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Prepared by:
John W. Monroe, Jr. for
Emmanuel, Sheppard & Condon
30 S. Spring St.
Pensacola, FL 32502
A0458-112086

With respect to the Alabama mortgage tax due on property located in Shelby County, irrespective of the amount of indebtedness set forth herein, this instrument is given to secure a borrowing of $2,303,250.00, secured by property located in said county.

REAL ESTATE MORTGAGE, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT

(The "Mortgage")

Date: July 7, 2005

Borrower or Mortgagor (jointly and severally): **ADAMS HOMES OF NORTHWEST FLORIDA, INC,** a Florida corporation, and
ADAMS HOMES, LLC, an Alabama limited liability company
1101 Gulf Breeze Parkway, Suite 230
Gulf Breeze, Florida 32561

References below to the "Borrower" shall mean either or both of **ADAMS HOMES OF NORTHWEST FLORIDA, INC,** and **ADAMS HOMES, LLC,** as Bank may interpret the reference in the context.

Bank or Mortgagee: **FIRST HORIZON HOME LOAN CORPORATION**
200 East Robinson Street, Suite 400
Orlando, Florida 32561

Land (description of real estate) That certain land described in Exhibit "A" attached hereto and incorporated herein by reference, together with all land subsequently described and included, if any, by written modification referencing this Mortgage. Because the loan secured hereby is a revolving credit facility, as more fully described in the Loan Agreement dated September 23, 2004, the lien and operation of this Mortgage may, from time to time, be spread to and over additional pieces or parcels of real property as evidenced by the execution and delivery by Borrower to Bank of Mortgage Spreader Agreement(s). Upon the execution, delivery and recording of a Mortgage Spreader Agreement the real property described therein will be deemed "Land" under this Mortgage and will be encumbered, as of the date of recording such Mortgage Spreader Agreement, by the lien hereof with the same force and effect as if that real property had originally been described in Exhibit "A" attached hereto and made a part hereof.

1. MORTGAGE. In consideration of Ten Dollars ($10.00) and other valuable consideration received by Borrower, the receipt and sufficiency of which are hereby acknowledged, and to secure the prompt payment of the Note and other Debt described below when the same shall fall due, the Borrower has bargained and sold, and does hereby grant, bargain, sell and convey unto the Bank, its successors and assigns, to its own proper use and benefit forever, and also grant to the Bank, its successor and assigns, a security interest in, all subject to the terms and conditions of this Mortgage, the real estate described above as the Land, together with:

(a) Appurtenances. All tenements, hereditaments, easements and other rights of any nature whatsoever, if any, appurtenant to the Land or the Improvements (defined below), or both, the benefit of all rights-of-way, strips and gores of land, streets, alleys, passages, drainage rights, sanitary sewer and potable water rights, stormwater drainage rights, rights of ingress and egress to the Land and all adjoining property, and any improvements of Borrower now or hereafter located on any of such real property, interests, water rights and powers, oil, gas, mineral and riparian and littoral rights, whether now

20060412000171220 2/19 $3519.95
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existing or hereafter arising, together with the reversion or reversions, remainder or remainders, rents, issues, incomes and profits of any of the foregoing (collectively, the "Appurtenances").

(b) Improvements. All buildings, structures, betterments and other improvements of any nature now or hereafter situated in whole or in part upon the Land or on the Appurtenances, regardless of whether physically affixed thereto or severed or capable of severance therefrom (the "Improvements").

(c) Tangible Property. All of Borrower's right, title and interest, if any, in and to all fixtures, equipment and tangible personal property of any nature whatsoever that is now or hereafter (i) attached or affixed to the Land, the Appurtenances, or the Improvements, or (ii) situated upon or about the Land, the Appurtenances, or the Improvements, regardless of whether physically affixed thereto or severed or capable of severance therefrom, or (iii) used, regardless of where situated, if used, usable or intended to be used, in connection with any present or future use or operation of or upon the Land. The foregoing includes: all goods and inventory, all heating, air conditioning, lighting, incinerating and power equipment; all engines, compressors, pipes, pumps, tanks, motors, conduits, wiring, and switchboards; all plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communications and public address apparatus; all stoves, ovens, ranges, disposal units, dishwashers, water heaters, exhaust systems, refrigerators, cabinets, and partitions; all rugs, draperies and carpets; all laundry equipment; all building materials; all furniture (including, without limitation, any outdoor furniture), furnishings, office equipment and office supplies (but not including furniture, furnishings or office equipment in units used as models or sales offices); and all additions, accessions, renewals, replacements and substitutions of any or all of the foregoing. The property interests encumbered and described by this paragraph are called the "Tangible Property" in this Mortgage. Notwithstanding the foregoing, the Tangible Property shall not include, and this Mortgage shall not otherwise encumber, tools and equipment owned by Borrower and used in the course of Borrower's business to construct improvements on the Land.

(d) Rents. All rents, issues, incomes and profits in any manner arising from the Land, Improvements, Appurtenances or Tangible Property, or any combination thereof, including Borrower's interest in and to all leases of whatsoever kind or nature, licenses, franchises and concessions of or relating to all or any portion of the Land, Appurtenances, Improvements or Tangible Property, or the operation thereof, whether now existing or hereafter made, including all amendments, modifications, replacements, substitutions, extensions, renewals or consolidations thereof. The property interests encumbered and described in this subparagraph are called the "Rents" in this Mortgage.

(e) Secondary Financing. All of Borrower's right, power or privilege to further encumber any of the Collateral described in this paragraph 1, it being intended by this provision to divest Borrower of the power to encumber or to grant a security interest in any of the Collateral as security for the performance of an obligation, except for "Permitted Encumbrances" (defined below).

(f) Proceeds. All proceeds of the conversion, voluntary or involuntary, of any of the property encumbered by this Mortgage into cash or other liquidated claims, or that are otherwise payable for injury to or the taking or requisitioning of any of such property, including judgments, settlements and insurance and condemnation proceeds as provided in this Mortgage.

(g) Contract Rights. All of Borrower's right, title and interest in and to any and all contracts or leases, written or oral, express or implied, now existing or hereafter entered into or arising, in any matter related to the improvement, use, operation, sale, conversion or other disposition of any interest in the Land, Appurtenances, Improvements, Tangible Property or the Rents, or any combination thereof, including all tenant leases, sales contracts, reservation deposit agreements, any and all deposits, prepaid items, and payments due and to become due thereunder; and including, without limitation, contracts pertaining to maintenance, on-site security service, elevator maintenance, landscaping services, building or project management, marketing, leasing, sales and janitorial services, development, construction, engineering, and other design; Borrower's interests as lessee in equipment leases, including telecommunications, computers, vending machines, model furniture, televisions, laundry equipment; and Borrower's interests in construction contracts or documents (including architectural drawings and plans and specifications relating to the Improvements), service contracts, use and access agreements, advertising contracts and purchase orders. The property interests encumbered and described in this paragraph are called the "Contract Rights" in this Mortgage. Notwithstanding the foregoing, Bank will not be bound by any of Borrower's obligations under any of the foregoing contracts unless and until Bank elects to assume any of such contracts or leases in writing.

(h) Name. All right, title and interest of Borrower in and to all trade names, project names, logos, service marks, trademarks, goodwill, and slogans now or hereafter used in connection with the operation of the Mortgaged Property (defined below).

(i) Other Intangibles. All contract rights, commissions, money, deposits, certificates of deposit, letters of credit, documents, instruments, chattel paper, accounts, and general intangibles as such terms from time to time are defined in the Uniform Commercial Code as adopted by the State of Alabama (the "Uniform Commercial Code"), in any manner related to the construction, use, operation, sale, conversion or other disposition (voluntary or involuntary) of the Land, Appurtenances,

20060412000171220 3/19 $3519.95
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Improvements, Tangible Property or Rents, including all construction plans and specifications, architectural plans, engineering plans and specifications, permits, governmental or quasi-governmental approvals, licenses, utility reservations and rights to receive utility services and all rights to and under fees or charges paid by or credits granted to Borrower or on its behalf in connection with the Land, Improvements and Appurtenances, developer rights, vested rights under any planned development or planned unit development or other project, zoning, or land use approval, development orders, insurance policies, rights of action and other choses in action.

The Land, Appurtenances, Improvements and Tangible Property are collectively referred to as the "Mortgaged Property" in this Mortgage. The portion of the property encumbered by this Mortgage that from time to time consists of intangible personal property, except for the Rents, is called the "Intangible Property" in this Mortgage. The Mortgaged Property, Rents, Intangible Property and any other property interests encumbered hereby are hereinafter referred to collectively as the "Collateral." Wherever used in this Mortgage, the use of the terms, "Mortgaged Property," "Rents," "Intangible Property," and "Collateral" means and includes all or any portion thereof applicable to the context.

Notwithstanding the grant of Borrower's interest in the Rents and Contract Rights above, so long as no Default (defined below) shall exist hereunder or under any of the other Loan Documents, Borrower shall have a license to collect and receive all incomes arising from the operation, ownership, and maintenance of the Mortgaged Property, Rents and Contract Rights, but not more than one (1) month prior to accrual.

TO HAVE AND TO HOLD the Mortgaged Property and Collateral unto the Bank, its successors and assigns forever. The maximum principal amount secured by this Mortgage shall be limited to the sum of $_____ of the indebtedness evidenced by the Note outstanding from time to time.

