hereof; or (iv) if Mortgagor shall fail to pay insurance premiums within the time required by Section 1.8 hereof; or (v) if Mortgagor shall fail to pay any other sum when and as the same shall become due to Mortgagee under any of the Loan Documents; or (vi) if the provisions of Section 1.14, pertaining to transfers and encumbrances, shall be violated; or (vii) if the financial condition of Mortgagor as disclosed in the most recent financial statements heretofore delivered to Mortgagee shall change in a manner which is material and adverse; or

(b) if any material assets of Mortgagor shall ever become subject to foreclosure, attachment, garnishment, execution or levy; or

(c) if this Mortgage shall not grant Mortgagee and at all times remain a perfected first lien on the Financed Property, subject only to any lien for taxes assessed against the Financed Property not due or payable; or

(d) if any survey or report furnished to or examination conducted by the Mortgagee discloses that: (i) the Improvements or any portion thereof are not constructed entirely within the Land, or (ii) the Improvements or the use thereof violate any use, construction, environmental, set-back, or other laws, regulations, ordinances, rules or restrictions; or (iii) the Improvements encroach upon or project over a street or upon or over adjoining property, easements, or rights of way or violate any set back or other restriction, however created; or (iv) if the Improvements may not be used for their existing or intended uses; (v) if any other encroachment exists or if the operations of the Mortgagor on the Land shall be impaired, or otherwise adversely affected, by reason of any zoning or other violation or any other fact or circumstance; or

(e) if the proceeds of any Loan are used for any purpose other than purposes permitted herein; or

(f) if the Financed Property or Mortgagor becomes subject to any governmental or other regulatory action other than condemnation proceedings,

proceeding, order or constraint which would have a material adverse impact or effect on the Financed Property or Mortgagor if decided, entered or applied against the Financed Property or Mortgagor; or

(g) if Mortgagor shall not fully observe and perform any other covenant, obligation or agreement contained in this Mortgage; or

(h) if any warranty or representation contained herein, or in any of the other Loan Documents, or otherwise made to Mortgagee, including but not limited to, if any information contained in any financial statement of Mortgagor heretofore or hereafter submitted to Mortgagee, shall be false or misleading; or

(i) if Mortgagor shall not fully observe and perform any other covenant, obligation or agreement contained in, or if any other default or Event of Default shall occur under, any of the Loan Documents, including, without limitation, under the Loan Agreement.

Should any Event of Default occur, the unpaid principal balance of the Note, together with all unpaid interest accrued and accruing thereon and any and all other sums due Mortgagee under the Loan Documents and/or secured hereby, shall become due and payable forthwith or thereafter at the continuing option of Mortgagee without notice or demand, which are hereby expressly waived, as fully and completely as if the Mortgagee without notice or demand, which are hereby expressly waived, as fully and completely as if the aggregate of such sums were originally stipulated to be paid at such time, and Mortgagee shall, in addition to being entitled to exercise any and all other rights and remedies conferred upon it hereunder or at law or in equity, thereupon or thereafter without notice or demand, which are hereby expressly waived, be entitled to invoke any applicable statutory power of sale of, or institute suit to foreclose the lien of this Mortgage upon, the Financed Property and otherwise enforce the rights of Mortgagee hereunder, under the Note and any other of the Loan Documents. If any Event of Default shall occur under this Mortgage, Mortgagee shall have the continuing option to enforce payment of all sums secured hereby by action at law or by suit in equity to foreclose this Mortgage, either or both, concurrently or otherwise, and one action or suit shall not abate or be a bar to or a waiver of Mortgagee's rights to institute or maintain the other, provided Mortgagee shall have only one payment in satisfaction of the indebtedness secured hereby.

Section 2.2 Appointment of Receiver: Waiver.

(a) It is further covenanted and agreed by the parties that, in the event of a suit being instituted to foreclose this Mortgage, Mortgagee shall be entitled to apply at any time pending such foreclosure suit to the court having jurisdiction thereof for the appointment of a receiver of all and singular the Financed Property, and of all rents, incomes, profits, issues and revenues thereof, from whatsoever source derived; and thereupon it is hereby expressly covenanted and agreed that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases; and



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said appointment shall be made by the court as a matter of strict right to Mortgagee, and without reference to the adequacy or inadequacy of the value of the property or other security hereby mortgaged, or to the solvency of Mortgagor or any other party defendant to such suit. Mortgagor hereby specifically waives the right to object to the appointment of a receiver as aforesaid and hereby expressly consents that such appointment shall be made as an admitted equity and as a matter of absolute right to Mortgagee.

(b) To the extent that it may lawfully do so, Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, or any exemption from execution or sale of all or any of the Financed Property or any part thereof, wherever enacted, now or hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Financed Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by any governmental authority, or otherwise, to redeem the property so sold or any part thereof; and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, on Mortgagor's behalf and all who claim under Mortgagor, waives, to the extent that Mortgagor lawfully may, all right to have the Financed Property, or any of it, marshalled upon at any foreclosure thereof.

