

This Instrument Prepared by and Return to:
John W. Monroe, Jr.
Emmanuel, Sheppard and Condon
30. S. Spring St.
Pensacola, FL 32502
A0458-118568

MORTGAGE AND SECURITY AGREEMENT
WITH PROVISIONS FOR FUTURE ADVANCES

THIS MORTGAGE ("**Mortgage**"), made this 3rd day of January, 2008, between ADAMS HOMES L.L.C., an Alabama limited liability company ("**Mortgagor**"), whose address is 3000 Gulf Breeze Parkway, Gulf Breeze, FL 32563, and BRANCH BANKING AND TRUST COMPANY, its successors and assigns, ("**Lender**" and "**Mortgagee**"), whose address is 5061 North 12th Avenue, Pensacola, Florida 32504.

W I T N E S S E T H :

WHEREAS, Adams Homes of Northwest Florida, Inc., a Florida corporation ("**Borrower**"), is indebted to Lender in the principal sum of up to Thirty-Five Million and No/100 Dollars (\$35,000,000.00), together with interest thereon (the "**Loan**"), as evidenced by that certain Consolidation Promissory Note dated November 12, 2007, executed by Borrower and delivered to Lender, payable on Demand (the "**Note**", which term includes any modification, renewal, extension or alteration thereof);

WHEREAS, the Loan is governed by the terms of that certain Amended and Restated Master Construction Loan Agreement dated November 12, 2007, as modified and amended from time to time (the "**Loan Agreement**"); and

WHEREAS, Mortgagor is a related entity of Adams Homes of Northwest Florida, Inc. and derives a material benefit from the extension of credit from Lender to Borrower;

WHEREAS, without this Mortgage the Lender would be unwilling to make certain advances under the Loan to the Borrower evidenced by the Note; and

WHEREAS, because of the direct benefit to Mortgagor from the Loan to the Borrower, the Mortgagor has agreed to execute this Mortgage to secure the obligations of the Borrower as set forth in this Mortgage, the Note, the Loan Agreement, and any other loan documents related to the Loan.

NOW THEREFORE, to secure the performance and observance by Borrower of all covenants and conditions of the Note, the Loan Agreement, this Mortgage, and all other instruments securing the Note, and all existing or future notes, loans, guaranties, or other indebtedness owed by Borrower to Lender, including all future advances, obligatory or otherwise, notwithstanding that such indebtedness is secured by other mortgages, and including all expenses or obligations incurred by Lender pursuant to any existing or future

mortgage, loan or security agreement, and in order to charge the properties, interests and rights hereinafter described with such payment and performance and for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), Mortgagor does hereby convey to Mortgagee and, where applicable, grant a security interest in:

I. THE MORTGAGED PROPERTY

(A) All of the land in Madison County, State of Alabama, described on Exhibit A attached hereto and made a part hereof, to have and to hold the same, together with each and every building, structure, tenement, hereditament, open parking area improvement, easement, right, power, privilege, immunity and appurtenance thereunto belonging or in any wise appertaining and the reversion and reversions, remainder and remainders, and also the estate, right, title, interest, homestead, right of dower, separate estate, property, possession and claim whatsoever in law as well as in equity of Mortgagor of, in and to the same in every part and parcel thereof unto Mortgagee in fee simple.

(B) (i) All tangible and intangible personal property and fixtures now or hereafter affixed to or located on the property described in paragraph A hereof which is deemed to be fixtures and a part of the real property under applicable law; (ii) all materials delivered to the property described in paragraph A hereof for use in any way thereon, and owned by Mortgagor; and (iii) all proceeds, products, replacements, additions, enlargements, accessions, substitutions, renewals and accessions of any of the foregoing items. This Mortgage is a self-operative security agreement with respect to the herein described property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Mortgagee shall have all the rights and remedies in addition to those specified herein of a secured party under the Alabama Uniform Commercial Code.

(C) All rents, leases, subleases, lettings, licenses, issues, profits, revenue, royalties, income, proceeds, and other benefits flowing or derived from the property described in paragraphs (A) and (B) hereof, together with those benefits derived from the property; provided, however, that permission is hereby given to Mortgagor so long as no default has occurred hereunder, to collect, receive, and use such benefits from the property as they become due and payable, but not in advance thereof.

(D) All unearned premiums, accrued, accruing or to accrue under all insurance policies now or hereafter obtained by Mortgagor, and all insurance policies and proceeds, both cash and non-cash, thereof and all condemnation proceeds, awards, damages and claims relating to or derived from the property described in Paragraph (A), (B) and (C) hereof.

Everything referred to in paragraphs (A), (B), (C) and (D) hereof and any additional property hereafter acquired by Mortgagor and subject to the lien of this Mortgage or any part of these properties is herein referred to as the "**Mortgaged Property.**"

PROVIDED ALWAYS, that if Borrower shall pay to Lender the Note at the times and in the manner stipulated therein, and in all other instruments securing the Note and faithfully performs all the covenants and agreements in the Loan Agreement, and in all other instruments securing the Note, to be kept, performed or observed by Lender, and Mortgagor faithfully performs all the covenants and agreements in this Mortgage, to be kept, performed or observed by Mortgagor, then this Mortgage shall cease and be void, but shall otherwise remain in full force and effect.