2. SECURITY AGREEMENT. To the extent any of the Collateral encumbered by this Mortgage from time to time constitutes personal property subject to the provisions of the Uniform Commercial Code, this Mortgage constitutes a Security Agreement for all purposes under the Uniform Commercial Code. Without limitation, Bank, at its election, upon the occurrence of a Default under this Mortgage, will have all rights, powers, privileges and remedies from time to time available to a secured party under the provisions of the Uniform Commercial Code with respect to the Collateral. The names and addresses of debtor and secured party are as shown for Borrower and Bank, respectively, on the signature pages hereof. The remedies for any violation of the covenants, terms, and conditions of the security agreement herein contained shall be (i) as prescribed herein, or (ii) as prescribed by general law, or (iii) as prescribed by the specific statutory provisions now or hereafter enacted and specified in the Uniform Commercial Code, all at Bank's sole election. Borrower and Bank agree that the filing of financing statement(s) in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and hereby stated intention of Borrower and Bank that everything used in connection with the production of income from the Collateral or adapted for use therein or which is described or reflected in this Mortgage, is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (iii) any such item is referred to or reflected in any financing statement(s) so filed at any time. Similarly, the mention in any financing statement of the rights in, or the proceeds of, any fire, hazard or liability insurance policy, or any award in eminent domain proceedings for a taking or for loss of value, or Borrower's interest as lessor in any present or future lease, or rights to income growing out of the use of the Mortgaged Property, whether pursuant to a lease or otherwise, shall not be construed as altering any of Bank's rights as determined by this Mortgage, or otherwise available at law or in equity, or impugning the priority of this Mortgage or the Loan Documents, or both, but such mention in any financing statement is declared to be for Bank's protection if, as, and when any court holds that notice of Bank's priority of interest, to be effective against a particular class of persons, including the federal government and any subdivisions or entities of the federal government, must be perfected in the manner required by the Uniform Commercial Code. Notwithstanding the forgoing, Borrower and Bank have agreed that financing statements will not be filed in order to perfect Bank's security interest in personalty that secures the Note.

3. AFTER-ACQUIRED PROPERTY. Without the necessity of any further act of Borrower or Bank, the lien of and security interest created by this Mortgage automatically will extend to and include (i) any and all renewals, replacements, substitutions, accessions, proceeds, products, additions or after-acquired property for or to the Collateral, and (ii) any and all monies, proceeds and other property that from time to time, either by delivery to Borrower or by any instrument (including this Mortgage) may be subjected to such lien and security interest by Borrower or by anyone on behalf of Borrower, or with the consent of Borrower, or which otherwise may come into the possession or otherwise be subjected to the control of Bank or Borrower pursuant to this Mortgage or the other Loan Documents.

4. DEBT. Borrower has executed and delivered to Bank a note in the amount of **THIRTY-FIVE MILLION and No/100 Dollars ($35,000,000.00)** dated September 23, 2004 (the "Note", which term shall include all renewals, replacements, extensions, modifications, substitutions, future advances, and

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other supplements of the Note, which are referred to collectively as the "Note"). Borrower has also executed and delivered to Bank a Loan Agreement dated September 23, 2004 (the "Loan Agreement"). This Mortgage secures Borrower's full and timely payment and performance of the Note, the Loan Agreement, and of the Loan Documents (defined in the Loan Agreement). The credit facility evidenced by the Note and described in the Loan Agreement is revolving in nature in that sums may be advanced by Borrower to Bank, paid back, and re-borrowed, subject to the limitations and requirements of the Loan Agreement.

Borrower's obligations described below are secured, among other things, by the collateral described in this Mortgage, which term includes any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations of this Mortgage, and may also from time to time be secured by other collateral described in written documents. The Mortgage and such other documents as may exist on the date hereof or may exist hereafter are referred to as the "Security Documents," which term, as defined in the Note, includes any and all financing statements, letters of credit, assignments, agreements, supplements, and riders made and delivered in connection with the Note and this Mortgage, and any and all amendments, modifications, extensions, renewals, replacements, substitutions and consolidations thereof or thereto. The loans evidenced by the Note and secured by this Mortgage are to be disbursed in accordance with the terms and provisions of the Loan Agreement. References in this Mortgage to the Note, Loan Agreements, or Loans shall mean either or both of the Note, Loan Agreements, or Loans as is appropriate in the context.

The obligations of Borrower secured by the Security Documents arising pursuant to the Loan Documents are as follows and are called the "Debt":

(a) Note. Borrower's payment of all sums due from time to time as evidenced by the Note; and

(b) Loan Documents. Borrower's payment or performance of all obligations imposed upon Borrower by the Loan Documents; and

(c) Advances. All sums advanced by Bank to or for the benefit of Borrower in the manner provided in the Loan Documents, or for the protection of the security of the Collateral, including, without limitation, all sums advanced pursuant to this Mortgage, including advances for repairs, maintenance, insurance, taxes, or assessments; and

(d) Costs. All costs, expenses, losses, damages and other charges sustained or incurred by Bank because of: (i) Borrower's default in payment or performance, as the case may be, of any provision contained in the Loan Documents; (ii) defense of actions instituted by Borrower or a third party against Bank arising out of or related to the loans evidenced by the Note (the "Loans"), or in the realizing upon, protecting, perfecting, defending, Bank's rights and interests in connection with the Loans, or (iii) actions brought or defended by Bank enforcing Bank's security interest in the Collateral. All of these costs and expenses include reasonable attorneys' fees, paralegals' fees, or legal assistants' fees, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank, or enforcement of any judgment based on the Loan Documents, whether or not suit is brought to collect such amounts or to enforce such rights or, if brought, is prosecuted to judgment.

(e) Letters of Credit. All sums advanced by Bank for the benefit of Borrower under any other instrument or otherwise, including, without limitation, any amounts paid by Bank under any letters of credit issued by Bank for the benefit of Borrower.

(f) Miscellaneous Expenses. All costs and expenses incurred by Bank in connection with the Loans, whether prior to or at closing or during the term thereof, including, without limitation, loan origination fees, commitment fees, extension fees, title insurance search fees, premiums and endorsement fees, hazard and other insurance required by the Loan Documents, pre-closing and post-closing appraisals, appraisal reports or opinions of value, surveys, brokerage commissions and claims of brokerage, ad valorem and personal property taxes, documentary stamp taxes and intangible taxes, attorneys' fees, consultant fees, architect's fees, construction consultant's fees, environmental surveys or assessments, and recording charges.

(g) Indemnities. All costs, expenses, and amounts arising under or pursuant to any indemnity contained within the Loan Documents or in any separate agreement executed by Borrower in favor of Bank including, without limitation, the Environmental Certificate and Indemnification Agreement executed by Borrower concurrently herewith (the "Indemnity").

5. TITLE WARRANTIES. Borrower covenants with Bank that: (i) Borrower is indefeasibly seized of the Land and Improvements in fee simple, has good and marketable title to the Collateral and has full power, lawful right and authority to sell and convey the same in fee simple and to grant Bank a perfected first lien security interest in the Collateral, and (ii) the Collateral is free and clear of

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all liens, encumbrances, restrictions, and security interests of any nature except for those permitted encumbrances which Bank has previously approved, or may hereafter approve, in writing.

6. CONSTRUCTION LOAN. This Mortgage secures loans for lot acquisition, development, and construction, the proceeds of which are being loaned for the purpose of financing the purchase of the Land and construction of improvements upon the Land and which proceeds will be disbursed in accordance with the Loan Agreement. The Borrower shall comply with all the terms and conditions of the Loan Agreement. The occurrence of a default under the Loan Agreement shall constitute a default under this Mortgage.

7. LIENS. Borrower will not create or permit to be created, or to remain, and will promptly discharge at Borrower's expense, any and all liens or encumbrances upon, or security interests in, the Collateral, or any combination thereof, whether consensual, common law, statutory, voluntary, involuntary, or arising by operation of law, except Permitted Encumbrances. Notwithstanding the foregoing, and except for any construction liens, Borrower may contest the amount, validity and enforceability of any involuntary or nonconsensual lien, encumbrance or security interest, including those arising by operation of law, in the manner provided in the Section below titled "Contests." If any mechanics lien or construction lien is filed against the Mortgaged Property, Borrower agrees to discharge or otherwise remove such lien by bond or otherwise within twenty-five (25) days of imposition of same, and if so discharged or otherwise removed may thereafter contest the amount or validity of such lien as provided in the Section below titled "Contests."

8. TAXES AND OTHER IMPOSITIONS. Borrower will pay or cause to be paid, when due (i) all property taxes, assessments, water, sewer, utility and other rents, rates and charges, including all excises, taxes, levies, license fees, permit fees, impact fees, connection fees, and other fees and charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, that may be assessed, levied or imposed upon the Collateral, or otherwise arising with respect to the occupancy, use, possession or disposition thereof, whether or not the failure to pay the same might result in the creation of a lien upon the Collateral, or any combination thereof; (ii) all franchise, excise and other taxes, fees and charges assessed, levied or imposed with respect to Borrower's right to do business in the State of Alabama and the political subdivisions thereof; (iii) all taxes and fees (except for Bank's state and federal income taxes) that may be levied by the United States of America or any state or political subdivision thereof, upon Bank or Borrower in connection with or upon the Loan Documents, or the Debt or its payment, or collection, or any combination thereof (including all documentary stamp taxes and intangible taxes plus any penalties and interest charged for the late payment of any such taxes); and (iv) all lawful claims and demands of contractors, subcontractors, mechanics, laborers, materialmen and other lienors which, if unpaid, might result in the creation of a lien upon the Collateral. The sums payable under this paragraph are called "Impositions." Nothing contained in this paragraph will require the payment of any Imposition so long as the amount, validity or enforceability thereof is contested by appropriate proceedings as provided in the Section below titled "Contests." With respect to state and local real and tangible personal property taxes, however, Borrower will pay same and will furnish Bank with copies of the receipts for each such payment without demand at least thirty (30) days prior to the date each of such taxes will become delinquent, and any contest of the same must be by a suit or other proceeding for a refund. With respect to all other Impositions, Borrower will furnish Bank with proof of such payment upon demand. If any payment required to be made by Borrower by this paragraph is prohibited by law, with the result that Bank becomes liable for its payment, then the Debt will immediately become due and payable, at Bank's option.