(c) To the extent that it may lawfully do so, Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage, whether pursuant to a judgment of foreclosure or otherwise, by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) Upon the completion of any sale or sales made by the Mortgagee under or by virtue of this Mortgage or judgment to foreclose this Mortgage, the Mortgagor, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument or instruments, without representation or warranty expressed or implied, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold subject to all matters which would affect title to the Financed Property and rights sold. Mortgagee is hereby appointed the true and lawful irrevocable attorney of the Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Financed Property and rights so sold, and for that purpose the Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may

substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Mortgagor, if so requested by the Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Mortgagee, for the purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Section 2.2, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever at law or in equity, of the Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Mortgagor, to the maximum extent permitted by the law of the state in which the Financed Property is located.

Section 2.3 Additional Remedies Upon Event of Default.

(a) Upon the occurrence and during the continuance of any Event of Default, Mortgagee may at any time and from time to time, without demand or notice, appropriate any deposit balances, funds, accounts, items, certificates of deposit, securities, or other property and moneys of Mortgagor now or hereafter in the possession or custody of Mortgagee for any purpose (including property left in safekeeping or custody) and apply the same to the obligations of the Mortgagor secured hereby in such order and priority as Mortgagee may deem advisable.

(b) During the continuance of any Event of Default, Mortgagee personally, through its authorized officers or by its agents or attorneys, may enter into and upon all or any part of the Financed Property, and each and every part thereof, and may exclude Mortgagor, its agents, employees, and servants wholly therefrom; and having and holding the same may use, operate, manage and control the Financed Property; and Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Financed Property and every part thereof, all of which shall for all purposes constitute property of Mortgagee; and after deducting the expenses of conducting the business thereof, and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Financed Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee, Mortgagee shall apply the monies arising as aforesaid, to the payment of the sums required to be paid by under the Loan Documents in such manner as Mortgagee shall, in its sole discretion, determine at the time.

Section 2.4 Bankruptcy and Insolvency. In case of proceedings by or against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of Mortgagor's assets, then and in such case, Mortgagee and



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for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, shall be entitled to prove in said proceedings, to the extent lawful to do so, the entire unpaid amount of principal and interest due upon the Note to the full amount thereof, and all other payments, charges and costs due under this Mortgage and the Loan Documents, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Financed Property, provided, however, that in no case shall Mortgagee receive a greater amount than such unpaid principal and interest and such other payments, charges and costs from the aggregate amount of the proceeds of the sale of the Financed Property and the distribution from the estate of Mortgagor.

Section 2.5 No Waiver of Remedies; Remedies Not Exclusive. Mortgagee shall have the right from time to time to take action to recover any sums, required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not any principal, or other sum shall be due under the Note or this Mortgage, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for any Event of Default existing at the time such earlier action was commenced. No remedy conferred upon or reserved to Mortgagee, in the Note secured hereby, or in the other Loan Documents, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given to Mortgagee now or hereafter existing at law or in equity or by statute. No delay or omission of Mortgagee to exercise any right or power occurring upon any Event of Default herein, in the Note secured hereby or under any other of the Loan Documents, shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Mortgage, or in the Note secured hereby, or in any of the other Loan Documents, to Mortgagee, or otherwise conferred upon Mortgagee by law or in equity, may be exercised from time to time as often as may be deemed expedient by Mortgagee. The rights and remedies of Mortgagee as provided in the Note, and in the other Loan Documents, shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor, any other person, or the Financed Property, or anyone or more or part of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the laws of the state in which the Financed Property is situated. If Mortgagee elects to proceed under one right or remedy granted under the Loan Documents, Mortgagee may at any time cease proceeding under such right or remedy and proceed under any other right or remedy granted under the Loan Documents or by law. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. In any case, no waiver by Mortgagee of any provision in this Mortgage or in the Note secured hereby shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Note secured hereby in the manner and at the time and place respectively expressed.

Section 2.6 Mortgagor to Pay Expenses. If any action or proceeding be commenced (other than an action to foreclose this Mortgage or to collect the debt secured hereby), to which action or proceeding the holder of this Mortgage is made a

party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the holder of this Mortgage for the expense of any litigation to prosecute or defend the rights and lien created by this Mortgage (including reasonable counsel fees) shall be paid by the Mortgagor to the Mortgagee upon demand, together with interest thereon at the default rate specified in the Note and any such sum and the interest thereon shall be a lien on the Financed Property prior to any right, title to, or interest in or claim upon the Financed Property attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

Section 2.7 Credit Toward Mortgagee Bid. Upon any sale made under or by virtue of the power of sale herein granted to Mortgagee or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Financed Property and, to the extent lawful, in lieu of paying cash therefor may make settlement for the purchase price by crediting the amount of Mortgagee's bid with the amount outstanding and due under the Note or any other of the Loan Documents, or, in the event of a foreclosure sale, the amount specified as owing from Mortgagor to Mortgagee in the foreclosure judgment.

Section 2.8 No Condition Precedent to Exercise of Remedies; No Release of Liability. Neither Mortgagor nor any other person shall be relieved of any obligation to Mortgagee under any of the Loan Documents or otherwise by reason of the failure of Mortgagee to comply with any request of any party to take action to foreclose this Mortgage or to otherwise enforce any provisions of the Loan Documents, or by reason of the release, regardless of the existence or sufficiency of consideration, of all or any part of the Financed Property or any person from its liability to pay the Note or perform any other obligation under the Loan Documents, or by reason of any agreement or stipulation extending the time of payment or modifying any of the terms of the Loan Documents without in any such case first having obtained the consent of Mortgagor or any such person; rather, in any such case, the Mortgagor and each such person shall continue to be fully liable to pay the Note and perform their other obligations under the Loan Documents, unless expressly released and discharged in writing by Mortgagee.

