

STATE OF ALABAMA
COUNTY OF SHELBY


20061228000631620 1/12 \$45.00
Shelby Cnty Judge of Probate, AL
12/28/2006 10:23:14AM FILED/CERT

**COMMERCIAL MORTGAGE
ASSIGNMENT OF RENTS AND LEASES
AND
SECURITY AGREEMENT**

THIS MORTGAGE IS FILED AS, AND SHALL CONSTITUTE BOTH A MORTGAGE AND A
FIXTURE FILING IN ACCORDANCE WITH THE ALABAMA UNIFORM COMMERCIAL CODE.

Mortgagee: MUTUAL SAVINGS CREDIT UNION
Mortgagee's Address: P.O. Box 362045, Birmingham, AL 35236

Mortgagor(s): **Innovative Combustion Technologies, Inc.**

Mortgagor's Address: 2367 Lakeside Drive, Birmingham, AL 35244

Principal Sum: **\$210,000.00**

Date Mortgage Executed: December 22, 2006 Maturity Date: December 22, 2011

County Where Property is Situated: **Shelby**

THIS MORTGAGE, made and entered into this day as stated above as "Date Mortgage Executed," by and between the
above stated "Mortgagor" (hereinafter referred to as "Mortgagor", whether one or more) and the above stated "Mortgagee".

WITNESSETH:

WHEREAS, said Mortgagor, is justly indebted to Mortgagee in the above stated "Principal Sum" together with
any advances hereinafter provided, in the lawful money of the United States, which indebtedness is evidenced by a
Commercial Loan Closed-End Variable Rate Promissory Note ("Note") of even date herewith which bears interest as
provided therein and which is payable in accordance with its terms, with the entire Debt, if not sooner paid, due and
payable on the above stated "Maturity Date."

NOW THEREFORE, in consideration of the premises and of said indebtedness and in order to secure prompt
payment of the same according to the terms and stipulations contained in said Note and any and all extensions and
renewals thereof, or of any part thereof, and any other amounts that the Mortgagee or its successors or assigns may
advance to the Mortgagor before the payment in full of said Mortgage indebtedness, and any additional interest that may
become due on any such extensions, renewals and advances or any part thereof (the aggregate amount of such debt,
including any extensions, renewals, advances and interest due thereon, is hereinafter collectively called "Debt") and
compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the
Mortgagee, the real estate described as follows (hereinafter "Mortgaged Property"):

SEE EXHIBIT "A" ATTACHED HERETO

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TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns forever, together with all the improvements now or hereafter erected on the Mortgaged Property and all easements, rights, privileges, tenements, appurtenances, rents, royalties, mineral, oil and gas rights, water, water rights and water stock and all fixtures now or hereafter attached to the same Mortgaged Property, all of which, including replacements and additions thereto shall be deemed to be and remain a part of the Mortgaged Property covered by this Mortgage.

GENERAL PROVISIONS

Mortgagor further represents, warrants, covenants and agrees with Mortgagee as follows:

1. **Performance of Mortgage, Note and Loan Documents.** Mortgagor shall perform and comply with all provisions hereof, of the Note, and of the documents executed in connection herewith (hereinafter "Loan Documents"), and shall duly and punctually pay all indebtedness secured hereby, whether presently existing or hereafter incurred, with interest thereon, and any and every extension, renewal and modification thereof, or of any part thereof, and all interest on all such extensions, renewals, and modifications.
2. **Warranties of Title.** Mortgagor covenants with Mortgagee that it is lawfully seized in fee simple of the Mortgaged Property and has full power and right to sell and convey the same as aforesaid, that the said Mortgaged Property is free of all encumbrances except as set out in Exhibit "A", that the Mortgagee hereunder and its successors and assigns shall quietly enjoy and possess the same; and Mortgagor will warrant and forever defend the title to said Mortgaged Property unto Mortgagee, its successors, and assigns, against lawful claims of all persons.
3. **Future Advances and Other Debts.** It is the Mortgagor's expressed intention that the continuing grant of the Mortgaged Property by this Mortgage shall secure the payment and performance of all of the indebtedness of Mortgagor to Mortgagee, whether now existing or hereinafter incurred by future advances; whether such indebtedness be absolute, direct, contingent, or otherwise; and whether such indebtedness was contemplated by the parties at the time of the executing of this Mortgage.
4. **After-Acquired Property.** Without limitation to the generality of the other provisions of this Mortgage, it is hereby expressly covenanted, agreed and acknowledged that the lien and rights herein automatically will attach to any further, greater, additional, or different estate, rights, titles or interest in or to any of the Mortgaged Property at any time acquired by the Mortgagor by whatsoever means, including that in the event that the Mortgagor is the owner of an estate or interest in the Mortgaged Property or any part thereof (such as, for example, as the lessee or tenant) other than as the fee simple owner thereof, and prior to the satisfaction of record of this Mortgage the Mortgagor obtains or otherwise acquires such fee simple or other estate, then such further, greater, additional, or different estate in the Mortgaged Property, or a part thereof, shall automatically, and without any further action or filing or recording on the part of the Mortgagor or the Mortgagee or any other person or entity, be and become subject to this Mortgage and the lien hereof. In consideration of Mortgagee making the loan as evidenced by the Note, and to secure the Debt, Mortgagor hereby grants, bargains, sells, and conveys to Mortgagee, on the same terms as set forth in this Mortgage and intended to be a part hereof, all such after-acquired property and estates.
5. **Taxes, Utilities, and Liens.** The Mortgagor shall pay promptly, when and as due, and, if requested, will exhibit promptly to the Mortgagee receipts for the payment of all taxes, assessments, water rates, utility charges, dues, charges, fines, penalties, costs and other expenses incurred, and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied, or assessed upon or against the Mortgaged Property or any part thereof, or upon the revenues, rents, issues, and profits of the Mortgaged Property or arising in respect to the occupancy, use or possession thereof, or upon the interest of the Mortgagee in the Mortgaged Property, or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property. Such taxes, assessments, and other charges shall not be permitted to become delinquent or to take priority over the lien of this Mortgage.