9. CONTESTS. Borrower may contest, by any and all appropriate administrative, trial or appellate proceedings, or any combination thereof, and in Bank's name, if required by law, the amount, validity, enforceability or application of any Imposition that Borrower is required to pay or perform to any person or entity other than Bank by any provision of this Mortgage or the other Loan Documents if and only for so long as: (i) Borrower notifies Bank in writing of its intent to contest the Imposition; (ii) such contest suspends the collection or enforcement of the item(s) contested; (iii) no part of the Collateral will be subject to loss, sale or forfeiture before final determination of any such contest; (iv) neither Borrower nor Bank will be subject to any criminal liability; (v) Borrower furnishes such security as may be required by law in connection with each such contest; (vi) the value, usefulness and marketability of the Collateral will not be adversely impaired by any such contest; (vii) Borrower otherwise continues to pay and perform, as the case may be, the Debt and Borrower's obligations under this Mortgage; (viii) Borrower otherwise is not in default under any provision of the Loan Documents; (ix) each such contest is continuously prosecuted diligently to final determination; (x) Borrower pays or causes to be paid, and defends, indemnifies and holds Bank harmless of and from any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees) incurred in connection with each such contest; (xi) Borrower, promptly following final determination of each such contest, fully pays and discharges all amounts that may be levied, assessed, charged, imposed or otherwise determined to be payable, together with all penalties, fines, interests, costs and expenses, and otherwise complies with such final determination, at Borrower's sole cost and expense; (xii) Borrower furnishes Bank with such security as Bank reasonably may require to assure Borrower's compliance with all of the foregoing requirements; and (xiii) such liens are not filed against the Mortgaged Property pursuant to any State of Alabama mechanics lien or construction lien law, in which event such liens must be discharged or removed by bond or otherwise pursuant to the Section above titled "Liens" before Borrower contests such liens. So long as Borrower complies with the foregoing and Bank is

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promptly reimbursed for all costs and expenses incurred, Bank will cooperate with Borrower in connection with any such contest.

10. PAYMENT OF TAXES BY BORROWER. Notwithstanding any other provision of this Mortgage, if the Borrower shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Collateral, or if the same or any part thereof are or become delinquent, then the Bank, at its option, may at any time pay the same, together with any accrued interest thereon and any delinquency redemption, or other charge, fee, cost or expense related thereto, and all payments made and all costs incurred by the Bank in connection therewith, shall be secured by the lien of this Mortgage and shall be, without demand, immediately repaid by the Borrower to the Bank with interest thereon from the date of such payment at the maximum rate provided by law, except that Mortgagee may in its sole discretion permit Borrower to make such repayment in monthly installments of principal, together with said interest hereon over a limited term of months established by Bank (which monthly installments if established by Bank, may be prepaid by Borrower),and except that Bank may in its sole discretion set the interest due on such payment at a rate less than the maximum rate provided by law. Bank shall have no obligation on its part to determine the validity or necessity of any payment of taxes, etc., described herein, and any such payment shall not waive or affect any option, remedy, lien, equity, or right of Bank under or by virtue of this Mortgage, to include without limitation any right or option to foreclose same. Nothing herein shall be construed as requiring Bank to advance or expend monies for any purpose mentioned in this Section.

11. INSURANCE. Until the Debt shall have been discharged by Borrower, Borrower shall maintain, at Borrower's cost and expense, the following insurance coverages in full force and effect at all times:

(a) Hazard Insurance. Borrower shall keep the Tangible Property and Improvements which now or hereafter may constitute part of the Mortgaged Property insured at all times against loss or damage by fire and other hazards included within the term "all risk" or "extended coverage" and against such other hazards as Bank may require in the full insurable value thereof (or such lesser amount as Bank may authorize in writing), with an insurer satisfactory to Bank. Such policy shall include a Replacement Cost Endorsement and a Sinkhole Endorsement, if deemed necessary by Bank.

(b) Liability Insurance. Borrower will obtain and keep in full force a "Broad Form Comprehensive General Liability" insurance coverage for both Borrower and any contractor performing services to the Mortgaged Property in the minimum coverage amount of One Million Dollars ($1,000,000.00) per occurrence.

(c) Flood Insurance. If at any time the Land or any portion thereof is located in a "Flood Hazard Area" pursuant to the Flood Disaster Protection Act of 1973 or any successor or supplemental act thereto, flood insurance in the maximum amount available or such other amount as Bank may reasonably request;

(d) Builder's Risk Insurance. An "All risk," completed value or full value reporting form builder's risk insurance policy, which policy shall include a Replacement Cost Endorsement.

(e) Other Insurance. Worker's compensation insurance, wind damage insurance, and other insurance coverages as Bank may reasonably require.

The policy or policies of insurance shall (i) be from companies and in coverage amounts acceptable to Bank, (ii) contain a standard mortgagee clause in favor of Bank naming Bank as a mortgagee and including a lender's loss payee clause in such policy, as applicable, (iii) not be terminable or modified without thirty (30) days' prior written notice to Bank, and (iv) be evidenced by original policies or certified copies of policies deposited with Bank, as Bank may elect, to be held by Bank until the Debt shall have been fully paid and discharged. Borrower shall furnish Bank satisfactory evidence of payment of all premiums required and similar evidence of renewal or replacement coverage not later than thirty (30) days prior to the date any coverage will expire.

Each insurance policy or endorsement required herein shall be written by an insurer having a rating not less than "A-X" Best's Rating according to the most current edition of Best's Key Rating Guide as determined at the time of the initial policy and at all times during the term hereof. All policies shall indicate that notices related to such insurance shall be sent to Bank at:

FIRST HORIZON HOME LOAN CORPORATION
200 East Robinson Street, Suite 400
Orlando, Florida 32801
Attention: Luis Garcia, Vice President

If any loss occurs with respect to the Mortgaged Property, Bank is hereby appointed attorney-in-fact for Borrower to make proof of loss if Borrower fails to make the same punctually, and to give a receipt for any proceeds collected under such policies. Borrower will promptly give written notice to Bank of any loss or damage to the Mortgaged Property, and will not adjust or settle

20060412000171220 7/19 $3519.95
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any such loss without Bank's prior written consent, which consent shall not be unreasonably withheld or delayed. Upon any Default by Borrower under this Mortgage, all right, title and interest of Borrower in and to all such insurance policies then in force, including any and all unearned premiums and existing claims, will inure to Bank, which, at its option, and as attorney-in-fact for Borrower, may then make, settle and give binding acquittances for claims under all such policies, and may assign and transfer such policies or cancel or surrender them, applying any unearned premium in such manner as Bank may elect. The foregoing appointment of Bank as attorney-in-fact for Borrower is coupled with an interest, and is irrevocable. Notwithstanding the occurrence of any casualty or the availability of any insurance proceeds, Borrower will pay the Debt in the manner required by the Loan Documents.

12. CONDEMNATION. If all or any part of the Collateral, or any interest therein or right accruing thereto, is taken as a result of, or in lieu or in anticipation of, the exercise of the right of condemnation or eminent domain, or by reason of the temporary requisition of the use or occupancy of the Mortgaged Property, in any event by any government or quasi-governmental authority, civil or military, or any other party entitled to exercise such powers by law, general or special, or is devalued or otherwise adversely affected by any of the foregoing actions, all proceeds payable with respect to any such action are assigned to Bank and shall be paid to Bank. Bank shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. The proceeds of any award or compensation so received shall, at the option of the Bank, either be applied to the payment of the Debt or be paid over to the Borrower for the restoration of the Improvement. Borrower, immediately upon obtaining knowledge of the institution or threatened institution, of any proceedings for the Mortgaged Property, or any part thereof, by condemnation or eminent domain, will notify the Bank of the pending of such proceedings. Bank shall have the right to intervene and participate in any proceedings for and in connection with any taking referred to in this section. Borrower shall not enter into any agreement for the taking of the Mortgaged Property or any part thereof with any person or persons authorized to acquire the same by condemnation or eminent domain, unless the Bank shall have consented thereto in writing. Any of the foregoing actions are sometimes called a "condemnation" or "taking" in this Mortgage and the other Loan Documents. Such proceeds include, without limitation, severance damages, damages arising from the change of grade of any street or the access thereto, the taking of air rights and damages caused by noise, pollutants and other emissions. Notwithstanding any such taking or other injury or decrease in value, or the availability of any proceeds for any of the foregoing, Borrower shall continue to pay the Debt in the manner required by the Loan Documents. Bank's rights under this Section will survive the foreclosure or other enforcement of this Mortgage, and Bank will have the right to receive and retain all proceeds to the extent of any deficiency which exists upon such foreclosure or other enforcement, together with legal interest thereon, and to the extent of the reasonable counsel fees, costs and disbursements incurred by Bank in connection with the collection of such proceeds. Such right shall exist whether or not a deficiency judgment shall have been sought or recovered or denied upon either or both of the Note. The remaining balance of such proceeds, if any, will inure to the benefit of the party entitled thereto by applicable law.