Section 2.9 Partial Release Not a Total Release. Mortgagee may release, regardless of the existence or sufficiency of consideration, any part of the Financed Property without, as to the remainder of the Financed Property, in any way impairing or affecting the liens of this Mortgage or the other Loan Documents or their priority over any other lien. Furthermore, no other act or omission described in Section 2.9 of this Mortgage made by the Mortgagee shall affect or impair the lien of this Mortgage or other Loan Documents or their priority over any other lien.

Section 2.10 Pursuance of Other Collateral. For payment of the indebtedness evidenced by the Note or other Loan Documents, Mortgagee may, to the maximum extent permitted by law, resort to any other collateral or security, or part thereof, held by Mortgagee in such order and manner as Mortgagee may elect without affecting its remedies under this Mortgage.



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ARTICLE III

Miscellaneous

Section 3.1 Advances Made by Mortgagee. Mortgagee may, at its option, and without waiving its right upon the occurrence or during the continuance of an Event of Default to accelerate the indebtedness hereby secured and to foreclose the lien hereof upon the Financed Property, pay or perform either before or after delinquency any or all of those certain obligations required by the terms hereof or the other Loan Documents to be paid or performed by Mortgagor for the protection of the Financed Property or which Mortgagee may deem advisable for the collection of the indebtedness hereby secured. All sums advanced or paid by Mortgagee in connection with the payment or performance of such obligations shall be repaid by Mortgagor to Mortgagee upon Mortgagee's demand, together with interest at the Default Rate specified in the Note from the date advanced until fully paid to Mortgagee and said sums shall be secured by the lien of this Mortgage.

Section 3.2 No Waiver to Constitute a Subsequent or Additional Waiver or Discharge. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by Mortgagor.

Section 3.3 Subrogation to Lien Rights. To the extent of the indebtedness of Mortgagor to Mortgagee described herein or secured hereby, Mortgagee is hereby subrogated to the lien or liens and to the rights of the owners and holders of each and every mortgage, lien or other encumbrance now or hereafter on the Financed Property or part thereof which is paid and/or satisfied in whole or in part, out of the proceeds of any Loan and the respective liens of said mortgages, liens or other encumbrances shall be, and the same and each of them hereby is, preserved and shall pass to and be held by Mortgagee herein as security for the indebtedness to Mortgagee herein described and hereby secured, to the same extent that it would have been preserved, passed to and held by Mortgagee by separate assignment, notwithstanding the fact that the same may be satisfied and cancelled of record.

Section 3.4 Partial Invalidity. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be inapplicable, invalid, illegal or unenforceable in any respect, such inapplicability, invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such inapplicable, invalid, illegal or unenforceable provision had never been contained herein.

Section 3.5 Captions. Captions and headings used herein are for ease of reference only and shall in no way limit, define or restrict the scope or content of this Mortgage or any of its provisions.

Section 3.6 Uniform Commercial Code.

(a) In addition to a mortgage, this instrument also constitutes a security agreement creating in favor of Mortgagee a first lien security interest under the Alabama Uniform Commercial Code in all fixtures and goods which are or become fixtures, to the extent such goods are or become fixtures, whether now or hereafter owned by Mortgagor or in which Mortgagor may now or hereafter acquire an interest, which are now or hereafter affixed to or located on the Financed Property. Upon the occurrence of any Event of Default hereunder and otherwise, Mortgagee shall also have all rights and remedies of a secured party under the Alabama Uniform Commercial Code, none of which shall serve as a limitation upon the rights and remedies accorded Mortgagee under this Mortgage or under any other law or legal maxim, or vice versa, it being understood that the rights and remedies of Mortgagee under the Alabama Uniform Commercial Code shall be cumulative and in addition to all other rights and remedies of Mortgagee contained herein and arising under any other laws.

(b) Mortgagor and Mortgagee agree that the filing of financing statements, whether in the county where the Financed Property is located or with the Secretary of State or other state office or agency regularly charged with the receipt, including the filing of financing statements, shall never be construed as derogating from or impairing the intention of the parties hereto, that everything used in connection with the production of income from the Financed Property and/or adapted for use therein and/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 encumbered hereby irrespective of whether (i) any such item is physically attached to the Financed Property, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagee, or (iii) such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (x) rights in or the proceeds of any fire and/or hazard insurance policy, or (y) any award in eminent domain proceedings for a taking or for loss of value, or (z) the Mortgagor's interest as lessor in any present or future lease or rights to income arising out of the use and/or occupancy of the Financed Property, whether pursuant to lease or otherwise, shall never be construed as altering any of the rights of Mortgagee as determined by this instrument or impinging the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of Mortgagee in the event any Court or judge shall at any time hold with respect to (x), (y) and (z) that notice of Mortgagee's priority or interest to be effective against a particular class of persons, including but not limited to the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the commercial code records.