In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes, then Mortgagor shall immediately pay any increased taxes if allowed by law, and if Mortgagor fails to pay such additional taxes, or if Mortgagor is prohibited from paying such taxes, or if Mortgagee in any way is adversely affected by such law, order, rule, or regulation, then in any such events, all indebtedness secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the Mortgagee.

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6. **Monthly Tax Deposit.** If Mortgagee requires, Mortgagor shall pay on the first day of each month one-twelfth (1/12) of the yearly taxes on the Mortgaged Property, as estimated by Mortgagee, in addition to each regular installment of principal and interest. Such sums shall not draw interest and shall not be, nor deemed to be, trust funds, but may be commingled with Mortgagee's general funds. Mortgagor agrees to pay Mortgagee the amount of any deficiency necessary to enable Mortgagee to pay such taxes when due. If an Event of Default shall occur under this Mortgage or under the Note, any of the Loan Documents, or any of the other indebtedness instruments, such amount may be applied by Mortgagee to the reduction of the indebtedness secured hereby in any manner selected by Mortgagee. However, unless otherwise agreed by Mortgagee in writing, no application of tax deposits to the Note, to other indebtedness, or to other obligations secured hereby, shall delay, reduce, alter or otherwise affect any regularly scheduled payment with respect to the Note, the other indebtedness, or any such other obligations.
7. **Failure to Insure; Nonpayment of Liens or Assessments.** If Mortgagor shall fail to insure said property as hereinabove provided, or to pay all or any part of the taxes or assessments levied, accrued, or assessed upon or against interest of Mortgagee or Mortgagor, or fails to pay immediately and discharge any and all liens, debts, and/or charges which might become liens superior to the lien of this Mortgage, then Mortgagee may, at its option, insure said property and/or pay said taxes, assessments, debts, liens, and/or charges. Any money which Mortgagee shall have so paid or become obligated to pay shall constitute a debt to Mortgagee additional to the debt hereby specifically secured, shall be secured by this Mortgage, shall bear the highest legal interest from date paid or incurred at the rate set forth in the Note plus two percentage points (2%), and, at the option of the Mortgagee, shall be immediately due and payable.
8. **Hazard Insurance.** For the benefit of Mortgagee, Mortgagor will constantly keep in force fire and extended coverage insurance policies with respect to any and all buildings or equipment on said Mortgaged Property. Such insurance will be provided in such a manner by such companies and for such amounts as may be required by Mortgagee, with Mortgagee shown as Mortgagee and Loss Payee under a standard New York non-contributory Mortgagee/Loss Payee endorsement making losses payable to Mortgagee.

Mortgagor covenants to pay the premium on such policy or policies when due, to deliver to the Mortgagee upon its request the official receipts for such premium payments, and upon issuance of such policies to promptly deposit them with the Mortgagee as collateral security for the payment of the indebtedness hereby secured.

Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Mortgagee instead of to the Mortgagor and Mortgagee jointly. After deducting from said insurance proceeds any expenses incurred by Mortgagee in the collection or handling of said funds, Mortgagee may apply the net proceeds, at its option, either toward repairing or restoring the improvements on the Mortgaged Property, or as a credit on any portion of the Mortgagor's Debt selected by Mortgagee, whether then matured or to mature in the future, or at the option of the Mortgagee, such sums either wholly or in part may be used to repair such improvements, or to build new improvements in their place or for any other purpose and in a manner satisfactory to the Mortgagee, all without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. Mortgagee shall not be liable to Mortgagor or otherwise responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

Mortgagor further covenants that all insurance policies will contain a clause that prohibits them from being cancelled upon less than twenty (20) days notice to Mortgagee, and to deliver to the Mortgagee at least twenty (20) days before the expiration of all such insurance policies a renewal of such policy or policies, together with official receipts for the payment of the premium thereon.

Mortgagor hereby transfers, assigns, sets over, and delivers to Mortgagee the fire and other insurance policies covering said property and any and all renewals thereof, the premiums on which have been or shall be paid by Mortgagor, and further agrees that all such insurance and insurance policies shall be held by Mortgagee as a part of the security for said indebtedness, and shall pass to, and become the property of, the purchaser at any foreclosure sale hereunder, without the necessity of specifically describing said insurance or insurance policies in the foreclosure notice, sale, deed, or other proceedings in consummation of such foreclosure.

If the Mortgagor fails to keep said property insured as above specified, then Mortgagee may, at its option, insure said property for its insurable value against loss by fire and other hazards, casualties, and

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contingencies, for its own benefit, and any amount which may be expended for premiums on such insurance policies shall be secured by the lien of this mortgage and bear interest from the date of payment by Mortgagee at the rate set forth in the Note plus two percentage points (2%).

If Mortgagee requires, Mortgagor shall pay on the first day of each month one-twelfth (1/12) of the yearly insurance premium on the Mortgaged Property, as estimated by Mortgagee, in addition to each regular installment of principal and interest. Such sums shall not draw interest and shall not be, nor be deemed to be, trust funds, but may be commingled with Mortgagee's general funds. Mortgagor agrees to pay Mortgagee the amount of any deficiency necessary to enable Mortgagee to pay such insurance premiums when due. If an Event of Default shall occur under this Mortgage or under the Note, any of the Loan Documents, or any of the other indebtedness instruments, such amount may be applied by Mortgagee to the reduction of the indebtedness secured hereby in any manner selected by Mortgagee. However, unless otherwise agreed by Mortgagee in writing, no application of insurance premiums to the Note, to other indebtedness, or to other obligations secured hereby, shall delay, reduce, alter or otherwise affect any regularly scheduled payment with respect to the Note, the other indebtedness, or any such other obligations.

Mortgagor agrees to give Mortgagee notice in writing of any damage to the Mortgaged Property caused by fire or other casualty within ten (10) days after the occurrence of any such damage.

9. **Covenant Against Waste; Care of the Property.** The Mortgaged Property and the improvements thereon shall be kept in good condition and no waste committed or permitted thereon, reasonable natural wear and tear excepted. No building or other improvement on the Mortgaged Property shall be structurally altered, removed or demolished, without the Mortgagee's prior written consent, nor shall any fixture or chattel covered by the Mortgage and adapted to the proper use and enjoyment of the Mortgaged Property be removed at any time without like consent. In the event of any breach of this covenant the Mortgagee may, in addition to any other rights or remedies, at any time thereafter, declare the whole of the indebtedness secured by this Mortgage immediately due and payable.

Mortgagee is hereby authorized to enter upon and inspect the Mortgaged Property, and to inspect the Mortgagor's or Mortgagor's agent's records with respect to the ownership, use, management and operation of the Mortgaged Property, at any time during normal business hours.

10. **Mechanic's and Materialmen's Liens Prohibited.** Any lien which may be filed under the provisions of the statutes of Alabama, relating to the liens of mechanics and materialmen, shall be promptly paid and discharged by Mortgagor and shall not be permitted to take priority over the lien of this Mortgage, provided that Mortgagor, upon first furnishing to Mortgagee reasonable security for the payment of all liability, costs, and expenses of the litigation, may in good faith contest, at Mortgagor's expense, the validity of any such lien or liens. In those instances where Mortgagee's title policy protects it against such lien or liens such title policy shall be deemed to be sufficient security. Determination of whether said title policy protects Mortgagee shall be made solely by Mortgagee and shall be binding upon Mortgagor.
11. **Assignment of Condemnation Proceeds.** Notwithstanding that the assignment of awards hereinabove referred to shall be deemed to be self-executing, Mortgagor, after the allowance of a condemnation claim or award, and the ascertainment of the amount due thereon, and the issuing of a warrant by the condemnor for the payment thereof, shall execute, at Mortgagee's request, and forthwith deliver to Mortgagee, a valid assignment in recordable form, assigning all of such condemnation claims, awards or damages to Mortgagee, but not in excess of an amount sufficient to pay, satisfy, and discharge the principal sum of this Mortgage and any advances made by Mortgagee as herein provided then remaining unpaid, with interest thereon at the rate specified in the Note which this Mortgage secures, to the date of payment, whether such remaining principal sum is then due or not by the terms of said Note or of this Mortgage.
12. **Waiver of Exemption.** Mortgagor waives all rights of exemption pertaining to real or personal property as to any Debt secured by or that may be secured by this Mortgage, and Mortgagor waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Mortgaged Property be set off against any part of the Debt secured hereby.
13. **Governmental Compliance.** Mortgagor shall comply with all laws, governmental standards, and regulations applicable to Mortgagor or the Mortgaged Property with regards to occupational safety, hazardous waste and materials, and environmental matters. Mortgagor shall promptly notify the Mortgagee of its receipt of any nature of a violation by Mortgagor or the Mortgaged Property of any such law, standard, or regulation. Mortgagor represents and warrants to Mortgagee that there is not now, or will there be in the future, any asbestos or other harmful or regulated substances in the Mortgaged Property or on the Mortgaged Property or

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pending claims related thereto. Mortgagor shall indemnify and hold Mortgagee harmless for any and all loss incurred by Mortgagee as a result of Mortgagor's breach of this warranty and representation. This indemnification shall survive the payment of the Note, the exercise of any right or remedy under the Note or any Loan Document, any subsequent sale or transfer of the Mortgaged Property, and all similar or related events or occurrences.

ASSIGNMENT OF LEASES AND RENTS

14. **Assignment of Rents and Leases.** In consideration of Mortgagee's making the loan evidenced by the Note and for other good and valuable consideration, and to secure the prompt payment of the Debt, with the interest thereon, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Loan Documents, Mortgagor does hereby sell, assign, and transfer unto the Mortgagee all Leases and subleases of all or part of the Mortgaged Property, including without limitation the Existing Leases (if any), and all Rents. It is the intention of the parties that this assignment of rents and leases shall be a present assignment, and to hereby establish an absolute transfer and assignment (but not a delegation of duties) of all the said leases, subleases and agreements, and all that avails thereof, to the Mortgagee.
15. **Representations and Warranties Related to Existing Leases.** (a) Mortgagor has good title to the Existing Leases and Rents hereby assigned and good right to assign the same, and no other person, corporation or entity has any right, title or interest therein. (b) The Mortgagor has duly and punctually performed all and singular the terms, covenants, conditions and warranties of the Existing Leases on the Mortgagor's part to be kept, observed and performed. (c) The Mortgagor has not previously sold, assigned, transferred, mortgaged or pledged the Existing Leases or the Rents, whether now due or hereafter to become due. (d) No Rents due for any period subsequent to the month next succeeding the date of this Mortgage have been collected on the Existing Leases, and no payment of any of the Rents has otherwise been anticipated, waived, released, discounted, set off or otherwise discharged or compromised. (e) The Mortgagor has not received any funds or deposits from any lessee in excess of one month's rent for which credit has not already been made on account of accrued rents. (f) Mortgagor shall not renew or otherwise extend the term of the Existing Leases; provided, however, that nothing herein contained shall prevent the Mortgagor, upon expiration of the now-current term (or other expiration or termination) of the Existing Leases, from leasing the property covered thereby to the lessee thereunder by a lease or leases expressly subject and fully subordinate to the lien, assignment and security interest of this Mortgage. (g) To the best of the Mortgagor's knowledge, the lessees under the Existing Leases are not in default under any of the terms thereof.
16. **Covenants Relating to Rents and Leases.** The Mortgagor covenants and agrees that the Mortgagor shall: (a) observe, perform and discharge all obligations, covenants, and warranties provided for under the terms of the Leases to be kept, observed and performed by the Mortgagor, and shall give prompt notice to the Mortgagee in the event the Mortgagor fails to observe, perform, and discharge the same; (b) enforce or secure in the name of the Mortgagee the performance of each and every obligation, term, covenant, condition and agreement to be performed by any lessee under the terms of the Leases; (c) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the Mortgagor and any lessee thereunder, and, upon request by the Mortgagee to do so in the name and on behalf of the Mortgagee but at the expense of the Mortgagor, and to pay all costs and expenses of the Mortgagee, including reasonably attorney's fees, in any action or proceeding in which the Mortgagee may appear; (d) not receive or collect any Rents from any present or future lessee of the Mortgage Property or any of the Improvements, or any part thereof, for a period of more than one month in advance, or pledge, transfer, mortgage or otherwise encumber or assign future payments of the Rents; (e) not waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any lessee of the Mortgaged Property of and from any obligations, covenants, conditions and agreements by said lessee to be kept, observed and performed, including the obligation to pay rent in the manner and at the place and time specified in any Lease; (f) not cancel, terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof without, in each such instance, the prior written consent of the Mortgagee; (g) upon Mortgagee's request, furnish the Mortgagee with the name and address of all lessees under the Leases, the term of such Leases, a description of the premises covered thereby, and a copy of such Lease; and (h) execute all such further assignments of such Lease and the Rents therefrom as the Mortgagee may require.
17. **Mortgagee Shall Have No Obligations with Respect to Leases.** The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, subleases or rental agreements relating to the Mortgaged Property, and the Mortgagor shall

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become insolvent or bankrupt; (e) if a receiver of Mortgagor's or any of Mortgagor's guarantors' property be appointed; (f) if Mortgagor intentionally damages or attempts to remove any improvement upon said Mortgaged Property; (g) if all or any part of the Mortgaged Property is condemned; (h) if it is discovered after the execution and delivery of this instrument that there is a defect in the title to or a lien or encumbrance of any nature on said property prior to the lien hereof, or if there is an error or defect to any agreement between Mortgagor and Mortgagee for which this Mortgage is security or this instrument or in the execution or the acknowledgment thereof, or if a homestead claim is set up to said property or any part thereof adverse to this Mortgage, and if the said Mortgagor shall fail for thirty (30) days after demand by the Mortgagee, or other holder or holders of said indebtedness, to correct such defects in the title or to remove any such lien or encumbrance or homestead claim, or to correct any error in said agreements or this instrument or its execution; or (i) any law is passed imposing, or authorizing the imposition of, any specific tax upon this mortgage or the Debt or permitting or authorizing the deduction of any such tax from the principal of, or interest on, the Debt, or by virtue of which any tax, lien or assessment upon the Mortgaged Property shall be chargeable against the owner of this Mortgage.

22. **Acceleration of Debt.** Upon the occurrence of an Event of Default or at any time thereafter, the Mortgagee, or other holder or holders of the indebtedness secured by this Mortgage, or any part thereof, shall have the option or right, without notice or demand, to declare all of said indebtedness then remaining unpaid immediately due and payable, and may immediately or at any time thereafter foreclose this Mortgage by the power of sale hereunder described or by suit, as such Mortgagee, or other holder or holders of said indebtedness, may elect. Upon such acceleration of the Debt, the Mortgagor covenants to pay, in addition to all other amounts due, interest on the Debt until paid at the rate set forth in said Note.

23. **Access to Property; Foreclosure Sale.** Upon the occurrence of an Event of Default or at any time thereafter, in addition to all other rights herein conferred on the Mortgagee, the holder of the debt hereby secured shall have the right to enter upon and take possession of the Mortgaged Property either after or without taking such possession of the same, sell the Mortgaged Property at public outcry, in front of the courthouse door of the county wherein said Mortgaged Property is located, to the highest bidder for cash, either in person or by auctioneer, after first giving at least twenty-one (21) days' notice of the time, place, and terms of such sale by publication once a week for three (3) consecutive weeks in some newspaper published in said county, and, upon the payment of the purchase money, the Mortgagee or any person conducting said sale for it is authorized and empowered to execute to the purchaser at said sale a deed to the property so purchased in the name and on behalf of Mortgagor. The certificate of the holder of the mortgage indebtedness, appointing said auctioneer to make such sale, shall be prima facie evidence of his authority in the premises. Alternatively, the equity of redemption from this Mortgage may be foreclosed by suit in any court of competent jurisdiction as now provided by law in the case of past due mortgages. The Mortgagee, or the then holder of the indebtedness hereby secured, may bid at any such sale and become the purchaser of said property if the highest bidder thereon.

The proceeds of any such sale shall be applied (a) to the expenses incurred in making the sale, preparing the Mortgaged Property for sale, and in all prior efforts to effect collection of the indebtedness secured hereby, including reasonable attorney's fees, for such services as may be, or have been necessary in any one or more of the foreclosure of this Mortgage, or the collection of said indebtedness, and of the pursuit of any efforts theretofore directed to that end, including, but without limitation to, the defense of any proceedings instituted by the Mortgagor or anyone liable for said indebtedness or interest in the Mortgaged Property to prevent or delay, by any means, the exercise of said power of sale on the foreclosure of this Mortgage; (b) to the payment of whatever sum or sums Mortgagee may have paid out or become liable to pay, in carrying out the provisions of this Mortgage, together with interest thereon; (c) to the payment and satisfaction of said principal indebtedness and interest secured by this Mortgage thereon to the day of sale; and (d) the balance, if any, shall be paid over to Mortgagor, or Mortgagor's successors or assigns. In any event, the purchaser under any foreclosure sale, as provided herein, shall be under no obligation to see to the proper application of the purchase money.

24. **Rents and Leases.** Upon the occurrence of an Event of Default or at any time thereafter, the Mortgagee, 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 the Rents and Leases: (a) to terminate automatically, without the necessity of taking any action, the license granted to the Mortgagor herein to collect the Rents; (b) to without taking possession, in the Mortgagee's own name to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefore, 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 to hold the same in a reserve as security for the Debt; (c) without regard to the adequacy of the security, with or without any action or proceeding, through

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and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under any leases, subleases or agreements or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases, sublease or agreements. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands asserted against the Mortgagee in connection with any one or more said leases, subleases or agreements, the Mortgagor agrees to reimburse the Mortgagee for the amount thereof, including costs, expenses and reasonably attorneys' fees, all of which shall be secured by the assignment hereunder and by this Mortgage.

Nothing herein contained shall be construed as constituting Mortgagee as "mortgagee in possession" in the absence of the taking of actual possession of the Mortgaged Property by the Mortgagee pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted to Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor.

SECURITY AGREEMENT

18. **Grant of Security Interest.** Mortgagor (the "Debtor" for Uniform Commercial Code purposes), in consideration of Mortgagee (the "Secured Party" for Uniform Commercial Code purposes) making the loan evidenced by the Note, and for other good and valuable consideration, and to secure the prompt payment of the Debt, with interest thereon, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note and in the Loan Documents, does hereby grant to Mortgagee title to and a security interest in such portions of the Mortgaged Property (the "Collateral"), the security interest in and disposition of which is governed by the Alabama Uniform Commercial Code (the "UCC").
19. **Financing Statements.** Mortgagor warrants that no financing statement covering any Collateral or any proceeds thereof is on file in any public office, except for financing statements specifically set forth on Exhibit "A" attached hereto, and except for the financing statements executed by Mortgagor and Mortgagee. This Mortgage shall constitute a financing statement under the UCC. Further, at Mortgagee's request, Mortgagor will join with Mortgagee in executing such additional financing statements pursuant to the UCC in form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by the Mortgagee to be necessary or desirable. Mortgagor authorizes Mortgagee to prepare and to file financing statements covering the Collateral signed only by the Mortgagee and to sign the Mortgagor's signature to such financing statements in jurisdictions where Mortgagor's signature is required. Mortgagor promises to pay the Mortgagee the fees incurred in filing the financing statements, including but not limited to mortgage recording taxes payable in connection with filings on fixtures, which fees shall become part of the indebtedness secured hereby.

If certificates of title are issued or outstanding with respect to any of the Collateral, the Mortgagor shall cause Mortgagee's name to be properly noted thereon.

20. **Representations of Mortgagor.** Mortgagor represents that the Collateral is used or bought primarily for business purposes and will be kept at the Mortgagor's address stated herein. Mortgagor will promptly notify Mortgagee of any change in the location of the Collateral. Except for transactions in the ordinary course of Mortgagor's business, Mortgagor, its agents or employees will not remove the Collateral from said location without Mortgagee's prior written approval. Mortgagor further represents that its name has always been as set forth on the first page of this Mortgage, except as otherwise disclosed in writing to Mortgagee. Mortgagor shall promptly advise Mortgagee in writing of any change in Mortgagor's name.

MORTGAGEE'S RIGHTS AND REMEDIES UPON DEFAULT

21. **Events of Default.** The Mortgagor shall be deemed in default hereunder upon the occurrence of any of the following events ("Events of Default"): (a) if Mortgagor shall fail to pay, or cause to be paid, the whole or any portion of the principal sum, or any installment of interest thereon, or any other sum the payment of which is hereby secured, as they or any of them mature, either by lapse of time or otherwise, in accordance with the agreements and covenants herein contained; (b) if the Mortgagor defaults in the payment of any mechanic's lien, materialmen's lien, insurance premiums, taxes, or assessments now, or which may hereafter be levied against, or which may become a lien on, said property; (c) if the Mortgagor defaults in any of the covenants, conditions, and agreements herein contained; (d) if Mortgagor or any of Mortgagor's guarantors

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force, effect, or lien of this instrument; (b) this instrument shall continue as a first lien on all of said lands and Mortgaged Property and other property and rights covered hereby and will not be expressly released until all sums with interest and charges hereby secured are fully paid; (c) no other security now existing or hereafter taken to secure the payment of said indebtedness or any part thereof shall in any manner be impaired or affected by the execution of this instrument; (d) no security subsequently taken by Mortgagee or other holder or holders of said indebtedness shall in any manner impair or affect the security given by this instrument; and (e) all security for the payment of said indebtedness or any part thereof shall be taken, considered and held as cumulative.

33. **Covenant Against Sale, Lease or Transfer.** In the event of any change in the present ownership of all or any part of the Mortgaged Property or any interest therein, either by affirmative action, by operation of law or otherwise, or in the event any further encumbrance of the Mortgaged Property is created without Mortgagee's prior written approval, Mortgagee may, at its option, declare the indebtedness due and payable in full.
34. **Books and Records.** Mortgagor shall keep and maintain at all times full, true and accurate books of accounts and records, adequate to reflect correctly the results of the operation of the Mortgaged Property. Upon request of Mortgagee, Mortgagor shall furnish to Mortgagee (i) within ninety (90) days after the end of Mortgagor's fiscal year a balance sheet and statement of income and expenses, both in reasonable detail and form satisfactory to Mortgagee and certified by an independent certified public accountant, and (ii) within ten (10) days after request therefore from Mortgagee, a rent schedule of the Mortgaged Property, certified by the Mortgagor, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date and the rent paid.
35. **Liquidation of other Collateral.** If the indebtedness secured hereby, or any other debt owed by Mortgagor to Mortgagee, is now or hereafter further secured by security interest or mortgages, pledges, contracts of guaranty, assignments of leases or other securities, the Mortgagee may, at its option, exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as the Mortgagee may determine.
36. **Estoppel Affidavits.** Within ten (10) days after written request from the Mortgagee, Mortgagor shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of and interest on the Note and other Debt and whether or not any offsets or defenses exist against any principal and interest.
37. **Notices.** Wherever and whenever in this Mortgage it shall be required or permitted that notice or demand be given or served by any party, such notice or demand shall be given or served, and shall not be deemed to have been given or served unless in writing and forwarded by registered or certified mail, return receipt requested, or by overnight professional courier, addressed to the addresses of the parties indicated at the beginning of this Mortgage, or to such other address as either party may have given to the other by notice as hereinabove provided. Such notice shall be deemed given and shall be effective upon deposit in the United States mail postage prepaid or into the hands of an overnight professional courier, all charges prepaid, addressed to the above addresses or to such other address as either party may have given to the other by notice as hereinabove provided. Actual notice to Mortgagors or Mortgagee shall always be effective no matter how given or received.
38. **Assignment of Liabilities.** If at any time or times by sale, assignment, negotiation, pledge, or otherwise, Mortgagee transfers any or all of the indebtedness or instruments secured hereby, such transfer shall, unless otherwise specified in writing, carry with it Mortgagee's rights and remedies hereunder with respect to such indebtedness or instruments transferred, and the transferee shall become vested with such rights and remedies whether or not they are specifically referred to in the transfer. If and to the extent Mortgagee retains any of such indebtedness or instruments, Mortgagee shall continue to have the rights and remedies herein set forth with respect thereto.
39. **Meaning of Particular Terms.** Singular or plural words used herein to designate the Mortgagor shall be construed to refer to the maker or makers of this Mortgage, whether one or more persons or a corporation, and all covenants and agreements herein contained shall bind the successors and assigns of the Mortgagor, and every option, right, and privilege herein reserved or secured to Mortgagee shall inure to the benefit of its successors and assigns. The headings of the sections hereof are for convenience or reference only, and are not to be considered a part hereof, and shall not limit or affect any of the terms hereof.
40. **Enforceability; Remedies Cumulative.** The unenforceability or invalidity of any provision or provisions of this Mortgage shall not render any other provision or provisions herein contained unenforceable or invalid.

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28. **Access to Property; Operation of Property by Mortgagee.** Upon the occurrence of an Event of Default or at any time thereafter, in addition to all other rights herein conferred on the Mortgagee, the Mortgagee (or any person, firm or corporation designated by the Mortgagee) 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 Mortgagor therefrom, and hold, use, administer, manage and operate the same to the extent that the Mortgagor could do so, without any liability to the Mortgagor resulting therefrom; and the Mortgagee 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 Mortgagor with respect to the Mortgaged Property.
29. **Waiver of Automatic Stay.** Mortgagor further agrees that in the event it or its shareholders or creditors (if applicable) shall (i) file with any bankruptcy court of competent jurisdiction or be the subject of any petition for relief under Title 11 of the United State Code, as amended; (ii) be the subject of any order for relief issued under such Title 11 of the U.S. Code, as amended; (iii) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors; (iv) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator; or (v) be the subject of any order, judgment, or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, Mortgagee shall thereupon be entitled to relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended or otherwise, on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in this Mortgage or any other agreement, and as otherwise provided by law, and Mortgagor hereby waives the benefits of such automatic stay and consents and agrees to raise no objection to such relief.
30. **Waiver and Election.** No failure or delay of Mortgagee to exercise any option herein given to declare the maturity of the debt hereby secured shall be taken or construed as a waiver of its right to exercise such option or to declare such on the part of Mortgagor. The procurement of insurance or the payment of taxes or other liens, debts, or charges by Mortgagee shall not be taken or construed as a waiver of its right to declare the maturity of the indebtedness hereby secured by reason of the failure of Mortgagor to procure such insurance or to pay such taxes, debts, liens, or charges.

MISCELLANEOUS PROVISIONS

31. **Mortgagor to Pay Attorneys' Fees and Costs.** Mortgagor agrees to pay all costs, including reasonable attorneys' fees, incurred or paid by Mortgagee in collecting or securing, or attempting to collect or secure, the indebtedness secured hereby, the Note, or any part thereof, or in defending or attempting to defend the priority of this Mortgage against any lien on the Mortgaged Property, 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 stated herein, or by virtue of the decree of any court of competent jurisdiction. The full amount of such costs incurred or paid by Mortgagee shall be a part of the debt secured by the Mortgage, in addition to the indebtedness specially secured hereby; it shall bear interest from the date it is paid or incurred at the rate set forth in the Note plus two percentage points (2.0%); and it shall be at once due and payable. All expenses incurred by Mortgagee, including attorneys' fees, in compromising, adjusting, or defending against lien claims or encumbrances sought to be fixed upon the property hereby conveyed, whether such claims or encumbrances be valid or not, shall become a part of the debt hereby secured.

If Mortgagee shall be made a party to any suit involving the title to the property hereby conveyed and employs an attorney to represent it therein, or if Mortgagee employs an attorney to assist in settling or removing any cloud on the title to the property hereby conveyed that purports to be superior to the lien of this Mortgage in any respect, Mortgagor will pay to Mortgagee, when the same becomes due, such attorneys' fees as may be reasonable for such services, and if such fee is paid or incurred by Mortgagee, the same shall be secured by the lien of this Mortgage in addition to the indebtedness specially secured hereby, and shall bear interest from the date it is paid or incurred at the rate set forth in the Note plus two percentage points (2.0%), and shall be at once due and payable.

32. **Modifications or Extensions Not Affecting Security.** The parties expressly agree that: (a) any indebtedness at any time secured hereby may be extended, rearranged or renewed, and that any part of the security herein described may be waived or released without in any way altering, varying, or diminishing the

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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 Mortgagor, to 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, perform remediation and otherwise do any act or incur any cost or expenses the Mortgagee shall deem proper to protect the security hereof, as fully and to the same extent as the Mortgagor could do if in possession, and in such extent 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 Mortgagee may choose (or hold the same in reserve as security for the Debt); and (d) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Mortgagor under this mortgage.

The collection of the Rents and application thereof (or holding thereof in reserve) as aforesaid or the entry upon and taking possession of the 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 Mortgagee, once exercised, shall continue for so long as the Mortgagee shall elect, notwithstanding that the collection and application aforesaid of the Rents may have cured the original default. If the Mortgagee 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.

25. **No Waiver of Event of Default.** The collection of the rents and application thereof 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 Mortgagee, once exercised, shall continue for so long as the Mortgagee shall elect, notwithstanding that the collection and application of the rents may have cured the original default. If the Mortgagee 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.
26. **Judicial Proceedings; Right to Receiver.** Upon the occurrence of an Event of Default or at any time thereafter, the Mortgagee, in lieu of, or in addition to, exercising the power of sale described above, may proceed by suit to foreclose its lien on, security interest in, and assignment of the Mortgaged Property, to sue the Mortgagor 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. In the event of default, the Mortgagor agrees that the Mortgagee shall be entitled without the necessity of a hearing or notice to Mortgagor to the appointment of a receiver to take care of the Mortgaged Property, to collect the rents, issues, and profits, and to keep the Mortgaged Property in good repair and to apply the rents, issues and profits to the payment of the debts secured hereby.
27. **Rights of a Secured Party.** Upon the occurrence of an Event of Default, the Mortgagee, in addition to any and all remedies it may have or exercise under this Mortgage, the Note, the Loan Documents, the other Debt instruments and under applicable law, may immediately and without demand, exercise any and all of the rights of a secured party upon default under the Uniform Commercial Code, all of which shall be cumulative. Such rights shall include, without limitation: (a) the right to take possession of the Collateral without judicial process and to enter upon any premises where the Collateral may be located for the purposes of taking possession of, securing, removing, and/or disposing of the Collateral without interference from Mortgagor and without any liability for rent, storage, utilities, or other sums; (b) the right to sell, lease, or otherwise dispose of any or all of the Collateral, whether in its then condition or after further processing or preparation, at public or private sale; and unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give to Mortgagor at least ten (10) days prior notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition of the Collateral is to be made, all of which any private sale or other intended disposition of the Collateral is to be made, all of which Mortgagor agrees shall be reasonable notice of any sale or disposition of the Collateral; (c) the right to require Mortgagor, upon request of Mortgagee, to assemble and make the Collateral available to Mortgagee at a place reasonably convenient to Mortgagor and Mortgagee; and (d) the right to notify account debtors, and demand and receive payment therefrom.

To effectuate the rights and remedies of Mortgagee upon default, Mortgagor does hereby irrevocably appoint Mortgagee attorney-in-fact for Mortgagor, with full power of substitution to sign, execute, and deliver any and all instruments and documents and do all acts and things to the same extent as Mortgagor could do, and to sell, assign, and transfer any collateral to Mortgagee or any other party.

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All rights and remedies of Mortgagee hereunder are cumulative and not alternative, and are in addition to those provided by law.

IN WITNESS WHEREOF, the party constituting Mortgagor has hereto set his hand and seal hereto effective as of the date first above written.

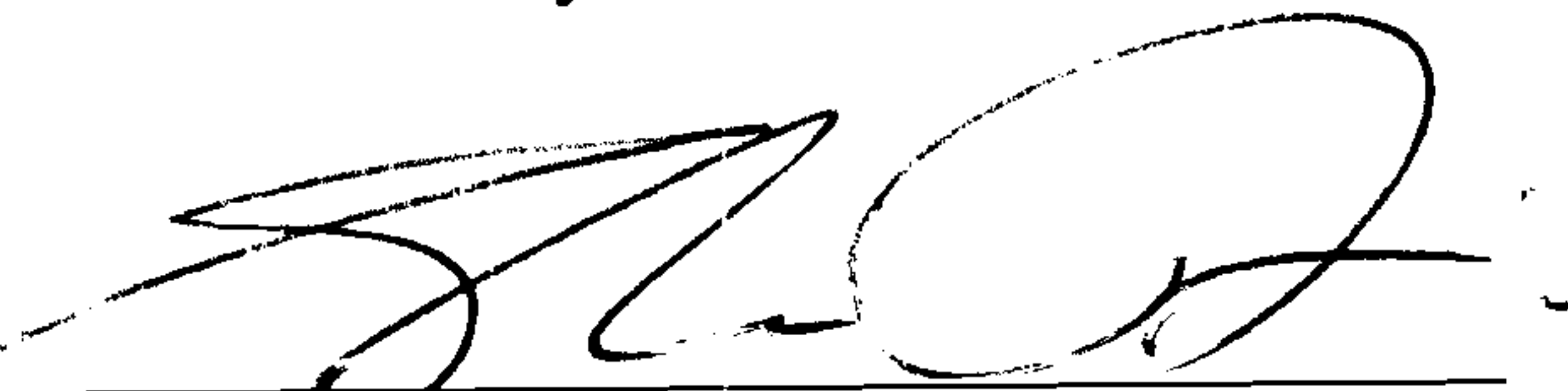

Innovative Combustion Technologies, Inc.
By: Richard P. Storm
Its: Director


Innovative Combustion Technologies, Inc.
By: Henry Franklin McNeill, Jr.
Its: Director

STATE OF ALABAMA
COUNTY OF SHELBY

I, the undersigned authority, a Notary Public, in and for said County in said State, hereby certify that Richard P. Storm and Henry Franklin McNeill, Jr., whose names as Directors of Innovative Combustion Technologies, Inc., an Alabama corporation, are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 22nd day of December, 2006.


Notary Public
My Commission Expires: 12-30-07

THIS INSTRUMENT PREPARED BY AND AFTER
RECORDATION SHOULD BE RETURNED TO:

SHANNON E. PRICE, P.C.
P.O. Box 19144
Birmingham, AL 35219
(205) 421-1020

NOTE TO CLERK OF COURT: Mortgagee certifies that if at any point this mortgagee is assigned to a non-tax exempt holder that such Holder will comply with Alabama Code §40-22-2(5)(1975).


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EXHIBIT "A"

A parcel of land in the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 18, Township 21 South, Range 2 West, Shelby County, Alabama, described as follows:

Commence at the Northwest corner of Section 18, Township 21 South, Range 2 West; thence South 89 degrees 06 minutes 53 seconds East and run along the North line of said Section a distance of 2015.04 feet to a point on the Northeasterly right of way line of L&N North bound track (100 foot right of way) said point being the point of beginning; thence continue along the last described course run a distance of 480.83 feet to the Southwesterly right of way line of U.S. Highway No. 31 (200 foot right of way); thence South 39 degrees 16 minutes 16 seconds East and along said right of way run a distance of 202.22 feet to the intersection with Southwesterly right of way line of said U.S. Highway No. 31 and the centerline of Buck Creek; thence North 89 degrees 06 minutes 53 seconds West and leaving said right of way a distance of 458.48 feet to the Northeasterly right of way of said railroad; thence North 43 degrees 42 minutes 17 seconds West a distance of 217.03 feet to the point of beginning; being situated in Shelby County, Alabama.


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