13. APPLICATION OF INSURANCE PROCEEDS AND AWARDS. The Borrower will promptly give the Bank written notice of any damage to or destruction of the Mortgaged Property or any part thereof, generally describing the nature and extent of such damage or destruction and the Borrower's best estimate of the cost of restoring the Mortgaged Property. The Bank shall be entitled to all insurance proceeds payable on account of such damage or destruction and the Borrower hereby irrevocably assigns, transfers and sets over to the Bank all rights of the Borrower to any such proceeds or payments and irrevocably authorizes and empowers the Bank, at its option and in its sole and absolute discretion, in the name of the Borrower or otherwise, to file and prosecute what would otherwise be the Borrower's claim for any such proceeds or payment and to collect, receipt for and retain the same for disposition in accordance with this Section. The Bank may, at its sole option, apply all amounts recovered under any insurance policy required to be maintained by the Borrower hereunder in any one or more of the following ways: (i) to the payment of the reasonable costs and expenses incurred by the Bank in obtaining such insurance proceeds, including the fees and expenses of attorneys and insurance and other experts and consultants, the costs of litigation, arbitration, mediation, investigations and other judicial, administrative or other proceedings and all other out-of-pocket expenses; (ii) to the payment of any of the Debt other than indebtedness with respect to the Note at the time outstanding; (iii) to the payment of the principal of the Note and any interest accrued and unpaid thereon, without regard to whether any portion or all of such amounts shall be matured or unmatured, together with interest at the default interest rate on any overdue principal and (to the extent permitted by applicable law) interest; and, in case such amount shall be insufficient to pay in full all such amounts, then such amounts shall be applied, first, to the payment of all amounts of interest accrued on the Note and unpaid, without preference or priority of any payment of interest over any other payment of interest or of any other Note, and, second, to the payment of all amounts of principal at the time outstanding, without preference or priority of any installment or amount of principal over any other installment or amount of principal or of any Note over any other Note, but otherwise in such manner and order as the Bank shall in its sole discretion determine; or (iv) to fulfill any of the other covenants contained herein as the Bank may determine. In the event of a foreclosure of this Mortgage, the purchaser of the Mortgaged Property shall succeed to all the rights of the Borrower, including any right to unearned premiums, in and to all policies of insurance assigned and delivered to the Bank.

14. MAINTENANCE, REPAIRS, AND RECONSTRUCTION.

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(a) Maintenance and Repairs. Borrower, at its sole cost and subject to Bank's satisfaction, shall make all repairs, renewals, replacements, servicing and reconstruction that are necessary to maintain the Mortgaged Property in good order, condition and repair. Borrower shall not be required to establish reserve funds for replacements, repairs and capital expenditures. Immediately following the occurrence of any casualty or other loss, Borrower promptly will undertake all restoration required or desirable and will pursue it diligently to completion. Borrower shall: (i) not strip, waste, remove or demolish any portion of the Mortgaged Property, nor suffer or permit any such action; (ii) promptly comply with all laws, governmental regulations and public or private restrictions or easements, or both, of any kind affecting the Mortgaged Property or requiring any alterations or improvements to be made thereon; and (iii) not commit, suffer or permit any act upon the Mortgaged Property in violation of any law, subject to Borrower's right to contest the same in good faith to conclusion, as provided in the section above titled "Contests." If any public agency or authority requires or commences any proceedings for the demolition or removal, or both, of any improvements or portions thereof comprising the Mortgaged Property due to non-compliance with health, safety, fire or building codes, then, unless Borrower undertakes to contest such action in the manner provided in the section above titled "Contests" and pursues such contest to a successful conclusion, such action will constitute a Default under this Mortgage. Borrower will not, without Bank's prior written consent: (i) make any material change in the general nature of the use or occupancy of the Mortgaged Property; (ii) institute or join or acquiesce in any action to change the existing zoning or land use classification of the Mortgaged Property; or (iii) grant easements or licenses affecting the use or operation of the Mortgaged Property. Bank and any persons authorized by Bank may enter the Mortgaged Property at all reasonable times without prior notice for inspections or for any other lawful purpose. If Borrower fails to comply with the requirements of this paragraph, then Bank, without waiving the option to foreclose, may take some or all measures Bank reasonably deems necessary or desirable for the maintenance, repair, preservation or protection of the Mortgaged Property, and any expenses reasonably incurred by Bank in so doing shall become part of the Debt secured hereby, and shall, at the option of Bank, become immediately due and payable, and shall bear interest at the Default Rate specified in the Note. Bank shall have no obligation to care for or maintain the Mortgaged Property, or, having taken some measures therefor, to continue same or take other measures.

(b) Reconstruction. The Borrower shall promptly repair, restore, replace or rebuild any part of the Mortgaged Property, now or hereafter encumbered by this Mortgage which may be affected by any condemnation proceeding or which may otherwise become damaged, destroyed, lost or unsuitable for use. In the event the Mortgaged Property or any part thereof is damaged or destroyed by fire or other casualty, the Borrower shall immediately notify the Bank, in writing, of such damage or destruction. The Borrower shall not cause or permit anything to be done which would or could increase the risk of fire or other hazard to the Mortgaged Property, or any part thereof, or which would or could result in an increase in any insurance premiums payable with respect to the Mortgaged Property, or which would or could result in the cancellation of any insurance policy carried with respect to the Mortgaged Property. No part of the Mortgaged Property, including, but not limited to, any building, structure, water system, sewer system, parking lot, driveway, landscape scheme, timber or other ground improvement, equipment or other property, now or hereafter mortgaged, shall be removed, demolished or materially altered without the prior written consent of the Bank. No top soil, sand, sod, loam, clay or gravel shall be mined, stripped, or removed from the Mortgaged Property without the written consent of the Bank. However, this shall not prevent or restrict removal of any such materials taken for excavation necessary to construct a basement, cellar or foundation footings for the erection of a building or buildings for which a building permit or permits has or have first been issued by the governmental authority having jurisdiction thereof; or for the construction of roadways constructed in accordance with plans approved by the governmental authorities having jurisdiction thereof in accordance with the Loan Agreement; provided, nevertheless, that in the event the required removals become so extensive, as determined by the Bank, as to create profit by sale of the removed portion of the Mortgaged Property, said sums shall inure to the benefit of the Bank to be applied as the Bank so directs, to the reduction of the Debt.

15. ADVANCES. If Borrower defaults in the observance or performance of any of the provisions of the Loan Documents, including but not limited to obtaining and maintaining insurance pursuant to the Section above titled "Insurance," paying Impositions pursuant to the Section above titled "Taxes and Other Impositions," and maintaining the Mortgaged Property pursuant to the Section above titled "Maintenance, Repairs, and Reconstruction," then Bank, without waiving or otherwise impairing any other of its rights or remedies, at its sole option and without obligation to do so, subject to the rights provided Borrower to cure defaults, may make any such payment or take such action as Bank deems necessary or appropriate to correct such Default, or to protect the security of the Collateral encumbered by the Loan Documents. All payments so made, together with all costs and expenses so incurred, will be added to the principal amount due under the Note and thereafter will bear interest at the higher rate then payable as provided for in the Note, and will be secured by the lien and security interest granted by the Security Documents. For the foregoing purposes, Bank is authorized, subject to Borrower's rights to cure to: (i) enter upon the Mortgaged Property; (ii) appear in and defend any action or proceeding purporting to affect the security of this Mortgage or the rights or powers of Bank hereunder; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien that in the reasonable judgment of Bank appears to adversely affect the Collateral; and (iv) take whatever action Bank, in its discretion, deems necessary or

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appropriate in exercising any such powers. Notwithstanding the foregoing, Borrower immediately, upon Bank's demand, will pay all sums so expended by Bank with interest as stated above.

16. BOOKS AND RECORDS. Borrower, at all times, will keep proper books of record and account in which full, true and correct entries will be made of its transactions with respect to the Collateral in accordance with generally accepted accounting principles, consistently applied, and which will properly and correctly reflect all items of income and expense in connection with the operation of the Collateral, regardless of whether such income or expense is realized by Borrower or any other person or entity whatsoever. Bank will have the right from time to time during normal business hours to examine all such books, records and accounts at Borrower's office or at the office of such other person as maintains them, and to make such copies or extracts as Bank may desire, at Borrower's expense.

17. TAX AND INSURANCE ESCROW. Supplementing the provisions of the Sections above titled "Taxes and Other Impositions" and "Insurance," and if required by Bank, the Borrower shall pay to Bank on the payment date of installments of principal and/or interest, together with and in addition to such installments of principal and/or interest, until the Note are fully paid, an installment of the Impositions and insurance premiums for such insurance as is required hereunder, next due on the Mortgaged Property in an amount sufficient, as estimated by Bank, to accumulate the sum required to pay such Impositions and insurance, as applicable, thirty (30) days prior to the due date thereof. Amounts held hereunder shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Bank, and by applicable law. Upon demand of Bank, Borrower agrees to deliver to Bank such additional money as is necessary to make up any deficiencies in the amounts necessary to enable Bank to pay such Impositions and insurance premiums when due. In the event of a Default, subject to Borrowers rights to cure as provided in the Loan Agreement, the Bank may apply to the reduction of the Indebtedness, at such times and in such manner as the Bank shall determine, any amount under this paragraph remaining to the Borrower's credit. Bank may require Borrower to pay such installments of Impositions and Insurance only after a Default by Borrower.