Section 3.7 Interest Not to Exceed Lawful Limits. Nothing contained in this Mortgage, in any of the other Loan Documents nor any document or transaction related to the Loan, shall be construed or so operate as to require Mortgagor, or any person liable for payments secured by or required to be made under this Mortgage, to pay

interest at a greater rate than is lawful in such case to contract for, or to make any payment, or to do any act contrary to applicable law. The rate of interest due under the Note and any other of the Loan Documents shall never exceed the maximum rate of interest which is legally permitted under applicable law; and if such rate of interest should exceed said maximum rate, then said rate of interest shall be automatically reduced to said maximum legal rate and Mortgagee shall apply such excess charged or paid in the manner specified in the Note.

Section 3.8 Governing Law. Except as provided to the contrary below, this Mortgage and the other Loan Documents shall be governed by and construed in accordance with the internal laws of the State of Florida applicable to contracts made and to be performed in such state (without regard to principles of conflicts of law applicable under Florida law) and applicable laws of the United States of America; provided, however, that with respect to the provisions hereof which relate to title or the creation, perfection, priority or enforcement of liens on the Financed Property or as otherwise required by the laws of the State of Alabama, being the place in which the Financed Property is located, this Mortgage shall be governed by the laws of the State of Alabama; it being understood that, to the fullest extent permitted by the laws of the State of Alabama, the laws of the State of Florida shall govern the validity and enforceability of this Mortgage in all instances when Alabama law is not specifically made the applicable law to the Mortgage.

Section 3.9 Notice. All notices, to be effective, must be in writing and sent by certified U.S. mail, federal express or other reputable courier, addressed (as applicable), in the case of Mortgagor, to Mortgagor at its address first set forth above, Attn: Wayne Adams and Jack Herms, and, in the case of Mortgagee, to OHIO SAVINGS BANK, 1801 East Ninth Street, Suite 200, Cleveland, Ohio 44144 with a copy to Preston L. Bolt, Vice President, 100 Colonial Center Parkway, Suite 220, Lake Mary, Florida 32746, with postage and courier charges prepaid. Any notice may also be delivered by facsimile transmission, if to Mortgagor then to (850)934-6070 (Attn: Wayne Adams and Jack Herms) and if to Mortgagee, then to (407)328-9119 (Attn: Preston L. Bolt). Mortgagee or Mortgagor may change their respective addresses or facsimile numbers, for notice purposes, or their designated recipients of notices, by delivering notice of the change to the other in accordance with this paragraph. Any notice shall be deemed "delivered" when sent as aforesaid and received, unless receipt is refused, in which case the notice shall be deemed "delivered" when refused.

Section 3.10 Fees and Costs. Mortgagor agrees to pay all and singular the costs, charges, expenses (including, but not limited to, all reasonable attorney's fees and costs incident to any pre-trial, trial, appellate and/or post judgment proceedings and any retrials or rehearings, and any and all taxes payable in connection with any conveyance of the Financed Property or any part thereof at a foreclosure sale), incurred, whether in litigation or not, or paid at any time by Mortgagee to enforce any of the terms of the Loan Documents or any of Mortgagee's rights hereunder, or because of the failure of the Mortgagor to perform, comply with and abide by each and every and

any of the stipulations, agreements, conditions and covenants contained herein or in any of the other Loan Documents.

Section 3.11 Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of the successors and assigns of Mortgagor and the successors and assigns of the Mortgagee.

Section 3.12 Gender. Whenever the text in this instrument so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural and vice versa.

Section 3.13 Future Advances. Pursuant to FLA. STAT. Sec. 697.04, upon request of Mortgagor, Mortgagee may, at its sole option, from time to time before full payment of all indebtedness secured hereby, but in no event more than twenty (20) years from the date of this Mortgage, make, and this Mortgage shall secure, not only the indebtedness evidenced by the Note, but also all other further and future advances which may be made hereunder; provided, however, that the total amount of principal indebtedness secured hereby and remaining unpaid, including any such advances, shall not at any time exceed the sum of Forty-Five Million Dollars (\$45,000,000.00), plus interest, disbursements made for payment of taxes, levies or insurance on the Financed Property or portions thereof covered by the lien of this Mortgage, together with interest on such disbursements. It shall be an Event of Default hereunder for Mortgagor to record a notice limiting the amount of such future advances. If so requested by Mortgagee, Mortgagor shall execute and deliver to Mortgagee a note evidencing each and every such further advance which Mortgagee may make. All provisions of this Mortgage shall apply to each further advance as well as to all other indebtedness secured hereby.

Section 3.14 No Third Party Beneficiary. The terms of this Mortgage shall inure only to the benefit of the Mortgagee and the Mortgagor, and their respective successors and assigns, and there shall be no third party beneficiaries hereof, expressed or implied.

Section 3.15 Modifications Must be in Writing Signed by Mortgagee. This Mortgage can not be modified or terminated except in a writing signed by the parties hereto.