II. COVENANTS OF MORTGAGOR

1. Compliance With Mortgage; Warranty of Title. Mortgagor shall comply with all provisions hereof. Mortgagor is indefeasibly seized of the Mortgaged Property in fee simple and Mortgagor has lawful authority to convey, mortgage and encumber the same as provided by this Mortgage, does hereby so warrant and Mortgagor shall forever warrant and defend the validity and priority of the lien of this Mortgage against the claims of all persons and parties whomsoever. Mortgagor (i) is duly organized, validly existing and in good standing under the laws of the State of its organization, (ii) has the power and authority to own its properties and to carry on its business as now being conducted, (iii) is qualified to do business in the jurisdiction in which the Mortgaged Property is located, and (iv) is in compliance with all laws, regulations, ordinances and orders of all public authorities applicable to it. The execution, delivery and performance by Mortgagor of this Mortgage (i) are within the powers and purposes of Mortgagor, (ii) have been duly authorized by all requisite action, (iii) have received all necessary governmental approval, and (iv) will not violate any provision of law, any order of any court or other agency of government, the articles of organization, or operating agreement of Mortgagor or any indenture, agreement or other instrument to which Mortgagor is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of or constitute (with due notice or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets, except as contemplated by the provisions of this Mortgage; and (b) this Mortgage, when executed and delivered by Mortgagor, will constitute the legal, valid and binding obligations of Mortgagor in accordance with their respective terms. Mortgagor will preserve and keep in full force and effect its existence, rights, franchises and trade names.

2. Payment of Taxes and Liens. Borrower shall pay, or cause to be paid, all taxes, assessments, liens, levies, liabilities, obligations and encumbrances of every nature and kind whether now or hereafter imposed, levied or assessed on the Mortgaged Property, or this Mortgage or the indebtedness secured hereby. All such payments shall be made when due and payable before they become delinquent and before any interest attaches or any penalty is incurred. Insofar as any such lien or encumbrance is of record the same shall be promptly satisfied or released and evidence of such satisfaction or release shall be given to Mortgagee. Borrower shall pay, or cause to be paid, all lawful claims and demands of mechanics, materialmen, laborers, suppliers and others which, if unpaid, might result in, or permit the creation of, lien on the Mortgaged Property or any part thereof and will do or cause to be done everything necessary so that the lien of this Mortgage shall be fully preserved at the cost of Borrower and without expense to Lender.

3. Insurance. Lender acknowledges and agrees that Borrower may, as long as no default has occurred under the Note, the Mortgage, or the Loan Agreement, or any other loan document securing the Note, self-insure for Builder's Risk and other casualties (including, but not limited to, against a loss by fire or other casualty and contingency) provided, however, that Borrower maintain at all times not less than \$2,000,000.00 in a deposit account in a financial institution acceptable to Lender, as a cash reserve account for use in the funding of future property damage to any improvements now existing or hereafter erected on the Mortgaged Property. In the event that the Mortgaged Property is materially damaged as a result of a casualty loss, then Borrower shall immediately reduce the principal balance of the Note, as provided in the Loan Agreement. Notwithstanding the above, Lender reserves the right subsequent to the date hereof to require that Borrower obtain a builder's risk policy acceptable to Lender.

If the Lender determines that the improvements on the Mortgaged Property will be constructed in an area having special flood hazards, a Flood Insurance Policy for the insurable improvements upon the

Mortgaged Property, naming the Lender as mortgagee must be submitted to Lender. In event of loss, Mortgagor shall give immediate notice by mail to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagee is hereby authorized, at its option, to settle and compromise any claims, awards, damages, rights of action and proceeds, and any other payment or relief under any insurance policy.

4. Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any other authority authorized by the laws of the State of Alabama or the United States of America to so damage or take, and any transfer by private sale in lieu thereof), either temporarily or permanently, then Borrower shall immediately reduce the principal balance of the Note as provided in the Loan Agreement. Mortgagee shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of any damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Mortgagor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are hereby assigned by Mortgagor to Mortgagee, who, after deducting therefrom all its expenses including attorney's fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same, in such manner as Mortgagee shall determine, to the reduction of the sums secured hereby and to any prepayment charge provided in the Note, the Loan Agreement, this Mortgage or any other instruments securing the Note. Any balance of such monies then remaining shall be paid to Mortgagor. Mortgagor agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as Mortgagee may require.

5. Care of Mortgaged Property/Financial Statements. Mortgagor shall not remove or demolish any building or other property forming a part of the Mortgaged Property without the prior written consent of Mortgagee or permit, commit, or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof, and shall keep the same and the improvements thereon in good condition and repair. Mortgagor shall notify Mortgagee in writing within five (5) days of any injury, damage or impairment of or occurring on the Mortgaged Property including, but not limited to, serious injury or loss by death or otherwise occurring on the Mortgaged Property. Mortgagor has no knowledge and has not given or received any notice indicating that the Mortgaged Property or the present use thereof or any practice, procedure or policy employed by it, or any lessee, occupant or sublessee of the Mortgaged Property violates any applicable law, regulation, code, order, rule, judgment or agreement including, without limitation, those relating to zoning, building use, concurrency, growth management, and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, and architectural barriers to the handicapped. Mortgagee may at Mortgagee's discretion, have the Mortgaged Property inspected at the time and Mortgagor shall pay all costs incurred by Mortgagee in executing such inspection. Upon written request, Mortgagor or successors in interest shall provide Mortgagee with any financial data relative to Mortgagor, including personal financial statements, balance sheets, profit and loss statements, and income tax returns.

6. Mortgagee's Right to Make Certain Payments. In the event Mortgagor or Borrower fails to pay and/or discharge the taxes, assessments, liens, levies, liabilities, obligations and encumbrances, or fails to repair the Mortgaged Property as herein agreed, Mortgagee, after thirty (30) days written notice from Lender to Borrower, is hereby authorized at its election to pay and/or discharge the taxes, assessments, liens, levies, liabilities, obligations and encumbrances or any part thereof, to make and pay for such repairs, without any

obligation on its part to determine the validity and/or necessity thereof, and without Mortgagee waiving or affecting any option, lien, equity or right under or by virtue of this Mortgage. The full amount of each and every such payment made by Mortgagee shall be immediately due and payable by Borrower and shall bear interest from the date thereof until paid at the Default rate, as hereinafter defined, and together with such interest, shall be secured by the lien of this Mortgage. Nothing herein contained shall be construed as requiring Mortgagee to advance or expend monies for any of the purposes mentioned in this paragraph.

7. Payment of Expenses. Borrower shall pay all the costs and charges and expenses, including reasonable attorney's fees, whether incurred at the trial or appellate level, disbursements and costs of abstracts of title, or paid at any time by Mortgagee because and/or in the event of the failure on the part of Borrower promptly and fully to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of the Note, the Loan Agreement, this Mortgage and any other instrument securing the Note. Such costs, charges and expenses, shall be immediately due and payable, without notice, demand, attempt to collect or suit pending. The full amount of each and every such payment shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined. All such costs, charges and expenses so incurred or paid, together with such interest, shall be secured by the lien of this Mortgage.

8. No Transfer. Except in the ordinary course of business and as expressly provided for in the Loan Agreement, as modified and amended from time to time, Mortgagor covenants and agrees not to sell, convey, transfer, lease or further encumber any interest in or any part of the Mortgaged Property without the prior written consent of Mortgagee, and any such sale, conveyance, transfer, lease or encumbrance made without Mortgagee's prior written consent shall be deemed to be an event of default under this Mortgage. If any person should obtain an interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor and a default hereunder. Additionally, the sale, assignment, pledge, transfer, hypothecation, or other disposition of any proprietary or beneficial interest in Mortgagor without the prior written consent of Mortgagee shall be deemed to be an event of default under this Mortgage.

9. After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with or with the operation of the Mortgaged Property.

10. Additional Documents. At any time and from time to time, upon Mortgagee's request, Mortgagor shall make, execute and deliver or cause to be made, executed and delivered to Mortgagee and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be re-recorded or refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve the obligations of Mortgagor under this Mortgage, and the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record, or refile any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee agent and attorney-in-fact of Mortgagor to do so.

III. EVENTS OF DEFAULT

11. Events of Default. Any one of the following shall constitute an event of default:

- (a) Failure by Borrower to pay, as and when due and payable, any installments of principal or interest due under the Note, or any deposits for taxes and assessments or insurance premiums due hereunder, or any other sums to be paid by Mortgagor hereunder, or under the Loan Agreement or any other instrument securing the Note, and such failure shall continue for a period of ten (10) days after written notice thereof from Lender to Borrower.
- (b) Failure by Mortgagor to duly keep, perform and observe the provisions of paragraph 8 of this Mortgage.
- (c) Failure by Borrower to duly keep, perform and observe any covenant, condition or agreement in the Note, the Loan Agreement, this Mortgage, or any other instrument securing the Note, and such failure shall continue for thirty (30) days after written notice thereof from Lender to Borrower.
- (d) Failure by Mortgagor to duly keep, perform and observe any covenant, condition or agreement in the this Mortgage, or any other instrument securing the Note, and such failure shall continue for thirty (30) days after written notice thereof from Lender to Borrower.
- (e) If either Mortgagor or any guarantor or endorser of the Note: (i) files a voluntary petition in bankruptcy, or (ii) is adjudicated as a bankrupt or insolvent, or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iv) seeks, consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any part of the Mortgaged Property, or (v) makes any general assignment for the benefit of creditors, or (vi) makes any admission in writing of its inability to pay its debts generally as they become due; or (vii) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against it seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive from the date of entry thereof; or (viii) any trustee, receiver or liquidator of it or of any part of the Mortgaged Property is appointed without the prior written consent of Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive.
- (f) Any breach of any warranty or material untruth of any representation of Borrower contained in the Note, the Loan Agreement, this Mortgage, any financial statement made or given to Lender in connection with the Note, or any other instrument securing the Note, and not corrected by Borrower within thirty (30) days after written notice thereof from Lender to Borrower.
- (g) Any breach of any warranty or material untruth of any representation of Mortgagor contained in this Mortgage, and not corrected by Mortgagor within thirty (30) days after written notice thereof from Lender to Borrower.
- (h) Any event of default under any existing or future notes, loans, advances, guaranties, or other indebtedness owed to the Lender by the Borrower, or any endorser, surety or guarantor of the Note, or under any instrument securing any such indebtedness owed to Lender.

(i) The belief by Lender that the financial condition of the Borrower, or any guarantor of the Note, has changed unfavorably in any material degree, in Lender's reasonable discretion

IV. REMEDIES OF MORTGAGEE

12. Acceleration. If an event of default shall have occurred, Lender may declare all sums evidenced by the Note, and all sums due under the Mortgage, to be immediately due and payable, and may resort to any and all remedies provided in the Loan Agreement, the Note, and in law and in equity.

13. Other Remedies. If an event of default shall have occurred, Mortgagee may proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy; (a) to enforce payment of the Note or the performance of any term thereof or any other right; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the judgment or decree of a court or courts of competent jurisdiction; (c) to collect all rents, issues, profits, revenues, income, proceeds or other benefits from the Mortgaged Property; (d) to obtain ex parte sequestration of all such benefits of the Mortgaged Property into the registry of the court pursuant to Alabama law and/or to seek appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, issues, profits, revenues, income or other benefits thereof and apply the same as the court may direct and such receiver shall have all rights and powers permitted under law; such receiver shall have all the broad and effective functions and powers in anywise entrusted by a Court to a receiver, and such appointment shall be made by such Court, as an admitted equity and a matter of absolute right to said Mortgagee, and without reference to the adequacy or inadequacy of the value of the Mortgaged Property or to the solvency or insolvency of Mortgagor and/or of the defendants and regardless of whether Mortgagee has an adequate remedy at law; and (e) to pursue any other remedy available to it, including, but not limited to taking possession of the Mortgaged Property without notice or hearing to Mortgagor. Mortgagee shall take action either by such proceedings or by the exercise of its power with respect to entry or taking possession, or both as Mortgagee may determine.

14. Waiver of Appraisalment, Valuation, Stay, Extension, and Redemption Laws. Mortgagor agrees to the full extent permitted by law that in case of a default on its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers there at, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

15. No Waiver. No delay or omission of Mortgagee or of any holder of the Note and Mortgage to exercise any right, power or remedy accruing upon any event of default shall exhaust or impair any such right, power or remedy or be construed as a waiver of any such event of default or constitute acquiescence therein.

16. Non-Exclusive Remedies. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, the Loan Agreement, this Mortgage or any other instrument securing the Note is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power or remedy given hereunder or

under the Note, the Loan Agreement, or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

V. MISCELLANEOUS

17. Successors and Assigns Bound. Whenever one of the parties hereto is named or referred to herein, the heirs, personal representatives, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective heirs, personal representatives, successors and assigns.

18. Invalid or Unenforceable. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

19. Future Advances. This Mortgage is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof to the same extent as if such future advances are made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed twice the face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property, with interest on such disbursements at the Default Rate as hereinafter defined.

20. Obligation of Mortgagor. Mortgagor shall pay the cost of releasing or satisfying this Mortgage of record.

21. Default Rate. The Default Rate shall be the default interest as more particularly described in the Note.

22. Hazardous Substances. In addition to those certain representations and warranties as set forth in that certain Hazardous Substance Certificate and Indemnification Agreement dated November 12, 2007 executed and delivered to Mortgagee, which representations and warranties expressly add to and supplement and shall not be construed to diminish in any way whatsoever the representations and warranties and obligations set forth in this Mortgage and Security Agreement, Mortgagor warrants and represents to Mortgagee after thorough investigation:

(1) That neither Mortgagor nor any other person to the Mortgagor's knowledge, after reasonable inquiry, has ever used the Mortgaged Property as a facility for the treatment, storage or disposal of any "Hazardous Substances," as that term is hereinafter defined, except in accordance with "Environmental Laws," as that term is hereinafter defined;

(2) That the Mortgaged Property is now and at all times hereafter will continue to be in full compliance with all federal, state and local "Environmental Laws" (as that term is defined hereinafter), including but not limited to, the Comprehensive environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 USC Section 9601, et seq., the Superfund Amendments and Reauthorization Act of

1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Resource Conservation and Recovery Act ("RCRA"), 42 USC Section 6901, et seq., and all ordinances, regulations, codes, plans, orders, and decrees now existing or in the future enacted, promulgated, adopted, entered or issued, both within and outside present contemplation of the Mortgagor and Mortgagee;

(3) That (i) as of the date hereof there are no hazardous or toxic materials, substances, wastes or other environmentally regulated substances (including solids or gaseous products and any materials containing asbestos), the presence of which is limited, regulated or prohibited by any state, federal or local governmental authority or agency having jurisdiction over the Mortgaged Property, or which are otherwise known to pose a hazard to health or safety of occupants of the Mortgaged Property, located on, in or under the Mortgaged Property or used in connection therewith or (ii) Mortgagor has fully disclosed to Mortgagee in writing the existence, extent and nature of any such hazardous or toxic material waste or other environmentally regulated substance, which Mortgagor is legally authorized and empowered to maintain on, in or under the Mortgaged Property or use in connection therewith, and Mortgagor has obtained and will maintain all license, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals;

(4) That Mortgagor shall notify Mortgagee of any change in the nature or extent of any hazardous or toxic materials, substances or wastes maintained on, in or under the Mortgaged Property or used in connection therewith, and will transmit to Mortgagee copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Mortgaged Property; and

(5) That Mortgagor is not aware of, nor has the Mortgagor nor any of its subsidiary or affiliated entities received notice of, any past, present or future events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance with Environmental Laws or any ordinance, regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance; and

(6) That there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice or demand letter, notice of violation, investigation, or proceeding pending or threatened against Mortgagor or the Mortgaged Property, relating in any way to any Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder;

(7) Mortgagor hereby agrees to indemnify, reimburse, defend and hold harmless Mortgagee, its officers, directors, employees, successors and assigns from and against all demands, claims, civil or criminal actions or causes of action, liens, assessments, civil or criminal penalties or fines, losses, damages, liabilities, obligations, costs, disbursements, expenses or fees of any kind or of any nature (including, without limitation, cleanup costs, attorneys', consultants' or experts' fees and disbursements and costs of litigation at trial and appellate levels) which may at any time be imposed upon, incurred by or asserted or awarded against, Mortgagee directly or indirectly, resulting from: (a) any acts or activities of Mortgagor, its agents, employees or contractors, at, on or about the Mortgaged Property which contaminate air, soils, surface waters or groundwaters over, on or under the property; (b) arising from or out of any Hazardous Substance on, in or under the Mortgaged Property; (c) pursuant to or in connection with the application of any Environmental

Law to the acts or omissions of Mortgagor or any other person and any environmental damage alleged to have been caused, in whole or in part, by the transportation, treatment, storage, or disposal of any Hazardous Substance; or (d) arising from or in relation to the presence, whether past, present or future, of any Hazardous Substances on the Mortgaged Property;

Without limiting the foregoing, this indemnification provision specifically protects the Mortgagee against any claim or action from activities described in (a), (b), (c) or (d) above, based in whole or in part upon any environmental statute, rule, regulation or policy, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, ("CERCLA") 42 USC Section 9601, et seq., as amended, the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq., and other laws, whether now in existence or enacted in the future.

Mortgagor's indemnification obligation hereunder shall be one of strict liability and shall be enforceable without regard to any fault or knowledge of Mortgagee with respect to any act or omission or condition or event which is the basis of the claim under such indemnification obligation. Mortgagor's obligation under this section shall not be limited to any extent by the term of the Note or other obligations secured hereby, and such obligation shall continue, survive and remain in full force and effect notwithstanding payment in full or other satisfaction or release of said Note (and other obligations secured hereby) and this Mortgage, or any foreclosure under this Mortgage, or any delivery of a deed in lieu of foreclosure. The provisions of this section shall be deemed to survive and continue in full force and effect after any foreclosure or other proceeding by which the Mortgagee, and its successors and assigns succeed to ownership of the Mortgaged Property.

As used herein, "Environmental Law" means any federal, state, or local statutory or common law relating to pollution or protection of the environment, including without limitation, any common law of nuisance or trespass, and any law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

As used herein, "Hazardous Substance" means any (i) substance or material identified in Section 101(14) of CERCLA, 42 USC Section 9601(14), as the same may be amended from time to time, or (ii) determined to be toxic, a pollutant or contaminant, under federal, state or local statute, law, ordinance, rule or regulation or judicial or administrative order or decision, as same may be amended from time to time, including but not limited to petroleum and petroleum products.

(8) THIS SECTION INTENTIONALLY DELETED.

(9) Any breach of any warranty, representation or agreement contained in this Section, and such breach continues for thirty (30) days after written notice thereof from Lender to Borrower, shall be an Event of Default hereunder and shall entitle Mortgagee to exercise any and all remedies provided in this Mortgage, or otherwise permitted by law.

23. Personal Property. This Mortgage shall be deemed to be a security agreement or financing statement, if appropriate, under the Alabama Uniform Commercial Code in respect to all personal property as described herein and materials brought upon the Mortgaged Property to be incorporated in, attached to the Mortgaged Property. Mortgagor hereby grants a security interest to Mortgagee in and to all such property, whether tangible or intangible, described in and by this Mortgage, or any UCC-1 financing statement or any other collateral document or instrument or assignment executed in conjunction thereto, to the full extent permitted by the Alabama Uniform Commercial Code. Mortgagor covenants that Mortgagor will do or join with Mortgagee in doing all further things necessary to create, perfect and preserve such security interest. Mortgagor will not suffer or permit any other security interest to exist in respect to any such property. Mortgagor shall keep such property in Mortgagor's possession and will not permit such property to be removed from the Mortgaged Property. Mortgagee shall have all rights and remedies in respect to such property as is provided in the Alabama Uniform Commercial Code. All of the terms, provisions and conditions of this Mortgage shall be applicable to such property prior to and after incorporation in or attachment to the Mortgaged Property.

24. Releases. Partial releases may be made as provided in the Loan Agreement.

25. Cross-Collateralization and Cross-Default. Mortgagor hereby mortgages its Mortgaged Property described herein to secure any and all notes, liabilities and obligations, direct or contingent and of whatsoever kind or description, of Mortgagor, or one or more of them if more than one Mortgagor, and of the maker of the Note if different from Mortgagor, to Mortgagee, whether as maker, endorser, surety, guarantor or otherwise, and whether those notes, liabilities and obligations, or any of them, of Mortgagor, or one or more of them if more than one Mortgagor, or of the Note if different from Mortgagor, be now in existence or accrue or arise hereafter, or be now owned or held by Mortgagee or be acquired hereafter, to include notes, liabilities and obligations owing by Mortgagor, or one or more of them if more than one Mortgagor, or of the maker of the Note if different from Mortgagor, jointly with third persons, it being the intent and purpose of Mortgagor, and each of them if more than one, to secure by this Mortgage all notes, claims, demands, liabilities and obligations (whether or not otherwise secured) that Mortgagee may have, hold or acquire at any time during the life of this Mortgage against Mortgagor, or one or more of them if more than one Mortgagor, or against the maker of the Note if different from Mortgagor, provided that all such notes, claims, demands, liabilities and obligations secured by this Mortgage must be incurred or arise or have come into existence either on or prior to the date of this Mortgage, or within the period of twenty (20) years from the date of this Mortgage. And it is expressly understood and agreed that Mortgagee in its dealings in the future with any of the notes, liabilities and obligations of Mortgagor, or one or more or all of them if more than one Mortgagor, and of the maker of the Note if different from Mortgagor, intends to rely upon, and will rely upon, the provisions of this Paragraph. Mortgagor and Mortgagee agree that a default under any such other notes, claims, demands, liabilities and obligations of Mortgagor, or one or more of them if more than one Mortgagor, or of the maker of the Note if different from Mortgagor, shall constitute a default under this Mortgage, and that a default under this Mortgage, or Note, or Loan Agreement, shall constitute a default under such other notes, claims, demands, liabilities and obligations of Mortgagor, or one or more of them if more than one Mortgagor, or of the maker of the Note, if different from Mortgagor.

26. Notice. All notices provided for herein shall be sent by certified or registered-return receipt requested mail, addressed to the appropriate party at the address designated for such party in the preamble to this Mortgage, or such other address as the party who is to receive such notice may designate in writing. Notice shall be completed by depositing the same in a letter box or other means provided for the posting of mail addressed to the party with the proper amount of postage affixed thereto. Actual receipt of notice shall not be required to effect notice hereunder.

27. Captions. The captions of the Articles and Sections of this Mortgage are for the purpose of convenience only and are not intended to be a part of this Mortgage and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

28. Waiver of Jury Trial. MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT OR ANY GUARANTORS OF THE NOTE MAY HAVE TO A TRIAL BY JURY, WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED ON, OR ARISING OUT OF THE NOTE, MORTGAGE, GUARANTY, OR OTHER LOAN DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, VERBAL OR WRITTEN STATEMENTS, OR ACTIONS OR OMISSIONS OF ANY PARTY WHICH IN ANY WAY RELATES TO THE LOAN. THE PARTIES HERETO HAVE SPECIFICALLY DISCUSSED AND NEGOTIATED THIS WAIVER AND UNDERSTAND THE LEGAL CONSEQUENCES OF THIS PARAGRAPH.

29. Governing Law. This Mortgage, the Loan Agreement, the Note, the other Loan documents, and all matters relating thereto shall be governed by and construed and interpreted in accordance with the laws of the State of Florida, except to the limited extent that the substantive law of the state in which the Mortgaged Property is located controls with respect to the Lender's foreclosure rights and remedies relating to the Mortgaged Property. Furthermore, Mortgagor hereby submits to the jurisdiction of the state and federal courts located in Florida and agrees that Lender may, at its option, enforce its rights under this Mortgage and the Loan documents in such Florida courts.

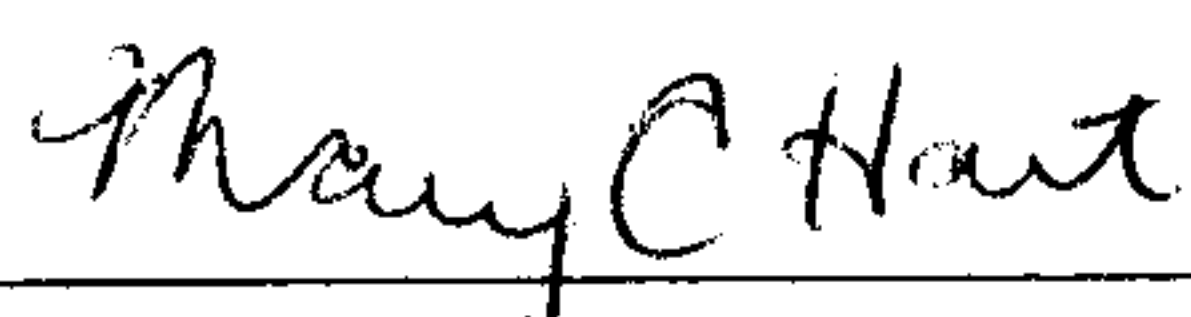
IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year above first written.

MORTGAGOR:

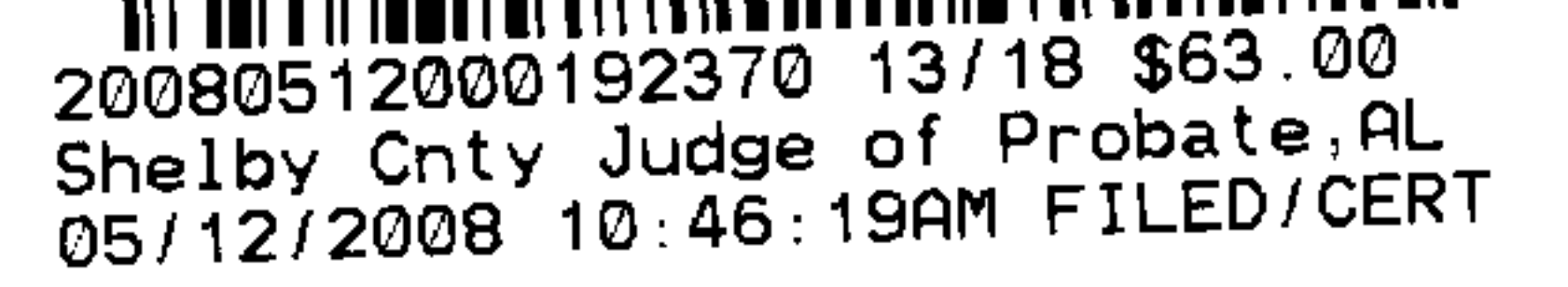
Signed, sealed and delivered
in the presence of:

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


Name: REBECCA F. KATES



Name: MARY C. HART

By: 
Wayne L. Adams, Member and Manager

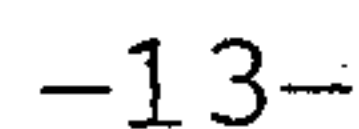


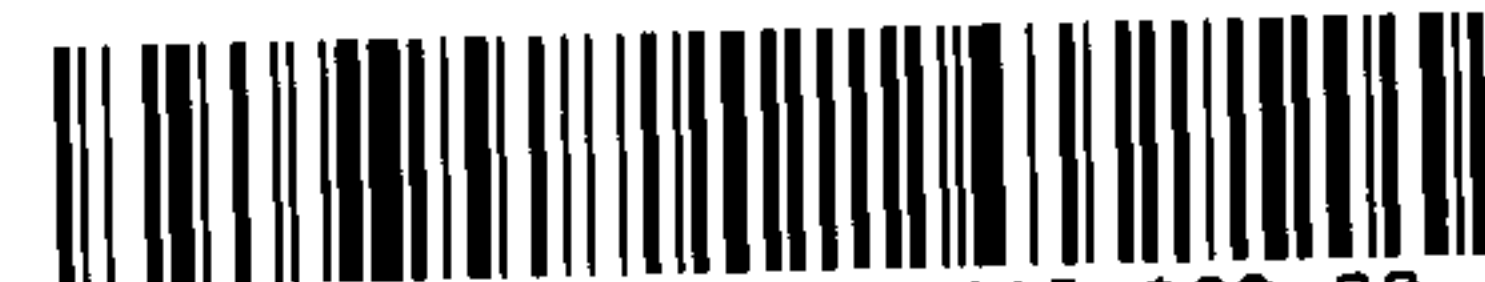
COUNTY OF ESCAMBIA

✓ is/are personally known to me.
 produced current _____ driver's license as identification.
 produced _____ as identification.


Notary Public **REBECCA F. KATES**

Name of Notary Printed _____
My Commission Expires: _____
Commission Number: _____





20080512000192370 14/18 \$63.00
 Shelby Cnty Judge of Probate, AL
 05/12/2008 10:46:19AM FILED/CERT

JOINDER

Borrower hereby consents to this Mortgage and agrees to be bound by each and every covenant and agreement hereof.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year above first written.

BORROWER:

Signed, sealed and delivered
 in the presence of:

ADAMS HOMES OF NORTHWEST FLORIDA, INC,
 a Florida corporation

Mary C Hart
 Name: MARY C. HART

By: [Signature]
 Wayne L. Adams, President

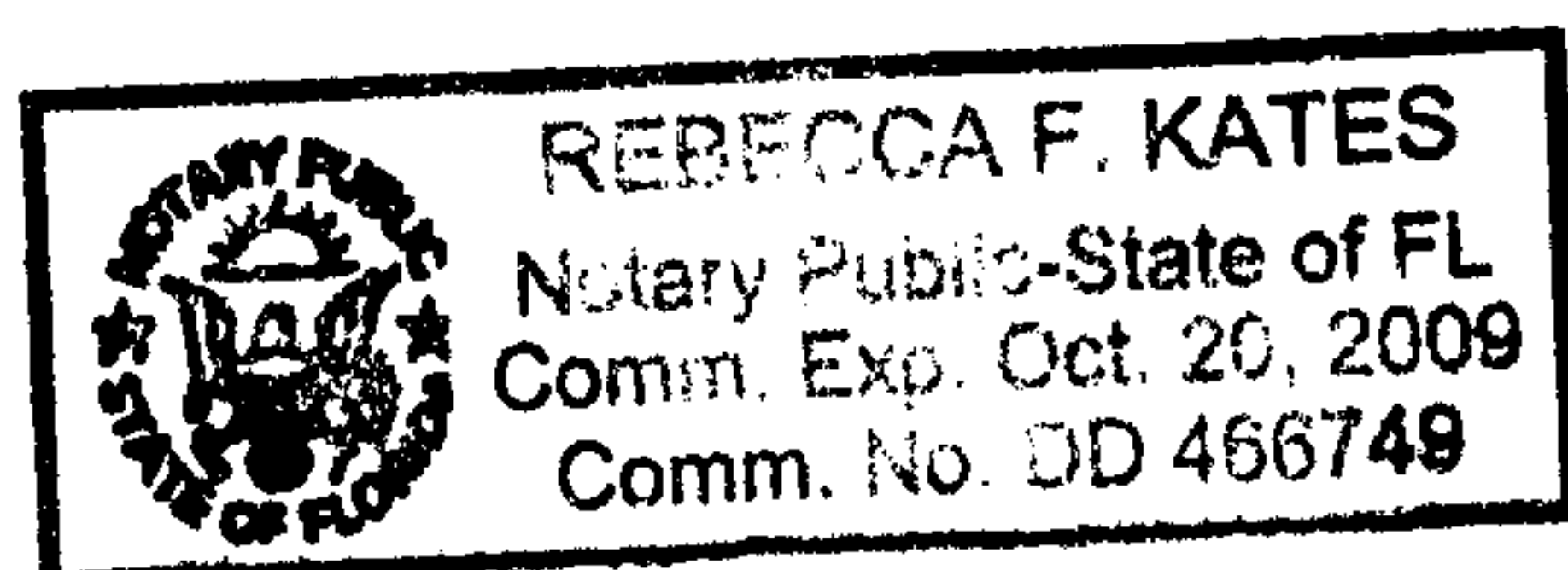
[Signature]
 Name: REBECCA F. KATES

STATE OF FLORIDA
 COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 3rd day of June, 2008, by Wayne L. Adams, as President of Adams Homes of Northwest Florida, Inc., a Florida corporation, on behalf of the corporation, who did not take an oath and who:

☒ is/are personally known to me.
☐ produced current _____ driver's license as identification.
☐ produced _____ as identification.

(Notary Seal Must
 Be Affixed)



[Signature]
 Notary Public **REBECCA F. KATES**
 Name of Notary Printed
 My Commission Expires: _____
 Commission Number: _____

20080512000192370 15/18 \$63.00
Shelby Cnty Judge of Probate, AL
05/12/2008 10:46:19AM FILED/CERT

Exhibit "A"

Lots 50 and 51, Chesapeake Subdivision, according to the plat thereof, recorded in Map Book 37, Page 123, as recorded in the Office of the Judge of Probate of Shelby County, Alabama.

BEFORE THE ALABAMA DEPARTMENT OF REVENUE

In re: BRANCH BANKING AND
TRUST COMPANY (BB&T),
as Lender/Petitioner

A Proceeding Authorized
By § 40-22-2(2) and (8)
CODE OF ALABAMA (1975)

MORTGAGE PRIVILEGE TAX ORDER

Comes Petitioner, **Branch Banking and Trust Company (BB&T)**, and asks the Alabama Department of Revenue to fix and determine the amount of recording tax due, pursuant to *Alabama Code* (1975) §40-22-2(2), upon the recordation of a mortgage to be filed in the principal amount of Thirty-Five Million and No/100 (\$35,000,000.00) Dollars from Adams Homes, LLC to Petitioner. The said Mortgage encompasses property located within and outside the State of Alabama and encompasses property in more than one county in Alabama.

Upon consideration of the Petition and evidence offered in its support, the Alabama Department of Revenue finds as follows:

1. That the maximum indebtedness owed pursuant to the Mortgage, and secured by the Said Mortgage is Thirty Five Million (\$35,000,000.00) Dollars.
2. That the Petitioner desires to pay recording tax on the maximum indebtedness, allocable to the secured assets which are located in the State of Alabama.
3. That the total value of all property covered by the Said Mortgage, both within and outside the State of Alabama, is Twenty-Four Million Seven Hundred Sixty-Two Thousand Two Hundred Thirty and 67/100 (\$24,762,230.67) Dollars.
4. That the total value of all property located within the State of Alabama, and covered by the Said Mortgage is Three Million Six Hundred Eighty-One Thousand Two Hundred Thirty-four 00/100 (\$3,681,234.00) Dollars. The ratio of the value of Alabama property to the value of all property is 14.87%.

5. That, based upon the ratio of property values as referred to in Paragraph 4, the amount of indebtedness which is allocable to Alabama, and upon which recording tax is due, is Five Million Two Hundred Four Thousand Five Hundred and No/100 (\$5,204,500.00) Dollars.

6. That the amount of recording tax to be paid at the rate of \$.15 for each \$100.00 of indebtedness or fraction thereof, which is attributable to the property located within the State of Alabama is Seven Thousand Eight Hundred Nine and 75/100 (\$7,809.75) Dollars.

7. That the said Mortgage is to be recorded in Shelby County, Alabama. The Mortgage has been previously filed for record in Madison, Mobile, Baldwin, and Limestone Counties, Alabama under a Mortgage Privilege Tax Order dated February 6, 2008.

8. That the relative property values of the properties lying within the State of Alabama are as follows:

<u>COUNTY</u>	<u>VALUE</u>	<u>PERCENTAGE</u>
Madison	\$1,409,600.00	38.29%
Mobile	\$ 697,584.00	18.95%
Baldwin	\$1,208,400.00	32.83%
Limestone	\$ 211,250.00	5.74%
<u>Shelby</u>	<u>\$ 154,400.00</u>	<u>4.19%</u>
Total	\$3,681,234.00	100.00%

9. That, pursuant to the privilege tax order dated February 6, 2008, referred to above, the Petitioner has previously paid mortgage privilege tax in the amount of \$8,205.75 for the purpose of recording the mortgage in Madison, Mobile, Baldwin and Limestone Counties, Alabama and is entitled to a credit in that amount to be applied to the mortgage privilege tax due for recordation in Shelby County, Alabama under the terms of this petition. After approving said credit, the Alabama Department of Revenue finds that no additional mortgage privilege tax is due for the recordation of the mortgage in Shelby County, Alabama.

10. The Mortgage is an open-end mortgage that secures future advances, and the debt is a revolving loan. The Petitioner, Branch Banking and Trust Company (BB&T), is not a lending institution organized under the laws of the United States of America or the State of Alabama; however the Petitioner desires to pay Mortgage Privilege Tax on the maximum amount of indebtedness. The maximum indebtedness cannot be exceeded under the terms of the mortgage and

Petitioner is exempted from posting a bond under the provisions of Alabama Code (1975) § 40-22-2(2)(a).

IT IS ORDERED, THEREFORE, that the probate judge in Shelby County, Alabama shall collect no recording tax for recordation of the mortgage attached as Exhibit "A" in the petition and described therein. The probate judge of Shelby County, Alabama shall not be required to make distribution of any mortgage privilege tax amount to the State of Alabama or to the counties named herein according to the percentages as set out in Paragraph 8, said distributions having been made pursuant to the prior tax order dated February 6, 2008. The probate judge of Shelby County, Alabama shall be entitled to collect any applicable recording fees.

DONE this 25th day of APRIL, 2008.

**ALABAMA DEPARTMENT OF
REVENUE**

By: Cynthia Underwood
Assistant Commissioner of Revenue

ATTEST:

[Signature]
As Secretary

[Signature]
Legal Division