18. RELIEF FROM AUTOMATIC STAY. [Intentionally deleted]

19. TAXATION OF MORTGAGE. In the event of the passage after the date of this Mortgage of any federal, state or local law deducting from the value of real property for the purpose of ad valorem taxation any lien thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for federal, state or local purposes, or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on any or all of the Loan Documents, Bank shall have the right to declare the Debt due on a date to be specified by not less than sixty (60) days' written notice given to Borrower by Bank; provided, however, that such election shall be ineffective if Borrower is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, and if Borrower, prior to such specified date, does pay such tax and agrees to pay any such tax (excluding, however, all taxes on the income of Bank) when thereafter levied or assessed, and such agreement shall constitute a modification of this Mortgage.

20. ASSIGNMENT OF RENTS, LEASES, PROFITS AND CONTRACT RIGHTS. Pursuant to the Section above titled "Mortgage," Borrower has irrevocably assigned and set over unto Bank all right, title, and interest of Borrower in and to the Rents and Contract Rights (including all leases and sales contracts now or hereafter existing relating to the Mortgaged Property) as security for the Debt, together with the right to collect and enforce the same; subject to Borrower's rights to cure as provided in the Loan Agreement, provided, however, so long as there shall be no Default under the Loan Documents, Borrower has been granted a license to collect and receive all Rents assigned hereunder in accordance with the Section above titled "Mortgage." Neither these assignments nor Bank's enforcement of the provisions of these assignments (including the receipt of the Rents) will operate to subordinate the lien of this Mortgage to any of the rights of any lessee or purchaser under any lease or sales contract of the Mortgaged Property, or to subject Bank to any liability to any such lessee or purchaser for the performance of any obligations of Borrower under any such lease or sales contract unless and until Bank agrees to such subordination or assumes such liability by an appropriate written instrument. All right, title and interest of each such lessee or purchaser in and to the Mortgaged Property, whether arising by virtue of any such lease, contract or otherwise, at all times will be and remain subject, subordinate and inferior to the lien of this Mortgage and all rights, remedies, powers and privileges of Bank arising under or by virtue of any of the Loan Documents. If Borrower shall have executed an Assignment of Rents constituting one of the Loan Documents, such Assignment of Rents is hereby incorporated herein by reference and shall control if in conflict with the provisions of this Mortgage.

21. DEFAULT. The occurrence of any of the following (time being of the essence as to this Mortgage and all of its provisions) constitutes a "Default" by Borrower under this Mortgage and, at the option of Bank, under the other Loan Documents, subject to Borrower's rights to cure as provided in the Loan Agreement:

(a) Scheduled Payment. Borrower's failure to make any payment required by the Note within ten (10) days of the due date therefor.

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(b) Monetary Default. Borrower's failure to make any other payment required by this Mortgage or the other Loan Documents within ten (10) days of the due date therefor.

(c) Other. Borrower's failure to perform any other obligation imposed upon Borrower by this Mortgage or the other Loan Documents within thirty (30) days after Lender's delivery of notice of default.

(d) Representation. Any representation or warranty of Borrower contained in this Mortgage or in any certificate delivered pursuant hereto, or in any other instrument or statement furnished in connection herewith, proves to be incorrect or misleading in any materially adverse respect as of the time when the same shall have been made, including, without limitation, any and all financial statements, operating statements, or schedules attached thereto, furnished by Borrower or any guarantor of the Debt to Bank or pursuant to any provision of this Mortgage.

(e) Bankruptcy. Borrower, or any general partner of Borrower or any guarantor of the Debt (i) files a voluntary petition in bankruptcy or a petition or answer seeking or acquiescing in any reorganization or for an arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself pursuant to the United States Bankruptcy Code or any similar law or regulation, federal or state relating to any relief for debtors, now or hereafter in effect; or (ii) makes an assignment for the benefit of creditors or admits in writing its inability to pay or fails to pay its debts as they become due; or (iii) suspends payment of its obligations or takes any action in furtherance of the foregoing; or (iv) consents to or acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator or other similar official of Borrower, a general partner of Borrower, or any guarantor, for all or any part of the Collateral or other assets of such party, or either; or (v) has filed against it an involuntary petition, arrangement, composition, readjustment, liquidation, dissolution, or an answer proposing an adjudication of it as a bankrupt or insolvent, or is subject to a reorganization pursuant to the United States Bankruptcy Code, an action seeking to appoint a trustee, receiver, custodian, or conservator or liquidator, or any similar law, federal or state, now or hereafter in effect, and such action is approved by any court of competent jurisdiction and the order approving the same shall not be vacated or stayed within thirty (30) days from entry; or (vi) consents to the filing of any such petition or answer, or shall fail to deny the material allegations of the same in a timely manner.

(f) Judgments. (1) A final judgment, other than a final judgment in connection with any condemnation, and including any judgment or other final determination of any contest permitted by the section above titled "Contests," is entered against Borrower that (i) adversely affects the value, use or operation of the Collateral, or (ii) adversely affects, or reasonably may adversely affect, the validity, enforceability or priority of the lien or security interest created by this Mortgage or the other Loan Documents, or both; or (2) execution or other final process issues thereon with respect to the Collateral; and (3) Borrower does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereon, in any event within thirty (30) days from entry, or Borrower shall not, within such period or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree or process upon or pursuant to which such judgment shall have been entered, and cause its execution to be stayed during such appeal, or if on appeal such order, decree or process shall be affirmed and Borrower shall not discharge such judgment or provide for its discharge in accordance with its terms within sixty (60) days after the entry of such order or decree or affirmance, or if any stay of execution on appeal is released or otherwise discharged.

(g) Liens. Any federal, state or local tax lien or any claim of lien for labor or materials or any other lien or encumbrance of any nature whatsoever is recorded against Borrower or the Mortgaged Property and is not removed by payment or transferred to substitute security in the manner provided by law, within twenty-five (25) days after such lien is filed in the office of the Judge of Probate of the County in which the Land is located or otherwise recorded in accordance with applicable law, or is not contested by Borrower in the manner permitted by the section above titled "Contests."

(h) Other Note or Mortgages. Borrower's material default in the performance or payment of Borrower's obligations under any other note, or under any other mortgage encumbering all or any part of the Mortgaged Property, if the other mortgage is permitted by Bank, whether such other note or mortgage is held by Bank or by any other party subject to Borrower's right to cure as provided in the Loan Agreement.

(i) Borrower Default Under Loan Documents. Borrower's default in the payment or performance of any of Borrower's obligations under any of the Loan Documents, including this Mortgage and any riders thereto subject to Borrower's right to cure as provided in the Loan Agreement.

(j) Guarantor Default. The death of a guarantor, or any default in the payment or performance of any obligation of any guarantor of either Note arising under its guaranty or pursuant to any of the other Loan Documents.

(k) Borrower's Continued Existence. Borrower shall cease to exist or to be qualified to do or transact business in the State in which the Mortgaged Property is located or be dissolved or shall be

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a party to a merger or consolidation, or shall sell all or substantially all of its assets, or the death of any individual being a Borrower.

(l) Stock or Membership in Borrower. If, without the prior written consent of Bank, any shares of stock or membership interests of Borrower are issued, sold, transferred, conveyed, assigned, mortgaged, pledged, or otherwise disposed of so as to result in change of control of Borrower, whether voluntarily or by operation of law, and whether with or without consideration, or any agreement for any of the foregoing is entered into; or, if Borrower is a partnership, any general partnership interest or other equity interest in the partnership is sold, transferred, assigned, conveyed, mortgaged, pledged, or otherwise disposed of, whether voluntarily or by operation of law, and whether with or without consideration, or any agreement for any of the foregoing is entered into, or any general partner of Borrower withdraws from the partnership.

(m) Stock or Membership of Borrower's Partner of Manager. If, without the prior written consent of Bank, any shares of stock of any corporation or any membership interest of any limited liability company that is a general partner or manager of Borrower are issued, sold, transferred, assigned, conveyed, mortgaged, pledged or otherwise disposed of, whether voluntarily or by operation of law, and whether with or without consideration, or any agreement for any of the foregoing is entered into, executed or delivered.

(n) Transfer of Property or Ownership. Except as the Loan Agreement may permit otherwise, any sale, conveyance, transfer, assignment, or other disposition of all or any part of the Collateral or any ownership interest in Borrower or any guarantor in violation of the Section below titled "Transfers."

(o) False Statement. Any statement or representation of Borrower or any guarantor contained in the loan application or any financial statements or other materials furnished to Bank or any other lender prior or subsequent to the making of the loans secured hereby are discovered to have been false or incorrect or incomplete.

(p) Default Under Indemnity. Borrower or any guarantor shall default under any obligation imposed upon Borrower by any indemnity whether contained within any of the Loan Documents, the Indemnity, or otherwise subject to Borrower's right to cure as provided in the Loan Agreement. Any of the foregoing defaults by either **ADAMS HOMES OF NORTHWEST FLORIDA, INC** or **ADAMS HOMES, LLC** shall be deemed a default by both of them.

