

STATE OF ALABAMA)
 :
COUNTY OF SHELBY)

**CONSTRUCTION AND PERMANENT MORTGAGE AND SECURITY AGREEMENT
with Fixture Filing**

THIS CONSTRUCTION AND PERMANENT MORTGAGE AND SECURITY AGREEMENT with Fixture Filing (this “Mortgage”) is made effective as of this 29th day of September, 2014, by **PHYLLIS R. SPRUIELL**, a married woman and resident of the State of Alabama, who is joined herein by David R. Spruiell, her husband (collectively referred to in the singular as “Mortgagor”), in favor of **The STANLEY G. SPRUIELL TRUST, Dated May 28, 1998** (“Mortgagee”).

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, Mortgagor, as borrower, is indebted to Mortgagee, as lender, in the principal sum of Two Hundred Sixty-Five Thousand Dollars and No/100 (\$265,000.00) or so much thereof as shall be distributed to Mortgagor by Mortgagee pursuant to the terms of that certain Construction Loan Agreement of even date herewith by and between Mortgagor, as Borrower, and Mortgagee, as Lender (the “Loan Agreement”), plus Closing Costs as defined in the Loan Agreement and that certain Construction and Permanent Promissory Note of even date herewith by Mortgagor in favor of Mortgagee (the “Note”), which indebtedness is evidenced by the Note, providing for monthly installments of interest beginning on November 1, 2014 and continuing thru the later of May 1, 2015 or the actual date of completion of the construction Borrower is to have done using the proceeds of the distributions made by Lender to Borrower as more specifically set forth in the Loan Agreement, and then monthly installments of principal and interest thereafter until May 1, 2045, with the balance of the indebtedness if not paid by such date becoming due and payable thereon in full; and

WHEREAS, this Mortgage is executed and delivered pursuant to, and in accordance with, the Loan Agreement and the Note.

NOW, THEREFORE, for valuable consideration received, and as security to Mortgagee, Mortgagor hereby irrevocably and unconditionally mortgages, grants, bargains, conveys, transfers and assigns to Mortgagee, with power of sale and right of entry and possession, all estate, right, title and interest which Mortgagor now has or may later acquire in and to the following (all or any part of same or any interest in all or any part of it, as the context may require, the “Property”):

(a) That certain real property located in Shelby County, Alabama more specifically described as follows:

LOT 24A, according to Survey of The Shires, Phase 3, Sector 1, as recorded in Map Book 18, Page 35, in the Probate Office of Shelby County, Alabama,

together with, all existing and future easements and rights affording access to same (the "Land"); together with,

(b) All of the buildings, structures and improvements now located or subsequently erected on the Land (the "Improvements"); together with,

(c) All existing and future rights, hereditaments, interests, appurtenances, privileges, easements, rights of way, franchises and tenements of the Land, including, but not limited to, all minerals, oil, gas, other hydrocarbons and associated substances, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and the Improvements; together with,

(d) All of Mortgagor's right, title and interest in and to all fixtures now or subsequently attached to any part of the Land and/or the Improvements, including, but not limited to, all pumping plants, engines, pipes, ditches and flumes, and also all gas, steam, electric, cooking, heating, cooling, air conditioning, ventilating, lighting, storm and screen doors, cooking apparatus, fencing, shrubbery, antennas, sprinkling, refrigeration and plumbing fixtures and equipment, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Mortgage; together with,

(e) All of Mortgagor's right, title and interest in and to all building materials, equipment, work in process or other personal property of any kind which have been or later will be incorporated into or installed in or about the Land and/or the Improvements; together with,

(f) All proceeds from, as well as, all claims to and demands for the voluntary or involuntary conversion of any of the Land, the Improvements or the other Property into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments from any condemnation or eminent domain proceeding and all causes of action and their proceeds for any damage or injury to the Land, the Improvements or the other Property or any part of them or breach of warranty in connection with construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with,

(g) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in, any of the Property.

1. Secured Obligations. Mortgagor makes the preceding mortgage, grant, bargain, conveyance, transfer and assignment, and grants the security interest set forth in Section 3 hereof, for the purpose of having the Property act as security for the following obligations (the "Secured Obligations") in any order of priority that Mortgagee make choose:

(a) Payment and performance of all obligations, covenants and agreements of Mortgagor under this Mortgage;

(b) Repayment of the indebtedness evidenced by the Note, with interest as set forth therein, and the performance of all obligations, covenants and agreements of Mortgagor therein;

(c) Payment and performance of all obligations, covenants and agreements of Mortgagor under the Loan Agreement;

(d) Repayment of all future advances to Mortgagor by Mortgagee and obligations paid or incurred by Mortgagee on behalf of Mortgagor in accordance with the terms of any of this Mortgage, the Note or the Loan Agreement, as well as all future advances to Mortgagor by Mortgagee and obligations paid or incurred by Mortgagee on behalf of Mortgagor, if any, not contemplated by any of this Mortgage, the Note or the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement), that Mortgagee or any successor in ownership of all or any part of the Property may agree to pay, repay and/or perform for the benefit of Mortgagor, when a writing evidences the parties' agreement that such be secured by this Mortgage; and

(e) Payment and performance of all modifications, amendments, extensions and renewals, however evidenced, of any of the Secured Obligations.

As more particularly set forth in the Loan Agreement, distributions for Closing Costs (as defined in both the Note and the Loan Agreement) and construction of the Improvements on the Land will be made by Mortgagee to Mortgagor and repaid upon the terms and subject to the conditions set forth in the Note, and this Mortgage will secure the Secured Obligations now and following completion of construction of the Improvements, without any loss of, or other effect on, the priority of the lien of this Mortgage, until the date that all Secured Obligations (other than inchoate indemnity obligations) are paid in full.

ANY EVENT OF DEFAULT UNDER THE LOAN AGREEMENT, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, AS DEFINED AND SET FORTH IN EXHIBIT "B" OF THE LOAN AGREEMENT, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE.

All persons who may have or who acquire an interest in all or any part of the Property will be considered to have notice of the terms of the Secured Obligations and each agreement or instrument made or entered into in connection with each of the Secured Obligations.

2. Payment and Performance of Secured Obligations. Except as otherwise provided in this Mortgage, Mortgagor shall perform for or pay to Mortgagee all of the Secured Obligations that are secured by this Mortgage as they become due, and shall strictly and in a timely manner perform all of Mortgagor's obligations under this Mortgage, the Note and the Loan Agreement.

3. Security Agreement and Fixture Filing. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

(a) This Mortgage shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Mortgagee shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time-to-time.

(b) This Mortgage constitutes a financing statement filed as a fixture filing under Section 7-9A-502(c) of the Alabama Uniform Commercial Code, as amended or recodified from time to time, covering any of the Property which now is, or later becomes, a fixture to the Land

and/or the Improvements, and is to be filed for record in the real estate records in each county where any part of the Property is situated. The mailing address of Mortgagor and Mortgagee are as set forth below in Subsection 15(k). Mortgagee is a trust established under the laws of the State of Alabama and has no organizational identification number. Upon request by Mortgagee, Mortgagor shall execute other separate financing statements and take whatever other action is requested by Mortgagee to perfect and continue Mortgagee's security interest in that part of the Property constituting fixtures or personal property. Mortgagor shall reimburse Mortgagee for all expenses incurred in perfecting or continuing this security interest.

(c) Mortgagor waives, unless otherwise prohibited by law, all rights of exemption as to fixtures and personal property under the constitution or laws of the State of Alabama or any other State of the United States as to any such items secured or that may be secured by the terms of this Mortgage, and upon any Event of Default (as hereafter defined), Mortgagor shall assemble the fixtures or other personal property in a manner and at a place reasonably convenient to Mortgagor and Mortgagee and make it available to Mortgagee within five (5) days after receipt of written demand from Mortgagee.

(d) If Mortgagor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Mortgagor under this Mortgage, the Note, the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement), Mortgagee shall execute and deliver to Mortgagor suitable statements of termination of this and any other financing statements of record.

4. Rights and Duties of Mortgagor. In addition to those representations and warranties set forth in the Loan Agreement, Mortgagor further represents and warrants to Mortgagee that:

(a) Mortgagor lawfully possesses and holds fee simple title to all of the Land and the Improvements and has the right to mortgage, grant, bargain, convey, transfer and assign the Land and the Improvements to Mortgagee as done herein;

(b) Mortgagor has or will have good title to all of the Property other than the Land and the Improvements and has or will have the right to mortgage, grant, convey, transfer, bargain and assign the Property other than the Land and the Improvements to Mortgagee as done herein;

(c) Mortgagor will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagee's interest in the Property (the "Permitted Exceptions"); and

(d) this Mortgage creates a first and prior lien on the Property, and the Property is free and clear of all encumbrances, easements and restrictions, except such encumbrances, easements and restrictions of record reflected in the Permitted Exceptions.

5. Taxes and Assessments. Mortgagor shall pay, prior to delinquency, all taxes, levies, charges and assessments imposed by any public or quasi-public authority or utility company, as well as any fines and impositions, levied against or on account of the Property which are (or if not paid, may become) a lien on all or part of the Property or any interest therein. If any such taxes, levies, charges, assessments, fines or impositions become delinquent, Mortgagee may

require Mortgagor to present evidence that they have been paid in full on twenty (20) days written notice from Mortgagee.

6. Liens, Charges and Encumbrances. In accordance with Section 4.8 of the Loan Agreement, within twenty (20) days, Mortgagor shall discharge any lien on the Property which Mortgagee has not consented to in writing. Mortgagor shall pay when due each obligation reducible to a lien, charge or encumbrance which now does or later may encumber or appear to encumber all or part of the Property or any interest therein, whether the lien, charge or encumbrance is or would be senior or subordinate to this Mortgage. This Section 6, as well as the preceding Section 5, is subject to the right granted to Mortgagor in Section 10.8 of the Loan Agreement to contest in good faith claims, demands, levies or assessments (other than mechanic's and materialmen's lien claims).

7. Damages and Insurance and Condemnation Proceeds. Mortgagor shall promptly notify Mortgagee of any loss or damage to the Property or any part thereof or any notice of intended condemnation of the Property or any part thereof. With respect to any loss or damage to the Property, Mortgagor may make proof of loss if Mortgagee fails to do so within fifteen (15) days of the casualty; and if, in Mortgagee's sole judgment, Mortgagee's security interest in the Property has been impaired, Mortgagee may, at its election, receive and retain the proceeds and apply such to the reduction of the indebtedness owing from Mortgagor; payment of any lien affecting the Property; or the restoration and repair of the Property. If the proceeds from a casualty are elected by Mortgagee to be applied to restoration and repair of the Property, Mortgagor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Mortgagee. Mortgagee shall, upon satisfactory proof of such expenditure, pay or reimburse Mortgagor from the proceeds for the reasonable cost of repair or restoration if Mortgagor is not in default under this Mortgage, the Note, the Loan Agreement or the other Loan Documents (as defined in the Loan Agreement). Any casualty proceeds which have not been distributed within one hundred and eighty (180) days after their receipt and which Mortgagee has not committed to the repair or restoration of the Property shall be applied to the principle balance of the indebtedness. If Mortgagee holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Mortgagor as Mortgagor's interests may appear. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Mortgagee may, at its election, require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses and attorneys' fees incurred by Mortgagee in connection with the condemnation. With respect to any condemnation proceeding, following notice of same to Mortgagee, Mortgagor shall promptly take such steps as may be necessary to defend the action and obtain the award. Mortgagee shall be entitled to participate in any such proceeding and to be represented in the proceeding by counsel of its own choice, and Mortgagor shall deliver or cause to be delivered to Mortgagee such instruments as may be requested by it from time-to-time to permit such participation.

8. Maintenance, Operation and Preservation of the Property. Mortgagor agrees that while this Mortgage remains of record, unless there is an occurrence of a Default as defined in the Loan Agreement by Mortgagor, Mortgagor may (i) remain in possession and control of the

Property and (ii) use, operate or manage the Property, and Mortgagor's use, operation and management of the Property shall be governed by the following provisions:

(a) Mortgagor shall maintain the Property in good condition, reasonable wear and tear alone excepted, and promptly perform all repairs, replacements and maintenance necessary to preserve the Property's value.

(b) Mortgagor shall not cause, conduct or permit any nuisance nor commit, permit or suffer any stripping of or waste on or to the Property or any portion thereof, including, those acts or omissions characterized under the Loan Agreement as waste which arises out of Hazardous Substances (as defined in the Loan Agreement). Without limiting the generality of the foregoing, Mortgagor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil or gravel or rock products without the prior written consent of Mortgagee.

(c) Mortgagor shall insure the Property as required by the Loan Agreement (any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property at any sale held under the provisions hereof, including any foreclosure sale).

(d) Mortgagor shall not remove or demolish the Property or any part of it or alter, restore or add to the Property following completion of construction of the Improvements or initiate or allow any change in any zoning or other land use classification which affects the Property or any part thereof, except with Mortgagee's express prior written consent in each instance. As a condition to the removal of any of the Property, Mortgagee may require Mortgagor to make arrangements satisfactory to Mortgagee to replace such with property of at least equal value.

(e) If all or any part of the Property becomes damaged or destroyed, Mortgagor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices; provided, however, that Mortgagor shall have no such obligation to repair or restore any of the Property if such damage or destruction is not required to be repaired or restored per Mortgagee's election in accordance with the preceding Section 7 hereof.

(f) Mortgagor shall not bring or keep any article on the Property or cause or allow any condition to exist on it that could invalidate or would be prohibited by any insurance coverage required to be maintained by Mortgagor on the Property or any part of it under the Loan Agreement.

(g) Mortgagor agrees to neither abandon nor leave the Property.

Mortgagor shall do all other acts, in addition to those acts set forth above in this Section 8, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

Mortgagee and its agents and representative may enter upon the Land at all reasonable times to attend to Mortgagee's interests and to inspect the Property for purposes of ascertaining Mortgagor's compliance with the terms and conditions of this Mortgage.

9. Compensation, Exculpation, Indemnification. If Mortgagor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Mortgagee's interest in the Property, Mortgagee on Mortgagor's behalf may, but shall not be required to, take any action that Mortgagee deems appropriate. Further, Mortgagor shall pay or reimburse all of Mortgagee's costs and expenses which may be incurred in rendering such services. Mortgagor further agrees to pay or reimburse Mortgagee for all costs, expenses and other advances which may be incurred or made by Mortgagee in any effort to enforce any terms of this Mortgage, including any rights or remedies afforded to Mortgagee under Subsection 11(d), whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Mortgage, including reasonable attorneys' fees and other legal costs and expenses, costs of any Foreclosure Sale (as defined in Subsection 11(d)(vii)(3)) and any cost of evidence of title. If Mortgagee chooses to dispose of any of the Property through more than one Foreclosure Sale, Mortgagor shall pay all costs, expenses or other advances that may be incurred or made by Mortgagee in each of those Foreclosure Sales.

Mortgagor shall pay all obligations arising under this Section 9 immediately upon demand by Mortgagee. Each such obligation shall be added to, and considered to be part of, the Secured Obligations, and shall bear interest from the date the obligation arises at the Interest Rate defined in the Note. This Mortgage will secure payment of these amounts.

The rights provided for in this Section 9 shall be in addition to any other rights and remedies to which Mortgagee may be entitled. Any action by Mortgagee hereunder shall not be construed as curing any Default (as defined in the Loan Agreement) so as to bar Mortgagee from any remedy that it otherwise would have had with respect thereto.

10. Defense and Notice of Claims and Actions. At Mortgagor's sole cost and expense, Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property and the security of this Mortgage and the rights and powers of Mortgagee created hereunder against all adverse claims. Mortgagor shall give Mortgagee prompt notice in writing if any claim is asserted which does or could fall within the parameters of this Section 10 or if any action or proceeding is commenced which alleges or relates to any such claim.

11. Release; Accelerating Transfer; Default and Remedies.

(a) If the Secured Obligations hereby secured shall be well and truly paid and discharged (which in addition to the principal sum (which includes Closing Costs) with interest shall include but may not necessarily be limited to payment of taxes and insurance, the satisfaction of prior encumbrances and any other past, existing or future indebtedness or obligation owed to Mortgagee by Mortgagor with interest thereon) as the same shall become due and payable, and if Mortgagor shall in all things do and perform all acts and agreements herein and in the Note and Loan Agreement agreed to be done according to the tenor and effect hereof and thereof, then and in that event only, this Mortgage shall be released in full by Mortgagor; provided, however, that Lender shall have received the costs of preparing and delivering such release of lien.

Mortgagee shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Mortgagor to Mortgagee, unless Mortgagee has given express written notice of its election of that remedy in accordance with Alabama Uniform Commercial Code Section 7-9A-621, as it may be amended or recodified from time-to-time.

(b) “Accelerating Transfer” shall mean any sale, contract to sell, conveyance, encumbrance, lease or other transfer of all or any part of the Property or any interest therein, whether legal or equitable, whether voluntary or involuntary, by operation of law or otherwise, that is not expressly permitted by Mortgagee. If any Accelerating Transfer occurs, Mortgagee, in its sole and absolute discretion, may declare all of the Secured Obligations to be immediately due and payable or Mortgagee may, without notice or demand, invoke any of the other rights and remedies provided by Subsection 11(d) of this Mortgage. Mortgagee shall have waived such option if, prior to the sale, conveyance, encumbrance, lease or transfer, Mortgagee and the person to whom the Property or any part thereof is to be sold, conveyed, encumbered, leased or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such a rate as Mortgagee shall request.

(c) Mortgagor will be in default under this Mortgage upon the occurrence and during the continuance of any Default as defined in the Loan Agreement (a “Default”).

(d) At any time after a Default, Mortgagee shall be entitled to invoke any and all of the rights and remedies described below, in addition to any other rights or remedies provided by law. All such rights and remedies shall be cumulative and the exercise of any one or more of them shall not constitute an election of remedies.

(i) Acceleration. Mortgagee may declare any or all of the Secured Obligations, with interest thereon as provided in the Note, to be due and payable immediately; provided, however, that prior to such acceleration, Mortgagee shall mail a notice to Mortgagor, specifying (a) the Default(s); (b) the action required to cure same; (c) a date, not less than thirty (30) days from the date the notice is mailed to Mortgagor by which the breach must be cured; and (d) the fact that failure to cure the breach on or before the date specified may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration, as more fully set forth in (1) below, and the right to assert in any foreclosure proceeding the nonexistence of a default or any other defense Mortgagor may have to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee’s option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose. Mortgagee shall be entitled to collect all expenses of foreclosure, including, but not limited to, reasonable attorneys’ fees and costs of documentary evidence, abstracts and title reports.

(1) Mortgagee’s Right to Reinstate. Notwithstanding Mortgagee’s acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the commencement of bidding at sale pursuant to (vii) below, if: (i) Mortgagor pays Mortgagee all

sums that would then be due had no acceleration occurred; (ii) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage, the Note, the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement); (iii) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor and in enforcing Mortgagee's remedies as provided in this Subsection 11(d), including, but not limited to, reasonable attorneys' fees; and (iv) Mortgagor takes any action Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. On payment and cure by Mortgagor, this Mortgage and the obligations secured by this Mortgage shall remain in full force and effect as if no acceleration had occurred.

(ii) Receiver. Mortgagee may apply to any court of competent jurisdiction for the appointment of a receiver for the Property.

(iii) Entry. Mortgagee, in person, by agent or by court appointed receiver may, with or without legal process, to the extent permitted by applicable law and upon five (5) days prior written notice, enter and take possession of the Property, remove Mortgagor and all agents and contractors of Mortgagor therefrom, complete construction on, manage, operate, and lease, market or sell all or any part of the Property and may also do any and all other things in connection with those actions that Mortgagee may, in its sole and absolute discretion, consider necessary and appropriate to protect the security of this Mortgage. Such other things may include, to the extent permitted by applicable law: entering into, enforcing, modifying or canceling leases on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Mortgagor; completing any unfinished construction (including making such reallocation of costs as Mortgagee may elect in the construction budget); and/or contracting for and making alterations and repairs.

(iv) Cure; Protection of Security. Mortgagee may (but shall not be obligated to) cure any breach or default of Mortgagor and if it chooses to do so, Mortgagee, to the extent permitted by applicable law, may also enter the Property and/or do any and all other things which it may in its sole and absolute discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include, in addition to those set forth in the preceding (iii): appearing in and/or defending any action or proceeding which purports to affect the security or rights or powers of Mortgagee under this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's sole judgment is or may be senior in priority to this Mortgage, such judgment of Mortgagee to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property, making and pursuing any claim against any third party and defending against any claim by any third party and/or employing counsel, accountants, contractors and other appropriate persons to assist. Mortgagee may take any of the actions permitted under this Subsection 11(d)(iv) either with or without giving notice to any person.

(v) Uniform Commercial Code Remedies and other Remedies. Mortgagee may exercise any or all of the rights and remedies granted to a secured party under the Alabama Uniform Commercial Code.

(vi) Judicial Action. In lieu of foreclosure by power of sale, Mortgagee may bring an action in any court of competent jurisdiction to foreclose this Mortgage, to obtain specific enforcement of any of the covenants or agreements of this Mortgage or to take any action at its option to enforce any of the indemnities, covenants or agreements under the Loan Agreement, the Note or any of the other Loan Documents (as defined in the Loan Agreement).

(vii) Power of Sale. Pursuant to this power of sale, Mortgagee shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(1) Sale of Personal Property. For purposes of this power of sale, Mortgagee may elect to treat as personal property any of the Property which is intangible or which can be severed from the Land or the Improvements without causing structural damage. If Mortgagee chooses to do so, it may dispose of any personal property separate from the sale of real property.

(2) Sale of Real Property or Mixed Collateral. Mortgagee may choose to dispose of some or all of the Property which consists solely of real property in any manner then permitted by applicable law. In its sole and absolute discretion, Mortgagee may also or alternatively choose to dispose of some or all of the Property in any combination consisting of both real and personal property together in one sale to be held in accordance with the law and procedures applicable to real property. Mortgagor agrees that such a sale of personal property, together with real property, constitutes a commercially reasonable sale of the personal property.

(3) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, Mortgagee may: (i) designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and (ii) elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under the power of sale granted in this Subsection 11(d)(vii) or in connection with judicial proceedings or by virtue of a judgment and decree of foreclosure and sale, or through two or more such sales or dispositions, each of which may be separately noticed if so elected by Mortgagee and permitted by applicable law or in any other manner Mortgagee may deem to be in its best interests (any such sale or disposition, a “Foreclosure Sale” and any two or more, “Foreclosure Sales”).

If it chooses to have more than one Foreclosure Sale, Mortgagee at its option, may elect to have the Foreclosure Sales held simultaneously or successively, on the same day, or on such different days and at such different times and places and in such order as it may deem to be in its best interests, all as may be permitted under applicable law. No Foreclosure Sale shall terminate or affect the lien of this Mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full, and any

proceeds of any Foreclosure Sale shall not cure an Event of Default or reinstate any of the Secured Obligations.

(4) Before any sale under this Subsection 11(d)(vii), Mortgagee shall give notice by publication once a week for three (3) consecutive weeks prior to the sale in some newspaper of general publication in Shelby County, Alabama. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Mortgagee shall sell the property being sold at a public auction to be held before the main county courthouse door in Shelby County, Alabama, at public outcry for cash at the time specified in the notice of sale, and Mortgagee may impose such terms and conditions of sale as are permitted or allowed by applicable law. Mortgagee shall have no obligation to make demand on Mortgagor before any such sale. From time-to-time in accordance with then applicable law, Mortgagee may postpone any such sale by public announcement at the time and place noticed for the sale. At any such sale, Mortgagee shall sell to the highest bidder at public auction for cash in lawful money of the United State, unless other terms and conditions of sale are prescribed by Mortgagee in accordance with, and as permitted by, applicable law. Mortgagee, owner of the debt and mortgage or auctioneer shall execute and deliver to the purchaser(s) for and in the name of Mortgagor a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, express or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of the sale, shall be conclusive proof of their truthfulness. Any such deed shall be conclusive against all persons as to the facts recited therein.

(5) At any Foreclosure Sale, any person, including Mortgagee, may bid for and acquire the Property or any part of it. Instead of paying cash for the Property if acquired, Mortgagee may settle for the purchase price by crediting the sales price of the Property against those obligations set forth in the subsequent Subsection 11(d)(viii)(6) in the order set forth therein.

(6) Proceeds of any Foreclosure Sale shall be applied by Mortgagee as follows: first, to the expense of advertising, selling and conveying, including reasonable attorneys' fees as provided herein; second, to the payment of any amounts that have been expended or that may then be necessary to expend in paying insurance, taxes, assessments and other encumbrances, charges, liens or debts, with interest thereon; third, to the payment of all of the indebtedness and obligations hereby secured and interest thereon, whether the same shall or shall not have fully matured at the date of said sale; and fourth, the balance, if any, to be paid over to Mortgagor or as otherwise provided by law.

12. Tenancy at Sufferance. If Mortgagor remains in possession of the Property after commission by Mortgagee of any of the proceeding remedies for Default, provided there is no reinstatement in accordance with Subsection 11(d)(i)(1), or Mortgagee otherwise becomes entitled to possession of the Property upon a Default of Mortgagor, Mortgagor shall become a tenant at sufferance of Mortgagee or the purchaser of the Property, and shall, at Mortgagee's option, either (i) pay a reasonable rental for the use of the Property; or (ii) vacate the Property immediately upon demand.

13. Miscellaneous Provisions.

(a) Joint and Several Liability; Co-signer. Mortgagor covenants and agrees that Mortgagor's obligations and liabilities shall be joint and several; provided, however, that any Mortgagor who joins in this Mortgage but does not execute the Note (a "Co-Signer"): (i) is joining in this Mortgage solely as a co-signer to mortgage, grant and convey the Co-Signer's interest in the Property under the terms of this Mortgage; (ii) is not personally obligated to pay the Secured Obligations secured by this Mortgage; and (iii) agrees that Mortgagee and any other Mortgagor can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without Co-Signer's consent.

(b) Additional Provisions. The Loan Documents (as defined in the Loan Agreement) fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Mortgage. The Documents also may grant further rights to Mortgagee or Mortgagor and do contain further agreements and affirmative and negative covenants by Mortgagor which apply to this Mortgage and to the Property.

(c) Waiver; Election of Remedies. Each waiver by Mortgagee must be in writing and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Mortgagee to take action on account of any default of Mortgagor. Consent by Mortgagee to any act or omission by Mortgagor shall not be construed as a consent to any other or subsequent act or omission or waive the requirement for Mortgagee's consent to be obtained in any future or other instance. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision hereof. Election by Mortgagor to pursue any remedy provided in this Mortgage, the Note or the Loan Agreement or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Mortgagor under this Mortgage after failure of Mortgagor to perform shall not affect Mortgagee's right to declare a default and exercise any of its remedies.

If any of the events described below occurs, that event alone shall not cure or waive any breach, Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such Default or notice or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other Defaults under the Loan Agreement and/or the Note, if any, have been cured) or impair the security of this Mortgage or prejudice Mortgagee or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage or be construed as an affirmation by Mortgagee of any tenancy, lease or option or a subordination of the lien of this Mortgage: (i) Mortgagee, its agent or a receiver takes possession of all or any part of the Property in the manner provided in Subsection 11(d)(iii); (ii) Mortgagee collects and applies rents either with or without taking possession of the Property; (iii) Mortgagee receives and applies to any of the Secured Obligations proceeds of any of the Property, including any proceeds of insurance policies, condemnation awards or other claims or rights assigned to Mortgagee in accordance with Section 7; (iv) Mortgagee makes a site visit, observes the Property and/or conducts tests as permitted under Section 8; (v) Mortgagee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations and applies them to one or

more Secured Obligations; or (vi) Mortgagee or any receiver invokes any right or remedy provided under this Mortgage.

(d) Attorneys' Fees; Expenses. If Mortgagee institutes any suit or action to enforce any of the terms of this Mortgage, Mortgagee shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on appeal. Whether or not any court action is involved, all reasonable expenses incurred by Mortgagee, which in Mortgagee's opinion are necessary at any time for the protection of its interest or the enforcement of its rights, shall become a part of the amount owing from Mortgagor to Mortgagee, payable on demand, and shall bear interest at the interest rate set forth in the Note from the date of expenditure until repaid. Expenses covered by this Subsection 13(c) include, without limitation, however, subject to any limits under applicable law, Mortgagee's attorneys' fees whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports and appraisal fees. Mortgagor also will pay any court costs, in addition to all other sums.

(e) Powers of Mortgagee. Mortgagee shall have no obligation to perform any act which it is empowered under this Mortgage to perform unless it is requested to do so in writing and is reasonably indemnified against loss, cost, liability and expense.

If Mortgagee performs any act which it is empowered to perform under this Mortgage, including any act permitted by Section 9 and Subsection 11(d)(vii), that act alone shall not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding, or the lien of this Mortgage on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Mortgagor shall not be released or changed if Mortgagee grants any successor-in-interest to Mortgagor any extension of time for payment or modification of the terms of payment of any of the Secured Obligations; Mortgagee shall not be required to comply with any demand by the original Mortgagor that Mortgagee refuse to grant such an extension or modification to or commence proceedings against any such successor-in-interest.

Mortgagee may take any of the actions permitted under Subsections 11(d)(iii) and 11(d)(iv) regardless of the adequacy of the security for the Secured Obligations or whether any or all of the Secured Obligations have been declared to be immediately due and payable or whether notice of default and election to sell has been given under this Mortgage.

From time-to-time, Mortgagee may apply to any court of competent jurisdiction for aid and direction in executing and enforcing the rights and remedies created hereunder. Mortgagee may from time-to-time obtain orders or decrees directing, confirming or approving acts in executing this Mortgage and enforcing the rights and remedies granted herein.

(f) Merger. No merger shall occur as a result of Mortgagee acquiring any other estate in or any other lien on the Property unless Mortgagee consents to such a merger in writing.

(g) Applicable Law. This Mortgage shall be governed by Alabama law without regard to its conflicts of law principles.

(h) Successors-in-Interest. The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the respective personal representatives, trustees, devisees, heirs, successors and assigns of Mortgagor and Mortgagee.

(i) Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions hereof. The word “include(s)” means “includes(s) without limitation”, and the word “including” means “including, but not limited to”. The word “obligations” is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations; it further includes all principal, interest, prepayment charges, late charges and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. Any ambiguity between this Mortgage and the Loan Agreement shall be controlled by the terms of the Loan Agreement.

(j) Waiver of Marshaling. Mortgagor waives all rights, legal and equitable, she may now or hereafter have to require marshaling of assets or to require Foreclosure Sales of assets in a particular order. Each successor and assign of Mortgagor, including any holder of a lien subordinate to this Mortgage, by acceptance of its interest or lien agrees that it shall be bound by the above waiver as if it had given the waiver himself, herself or itself.

(k) Severability. In the event that any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision shall be deemed severed from this Mortgage and the validity, legality and enforceability of the remaining provisions shall remain in full force and effect as though the invalid, illegal or unenforceable provision had never been a part of this Mortgage; provided, however, that if such invalid, illegal or unenforceable provision relates to the payment of any monetary sum, then Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

(l) No Joint Venture. Mortgagor recognizes and agrees that the relationship between Mortgagor and Mortgagee shall be strictly construed as a relationship between debtor and a secured party and never as a joint venture or similar relationship. Mortgagee shall not be obligated to perform or discharge any obligation or duty of Mortgagor with respect to the ownership or use of the Property. Mortgagor covenants and agrees to hold harmless, defend and indemnify Mortgagee from and against any and all liability arising with respect to Mortgagor's ownership and use of the Property, which covenant and agreement shall survive the release of this Mortgage.

(m) Attorney-in-Fact. Mortgagor irrevocably appoints Mortgagee as her attorney-in-fact, which agency is coupled with interest. As attorney-in-fact, Mortgagee may, in Mortgagor's name, take or omit to take any action Mortgagee may deem appropriate, including, without limitation, exercising Borrower's rights under all contracts concerning the Property.

(n) Notices. Mortgagor hereby requests that a copy of any notice of default or notice of sale be mailed to at the notice address provided for her in the Loan Agreement. All notices, demands and other communications required or permitted to be given by Mortgagee to Mortgagor pursuant to this Mortgage shall be given in accordance with the Loan Agreement.

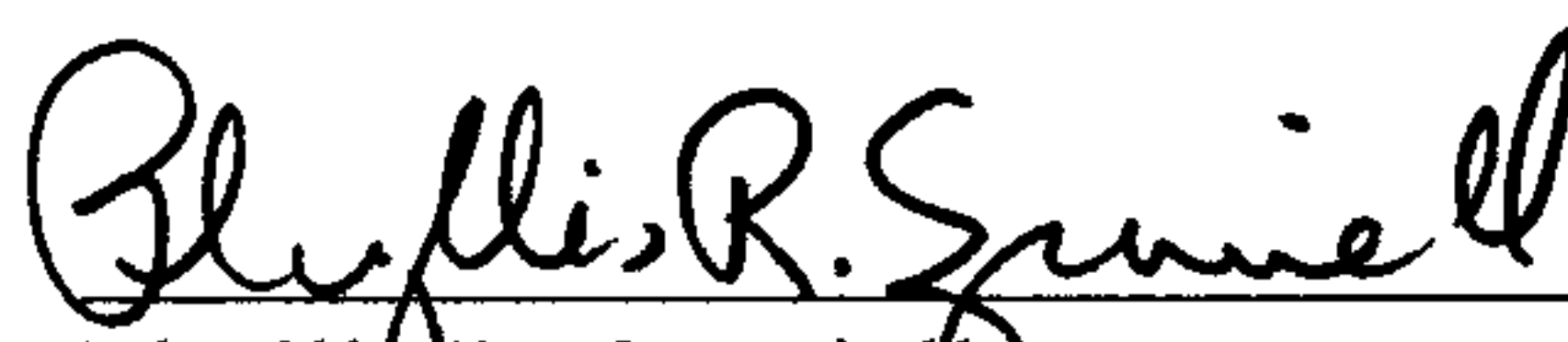
(o) Alteration; Amendment. No alteration of, or amendment to, this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(p) Time is of the Essence. Time is of the essence in the performance of this Mortgage.

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

MORTGAGOR HEREBY ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS MORTGAGE AND AGREES TO ITS TERMS, INCLUDING, THE PROVISIONS OF THE NOTE SECURED BY THIS MORTGAGE.

“MORTGAGOR”


Phyllis R. Spruiell


David R. Spruiell

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that **PHYLLIS R. SPRUIELL**, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she executed the same voluntarily on the day the same bears date.


20140929000305300 15/16 \$456.50
Shelby Cnty Judge of Probate, AL
09/29/2014 03:44:28 PM FILED/CERT

GIVEN under my hand and official seal this the 29th day of September, 2014.

Mindy Austin
Notary Public

[SEAL]

My Commission Expires:



STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that **DAVID R. SPRUIELL**, whose name is signed to the foregoing, and who is known to me, acknowledged before me on this day that, being informed of the contents of said statement, he executed the same voluntarily on the day the same bears date.

GIVEN under my hand and official seal this the 29th day of September, 2014.

Mindy Austin
Notary Public

[SEAL]

My Commission Expires:

