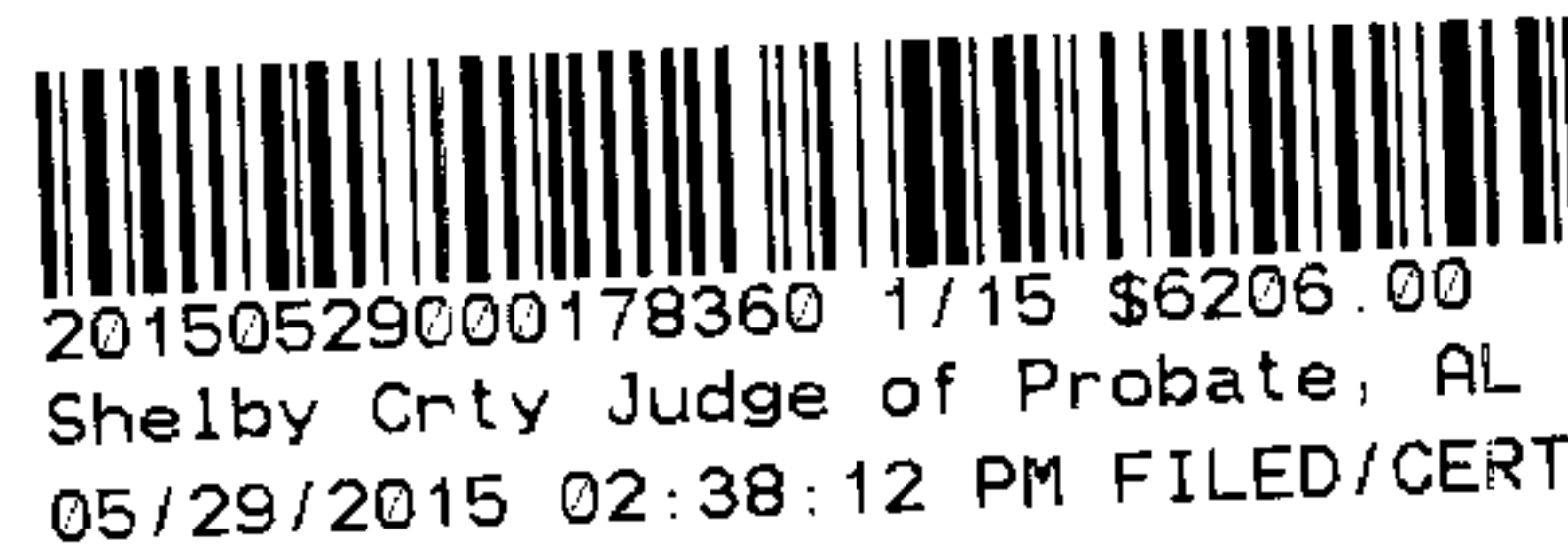


STATE OF ALABAMA

COUNTY OF SHELBY



**REAL ESTATE MORTGAGE
AND SECURITY AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS, that:

WHEREAS, SHELBY RIDGE PROPERTIES, LLC, an Alabama limited liability company ("Operator"), and **SHELBY RIDGE ACQUISITION CORPORATION**, an Alabama corporation ("Owner" and together, "Grantors"), have become justly indebted to **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation ("Lender"), in the principal sum of up to Four Million One Hundred Thousand and 00/100 Dollars (\$4,100,000.00) as evidenced by a Grantors' promissory note in the principal amount of Four Million One Hundred Thousand and 00/100 Dollars (\$4,100,000.00) (as modified, restated or replaced, the "Note"); and,

WHEREAS, the Note is issued pursuant to a Loan Agreement (the "Loan Agreement") dated as of the date hereof, by and among Grantors and Lender pursuant to which Lender has committed to make a loan to Grantors in the aggregate principal amount of up to \$4,100,000.00, as evidenced by the Note (the "Loan"); and,

WHEREAS, Grantors are entering into this Real Estate Mortgage and Security Agreement in order to secure the payment and performance of all obligations and liabilities of Grantors under the Note and all obligations and liabilities of Grantors or either of them to Lender (primary, secondary, direct, contingent, sole, joint or several) now or at any time due, or to become due, under (a) the terms of the Loan Agreement, the Note, any other Loan Documents and any amendments, extensions, replacements or renewals thereof, (b) under the Other Loans or the Other Loan Documents (both as defined in the Loan Agreement) or (c) under any Swap Document (as defined in the Loan Agreement) (collectively, the "Secured Obligations").

NOW, THEREFORE, in consideration of the premises and in order to secure the payment and performance of the Secured Obligations and any renewal, extension, modification or restatement of the same and any other indebtedness now or hereafter owed by Grantors or any of them to Lender, in compliance with all the stipulations herein contained, Grantors do hereby **GRANT, BARGAIN, SELL and CONVEY** unto Lender the following described real and personal property and interests (herein collectively called the "Premises"):

(i) All of Grantors' right, title and interest in and to the land described on **Exhibit A** hereto, together with all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditments, appurtenances, rights, privileges, immunities, pertaining or applicable to said real property and interests therein (the "Land");

(ii) All items of personal property and fixtures of Grantors, or any of them, that are now or at any time hereafter situated in, on or about any of the Land, including, but not limited to, the personal property described in the UCC Financing Statement filed contemporaneously herewith in the Office of the Judge of Probate of Shelby County, and all other machinery, apparatus, equipment, fittings, furniture, fixtures and other tangible personal property now or hereafter owned by Grantors, or any of them, or in which Grantors, or any of them, have or acquire an interest, used in Grantors' business operations on the Real Property (as defined below) or in connection therewith, of any kind and description (the "Personal Property");

(iii) All interest of Grantors, or any of them, in all buildings and other structures and improvements now or hereafter located on or about the Land (the "Improvements" and, together with the Land, the "Real Property");

(iv) All other machinery, equipment and fixtures (including, but not limited to, all trade, domestic and ornamental fixtures) owned by Grantors, or any of them, now or hereafter located on the Real Property, whether actually or constructively attached or affixed thereto or to any buildings, structures or other improvements located thereon;

(v) All right, title and interest of Grantors, and each of them, in, to and under the Lease Agreement by and between Owner and Operator dated as of May 27, 2015, and related to the Real Property, and all right, title and interest of Grantors, and any of them, in and to all resident leases and occupancy agreements;

(vi) All right, title and interest of Grantors, and any of them, in and to all contracts, licenses, approvals, warranties and agreements related to the operation of the Shelby Ridge Nursing Home located on the Real Property (the "Nursing Home") or otherwise related to the Real Property or to any facilities that may be constructed on the Real Property in the future, including any plans, specifications and contracts therefor;

(vii) All awards or payments, including all interest thereon, together with the right to receive the same, that may be made to Grantors, or any of them, with respect to the Real Property as a result of the exercise of the right of eminent domain, any damage to or destruction of the Real Property or any part thereof, or any other injury to or decrease in the value of the Real Property, and all right, title and interest of the Grantors in and to any policies of insurance (and the proceeds thereof) with respect to any damage to or destruction of the Real Property; and,

(viii) Any and all other real or personal property of every kind and nature from time to time hereafter conveyed, mortgaged, pledged, assigned or transferred to Lender, by delivery or by writing of any kind, as and for additional

security hereunder by Grantors, or any of them, or by anyone on behalf of, or with the written consent of Grantors, or any of them.

TOGETHER WITH all and singular the rights, members and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Grantors including, but not limited to, all rents, profits, issues and revenues of the Premises from time to time accruing, whether under leases now existing or hereafter created, reserving only the right to Grantors to collect the same so long as none of Grantors or Guarantors are in default hereunder or under any of the other Loan Documents or the Other Loan Documents, and all other products and proceeds of any real and personal property and interest described herein.

TO HAVE AND TO HOLD the same and every part thereof unto Lender, its successors and assigns forever.

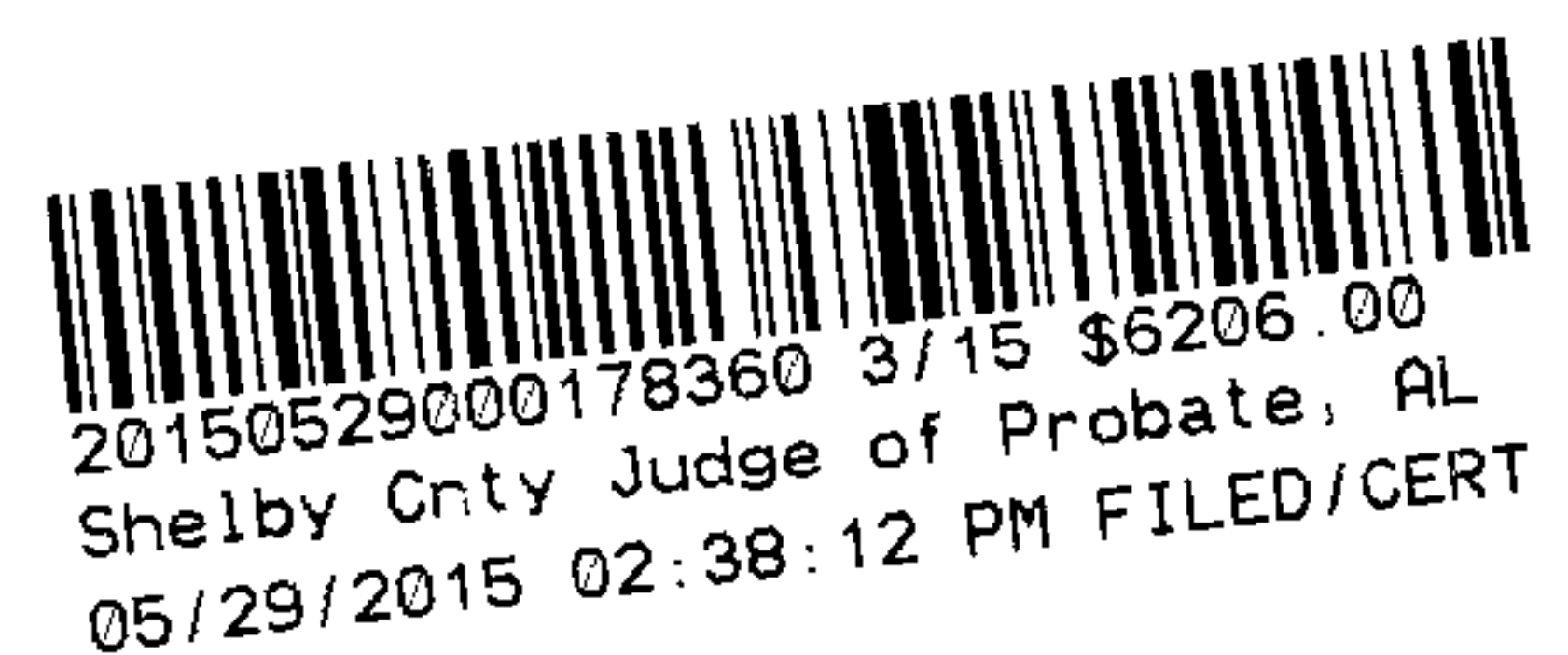
AND for the purpose of further securing the payment of the Grantors jointly and severally covenant and agree as follows:

THAT Operator, as to the Lease and the Personal Property, and Owner as to the Real Property and each to the remaining items of the Premises as may be applicable, are collectively lawfully seized of the Premises and have the right to grant, convey and assign the Premises, that the Premises are unencumbered except for those liens and encumbrances set forth in **Exhibit B** attached hereto and incorporated herein by reference, and that Grantors will warrant and defend generally the title to the Premises against all claims and demands (except the claims of parties specified in **Exhibit B** attached hereto).

Grantors and Lender covenant and agree as follows:

1. Payments by Grantors. Grantors shall promptly pay, or cause to be paid, when due and payable the principal of and interest on the Note and all other sums due and payable under the Secured Obligations. Grantors shall promptly pay, or cause to be paid, when due and payable the following: (i) all taxes, assessments (general and special) and other charges levied on or assessed, placed or made against the Premises or any interest of Lender in the Premises; (ii) premiums on policies of insurance required by the Loan Agreement and this instrument; (iii) the claims of all persons supplying labor or materials to or in connection with the Premises; and (iv) all other claims which, if unpaid, would constitute a lien or charge upon any of the Premises.

2. Application of Payments. All payments received by Lender from Grantors shall be applied in accordance with the terms of any instruments now or at any time thereafter evidencing the Secured Obligations; provided, however, from and after the occurrence of any Event of Default, and in consequence thereof, if Lender elects to accelerate the payment of the Note, then Lender may apply such payments to the Secured Obligations in such order of application as Lender may from time to time elect in its sole discretion.



3. Insurance. Grantors shall keep the improvements now existing or hereafter erected on the Real Property insured in an amount equal to the full insurable value thereof by carriers at all times satisfactory to Lender against loss by fire and other hazards included within the term "extended coverage," rent loss, and such other hazards, casualties, liabilities and contingencies as Lender shall reasonably require including, without limitation, general liability insurance of up to \$1,000,000 per occurrence and \$3,000,000 annually in the aggregate and medical professional liability insurance in the amounts customarily carried in lines of business similar to those conducted by Grantors. Lender shall be furnished with a mortgagee endorsement to each hazard insurance policy naming Lender as first mortgagee and loss payee.

4. Preservation and Maintenance of Premises; Leaseholds. Grantors (a) shall not commit waste or permit impairment or deterioration of the Premises, ordinary wear and tear excepted, (b) shall not abandon the Premises, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Premises to the equivalent of its original condition, or such other condition as Lender may reasonably approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Premises, including improvements, fixtures, equipment, machinery and appliances thereon in good repair, ordinary wear and tear excepted, and shall replace fixtures, equipment, machinery and appliances on the Premises when necessary to keep such items in good repair, ordinary wear and tear excepted, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Premises, and (f) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Premises, the security of this instrument or the rights or powers of Lender. Neither Borrower, nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Real Property or any fixture, equipment, machinery or appliance in or on the Real Property unless they are replaced with comparable improvements, fixtures, equipment, machinery or appliances of at least equal utility and value.

5. Use of Premises. Unless required by applicable law or unless Lender has otherwise agreed in writing, Grantors shall not allow changes in the use for which all or any part of the Premises was intended at the time this instrument was executed. Grantors shall not initiate or acquiesce in a change in the zoning classification of the Real Property without Lender's prior written consent.

6. Protection of Lender's Security. If Grantors, or any of them, fail to perform the covenants and agreements contained in this instrument, or if any action or proceeding is commenced which affects the Premises or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems reasonably necessary to protect Lender's interest, including, but not limited to, (a) hiring an attorney to protect Lender's interests herein, (b) entry upon the Premises to make repairs and (c) procurement of insurance as provided in paragraph 3 hereof. Any amounts disbursed by Lender pursuant or as a result to this paragraph 6, with interest thereon, shall become additional indebtedness under the Note and shall be secured by this agreement. Such amounts shall be immediately due and payable and shall bear

interest from the date of disbursement at the default rate stated in the Note, unless collection from Grantors of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Grantors under applicable law. Grantors hereby covenant and agree that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the Secured Obligations secured hereby. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Upon receipt of written notice, Lender may make or cause to be made, during normal business hours, reasonable entries upon and inspections of the Premises.

8. Books and Records. Grantors shall keep and maintain at all times at 100 Perry Hill Road, Montgomery, Alabama 36109, or at such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the maintenance and operation of the Premises and copies of all written contracts, leases and other instruments which affect the Premises. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time on advance notice by Lender.

9. Casualty.

(a) If before the Note and the other Secured Obligations are paid in full, all or any portion of the Premises is damaged or destroyed by fire, explosion or other hazard, and if there is no existing Event of Default and Grantors, within twenty (20) days after the event causing such damage or destruction, advise Lender in writing that in Grantors' opinion the Premises can be restored within six (6) months after such event to substantially the same operating utility that it had prior to such event, then at Grantors' request, the net proceeds of insurance received by Lender resulting from such damage or destruction shall be made available to Grantors to be used, to the extent necessary, for the purpose of reconstructing any damaged portion of the Premises or remedying a loss thereof, provided, however, that if the damage or loss is of an amount in excess of \$250,000 such proceeds shall be held by Lender prior to reconstruction or reinvestment in the Premises and paid over to Grantors only upon delivery of invoices or other appropriate documentation. Upon an Event of Default, any net proceeds of insurance that have not been paid to Grantors pursuant to the preceding sentence shall be applied toward prepayment of the Note.

(b) If before all Secured Obligations are paid in full all or any portion of the Premises is damaged or destroyed by fire, explosion or other hazard, and if either or both Grantors fail to advise Lender within twenty (20) days after the event causing such damage or destruction, that in Grantors' opinion the Premises can be restored within six (6) months after the event causing such damage or destruction to substantially the same operating utility it had prior to such event, then at the option of Lender, the net proceeds of insurance resulting from such damage or destruction shall be paid to Lender and applied toward prepayment of the Note, or, at Lender's election, paid and used in the same manner as net proceeds of insurance under subsection (a) above.

10. Condemnation. Grantors shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Premises, or part

thereof, and Grantors shall appear in and prosecute any such action or proceeding. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, or for conveyances in lieu of condemnation, (collectively, "Condemnation Proceeds"), shall, provided (i) the appraised value of the Nursing Home after such taking shall equal or exceed an amount that is eighty-five percent (85%) of the then outstanding current principal balance of the Loan and (ii) there is then no Event of Default, be used to restore the Nursing Home to substantially the same value and operating utility that it had prior to such event and to achieve such prior appraised value, with any remaining balance paid to Lender. In any other event, the Condemnation Proceeds shall be paid to Lender. Any amount paid to Lender pursuant to this paragraph shall be applied first to the principal balance of the Note, then to the principal balance of the Other Loans and, if there is no Event of Default, then to Grantors, in that order. Unless Grantors and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in paragraph 1 hereof or change the amount of such payments. Grantors agree to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

11. Grantors and Lien Not Released. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Grantors, their respective successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Grantors' breach of any covenant or agreement of Grantors in this instrument, extend the time for payment of the Secured Obligations or any part thereof, reduce the payments thereon, release anyone liable on any of the Secured Obligations, accept a renewal note or notes therefor, modify the terms and time of payment of the Secured Obligations, release from the lien of this instrument any part of the Premises, take or release other or additional security, reconvey any part of the Premises, consent to any map or plan of the Premises, consent to the granting of any easement and join in any extension or subordination agreement. Any actions taken by Lender pursuant to the terms of this paragraph 11 shall not affect the obligation of Grantors or their respective successors or assigns to pay the sums secured by this instrument and to observe the covenants of Grantors contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Premises. Grantors shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees, as may be incurred at Lender's option, for any such action if taken at Grantors' request.

12. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of any sum secured by this instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Secured Obligations, nor shall Lender's receipt of any awards, proceeds or damages under paragraphs 3, 9 and 10 hereof operate to cure or waive Borrower's default in payment of sums secured by this instrument.

13. Estoppel Certificate. Grantors shall, within ten (10) days after a written request from Lender, furnish Lender with written statements, duly acknowledged, setting forth the sums secured by this instrument and any rights of set-off, counterclaim or other defense that are asserted to exist against such sums and the obligations of this instrument.

14. Uniform Commercial Code Security Agreement. This instrument is also intended to be a security agreement pursuant to the Alabama Uniform Commercial Code for any of the items specified above as part of the Premises which, under applicable law, may be subject to a security interest pursuant to the Alabama Uniform Commercial Code, and Grantors hereby grant Lender a first lien security interest in the Premises and the Collateral. In addition, Grantors agree to authorize, execute and deliver to Lender, upon Lender's written request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this instrument in such form as Lender may reasonably require to perfect a security interest with respect to said items. Grantors shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Except as otherwise provided in the Loan Agreement, without the prior written consent of Lender, Grantors shall not create or suffer to be created pursuant to the Alabama Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon the breach by Grantors' or either of them of any covenant or agreement of breach contained in this instrument, including the covenants to pay when due all sums secured by this instrument, Lender shall have the remedies of a secured party under the Alabama Uniform Commercial Code and, at Lender's option, may also invoke the remedies hereinafter set forth in this instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and items of personal property specified above as part of the Premises separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Alabama Uniform Commercial Code or of the remedies provided in of this instrument.

15. Leases of the Real Property. Grantors shall comply with and observe their respective obligations under all leases, residency or occupation agreements, or general licenses of the Premises or any part thereof. Grantors will not lease any portion of the Premises except with the prior written approval of Lender, which approval is hereby given with respect to leases, residency or occupation agreements, or other agreements entered into in the ordinary course of business with residents of the Nursing Home. Grantors, at Lender's written request, shall furnish Lender with executed copies of all leases or other agreements with residents now existing or hereafter made of all or any part of the Premises, and all leases (except those entered into with residents of the Nursing Home) now or hereafter entered into will be in form and substance subject to the approval of Lender, which shall not be unreasonably withheld, delayed or conditioned. Grantors shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Premises providing for a term of three (3) years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Premises to any lien subordinate to this instrument. Upon Lender's request, Grantors shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made, of all or any part of the Premises. Lender's approval

and consent provided for in this paragraph shall not be unreasonably withheld, delayed or conditioned.

UPON CONDITION, HOWEVER, that if Borrower shall well and truly pay and discharge all of the Secured Obligations as they shall become due and payable at maturity or upon acceleration and Borrower, Grantors shall in all things do and perform all acts and agreements by them herein agreed to be done according to the tenor and effect hereof, and there is then no Event of Default with respect to any of the Secured Obligations secured hereby, then and in that event only this conveyance shall be and become null and void; but should default be made in the payment of the indebtedness hereby secured or any renewals or extensions thereof or any part thereof or should any interest thereon remain unpaid at maturity, or should default be made in the repayment of any sum expended by Lender under the authority of any of the provisions of this instrument or should the interest of Lender in said property become endangered by reason of the enforcement of any prior lien or encumbrance thereon so as to endanger the debt hereby secured or should at any time any of the stipulations contained in this instrument be declared invalid or inoperative by any court of competent jurisdiction or should Grantors fail to do and perform any other act or thing herein required or agreed to be done, or should there be an Event of Default under and as defined in any other document evidencing, securing or otherwise relating to any other Secured Obligations, then in any of said events the whole of the indebtedness hereby secured, or any portion or part of same as may not as of said date have been paid, with interest thereon, and the other Secured Obligations shall at once become due and payable and this instrument subject to foreclosure at the option of Lender, notice of the exercise of such option being hereby expressly waived, and Lender shall have the right to enter upon and take possession of the Premises hereby conveyed without causing a breach of the peace and after or without taking such possession proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Note and all other Secured Obligations, (b) to foreclose this instrument and to sell, as an entirety or in separate lots or parcels, the Premises, as provided by law to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Premises are located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property being sold, by publication once a week for three (3) consecutive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at such sale a deed to the Premises so purchased, (c) to enforce or exercise any right under any other instrument or document evidencing or securing the Loans and the Other Loans and (d) to pursue any other remedy available to Lender, all as Lender may elect. Lender shall apply the proceeds of any foreclosure sale as follows: first, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes and other encumbrances; with interest thereon; third, to the payment in full of the principal indebtedness and interest thereon, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the date of sale; and fourth, the balance, if any, to be paid over to Borrower or to whomever then appears of record to be the owner of said Premises. Lender may bid and become the purchaser of the Premises at any foreclosure sale hereunder.

At the option of Lender, this instrument may be foreclosed as provided by law or in equity, in which event a reasonable attorney's fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event Lender exercises its option to foreclose this instrument in equity, Lender may, at its option, foreclose this instrument subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties or defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by Grantors, a defense to any proceedings instituted by Lender to collect the sum secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Premises.

Lender shall have and may exercise with respect to the Personal Property included in the Premises all rights, remedies and powers of a secured party under the Alabama Uniform Commercial Code with reference to the Personal Property or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize such property and any part or parts thereof in any manner to the fullest extent authorized or permitted under the Alabama Uniform Commercial Code after default hereunder, without regard to preservation of the Personal Property or its value and without the necessity of a court order. Lender shall have, among other rights, the right to take possession of the Personal Property and to enter upon the property where the same may be situated without causing a breach of the peace for the purpose of repossession of the same without being guilty of trespass and without liability for damages as a result of such entry or repossession, and to take any action deemed appropriate or desirable by Lender, at its option and its sole, but reasonable discretion, to repair, restore or otherwise prepare the Personal Property for sale, lease or other use or disposition. At Lender's request, Grantors shall assemble the Personal Property and make the same available to Lender at any place designated by Lender. To the extent permitted by law, Grantors expressly waive any notice of sale or any other disposition of the Personal Property and any rights or remedies of Lender with respect to, and the formalities prescribed by law related to, the sale or disposition of the Personal Property or to the exercise of any other right or remedy of Lender existing after default. To the extent that such notice is required and cannot be waived, Grantors agree that if such notice is given by Lender, in accordance with the provisions set forth below, at least ten (10) days before the time of the sale or other disposition, such notice shall be deemed commercially reasonable and shall fully satisfy any requirement for giving said notice.

As part of the consideration for the Secured Obligations, Grantors hereby absolutely and unconditionally assign and transfer to Lender all the rents of the Premises, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Premises, regardless of to whom the rents and revenues of the Premises are payable; provided, however, so long as there shall be no Event of Default by Grantors under the Secured Obligations, Grantors may continue to receive all rents of the Premises. Grantors hereby authorize Lender or Lender's agents to collect the aforesaid rents, upon the occurrence and during the continuance of an Event of Default, and hereby direct each tenant of the Premises to pay such rents to Lender or Lender's agents; provided however, that prior to written notice given by Lender to Grantors of the breach by Grantors of any covenant or agreement of Grantors in this instrument, Grantors shall collect and receive all rents of the Premises as trustee for the benefit of Lender, Grantors, to apply the rents so collected to the Secured Obligations.

Upon the occurrence of an Event of Default, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, without causing a breach of the peace, enter upon and take and maintain full control of the Premises in order to perform all acts necessary and appropriate for the operation and maintenance thereof, including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents of the Premises, the making of repairs to the Premises and execution or termination of contracts providing for the management or maintenance of the Premises, all on such terms as are deemed best to protect the security of this instrument. If Lender elects to seek the appointment of a receiver for the Premises upon Grantors' breach of any covenant or agreement of Grantors in this instrument, Grantors hereby expressly consent to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Premises. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Premises and shall be liable to account only for those rents actually received. Lender shall not be liable to Grantors, anyone claiming under or through Grantors or anyone having an interest in the Premises by reason of anything done or left undone by Lender under this paragraph, other than arising from Lender's gross negligence, willful misconduct or violation of law.

If the rents of the Premises are not sufficient to meet the costs, if any, of taking control of and managing the Premises and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Grantors to Lender secured by this instrument pursuant to paragraph 6 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Grantors requesting payment thereof and shall bear interest from the date of disbursement at the default rate in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Premises by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Premises shall terminate at such time as this instrument ceases to secure indebtedness held by Lender.

Each remedy provided in this instrument is distinct and cumulative to all other rights or remedies under this instrument afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

Grantors waive all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this instrument.

Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Premises by any acts which may be unlawful or any violation of this instrument, and (b) to preserve or protect its interests in the Premises and in the income, revenues, rents and profits arising therefrom.

Except for any notice required under applicable law to be given in another manner, (a) any notice to Grantors provided for in this instrument shall be given by mailing such notice by certified mail addressed to Grantors at their addresses stated above or at such other address or addresses as Grantors may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Grantors as provided herein. Any notice provided for in this instrument shall be deemed to have been given to Grantors or Lender upon first receipt or refusal.

The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Grantors. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents, independent contractors or attorneys as authorized by Lender.

The captions and headings of the paragraphs of this instrument are for convenience only and are not to be used to interpret or define the provisions hereof. All capitalized terms used herein but not defined herein shall have meanings given them in the Loan Agreement.

In the event that any provision of this instrument conflicts with applicable law, such conflict shall not affect other provisions of this instrument which can be given effect without the conflicting provisions, and to this end the provisions of this instrument are declared to be severable. If any applicable law limiting the amount of interest or other charges permitted to be collected from Grantors is interpreted so that any charge provided for in this instrument, whether considered separately or together with other charges levied in connection with this instrument violates such law, and Grantors are entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Grantors has been violated, all indebtedness which is secured by this instrument and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the instrument or agreement evidencing such indebtedness. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of such instrument or agreement.

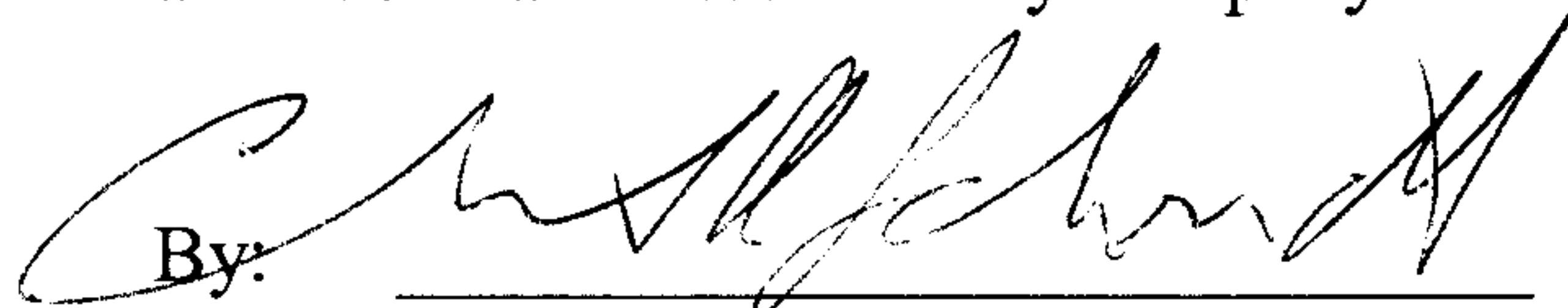
Notwithstanding the existence of any other security interests in the Premises held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Premises shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Grantors, any party who consents to this instrument, and any party who now or hereafter acquires a security interest in the Premises and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

This Real Estate Mortgage and Security Agreement is subject to the Loan Agreement which is incorporated by reference herein in full.

IN WITNESS WHEREOF, Grantors have signed, sealed and delivered this instrument as of this the 27th day of May, 2015.

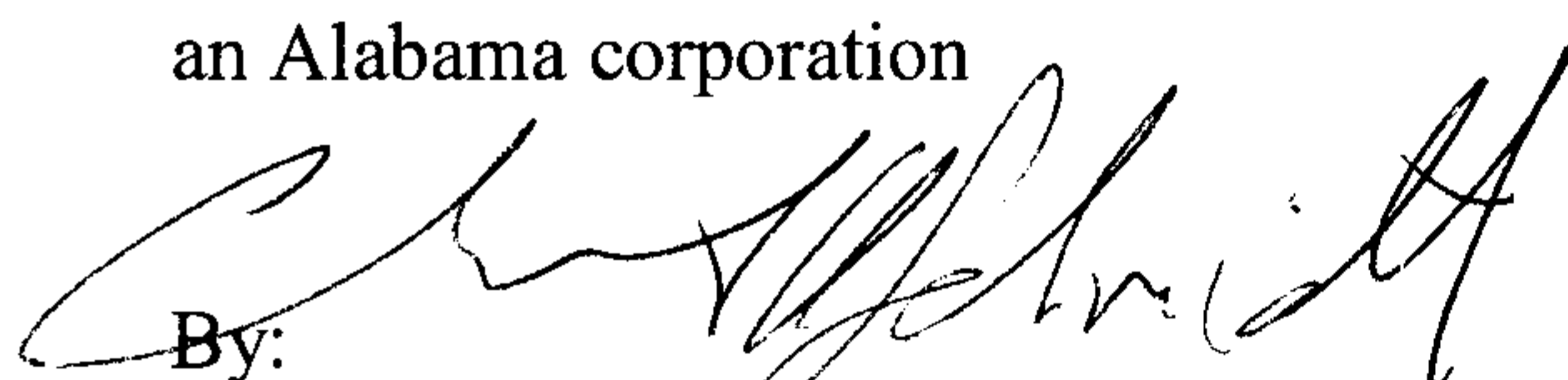
GRANTORS:

SHELBY RIDGE PROPERTIES, LLC,
an Alabama limited liability company

By: 
Christopher R. Schmidt,
Its Manager


(SEAL)

**SHELBY RIDGE ACQUISITION
CORPORATION,**
an Alabama corporation

By: 
Christopher R. Schmidt,
Its President

(SEAL)

[Acknowledgements on following page.]


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Shelby Cnty Judge of Probate, AL
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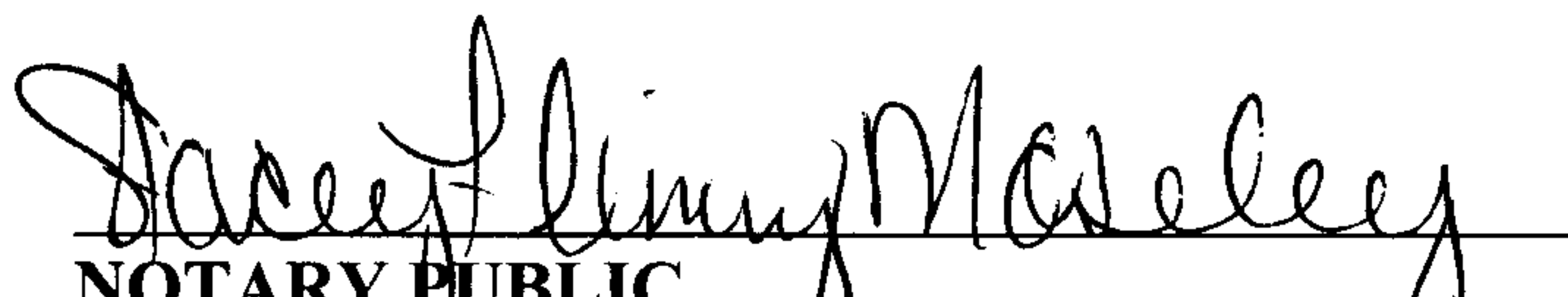
STATE OF ALABAMA

COUNTY OF MONTGOMERY

I, the undersigned Notary Public in and for said County in said State, hereby certify that **Christopher R. Schmidt**, whose name as Manager of **SHELBY RIDGE PROPERTIES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, in his capacity as such Manager, and with full authority, executed the same voluntarily for and as the act of said corporation on the date hereof.

GIVEN under my hand on this the 27th day of May, 2015.

[SEAL]


NOTARY PUBLIC
My commission expires: 03-06-18

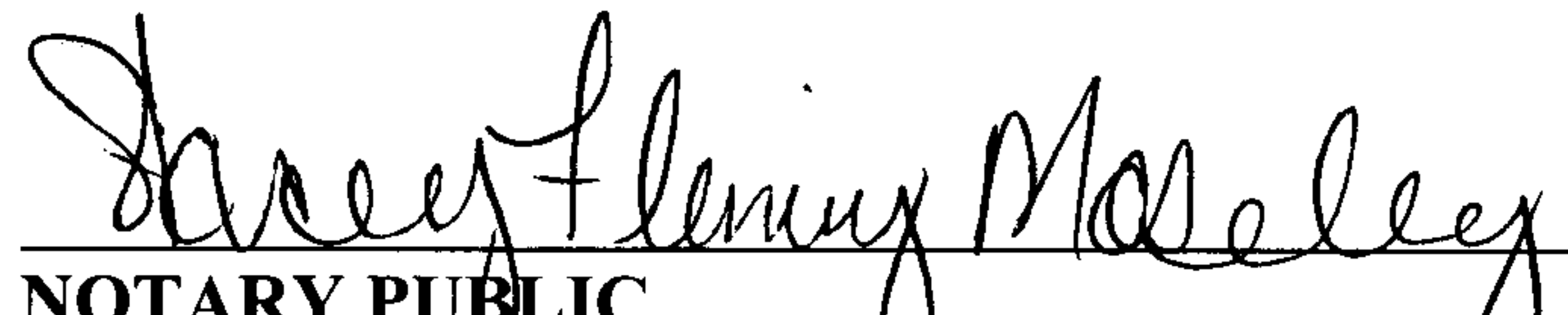
STATE OF ALABAMA

COUNTY OF MONTGOMERY

I, the undersigned Notary Public in and for said County in said State, hereby certify that **Christopher R. Schmidt**, whose name as President of **SHELBY RIDGE ACQUISITION CORPORATION**, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, in his capacity as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation on the date hereof.

GIVEN under my hand on this the 27th day of May, 2015.

[SEAL]


NOTARY PUBLIC
My commission expires: 03-06-18



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Shelby Cnty Judge of Probate, AL
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Exhibit A
to
Real Estate Mortgage and Security Agreement

Legal Description of the Premises

Lot 1, according to the Final Plat of Shelby Ridge Nursing Home Survey, as recorded in Map Book 34, Page 60, in the Probate Office of Shelby County, Alabama.

TOGETHER WITH all of Shelby Ridge Properties, LLC's beneficial real estate interest in that certain Drainage Easement between Baptist Health System, Inc. and Shelby Ridge Properties, LLC dated 1/1/2005 recorded at 20050112000018050 on 1/12/2005.




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Exhibit B
to
First Real Estate Mortgage and Security Agreement

Liens and Encumbrances

None


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