22. REMEDIES. Upon the occurrence and continuance, if applicable, of any Default, subject to Borrower's rights to cure as provided in the Loan Agreement, Bank may exercise any one or more of the following rights and remedies, in addition to all other rights and remedies otherwise available at law or in equity:

(a) Other Documents. To pursue any right or remedy provided by the Loan Documents.

(b) Acceleration. To declare the entire unpaid amount of the Debt together with all accrued and unpaid interest thereon immediately due and payable with interest to be due thereon at the Default Rate set forth in the Note whereupon all such Debt shall forthwith become due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and the Bank may immediately enforce payment of all such amounts and may exercise any or all of its rights and remedies under this Mortgage, the Note, any of the other Security Documents or Loan Documents and applicable law. The Borrower also waives any and all rights the Borrower may have to a hearing before any judicial authority prior to the exercise by the Bank of any of its rights under this Mortgage, the Note, any of the other Security Documents and applicable law.

(c) Access to the Mortgaged Property; Operation of the Mortgaged Property by the Bank. In addition to all other rights herein conferred on the Bank, the Bank (or any person, firm or corporation designated by the Bank) may, but will not be obligated to, enter upon, and without taking possession thereof, inspect or cause to be inspected, the Mortgaged Property, including testing for hazardous substances, and/or to take possession of any or all of the Mortgaged Property, exclude the Borrower therefrom, and hold, use, administer, manage and operate the same to the extent that the Borrower could do so, without any liability to the Bank resulting therefrom; and the Bank may collect, receive and receipt for all proceeds accruing from such operation and management, make repairs and purchase needed additional property, and exercise every power, right and privilege of the Borrower with respect to the Mortgaged Property.

(d) Judicial Proceedings; Right to Receiver. In lieu of, or in addition to, exercising the power of sale hereinafter given, the Bank may proceed by suit to foreclose its lien on, security interest in, and assignment of, the Mortgaged Property and Collateral, to sue the Borrower for damages on account of or arising out of said default or breach, or for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy. The Bank shall be entitled, as a matter

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of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the Borrower or any other party, of a receiver of the rents, issues and profits of the Mortgaged Property, with power to lease and control the Mortgaged Property and with such other powers as may be deemed necessary to include, without limitation, the power to take charge of, manage, preserve, protect, complete construction of, rent, and operate the Mortgaged Property and any of Borrower's business or businesses situated thereon, or any combination thereof; to collect the Rents; to make all necessary and needed repairs; to pay all taxes, assessments, insurance premiums and all other costs incurred in connection with the Mortgaged Property; and, after payment of the expenses of the receivership, including reasonable attorneys' fees and other costs and expenses related to the enforcement of the Security Documents, and after compensation to the receiver for any of the services described herein or pursuant hereto, to apply all net proceeds derived therefrom in reduction of the Debt or in such other manner as the court shall direct. The appointment of such receiver shall be a matter of strict right to Bank, regardless of the adequacy of the security or of the solvency of any party obligated for payment of the Debt. All expenses, fees and compensation incurred pursuant to any such receivership shall be secured by the lien of this Mortgage until paid. The receiver, personally or through agents, may exclude Borrower wholly from the Mortgaged Property and have, hold, use, operate, manage and control the Mortgaged Property and may, in the name of Borrower, exercise all of Borrower's rights and powers to maintain, construct, operate, restore, insure and keep insured the Mortgaged Property in such manner as such receiver deems appropriate.

(e) Foreclosure Sale. To foreclose this Mortgage as now provided by law in case of past due mortgages, and the Bank shall be authorized at its option, whether or not possession of the Mortgaged Property is taken, after giving twenty-one days notice by publication once a week for three consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in the county wherein the Mortgaged Property or any part thereof is located, to sell the Mortgaged Property (or such part or parts thereof as the Bank may from time to time elect to sell) in front of such county's courthouse door, at public outcry, to the highest bidder for cash. The Bank, its successor and assigns, may bid at any sale or sales had under the terms of this Mortgage and may purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money. At any foreclosure sale, any part or all of the Mortgaged Property, real, personal or mixed, may be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Borrower hereby waiving the application of any doctrine of marshalling or like proceeding. In case the Bank, in the exercise of the power of sale herein given, elects to sell the Mortgaged Property in parts or parcels, sales hereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Mortgaged Property not previously sold shall have been sold or all the Debt secured hereby shall have been paid in full.

(f) Code Rights. To exercise any right or remedy available to Bank as a secured party under the Uniform Commercial Code as adopted by the State of Alabama, as it from time to time is in force and effect, with respect to any portion of the Collateral then constituting property subject to the provisions of such Code; or Bank, at its option, may elect to treat the Collateral as real property, or an interest therein, for remedial purposes. Such Code rights include, without limitation, the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Collateral and any part or parts thereof in any manner to the fullest extent authorized or permitted under such Code after default hereunder, without regard to preservation of the Collateral or its value and without the necessity of a court order. The Bank shall have, among other rights, the right to take possession of the Collateral and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Bank; at its option and its sole discretion, to repair, restore or otherwise prepare the Collateral for sale, lease or other use or disposition. At the Bank's request the Borrower shall assemble the Collateral and make the Collateral available to the Bank at any place designated by the Bank. To the extent permitted by law, the Borrower expressly waives any notice of sale or any other disposition of the Collateral and any rights or remedies of the Bank with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Collateral or to the exercise of any other right or remedy of the Bank existing after default. To the extent that such notice is required and cannot be waived, the Borrower agrees that if such notice is given to the Borrower at least ten (10) days before the time of the sale or other disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving said notice.

Borrower hereby grants the Bank the right, at its option after default hereunder, to transfer at any time to itself or its nominee the Collateral or any part thereof and to receive the monies, income, proceeds and benefits attributable to the same and to hold the same as Collateral or to apply it on the Debt in such order and amounts and manner as the Bank may elect. The Borrower covenants and agrees that all recitals in any instrument transferring, assigning, leasing or making other disposition of the Collateral or any part thereof shall be full proof of the matters stated therein and no other proof shall be required to establish the legal propriety of the sale or other action taken by the Bank and that all prerequisites of sale shall be presumed conclusively to have been performed or to have occurred.

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(g) Set-Offs. To set-off against any accounts, deposits, certificates of deposit of Borrower, its general partners, if applicable, and any endorsers, sureties, guarantors, and all others who are, or who may become liable for the payment of the Debt now or hereafter in the possession of Bank. Borrower and such other parties authorize and empower Bank, in its sole discretion, at any time after the occurrence of a Default hereunder, or under the other Loan Documents, to appropriate and, in such order as Bank may elect, apply any such money, deposits, or property to the payment of the Debt.

(h) Rents and Leases.

(i) The Bank, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies with respect to Rents and leases:

(A) to terminate automatically, without the necessity of taking any action, the license granted to the Borrower in the Section above titled "Assignment of Rents, Leases, Profits, and Contract Rights" hereof to collect the Rents, and without taking possession, in the Bank's own name to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefor, and after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorney's fees, to apply the net proceeds thereof to the Debt in such order and amounts as the Mortgagee may choose (or hold the same in a reserve as security for the Debt);

(B) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the Mortgaged Property or any part thereof for the account of the Borrower, make, modify, enforce, cancel or accept surrender of any lease, remove and evict any lessee or sublessee, increase or reduce rents, decorate, clean and make repairs, and otherwise do any act or incur any cost or expenses the Bank shall deem proper to protect the security hereof, as fully and to the same extent as the Borrower could do if in possession, and in such event to apply any funds so collected to the operation and management of the Mortgaged Property (including payment of reasonable management, brokerage and attorney's fees) and payment of the Debt in such order and amounts as the Bank may choose (or hold the same in reserve as security for the Debt); and

(C) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Bank under this Mortgage.

(ii) The collection of the Rents and application thereof (or holding thereof in reserve) as aforesaid or the entry upon and taking possession of the Mortgaged Property or both shall not cure or waive any default or waive, modify or affect any notice of default under this mortgage, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by the Bank, once exercised, shall continue for so long as the Bank shall elect, notwithstanding that the collection and application of aforesaid of the Rents may have cured the original default. If the Bank shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

(i) Application of Proceeds. All payments received by the Bank as proceeds of the Collateral , or any part thereof, as well as any and all amounts realized by the Bank in connection with the enforcement of any right or remedy under or with respect to the Mortgage, shall be applied by the Bank as follows: (i) to the payment of all necessary expenses incident to the execution of any foreclosure sale or sales or other remedies under this Mortgage, including reasonable attorneys' fees as provided herein and in the Note, the Loan Agreement and other Security Documents and Loan Documents, (ii) to the payment in full of any Debt that is then due and payable (including without limitation principal, accrued interest and all other sums secured hereby) and to the payment of attorneys' fees as provided herein and in the Note, (iii) to a cash collateral reserve fund the be held by the Bank in an amount equal to, and is security for, any of the Debt that is not then due and payable, and (iv) the remainder, if any, shall be paid to the Borrower or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

(j) Multiple Sales. Upon the occurance of an Event of Default or at any time thereafter, the Bank shall have the option to proceed with foreclosure, either through the courts or by proceeding with foreclosure as provided for in this Mortgage, but without declaring the whole Debt due. Any such sale may be made subject to the unmatured part the Debt this Mortgage, and such sale, if so made, shall not in any manner affect the unmatured part of the Debt secured by this Mortgage, but as to such unmatured part of the Debt this Mortgage shall remain in full force and effect as though no sale had been made under the provisions of this paragraph. Several sales may be made under the provisions of this paragraph without exhausting the right of sale for any remaining part of the Debt whether then matured or unmatured, the purpose hereof being to provide for a foreclosure and the power to sell the Mortgaged Property for any other part of the Debt, whether matured at the time or subsequently maturing.

(k) Waiver of Appraisement Laws. The Borrower waives, to the fullest extent permitted by law, the belefit of all laws now existing or hereafter enacted providing for (i) any appraisement before sale of any portion of the Mortgaged Property (commonly known as appraisement laws), or (ii) any extension of time for the enforcement of the collection of the Debt or any creation or

extension of a period of redemption from any sale made in collecting the Debt (commonly known as stay laws and redemption laws).

(l) Other Security. To proceed to realize upon any and all other security for the Debt in such order as Bank may elect; no such action, suit, proceeding, judgment, levy, execution or other process will constitute an election of remedies by Bank or will in any manner alter, diminish or impair the lien and security interest created by this Mortgage or any other Security Documents unless and until the Debt is paid in full.

(m) Advances. To advance such monies and take such other action as is provided for and authorized in this Mortgage.

23. LIMITATION OF BORROWER'S REMEDIES. In the event that a claim or adjudication is made that Borrower has acted unreasonably or unreasonably delayed acting in any case where by law or under either Note, this Mortgage or the Other Security Documents it has an obligation to act reasonably or promptly, Bank shall not be liable for any monetary damages, and Borrower's remedies shall be limited to injunctive relief or declaratory judgment.

24. WAIVER OF CERTAIN RIGHTS. Borrower will not claim, take or insist upon any benefit or advantage of any present or future stay, extension, redemption or moratorium law that may affect Borrower's obligations hereunder, or any law providing for the valuation or appraisal of the Mortgaged Property or any portion thereof prior to any sale or sales that may be made under or by virtue of this Mortgage. Borrower, for itself and all who may claim under Borrower, waives, to the extent that it lawfully may, all rights to have the Mortgaged Property and any other security for the Debt marshaled upon any foreclosure or otherwise. Borrower hereby waives and renounces all homestead and exemption rights provided for by the laws of the United States of America and of any state, including Alabama, in and to the Mortgaged Property as against the collection of the Debt, or any part thereof.

25. FURTHER ASSURANCES. Borrower, from time to time, will execute, acknowledge, subscribe and deliver to or at the direction of Bank such documents and further assurances as Bank may reasonably require for the purpose of evidencing, perfecting or confirming the lien and security interest created by this Mortgage, or the security intended to be afforded by the Loan Documents, or both. Without limitation of the foregoing, Borrower will defend, indemnify and hold Bank harmless with respect to any suit or proceeding in which the validity, enforceability or priority of the lien or security interest, or both, is endangered or contested, directly or indirectly, and will provide Bank with such security for the defense of any such suit or proceeding as Bank reasonably may require. If Borrower fails to undertake the defense of any such claim in a timely manner, or fails to furnish Bank with reasonable security for such defense, or, in Bank's sole but reasonable determination, fails to prosecute such defense with due diligence, then Bank is authorized to take, at the expense of Borrower, all necessary and proper action in defense of any such claim, including the retention of legal counsel, the prosecution or defense of litigation and the compromise or discharge of claims, including payment of all costs and reasonable attorneys' fees. All costs, expenses and losses, if any, so incurred by Bank, including reasonable attorneys' fees, regardless of whether suit is brought and, if suit is brought, for all administrative, trial and appellate proceedings, if any, will constitute advances by Bank as provided in the Section above titled "Advances."

26. CUMULATIVE RIGHTS AND NON-WAIVER. No right or remedy conferred upon or reserved to Bank by this Mortgage or in any of the other Loan Documents is intended to be exclusive of any other right or remedy; and each and every right and remedy is cumulative and in addition to any other right or remedy otherwise available. Every right, power, privilege and remedy granted Bank by this Mortgage or any of the other Loan Documents, or both, or otherwise available at law or in equity may be exercised by Bank from time to time as often as Bank deems expedient until the Debt is paid in full. Bank's failure to insist at any time upon the strict observance or performance by Borrower of any of the provisions of this Mortgage or in any of the other Loan Documents, or to exercise any right or remedy provided for in this Mortgage or in any of the other Loan Documents, will not impair any such right or remedy or be construed as a waiver or relinquishment thereof for the future. Receipt by Bank of any payment required to be made pursuant to any of the Loan Documents with knowledge of the breach of any provision of any of the Loan Documents will not constitute a waiver of such breach. In addition to all other remedies provided in this Mortgage, Bank will be entitled, to the extent permitted by applicable law, to injunctive relief in the case of a violation or attempted or threatened violation of any of the provisions of the Loan Documents or to a decree ordering performance of any of the provisions of any of the foregoing.

27. JUDGMENT. Bank may seek and recover a judgment for all amounts due and payable in accordance with either Note or under this Mortgage either before, after or during the pendency of any other proceedings or action to obtain relief under or with respect to any of the Loan Documents. Bank's right to seek and recover any such judgment will not be affected by obtaining any other such relief. Bank will continue to be entitled to enforce payment of, and to seek and recover a judgment for, any portion of the Debt remaining due and payable after the application of any proceeds of any sale of the Collateral pursuant to law. Neither the lien nor security interest of this Mortgage, nor any rights or remedies of Bank hereunder or under any of the Loan Documents, will be impaired in any way by the recovery of any

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judgment by Bank against Borrower or any guarantor of the Debt, or by the levy of an execution under such judgment upon any portion of the Collateral, until the Debt is paid in full.

28. INDEMNIFICATION. Borrower has read and does hereby approve the legal description of the Land which is the subject of this Mortgage as set forth on the first page of this Mortgage or in Exhibit "A" attached hereto, and hereby indemnifies Bank, its successors or assigns, and their attorneys with respect to any liability which might arise as a consequence of any inaccuracy of said description.

29. RELEASES AND EXTENSIONS BY BANK. Bank, from time to time, without notice to any person and without affecting the liability of Borrower or of any guarantor or of any other person (other than any person expressly released by Bank in writing) for the payment of any of the Debt, and without affecting the priority or extent of the lien and security interest of this Mortgage (except as to property specifically released by Bank in writing), may do any or all of the following: (i) release in whole or in part any person liable for payment of any or all of the Debt; or (ii) extend the time or otherwise alter the terms of payment of the Debt, in whole or in part; or (iii) accept additional or substitute security of any kind; or (iv) release or otherwise deal with all or any portion of the Collateral.

At Borrower's request, Bank will release the lien of this Mortgage and the related security documents upon individual lots/units within the Mortgaged Property, upon Borrower's compliance with the requirements set forth in the Loan Agreements.

30. NOTICES. Any notice or demand that must or may be given or made in connection with this Mortgage must be in writing and, unless receipt is expressly required, will be deemed given, delivered or made, as the case may be, when delivered by personal delivery or when mailed by Express Mail, by overnight delivery service of a nationally-recognized company, or by certified or registered mail, return receipt requested, in any event, with sufficient postage affixed, and addressed to the parties at the addresses written on the first page of this Mortgage or on the signature pages of this Mortgage. Such addresses may be changed by notice pursuant to this paragraph. Notice of change of address is effective only upon receipt. All of the persons executing this Mortgage as Borrower severally agree that a single notice to Borrower in the manner provided in this paragraph will be effective to bind each such person for all purposes.

31. TRANSFERS. Except as to sales of lots and homes in the ordinary course of business, Borrower may not sell, convey, assign, transfer or otherwise dispose of any interest in all or any portion of the Collateral, or any ownership interest in Borrower or any guarantor. Whether such transfer is voluntary or involuntary, or by operation of law (other than in connection with the death, disability or incompetency of any individual Borrower), any such transfer will be void as to Bank, and constitute an immediate Default under this Mortgage, without notice, in the sole discretion of Bank. Bank's consent to any transfer, sale, or conveyance hereunder shall not be deemed a consent to any subsequent transfer, sale, or conveyance for which Bank's prior written approval has not been obtained. All sales or leasing of lots or units or other property which is part of the Collateral shall be conducted on a basis which is fully consistent with the letter and spirit of all State, Federal, and local Equal Credit Opportunity and Equal Housing Opportunity statutes, ordinances, and regulations.

32. REPLACEMENT OF NOTE. Upon receipt of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of either Note, or any amendment or modification thereto, including without limitation any renewal note or additional note, and in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement, reasonably satisfactory to Borrower or, in the case of any such mutilation, upon surrender of such mutilated note, Borrower will execute and deliver, in lieu thereof, a replacement Note, identical in form and substance to the applicable Note and dated as of the date of that Note and upon such execution and delivery all references in any of the Loan Documents to the applicable Note shall be deemed to refer to the replacement Note.

33. FUTURE ADVANCE MORTGAGE. This Mortgage is a future advance mortgage and the $35,000,000 debt evidenced by the Note is to be advanced by the Bank to the Borrower in accordance with the terms of the Loan Agreement.

34. GENERAL. The provisions of this Mortgage inure to the benefit of Bank and its successors and assigns, and bind all persons executing this Mortgage as Borrower and their respective heirs, legal representatives, successors and assigns, jointly and severally, and all persons now or hereafter claiming any right, title and interest in and to any of the property, real, personal or mixed, tangible or intangible, now or hereafter existing or any substitutions or replacements thereof and described in this Mortgage as the Collateral. The provisions of this Mortgage are to be interpreted, construed, applied and enforced in accordance with the laws of the State of Alabama. The provisions of the Loan Documents are severable at Bank's option so that if any provision is declared by a court of competent jurisdiction to be invalid or unenforceable, no other provision will be affected by such invalidity or unenforceability, but will remain in force and effect according to its original terms, if Bank so elects. Wherever used in this Mortgage or the other Loan Documents, or both, and unless expressly provided otherwise: (i) use of the singular includes the plural, and vice versa; (ii) use of one gender includes all genders; (iii) use of the term "include" or "including" is always without limitation; (iv) use of the words, "should," "must" and "will" has

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the same legal effect as the use of the word "shall"; (v) the term "day" means a banking day which shall be a day on which Bank and other banks are open for the transaction of business, excluding any national holidays, and any performance which would otherwise be required on a day other than a banking day shall be timely performed in such instance, if performed on the next succeeding banking day; (vi) any definition herein incorporating one or more documents or items shall refer to such items "singularly and collectively"; and (vii) "person" means any natural person or artificial entity having legal capacity. Section headings, paragraph headings and subheadings are for indexing purposes only and are not to be used to interpret, construe, apply or enforce the provisions of this Mortgage. Borrower and Bank intend the provisions of this Mortgage and the other Loan Documents to be interpreted, construed, applied and enforced so as to avoid inconsistencies or conflicting results; but if any such inconsistency or conflict necessarily occurs, Borrower and Bank intend that the provisions of the Loan Agreement control unless otherwise provided therein. This Mortgage may be amended only by a written instrument executed by Borrower and Bank with the same formalities as this Mortgage.

35. SATISFACTION. The lien and security interest provided by the Loan Documents will continue unimpaired and in full force and effect unless and until the Debt is paid in full, whereupon such lien and security interest will be without further force or effect, except that Borrower's indemnities for Taxes and Impositions and for Hazardous Substances as described herein shall survive until and unless expressly released in writing.

36. BORROWER AS TENANT HOLDING OVER. In the event of a foreclosure sale of the Mortgaged Property, Borrower shall be deemed a tenant holding over and shall forthwith deliver possession to Bank or any purchaser or purchasers at such sale or be summarily dispossessed according to provisions of the law of the State of Alabama applicable to tenants holding over.

37. TIME OF THE ESSENCE. Time is of the essence with respect to each and every covenant, agreement, and obligation of Borrower under this Mortgage and the other Loan Documents, and any and all other instruments now or hereafter evidencing, securing or otherwise relating to the Loan.

38. ORAL MODIFICATION INEFFECTIVE. No term of this Mortgage or any other of the Loan Documents, or such documents, may be waived, changed, modified, discharged, or terminated except by an instrument in writing signed by the party against which enforcement of the waiver, change, modification, discharge, or termination is sought.

39. HAZARDOUS SUBSTANCES. Borrower hereby affirms and incorporates by reference herein the representations, warranties, terms, conditions, and indemnities contained in the Environmental Certificate and Indemnity Agreement dated September 23, 2004 (the "Indemnity"), the terms and conditions of which are incorporated herein and made a part hereof.

40. DEFEASANCE. The Mortgage is made upon the condition that if the Borrower pays the Debt, and reimburses the Bank for any amounts the Bank has paid in respect of liens or insurance premiums, and interest thereon, and if the Borrower otherwise fulfills all of its other obligations under this Mortgage, this conveyance shall be null and void.

41. COLLECTION COSTS. The Borrower agrees to pay all costs, including reasonable attorneys' fees, incurred by the Bank in collecting or securing, or attempting to collect or secure, the Debt, or any part thereof, or in defending or attempting to defend the priority of this Mortgage against any Lien on the Mortgaged Property or the Collateral, unless this Mortgage is herein expressly made subject to any such Lien; and/or all costs incurred in the foreclosure of this Mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction. The full amount of such costs incurred by the Bank shall be a part of the Debt and shall be secured by this Mortgage.

42. NO OBLIGATIONS WITH RESPECT TO LEASES. The Bank shall not by virtue of this Mortgage or otherwise assume any duties, responsibilities, liabilities or obligations with respect to any leases, the Land, the Improvements, the Tangible Property, the Mortgaged Property or any of the other Collateral (unless expressly assumed by the Bank under a separate agreement in writing), and this Mortgage shall not be deemed to confer on the Bank any duties or obligations that would make the Bank directly or derivatively liable for any person's negligent, reckless or willful conduct. The Borrower agrees to defend, indemnify and save harmless the Bank from and against any and all claims, causes of action and judgments relating to the Borrower's performance of its duties, responsibilities and obligations under any leases and with respect to the Land, the Improvements, the Mortgaged Property, the Tangible Property, or any of the other Collateral.

43. CONSTRUCTION OF MORTGAGE. This Mortgage is and may be construed as a mortgage, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the lien hereof and the assignment and security interest created hereby and the purposes and agreements herein set forth.

44. WAIVER AND ELECTION. The exercise by the Bank of any option given under the terms of this Mortgage shall not be considered as a waiver of the right to exercise any other option given

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herein, and the filing of a suit to foreclose the lien, security interest and assignment granted by this Mortgage, either on any matured portion of the Debt or for the whole of the Debt, shall not be considered an election so as to preclude foreclosure under power of sale after a dismissal of the suit; nor shall the publication of notices for foreclosure preclude the prosecution of a later suit thereon. No failure or delay on the part of the Bank in exercising any right, power or remedy under this Mortgage shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. The remedies provided in this Mortgage and in the other Loan Documents are cumulative and not exclusive of any remedies provided by law. No amendment, modification, termination or waiver of any provisions of this Mortgage or any of the Loan Documents, nor consent to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed by an executive officer of the Bank, and then such waiver or consent shall be effective only in this specific instance and for the specific purpose for which given. No notice to, or demand on, the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

45. LANDLORD-TENANT RELATIONSHIP. Any sale of the Collateral under this Mortgage shall, without further notice, create the relationship of landlord and tenant at sufferance between the purchaser and the Borrower.

46. APPLICATION OF PAYMENTS. If the lien, assignment or security interest created by this Mortgage is invalid or unenforceable as to any part of the Debt or is invalid or unenforceable as to any part of the Collateral, the unsecured or partially secured portion of the Debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Debt, and all payments made on the Debt, whether voluntary or under foreclosure or other enforcement action or procedures, shall be considered to have been first paid on, and applied to, the full payment of that portion of the Debt which is not secured or not fully secured by said lien, assignment or security interest created hereby.

47. PARTIAL PAYMENTS. Acceptance by the Mortgagee of any payment of less than the full amount due on the Debt shall be deemed acceptance on account only, and the failure of the Mortgagor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Debt has been paid, the Mortgagee shall be entitled to exercise all rights conferred on it by the terms of this mortgage in case of the occurrence of an Event of Default.

48. WAIVER OF JURY TRIAL. BANK AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK MAKING THIS LOAN TO BORROWER.

[Signatures on following page]

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04/12/2006 03:23:03PM FILED/CERT

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IN WITNESS WHEREOF, Borrower has executed and delivered this Mortgage as of the date stated above.

ADAMS HOMES, LLC,
an Alabama limited liability company

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

By: _____
Wayne L. Adams, President

BY: _____
Wayne L. Adams, Individually, Member

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

By: _____
Wayne L. Adams, President

AS ITS SOLE MEMBERS

STATE OF FLORIDA
COUNTY OF Santa Rosa

The foregoing instrument was acknowledged before me this 30th day of March, 2006 by Wayne L. Adams as President of Adams Homes of Northwest Florida, Inc. a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Shauna L. Kirby
My Commission DD240876
Expires December 07 2007

NOTARY PUBLIC:
Signature: Shauna L Kirby
State of Florida at Large
MY COMMISSION EXPIRES: 12/7/07

STATE OF FLORIDA
COUNTY OF Santa Rosa

The foregoing instrument was acknowledged before me this 30th day of March, 2006 by Wayne L. Adams as President of Adams Homes of Northwest Florida, Inc., a Florida corporation, as Member of Adams Homes LLC, an Alabama limited liability company, on behalf of the corporation and limited liability company. He is personally known to me or has produced _____ as identification.

Shauna L. Kirby
My Commission DD240876
Expires December 07 2007

NOTARY PUBLIC:
Signature: Shauna L Kirby
MY COMMISSION EXPIRES: 12/7/07

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STATE OF FLORIDA
COUNTY OF Santa Rosa

The foregoing instrument was acknowledged before me this 30th day of March, 2006, by Wayne L. Adams, as Member of Adams Homes, LLC, an Alabama limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

Shauna L. Kirby
My Commission DD240876
Expires December 07 2007

NOTARY PUBLIC:
Signature: Shauna L Kirby
MY COMMISSION EXPIRES: 12/7/07

Exhibit "A"

Lots 1 through 74, inclusive, Stoney Meadows Phase 1, according to the map of plat as recorded in Map Book 36, Page 107, together with the Affidavit of Michael R. Bridges, PLS, for Stoney Meadows Subdivision Phase 1, as recorded March 23, 2006 as Document No. 20060323000138000, in the Office of the Judge of Probate of Shelby County, Alabama.