Section 3.16 Mortgage is a Continuing Lien. Mortgagor expressly agrees that any and all of the Financed Property, howsoever and whensoever acquired, received or arising, shall secure any and all obligations, howsoever and whensoever incurred, without apportionment between obligations of the Mortgagor to Mortgagee under or with respect to any of the Loan Documents. Accordingly, all of the Financed Property is mortgaged, assigned and conveyed, and a security interest in favor of Mortgagee is granted therein, to secure (a) the entire indebtedness which may be owed to the Mortgagee from time to time pursuant to the Note or any other Loan Document, and (b)



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all other obligations of the Mortgagor under or with respect to any of the Loan Documents, and in no manner shall the rights of the Mortgagee in all or any portion of the Financed Property be limited by virtue of the fact that any portion of the Financed Property may have been (1) mortgaged, assigned and conveyed to Mortgagee, or a security interest in favor of Mortgagee granted therein, or (2) placed in the possession or control of the Mortgagee ancillary to the making of a particular advance hereunder or the incurrence of any other obligation, and Mortgagee shall have the right, in its sole and absolute discretion, to determine the order in which its rights in or remedies against any Financed Property are to be exercised, which type(s) or portion(s) of Financed Property are to be proceeded against, and the order of application of proceeds of Financed Property as against any particular obligations.

Upon the sale, exchange or other disposition of any of the Financed Property, the lien and security interest created and provided for herein shall, without break in continuity and without further formality or act, continue in and attach to the instruments for the payment of money, accounts receivable, contract rights and all other cash and non-cash proceeds of such sale, exchange or disposition. The Mortgagee's right to proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of the Mortgagee to Mortgagor's sale, exchange or other disposition of any or all of the Financed Property except as expressly authorized in the Loan Documents or consented to in writing by Mortgagee.

The lien, security interests and rights granted to the Mortgagee hereunder shall continue in full force and effect until expressly released by Mortgagee.

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SIGNATURE PAGES FOLLOW



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IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage as of the date first above written.

In the presence of:

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

REBECCA F. KATES
Witness

MARY C. GARRISON
Print Name **MARY C. GARRISON**

MARY C. GARRISON
Witness

Print Name **MARY C. GARRISON**

By Wayne L. Adams
Name: Wayne L. Adams
Title: Member and Manager

BY: ADAMS HOMES OF
NORTHWEST FLORIDA, INC., a
Florida corporation, as Member

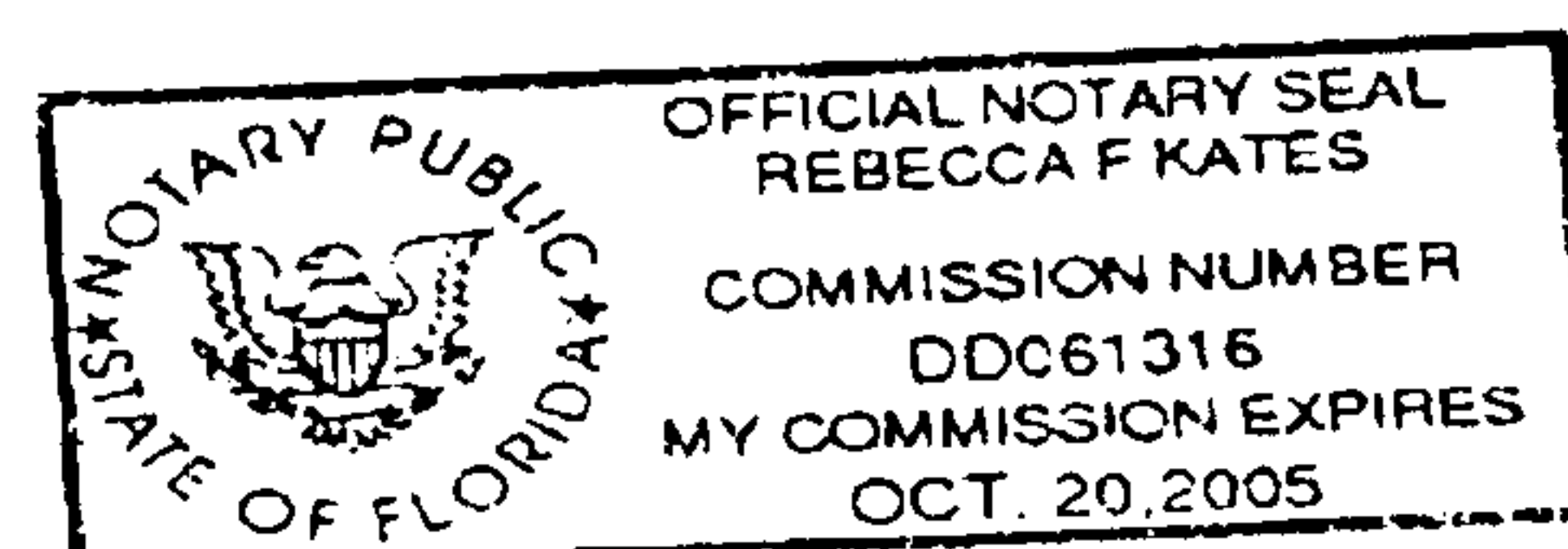
By Wayne L. Adams
Name: Wayne L. Adams
Title: President

STATE OF FLORIDA

COUNTY OF ESCAMBIA

I, the undersigned 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, as member of Adams Homes, L.L.C., an Alabama limited liability company, 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 officer and with full authority, executed the same voluntarily for and as the act of said corporation acting in its capacity as member of the limited liability company.

Given under my hand and official seal, this 26th day of August, 2002.



Rebecca F. Kates
Notary Public

Print Name
My Commission Expires: _____

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CERTIFICATE AS TO ALABAMA ADVANCES

The undersigned hereby certifies that the total principal indebtedness (being the Alabama Advances) secured as of the date hereof is \$89,250.00.

OHIO SAVINGS BANK

By: 

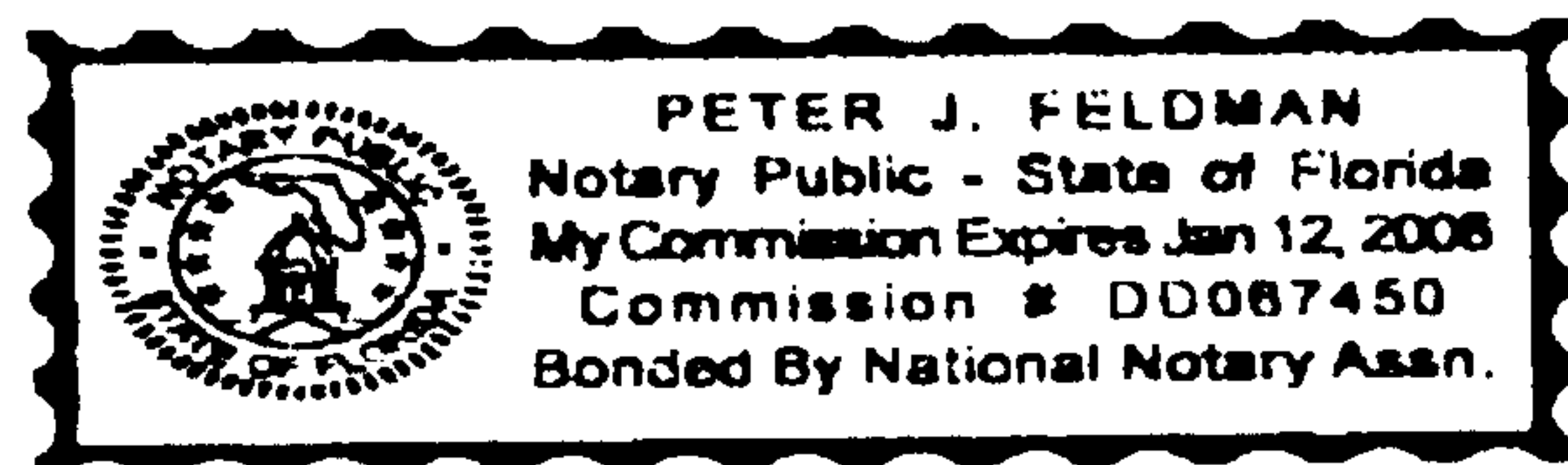
Name: Preston L. Bolt

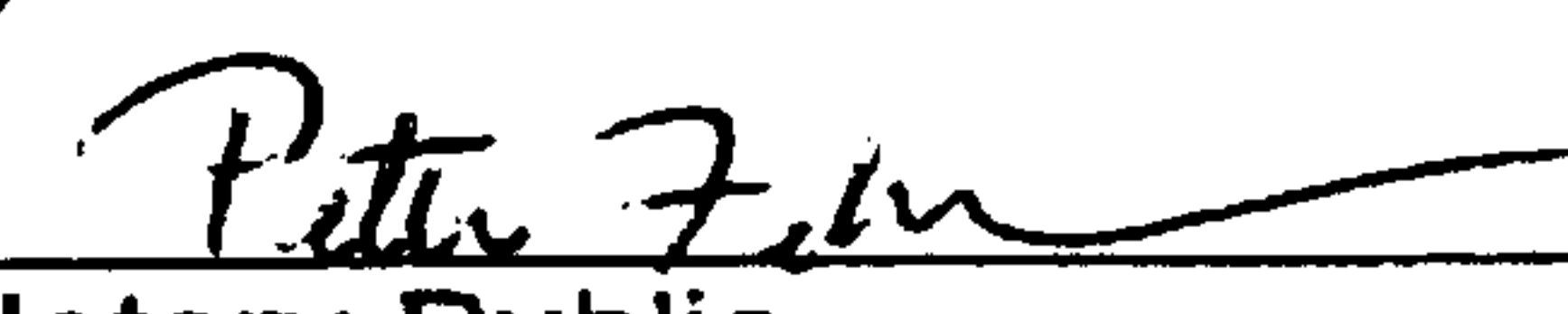
Title: Vice President

STATE OF FLORIDA

COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 6th day of August, 2002 by Preston L. Bolt as Vice President of Ohio Savings Bank, a Federal Savings Bank, on behalf of said bank, who is personally known to me.




Notary Public

Print Name: Peter Feldman

State of Florida at Large

My Commission Expires: 1/12/06




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EXHIBIT "A"

Lots 108, 109, 110, 111 and 114, Lakeland Phase II, according to the plat thereof, as recorded in Slide Book 2053-A, in the Office of the Judge of Probate of Baldwin County, Alabama.

RETURN TO:
JOHN W. MONROE, JR.
EMMANUEL, SHEPPARD & CONDON
30 S. SPRING STREET
PENSACOLA, FL 32502
 90327-8753


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THIS INSTRUMENT PREPARED BY:
Gregory L. Holzhauer, Esq.
Winderweedle, Haines, Ward & Woodman, P.A.
Post Office Box 880
Winter Park, Florida 32790-0880
Tel: (407) 423-4246

**MORTGAGE MODIFICATION AGREEMENT
 TO
 MORTGAGE AND SECURITY AGREEMENT
 (WITH ASSIGNMENT OF RENTS AND LEASES
 AND ASSIGNMENT OF AGREEMENTS
 AFFECTING REAL ESTATE)
 (ALABAMA)**

STATE OF ALABAMA

COUNTY OF BALDWIN
COUNTY OF MADISON
COUNTY OF MOBILE
COUNTY OF LIMESTONE

THIS NOTICE OF FUTURE ADVANCE AND AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT (WITH ASSIGNMENT OF RENTS AND LEASES AND ASSIGNMENT OF AGREEMENTS AFFECTING REAL ESTATE) (herein this "Amendment") made as of the 1st day of July, 2003, between **ADAMS HOMES, L.L.C., an Alabama limited liability company** (hereinafter called the "Mortgagor"), and **OHIO SAVINGS BANK, a federal savings bank** (hereinafter called "Mortgagee" or "Lender").

RECITALS:

- A. **ADAMS HOMES OF NORTHWEST FLORIDA, INC., a Florida corporation, and Mortgagor** (collectively, "Borrower") have made and delivered to Lender their Promissory Note dated May 3, 2002 (as the same may hereafter by extended, renewed, modified or amended, the "Note") in the original principal amount of Thirty Million and No/100 Dollars (\$30,000,000.00).
- B. The Note is secured by a Mortgage and Security Agreement (Alabama) ("Security Instrument") dated May 3, 2002, and recorded as Instrument Number 675279, in the Office of the Judge of Probate of Baldwin County, Alabama, in Book 3037 at Page 1122 in the Office of the Judge of Probate of Madison County, Alabama, in Book 5358 at Page 1450 in the Office of the Judge of Probate of Mobile County, Alabama and in Book 2003, Page 8186 in the Office of the Judge of Probate of Limestone County, Alabama. The Note, the Security Instrument and all other documents and instruments executed in connection therewith are hereinafter referred to as the "Loan Documents".
- C. Borrower has requested Lender to make advances pursuant to the Note, and Lender has agreed to make such advances to Borrower.

NOW THEREFORE, in consideration of the mutual covenants contained herein and in the Note and Security Instrument, of the loan funds being advanced from time to time by Lender to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are acknowledged as true and correct and are incorporated herein.

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2. Section 3.13 of the Security Instrument is hereby amended to delete the amount of "Forty-Five Million Dollars (\$45,000,000.00)" therefrom and replace such amount with the amount of "Fifty Million Dollars (\$50,000,000.00)".
3. In order to evidence the future advance contemplated hereby, Borrower has executed and delivered to Lender a Second Amended and Restated Secured Revolving Renewal Promissory Note in the amount of \$50,000,000.00, dated of even date herewith (the "Second Renewal Note") which renews and increases the Note pursuant to the terms set forth therein.
4. The Second Renewal Note shall be secured by the Security Instrument as modified herein to the same extent as if said Second Renewal Note had been executed and delivered by Borrower to Lender on the date of the Security Instrument, as modified herein.
5. The Borrower agrees that the Lender has complied with each and every term, covenant and condition of the Security Instrument, as modified herein, and all other agreements relating thereto, and that Borrower as of the date hereof, has no set off or claim of any nature against the Lender relating to the Security Instrument, as modified herein, or any agreement relating thereto.
6. The Borrower hereby makes and remakes each of the representations and warranties contained in the Security Instrument as of the date hereof, which representations and warranties shall be deemed continuing and shall survive the execution and delivery hereof.
7. Except as modified hereby, the Security Instrument shall remain in full force and effect according to its original terms, covenants and conditions (which are hereby incorporated herein by reference), and the modifications contained herein shall not be deemed to be a waiver by Lender of any rights contained in the Security Instrument, including, but not limited to, the right to demand payment in full of the Second Renewal Note and to foreclose the Security Instrument should the Borrower default in any of its obligations contained in the Second Renewal Note, the Security Instrument or in any other documents or instrument executed in connection with, or as security, for the Second Renewal Note.
8. Borrower hereby affirms all of its obligations set forth in the Notes, the Security Instrument, and the other Loan Documents and agrees to perform each and every covenant, agreement and obligation therein and herein, and further agrees to be bound by each and all of the terms and provisions thereof.
9. Borrower warrants that it has full power and authority to execute this Agreement and that the Security Instrument is binding upon the Borrower, its successors and assigns.
10. It is the intent of the parties hereto that this instrument shall not constitute a novation and shall in no way adversely affect or impair the lien priority of the Security Instrument, and that all sums advanced in connection herewith shall have the same priority as the sums originally under the Security Instrument. In the event this instrument, or any part hereof, or any of the instruments executed in connection herewith shall be construed or shall operate to affect the lien priority of the Security Instrument, then, to the extent such instrument creates a charge upon the real property encumbered by the Security Instrument in excess of that contemplated and permitted by the Security Instrument, and to the extent third persons acquiring an interest in such property between the time of the recording of the Security Instrument and the recording hereof are prejudiced thereby, if any, this instrument shall be void and of no force or effect; provided, however, that notwithstanding the foregoing, the parties hereto, as between themselves, shall be bound by all the terms and conditions hereof until all indebtedness owing from Borrower to Lender shall have been paid.
11. The maximum principal indebtedness secured by the Security Instrument is increased by \$20,000,000.00 from \$30,000,000.00 to \$50,000,000.00. At the time or recording of this Mortgage Modification Agreement, no additional funds are being advanced.

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

BORROWER (Mortgagor, Debtor):

ATTEST:

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

By _____
Its: _____

By: Wayne L. Adams, Manager

STATE OF FLORIDA)

COUNTY OF ESCAMBIA)

I, JOHN W. MONROE JR, the undersigned, Notary Public in and for said County and in said State, hereby certify that WAYNE L. ADAMS, whose name as Manager of ADAMS HOMES, L.L.C., an Alabama limited liability company, 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 such instrument, WAYNE L. ADAMS, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 14th day of August, 2003.

[NOTARIAL SEAL]

John W. Monroe, Jr.
Notary Public
My commission expires: _____

NOTARY PUBLIC
STATE OF FLORIDA
JOHN W. MONROE, JR.
My Commission DD 193344
Expires June 27, 2007

OHIO SAVINGS BANK SIGNATURE PAGE TO
MORTGAGE MODIFICATION AGREEMENT

CERTIFICATE AS TO ALABAMA ADVANCES

The undersigned hereby certifies that while the overall principal indebtedness secured by the Mortgage once advanced is being increased by \$20,000,000.00 to a total of \$50,000,000.00, no additional funds are being disbursed coincident with the recording of this Mortgage Modification Agreement.

OHIO SAVINGS BANK

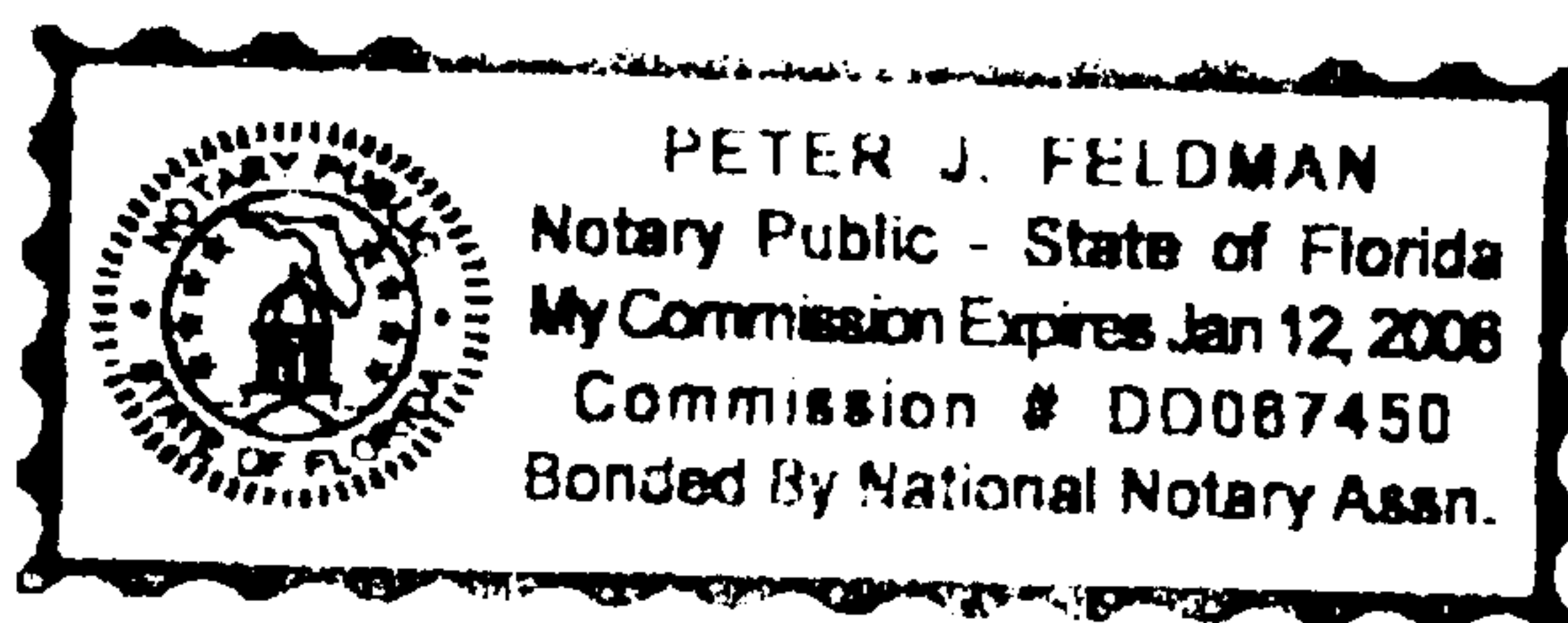
By: 
Name: Preston L. Bolt
Title: Vice President


MORTGAGEE

STATE OF FLORIDA

COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 14th day of August, 2003 by Preston L. Bolt as Vice President of Ohio Savings Bank, a Federal Savings Bank, on behalf of said bank, who is personally known to me.




Notary Public
Print Name: Peter Feldman
State of Florida at Large
My Commission Expires: 11/2/06

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2003 August -22 9:25AM

Instrument Number 752236 Pages 4
Recording 12.00 Mortgage
Deed Min tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate