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Shelby Cnty Judge of Probate, AL
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Mortgagor's source of title: Instrument No. 20060316000123770 with the Office of the Judge of Probate of Shelby County, Alabama

This instrument prepared in consultation
with counsel in the state in which the
Mortgaged Property is located by the
attorney described below and after
recording return to:

Cahill Gordon & Reindel LLP
80 Pine Street
New York, NY 10005
Attention: Thomas E. Charbonneau, Esq.

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES
AND FIXTURE FILING**

(Shelby County, Alabama (the "State")) Site No. 2918

This **MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING**, dated as of July 22, 2016 (as it may be amended, restated, supplemented or otherwise modified from time to time, this "Mortgage"), by and from **J. C. PENNEY PROPERTIES, INC.** a Delaware corporation, with an address at c/o J. C. Penney Corporation, Inc., 6501 Legacy Drive, Plano, Texas 75024 ("Mortgagor") to **WILMINGTON TRUST, NATIONAL ASSOCIATION**, as collateral agent for the Term Loan/Notes Secured Parties, with an address at 50 South Sixth Street, Suite 1290, Minneapolis, Minnesota 55402, Attention: J. C. Penney Collateral Agency Administrator (in such capacity, together with its successors and assigns, the "Collateral Agent" or "Mortgagee").

RECITALS:

WHEREAS, reference is made to that certain Amended and Restated Credit and Guaranty Agreement, dated as of June 23, 2016 (as the same may be further amended, restated, supplemented or otherwise modified from time to time, the "Term Loan Credit Agreement") by and among J. C. Penney Corporation, Inc., a Delaware corporation (the "Company" or "Borrower"), J. C. Penney Company, Inc., a Delaware corporation ("Holdings"), the guarantors party thereto, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., a

national banking association, as administrative agent (in such capacity, the “Term Loan Administrative Agent”), which provides for loans in the maximum aggregate principal amount of \$1,688,125,000.00;

WHEREAS, pursuant to the terms, conditions and provisions of (a) that certain Indenture, dated as of June 23, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), among the Company, Holdings and the other guarantors party thereto and Wilmington Trust, National Association, as trustee (in such capacity, together with its successors and permitted assigns, the “Trustee”), and (b) that certain Purchase Agreement, dated as of June 9, 2016 (the “Purchase Agreement”), among the Company, Holdings, the other guarantors under the Indenture, and J.P. Morgan Securities LLC, as representative of the several parties named in Schedule I thereto, the Company issued \$500,000,000 aggregate principal amount of its 5.875% Senior Secured Notes due 2023, which are guaranteed on a senior secured basis by the guarantors party thereto;

WHEREAS, in connection with the execution of this Mortgage, the Collateral Agent, the Term Loan Administrative Agent and the Trustee are entering into that certain Pari Passu Intercreditor Agreement, dated as of June 23, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Pari Passu Intercreditor Agreement”);

WHEREAS, pursuant to the Term Loan Credit Agreement, the Indenture and the Pari Passu Intercreditor Agreement, the Trustee and the Term Loan Administrative Agent have appointed and authorized the Collateral Agent to act as agent on their behalf and on behalf of the Term Loan/Notes Secured Parties represented by the Trustee and the Term Loan Administrative Agent, respectively, and the Collateral Agent has accepted such appointment;

WHEREAS, Mortgagor may incur Future Term Loan/Notes Indebtedness after the date hereof, and in connection therewith, the Authorized Representative for the holders of such Future Term Loan/Notes Indebtedness will become a party to the Pari Passu Intercreditor Agreement in order to appoint and authorize the Collateral Agent to act as agent on behalf of such Authorized Representative and on behalf of the Term Loan/Notes Secured Parties represented by such Authorized Representative;

WHEREAS, either (a) Mortgagor is Borrower or (b) Mortgagor is the wholly owned subsidiary of Borrower, as a result either of which Mortgagor is a direct or indirect beneficiary of the Loans and other accommodations of the Term Loan/Notes Secured Parties and may receive advances therefrom, whether or not Mortgagor is a party to a Term Loan/Notes Documents; and

WHEREAS, Mortgagor is obligated to enter into this Mortgage for the benefit of the Term Loan/Notes Secured Parties (i) pursuant to the Term Loan Credit Agreement and (ii) as a condition to the obligations of the Initial Purchasers to purchase the Notes (each as defined in the Purchase Agreement) under the Purchase Agreement and the Trustee to enter into the Indenture.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, Mortgagee and Mortgagor agree as follows:

Section 1. DEFINITIONS.

Section 1.01 Definitions. Capitalized terms used herein (including the preamble and recitals hereto) not otherwise defined herein shall have the meanings ascribed thereto in the Pari Passu Intercreditor Agreement or, if not defined therein, the Term Loan Credit Agreement or the Indenture, as context indicates. The incorporation by reference of terms defined in the Term Loan Credit Agreement or the Indenture shall survive any termination of the Term Loan Credit Agreement or Indenture, as applicable, until this Mortgage is terminated as provided in Section 9 hereof. In addition, as used herein, the following terms shall have the following meanings:

“Event of Default” shall have the meaning ascribed thereto in the Security Agreement.

“Excluded Asset” shall have the meaning ascribed thereto in the Security Agreement.

"Mortgaged Property" means all of Mortgagor's right, title and interest in and to (i) the real property described in Exhibit A, together with any greater or additional estate therein as hereafter may be acquired by Mortgagor (the "Land"); (ii) all improvements now owned or hereafter acquired by Mortgagor, now or at any time situated, placed or constructed upon the Land subject to the Permitted Liens, (the "Improvements"; the Land and Improvements are collectively referred to as the "Premises"); (iii) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land which by the nature of their location or attachment thereto are real property or fixtures under the UCC or other applicable law and water, gas, electrical, telephone, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the "Fixtures"); (iv) all goods, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the UCC (defined below), now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Premises, but excluding inventory held for sale and accounts (the "Personalty"); (v) all reserves, escrows or impounds required under the Term Loan Credit Agreement and the Indenture and all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property (the "Deposit Accounts"); (vi) all leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person (other than Mortgagor) a possessory interest in, or the right to use, all or any part of the Mortgaged Property, together with all related security and other deposits subject to depositors rights and requirements of law (the "Leases"); (vii) all of the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits subject to depositors rights and requirements of law, and other benefits paid or payable by parties to the Leases for using, leasing, licensing possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property (the "Rents"); (viii) to the extent mortgageable or assignable all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, management agreements, service contracts, listing agreements, guaranties, warranties, permits, licenses, certificates and entitlements in any way relating to the construction, use, occupancy, operation, maintenance, enjoyment or ownership of the Mortgaged Property (the "Property Agreements"); (ix) to the extent mortgageable or assignable all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing; (x) all

property tax refunds payable to Mortgagor (the "Tax Refunds"); (xi) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof (the "Proceeds"); (xii) to the extent mortgageable or assignable, all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor (the "Insurance"); and (xiii) any awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements, Fixtures or Personalty (the "Condemnation Awards"). As used in this Mortgage, the term "Mortgaged Property" shall mean all or, where the context permits or requires, any portion of the above or any interest therein but shall exclude in all instances any Excluded Asset.

"Permitted Liens" shall have the meaning ascribed thereto in the Security Agreement.


"Security Agreement" shall mean that certain Amended and Restated Pledge and Security Agreement dated as of June 23, 2016, between the Company, Holdings and the Grantors (as defined therein) and Collateral Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"UCC" means the Uniform Commercial Code of New York or, if the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than New York, then, as to the matter in question, the Uniform Commercial Code in effect in that state.

Section 1.02 Interpretation.

(a) References to "Sections" shall be to Sections of this Mortgage unless otherwise specifically provided. Section headings in this Mortgage are included herein for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose or be given any substantive effect. The rules of construction set forth in the Term Loan Credit Agreement and the Indenture shall be applicable to this Mortgage mutatis mutandis.

(b) Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The terms lease and license shall include sub-lease and sub-license, as applicable. Notwithstanding any other provision of this Mortgage, if any conflict or inconsistency exists between this Mortgage (other than Section 2 hereof) and the Pari Passu Intercreditor Agreement, the Pari Passu Intercreditor Agreement shall govern.


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Section 2. GRANT.

To secure the full and timely payment and performance of the Term Loan/Notes Secured Obligations, Mortgagor MORTGAGES, GRANTS, BARGAINS, ASSIGNS, SELLS and CONVEYS WITH POWER OF SALE, to Mortgagee the Mortgaged Property, subject, however, to the Permitted Liens, TO HAVE AND TO HOLD the Mortgaged Property to Mortgagee, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property subject to Permitted Liens unto Mortgagee for so long as any of the Term Loan/Notes Secured Obligations remain outstanding, upon the trust, terms and conditions contained herein.

Section 3. WARRANTIES, REPRESENTATIONS AND COVENANTS.

3.01 Title. Mortgagor represents and warrants to Mortgagee that except for the Permitted Liens, (a) Mortgagor owns the Mortgaged Property free and clear of any liens, claims or interests, and (b) this Mortgage creates a valid, enforceable first priority lien and security interest against the Mortgaged Property.

3.02 First Lien Status. Mortgagor shall preserve and protect the first lien and security interest status of this Mortgage subject to Permitted Liens. If any lien or security interest other than a Permitted Lien is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released.

3.03 Replacement of Fixtures and Personalty. Except as otherwise permitted in the Term Loan/Notes Documents, Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is replaced by an article of equal or better suitability and value, owned by Mortgagor subject to the liens and security interests of this Mortgage, and free and clear of any other lien or security interest except for Permitted Liens or first approved in writing by Mortgagee, unless any removal of Fixtures or Personalty is in connection with the cessation of operations at the Mortgaged Property as permitted by the terms of the Term Loan/Notes Documents, in which case Mortgagor may remove Fixtures or Personalty in the ordinary course of business.

3.04 Inspection. Subject to the terms of the Term Loan/Notes Documents, Mortgagor shall permit Mortgagee, and Mortgagee's agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and all books and records of Mortgagor located thereon, and to conduct such environmental and engineering studies as Mortgagee may reasonably require.

3.05 Covenants Running with the Land. All obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the

Mortgaged Property. All Persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Term Loan/Notes Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

3.06 Condemnation Awards and Insurance Proceeds. Mortgagor (i) assigns all awards and compensation to which it is entitled for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and (ii) authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, in each case, subject to the terms of the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement. Mortgagor (i) assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property and (ii) authorizes Mortgagee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly, in each case, subject to the terms of the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement. All Net Insurance/Condemnation Proceeds shall be applied in accordance with the Pari Passu Intercreditor Agreement.

3.07 Change in Tax Law. Upon the enactment of or change in (including, without limitation, a change in interpretation of) any applicable law (i) deducting or allowing Mortgagor to deduct from the value of the Mortgaged Property for the purpose of taxation any lien or security interest thereon or (ii) subjecting Mortgagee or any Term Loan/Notes Secured Party to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the Term Loan/Notes Secured Obligations or Mortgagee, and the result is to increase the taxes imposed upon or the cost to Mortgagee of maintaining the Term Loan/Notes Secured Obligations, or to reduce the amount of any payments receivable hereunder, then, and in any such event, Mortgagor shall, on demand, pay to Mortgagee and the other Term Loan/Notes Secured Parties additional amounts to compensate for such increased costs or reduced amounts, provided that if any such payment or reimbursement shall be unlawful, or taxable to Mortgagee, or would constitute usury or render the Term Loan/Notes Secured Obligations wholly or partially usurious under applicable law, then Mortgagor shall pay or reimburse Mortgagee or the other Term Loan/Notes Secured Parties for payment of the lawful and non-usurious portion thereof.

3.08 Mortgage Tax. Mortgagor shall (i) pay when due any tax imposed upon it or upon Mortgagee or any Term Loan/Notes Secured Party pursuant to the tax law of the state in which the Mortgaged Property is located in connection with the execution, delivery and recordation of this Mortgage and the Term Loan/Notes Documents, and (ii) prepare, execute and file any form required to be prepared, executed and filed in connection therewith.

3.09 Reduction Of Secured Amount. In the event that the amount secured by the Mortgage is less than the Term Loan/Notes Secured Obligations, then the amount secured shall be reduced only by the last and final sums that Borrower repays with respect to the Term Loan/Notes Secured Obligations and shall not be reduced by any intervening repayments of the Term Loan/Notes Secured Obligations unless arising from the Mortgaged Property. So long as the balance of the Term Loan/Notes Secured Obligations exceeds the amount secured, any payments of the Term Loan/Notes Secured Obligations shall not be deemed to be applied

against, or to reduce, the portion of the Term Loan/Notes Secured Obligations secured by this Mortgage. Such payments shall instead be deemed to reduce only such portions of the Term Loan/Notes Secured Obligations as are secured by other collateral located outside of the state in which the Mortgaged Property is located or as are unsecured.

3.10 Limitation on Liens. Except for the Permitted Liens and the Lien of this Mortgage, the Mortgagor may not, without the prior written consent of the Mortgagee, permit to exist or grant any Lien on all or any part of the Mortgaged Property or suffer or allow any of the foregoing to occur by operation of law or otherwise.

3.11 Prohibited Transfers. Except as expressly permitted by the Term Loan/Notes Documents, Mortgagor shall not, without the prior written consent of Mortgagee, sell, lease or convey all or any part of the Mortgaged Property.

3.12 Variable Rate of Interest. This Mortgage secures the full and timely payment and performance of the Term Loan/Notes Secured Obligations, including, among other things, the obligation to pay interest on the unpaid principal balance of the Loans which are the subject of the Term Loan Credit Agreement at a variable rate of interest as provided in the Term Loan Credit Agreement.

Section 4. DEFAULT AND FORECLOSURE.

4.01 Remedies

(a) If an Event of Default has occurred and is continuing, Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses: (a) in accordance with the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement, declare the Term Loan/Notes Secured Obligations to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable; (b) enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon, and if Mortgagor remains in possession of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor; (c) hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions hereof; (d) institute proceedings for the complete foreclosure of this Mortgage, either by judicial action or by power of sale, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels; (e) make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Term Loan/Notes Secured Obligations, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment; and/or (f) exercise all other rights, remedies and recourses granted under the Term Loan/Notes Documents

or otherwise available at law or in equity. Any receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions hereof.

(b) At any sale by virtue of any judicial proceedings, power of sale, or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee or any of the Term Loan/Notes Secured Parties may be a purchaser at such sale and if Mortgagee is the highest bidder, Mortgagee shall credit the portion of the purchase price that would be distributed to Mortgagee against the Term Loan/Notes Secured Obligations in lieu of paying cash. In the event this Mortgage is foreclosed by judicial action, appraisal of the Mortgaged Property is waived.

4.02 Separate Sales. The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee in its sole discretion may elect; the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

4.03 Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee shall have all rights, remedies and recourses granted in the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement and available at law or equity (including the UCC), which rights (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated under the Term Loan/Notes Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee or the Applicable Authorized Representative, (c) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee, the Applicable Authorized Representative or any Term Loan/Notes Secured Party in the enforcement of any rights, remedies or recourses under the Term Loan/Notes Documents, or otherwise at law or equity shall be deemed to cure any Event of Default.

4.04 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Term Loan/Notes Documents, or their status as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Term Loan/Notes Secured Obligations, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

4.05 Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases

(a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment; (b) except as otherwise expressly required under the Term Loan/Notes Documents, all notices of any Event of Default or of Mortgagee's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Term Loan/Notes Documents; and (c) any right to a marshalling of assets or a sale in inverse order of alienation. Mortgagor waives the statutory right of redemption and equity of redemption.

4.06 Discontinuance of Proceedings. If Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Term Loan/Notes Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee shall have the unqualified right to do so and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Term Loan/Notes Secured Obligations and the Term Loan/Notes Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee and the Term Loan/Notes Secured Parties shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Mortgagee thereafter to exercise any right, remedy or recourse under the Term Loan/Notes Documents for such Event of Default.

4.07 Application of Proceeds. The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property, shall be applied by Mortgagee (or the receiver, if one is appointed) in accordance with the terms of the Pari Passu Intercreditor Agreement.

4.08 Occupancy After Foreclosure. Any sale of the Mortgaged Property or any part thereof will divest all right, title and interest of Mortgagor in and to the property sold. Subject to applicable law, any purchaser at a foreclosure sale will receive immediate possession of the property purchased. If Mortgagor retains possession of such property or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser, and will, if Mortgagor remains in possession after demand to remove, be subject to eviction and removal, forcible or otherwise, with or without process of law.

4.09 Additional Advances and Disbursements; Costs of Enforcement. If any Event of Default exists, Mortgagee and the Applicable Authorized Representative shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Mortgagor in accordance with the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement. All sums advanced and expenses incurred at any time by Mortgagee and any Term Loan/Notes Secured Party under this Section, or otherwise under this Mortgage or the Term Loan/Notes Documents, or applicable law, shall bear interest from the date that such sum is advanced or expense incurred if not repaid within five (5) days after demand therefor, to and including the date of reimbursement, computed at the rate or rates at which interest is then computed on the Term Loan/Notes Secured Obligations, and all such sums, together with interest thereon, shall be secured by this Mortgage. Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection and enforcement of this Mortgage and the Term Loan/Notes Documents, or the enforcement, compromise or settlement of the Term Loan/Notes Secured Obligations or any claim under this Mortgage, and the Term

Loan/Notes Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee or the Term Loan/Notes Secured Parties in respect thereof, by litigation or otherwise.

4.10 No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Section, the assignment of the Rents and Leases under Section 5, the security interests under Section 6, nor any other remedies afforded to Mortgagee or any Term Loan/Notes Secured Party under the Term Loan/Notes Documents, at law or in equity shall cause Mortgagee or any Term Loan/Notes Secured Party to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee or any Term Loan/Notes Secured Party to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

Section 5. ASSIGNMENT OF RENTS AND LEASES.

5.01 Assignment. In furtherance of and in addition to the assignment made by Mortgagor herein, Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys to Mortgagee all of its right, title and interest in and to all Leases, whether now existing or hereafter entered into, and all of its right, title and interest in and to all Rents. This assignment is an absolute assignment and not an assignment for additional security only. So long as no Event of Default shall have occurred and be continuing, Mortgagor shall have a revocable license from Mortgagee to exercise all rights extended to the landlord under the Leases, including the right to receive and collect all Rents and to hold the Rents in trust for use in the payment and performance of the Term Loan/Notes Secured Obligations and to otherwise use the same. The foregoing license is granted subject to the conditional limitation that no Event of Default shall have occurred and be continuing. Upon the occurrence and during the continuance of an Event of Default, whether or not legal proceedings have commenced, and without regard to waste, adequacy of security for the Term Loan/Notes Secured Obligations or solvency of Mortgagor, the license herein granted shall automatically expire and terminate, without notice by Mortgagee (any such notice being hereby expressly waived by Mortgagor).

5.02 Perfection Upon Recordation. Mortgagor acknowledges that Mortgagee has taken all reasonable actions necessary to obtain, and that upon recordation of this Mortgage Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected, first priority, present assignment of the Rents arising out of the Leases and all security for such Leases subject to the Permitted Liens and in the case of security deposits, rights of depositors and requirements of law. Mortgagor acknowledges and agrees that upon recordation of this Mortgage Mortgagee's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Mortgagor and all third parties, including, without limitation, any subsequently appointed trustee in any case under Title 11 of the United States Code (the "Bankruptcy Code"), without the necessity of commencing a foreclosure action with respect to this Mortgage, making formal demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action.

5.03 Bankruptcy Provisions. Without limitation of the absolute nature of the assignment of the Rents hereunder, Mortgagor and Mortgagee agree that (a) this Mortgage shall


constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Mortgage extends to property of Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents, and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy.

Section 6. SECURITY AGREEMENT.

6.01 Security Interest. This Mortgage constitutes a "security agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards but excluding, in each instance, any Excluded Asset. To this end, Mortgagor grants to Mortgagee a first and prior security interest in the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards and all other Mortgaged Property (excluding any Excluded Asset) which is personal property to secure the payment of the Term Loan/Notes Secured Obligations and performance of the Term Loan/Notes Secured Obligations subject to the Permitted Liens, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Leases, Rents, Deposit Accounts, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards sent to Mortgagor at least ten (10) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

6.02 Financing Statements. Mortgagor shall execute and deliver to Mortgagee such financing statements and such further assurances as are necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagor shall cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor's chief executive office is at the address set forth in the preamble to this Mortgage.

6.03 Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures. Capitalized terms not otherwise defined in this Section shall have the meanings ascribed to them in the UCC. The Debtor is Mortgagor, the Secured Party is Mortgagee, Mortgagor is the record owner of the Land, and the mailing addresses of Mortgagor/Debtor and Mortgagee/Secured Party are as set forth in the preamble to this Mortgage. The types, or the items, of collateral covered hereby include goods that are or are to become fixtures with respect to the Land and Improvements located thereon. The filing of this Mortgage in the real estate records of the county in which the Land is located shall operate from the time of filing as a "fixture filing" within the meaning of Section 9.102(a)(40) and under Section 9.502(c) of the UCC with respect to all portions of the Mortgaged Property that are or are to become fixtures related to the Land and Improvements located thereon.


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Section 7. ATTORNEY-IN-FACT.

Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest and with full power of substitution, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Deposit Accounts, Fixtures, Personalty, Property Agreements, Tax Refunds, Proceeds, Insurance and Condemnation Awards in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Mortgaged Property, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder; provided, (i) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (ii) performance by Mortgagee shall not be deemed to excuse or satisfy Mortgagor's obligation to perform, (iii) any sums advanced by Mortgagee in such performance shall be added to and included in the definition of Term Loan/Notes Secured Obligations and shall bear interest at the rate or rates at which interest is then computed on the Term Loan/Notes Secured Obligations provided that from the date incurred said advance is not repaid within five (5) days demand therefor; (iv) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (v) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section.

Section 8. MORTGAGEE AS AGENT.

8.01 Mortgagee has been appointed to act as Mortgagee hereunder by the Term Loan/Notes Secured Parties pursuant to the terms and provisions of the Pari Passu Intercreditor Agreement. Mortgagee shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of Mortgaged Property), solely in accordance with this Mortgage and the Pari Passu Intercreditor Agreement. Written notice of resignation by Collateral Agent pursuant to terms of the Pari Passu Intercreditor Agreement shall also constitute notice of resignation as Mortgagee under this Mortgage; removal of Collateral Agent pursuant to the terms of the Pari Passu Intercreditor Agreement shall also constitute removal as Mortgagee under this Mortgage; and appointment of a successor Collateral Agent pursuant to the terms of the Pari Passu Intercreditor Agreement shall also constitute appointment of a successor Mortgagee under this Mortgage. Upon the acceptance of any appointment as Collateral Agent under the terms of the Pari Passu Intercreditor Agreement by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Mortgagee under this Mortgage, and the retiring or removed Mortgagee under this Mortgage shall promptly (i) transfer to such successor Mortgagee all sums, securities and other items of Mortgaged Property held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Mortgagee under this Mortgage, and (ii)

execute and deliver to such successor Mortgagee such amendments to financing statements, and take such other actions, as the Term Loan/Notes Secured Parties or the successor Mortgagee consider to be necessary or appropriate in connection with the assignment to such successor Mortgagee of the security interests created hereunder, whereupon such retiring or removed Mortgagee shall be discharged from its duties and obligations under this Mortgage thereafter accruing. After any retiring or removed Collateral Agent's resignation or removal hereunder as Mortgagee, the provisions of this Mortgage shall continue to inure to its benefit as to any actions taken or omitted to be taken by it under this Mortgage while it was Mortgagee hereunder.

8.02 The powers conferred on Mortgagee hereunder are solely to protect its interest in the Mortgaged Property and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Mortgaged Property in its possession and the accounting for moneys actually received by it hereunder, Mortgagee shall have no duty as to any Mortgaged Property or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Mortgaged Property. Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of Mortgaged Property in its possession if such Mortgaged Property is accorded treatment substantially equal to that which Mortgagee accords its own property. Neither Mortgagee nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Mortgaged Property or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Mortgaged Property upon the request of Mortgagor or otherwise. If Mortgagor fails to perform any agreement contained herein, Mortgagee may itself perform, or cause performance of, such agreement, and the expenses of Mortgagee incurred in connection therewith shall be payable by Mortgagor under Section 10.2 of the Term Loan Credit Agreement, Section 7.7 of the Indenture and the applicable section of each Future Term Loan/Notes Agreement.

8.03 The powers conferred on Mortgagee hereunder are solely to protect the interests of the Term Loan/Notes Secured Parties in the Mortgaged Property and shall not impose any duty upon Mortgagee or any other Term Loan/Notes Secured Party to exercise any such powers. Mortgagee and the other Term Loan/Notes Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to Mortgagor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct. Mortgagor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Mortgaged Property, all in accordance with the terms and conditions thereof, to the same extent as if the security interests granted hereunder had not been granted to Mortgagee in the Mortgaged Property.

Section 9. TERMINATION AND RELEASE.

Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor, in either case in accordance with, and subject to the satisfaction of the conditions set forth herein. This Mortgage shall create a continuing security interest in the Mortgaged Property, shall remain in full force and effect until the payment in full of all Term Loan/Notes Secured Obligations (other than unasserted

indemnification, tax gross-up, expense reimbursement or yield protection obligations) and the cancellation or termination of the Commitments under the Term Loan Credit Agreement and the commitments under any Future Term Loan/Notes Agreement, and shall be binding upon Mortgagor, its successors and assigns, and inure, together with the rights and remedies of Mortgagee hereunder, to the benefit of Mortgagee and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the applicable Term Loan/Notes Documents, any Term Loan/Notes Secured Party may assign or otherwise transfer any Loans or Notes, as the case may be, held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Term Loan/Notes Secured Party herein or otherwise. Upon the payment in full of all Term Loan/Notes Secured Obligations (other than unasserted indemnification, tax gross-up, expense reimbursement or yield protection obligations) and the cancellation or termination of the Commitments and the commitments under any Future Term Loan/Notes Agreement, the lien and security interest granted hereby shall automatically terminate hereunder and of record and all rights to the Mortgaged Property shall revert to Mortgagor. Upon any disposition of property (other than a disposition to another Grantor (as defined in the Security Agreement)) or other release of such property from the Mortgaged Property, in each case, permitted by each Term Loan/Notes Document, the Liens granted herein shall be deemed to be automatically released and such property shall automatically revert to Mortgagor with no further action on the part of any Person. In addition, the Liens granted herein on any Mortgaged Property shall be released or subordinated as provided in Sections 2.04 and 4.08 of the Pari Passu Intercreditor Agreement. Mortgagee shall, at the Mortgagor's expense, execute and deliver or otherwise authorize the filing of such documents as Mortgagor shall reasonably request, in form and substance reasonably satisfactory to Mortgagee, including financing statement amendments and mortgage terminations to evidence such release.

Section 10. LOCAL LAW PROVISIONS.

10.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Section 10 and the other terms and conditions of this Mortgage, the terms and provisions of this Section 10 shall control and be binding.

10.02 Sale of Mortgaged Property. Mortgagor grants power to Mortgagee, in the event of the occurrence of an Event of Default hereunder, to sell the Mortgaged Property to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Mortgaged Property is 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 to be sold, by publication once a week for three (3) successive 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, Mortgagee or any person conducting the sale for Mortgagee, is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Mortgagee may bid at said sale and purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale, the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner as Mortgagee may elect. The foregoing power of sale shall in no way impair or limit any remedies otherwise available to Mortgagee.

10.03 Secured Amount. This Mortgage secures the Term Loan/Notes Secured Obligations which consist of loans in the aggregate maximum principal amount of \$2,188,125,000.00.

Section 11. MULTI-SITE REAL ESTATE TRANSACTIONS.

Mortgagor acknowledges that this Mortgage is one of a number of mortgages and other security documents ("Other Mortgages") that secure the Term Loan/Notes Secured Obligations. Mortgagor agrees that subject to the terms of Section 9 hereof, the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Mortgagee, and without limiting the generality of the foregoing, the lien hereof shall not be impaired by any acceptance by Mortgagee of any security for or guarantees of the Term Loan/Notes Secured Obligations, or by any failure, neglect or omission on the part of Mortgagee to realize upon or protect any Obligation or any collateral security therefor including the Other Mortgages. Subject to the terms of Section 9 hereof, the lien of this Mortgage shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, changing, modification or disposition of any of the Term Loan/Notes Secured Obligations or of any of the collateral security therefor, including the Other Mortgages or any guarantee thereof, and, to the fullest extent permitted by applicable law, Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Mortgages without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Mortgages shall not in any manner impair the indebtedness hereby secured or the lien of this Mortgage and any exercise of the rights and remedies of Mortgagee hereunder shall not impair the lien of any of the Other Mortgages or any of Mortgagee's rights and remedies thereunder. To the fullest extent permitted by applicable law, Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Mortgages separately or concurrently and in any order that it may deem appropriate and waives any right of subrogation.

Section 12. MISCELLANEOUS.

12.01 Notices. Any notice required or permitted to be given under this Mortgage shall be given in accordance with Section 10.1 of the Term Loan Credit Agreement, Section 13.1 of the Indenture, the applicable section of each Future Term Loan/Notes Agreement, and Section 5.01 of the Pari Passu Intercreditor Agreement.

12.02 Governing Law. THE PROVISIONS OF THIS MORTGAGE REGARDING THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS HEREIN GRANTED SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH THE MORTGAGED PROPERTY IS LOCATED. ALL OTHER PROVISIONS OF THIS MORTGAGE AND THE RIGHTS AND OBLIGATIONS OF MORTGAGOR AND MORTGAGEE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE

CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

12.03 Severability. In case any provision in or obligation under this Mortgage shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

12.04 Time of Essence. Time is of the essence for purposes of this Mortgage.

12.05 WAIVER OF JURY TRIAL. EACH OF MORTGAGOR AND MORTGAGEE (BY ITS ACCEPTANCE HEREOF) HEREBY AGREES TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER, UNDER ANY OF THE TERM LOAN/NOTES DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS DESCRIBED HEREIN OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL- ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE TRANSACTIONS DESCRIBED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF MORTGAGOR AND MORTGAGEE (BY ITS ACCEPTANCE HEREOF) ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS MORTGAGE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH OF MORTGAGOR AND MORTGAGEE (BY ITS ACCEPTANCE HEREOF) FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 12.05 AND EXECUTED BY EACH OF MORTGAGOR AND MORTGAGEE), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE TERM LOAN/NOTES DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS DESCRIBED HEREUNDER. IN THE EVENT OF LITIGATION, THIS MORTGAGE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12.06 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagee and Mortgagor and their respective successors and assigns. Subject to

the terms of the Term Loan/Notes Documents, Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

12.07 No Waiver. Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Term Loan/Notes Documents shall not be deemed to be a waiver of same, and Mortgagee shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions. No failure or delay on the part of Mortgagee or any Term Loan/Notes Secured Party in the exercise of any power, right or privilege hereunder or under any Term Loan/Notes Documents, shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Mortgage and the Term Loan/Notes Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available.

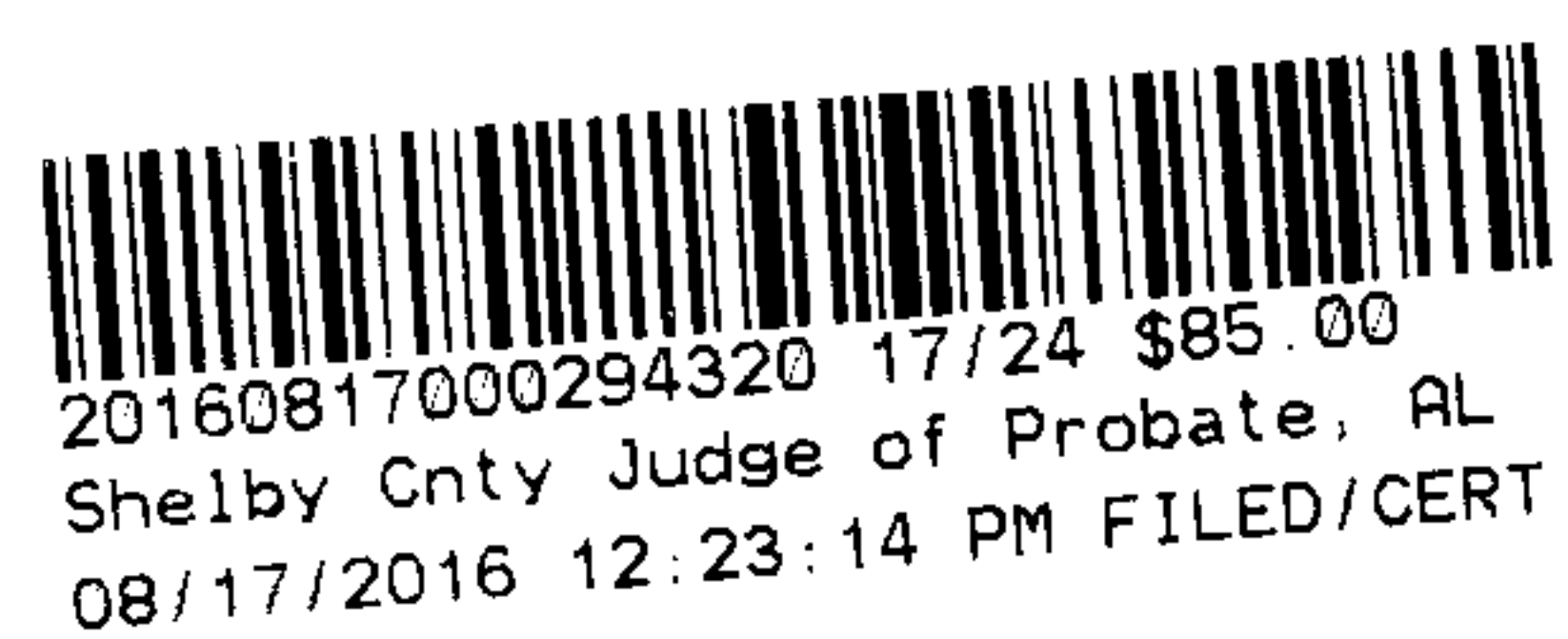
12.08 Subrogation. To the extent proceeds of the loan have been used to extinguish, extend or renew any indebtedness against the Mortgaged Property, then Mortgagee shall be subrogated to all of the rights, liens and interests existing against the Mortgaged Property and held by the holder of such indebtedness and such former rights, liens and interests, if any, are not waived, but are continued in full force and effect in favor of Mortgagee.

12.09 Waiver of Stay, Moratorium and Similar Rights. Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any appraisal, valuation, stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the indebtedness secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee.

12.10 Entire Agreement. This Mortgage and the Term Loan/Notes Documents and the Pari Passu Intercreditor Agreement embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Term Loan/Notes Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

12.11 Counterparts. This Mortgage is being executed in several counterparts, all of which are identical, except that to facilitate recordation, if the Mortgaged Property is situated offshore or in more than one county, descriptions of only those portions of the Mortgaged Property located in the county in which a particular counterpart is recorded shall be attached as Exhibit A thereto. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.


12.12 Pari Passu Intercreditor Agreement. Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the Mortgagee pursuant to this Mortgage are expressly subject to the Pari Passu Intercreditor Agreement and (ii) the exercise of any right or remedy by Mortgagee hereunder is subject to the limitations and provisions of the



Pari Passu Intercreditor Agreement. In the event of any conflict between the terms of the Pari Passu Intercreditor Agreement and terms of this Mortgage (other than Section 2 hereof), the terms of the Pari Passu Intercreditor Agreement shall govern.

12.13 Rights of Mortgagee. Wilmington Trust, National Association, is entering into this Mortgage solely in its capacity as Collateral Agent pursuant to the Term Loan Credit Agreement, the Indenture and the Pari Passu Intercreditor Agreement, and shall be entitled to all of the rights, benefits, privileges and indemnifications provided to the Collateral Agent thereunder in acting as Mortgagee pursuant hereto.


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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgment hereto, effective as of the date first above written, caused this instrument to be duly executed and delivered by authority duly given.

J. C. PENNEY PROPERTIES, INC.

By: 
Name: Bradley Syverson
Title: Vice President

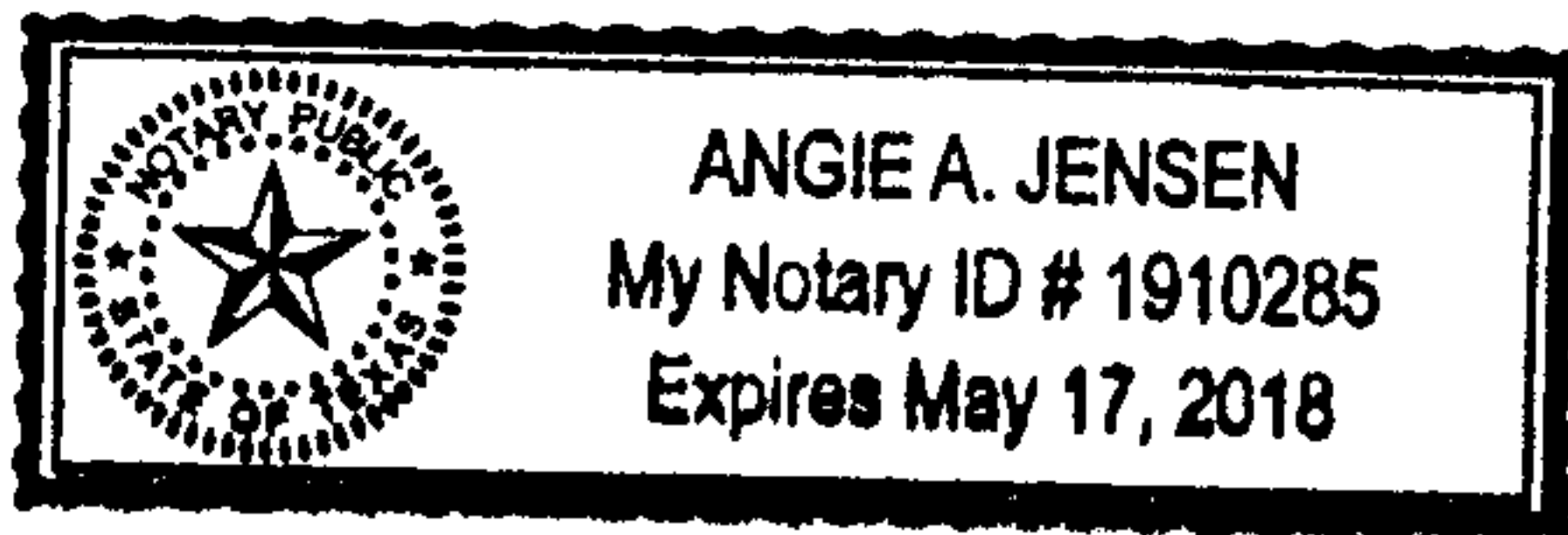

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ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF COLLIN)

I, Angie A. Jensen, a Notary Public in and for said County in said State, hereby certify that Bradley Syverson, whose name as Vice President of J. C. PENNEY PROPERTIES, INC., a 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 instrument, he, as such officer and with full authority executed the same voluntarily for and as the act of said corporation.

Given under my hand this 9 day of June, 2016



(Notarial Seal)

Angie A. Jensen
Notary Public
My Commission expires: 5-17-18

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EXHIBIT A TO MORTGAGE

Legal Description of Premises

A parcel of land situated in part of the Southeast one-quarter of the Northeast one-quarter and the Southwest one-quarter of the Northeast one-quarter of Section 12, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:


Begin at the Southeast corner of said Southwest one-quarter of the Northeast one-quarter and run North 87 degrees 51 minutes 24 seconds West along the South line of said quarter-quarter for a distance of 716.00 feet; thence leaving said South line, run North 22 degrees 00 minutes 08 seconds West for a distance of 379.31 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 135.72 feet; thence run North 20 degrees 12 minutes 33 seconds West for a distance of 207.90 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 241.45 feet; thence run North 20 degrees 12 minutes 33 seconds West for a distance of 20.00 feet; thence run North 69 degrees 47 minutes 27 seconds East for a distance of 145.77 feet to a point on a curve to the left, said curve having a radius of 287.00 feet, a central angle of 24 degrees 23 minutes 29 seconds, a chord bearing of South 42 degrees 38 minutes 39 seconds East for a chord distance of 121.26 feet; thence run along arc of said curve for a distance of 122.18 feet; thence run South 35 degrees 10 minutes 03 seconds West for a distance of 50.00 feet to the point of commencement of a curve to the left, said curve having a radius of 337.00 feet, a central angle of 44 degrees 47 minutes 15 seconds, a chord bearing of South 77 degrees 13 minutes 34 seconds East for a chord distance of 256.77 feet; thence run along arc of said curve for a distance of 263.43 feet to a point on the Westernmost right of way line of U.S. Highway 31 (right of way varies) and a point on a curve to the left, said curve having a radius of 2411.83 feet, a central angle of 00 degrees 27 minutes 46 seconds, a chord bearing of South 26 degrees 20 minutes 38 seconds East for a chord distance of 19.48 feet; thence run along arc of said curve and along said right of way for a distance of 19.48 feet; thence run South 63 degrees 25 minutes 29 seconds West for a distance of 37.52 feet; thence run South 02 degrees 07 minutes 39 seconds West for a distance of 297.41 feet to the point of commencement of a curve to the left, said curve having a radius of 25.00 feet, a central angle of 90 degrees 00 minutes 22 seconds, a chord bearing of South 42 degrees 52 minutes 33 seconds East for a chord distance of 35.36 feet; thence run along arc of said curve for a distance of 39.27 feet; thence run South 87 degrees 52 minutes 44 seconds East for a distance of 209.94 feet; thence run South 14 degrees 14 minutes 05 seconds West for a distance of 172.16 feet; thence run South 41 degrees 36 minutes 27 seconds West for a distance of 23.06 feet; thence run South 02 degrees 27 minutes 46 seconds East for a distance of 36.91 feet to the POINT OF BEGINNING. Said parcel contains 440,425 square feet or 10.11 acres more or less.



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BEFORE THE ALABAMA DEPARTMENT OF REVENUE

In re:) A Proceeding Authorized
) by Section 40-22-2 (8),
Wilmington Trust, National Association) *Code of Alabama* (1975)
)
Petitioner.)


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MORTGAGE TAX ORDER

Wilmington Trust, National Association, a national banking association, as collateral agent (***Petitioner***), in its Petition for Ascertainment of Mortgage Tax dated July 20, 2016 (the ***Petition***), has asked the Department of Revenue to fix and determine the amount of mortgage recording privilege tax due pursuant to Section 40-22-2(8), *Code of Alabama* (1975), as amended (the ***Code***), for the privilege of recording those certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing documents from J.C. Penney Properties, Inc., a Delaware corporation (the ***Mortgagor***) to Petitioner (***Mortgages***), which secure indebtedness and other obligations of Mortgagor and parent and affiliate entities of Mortgagor to Petitioner and lenders as described therein (the ***Obligations***). In addition to the real property and fixtures described in the Mortgages and located within the State of Alabama, the Obligations are secured by mortgages, deeds of trust and/or other security instruments (collectively, the ***Security Documents***) on additional real property and fixtures located outside Alabama.

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

1. That the total maximum amount of the principal indebtedness of the Obligations secured by said Mortgages and the other Security Documents is \$2,188,125,000 in the aggregate, consisting of term and/or open-end or revolving loan facilities, \$1,688,125,000 of which is existing indebtedness upon which mortgage recording privilege tax has been paid pursuant to Code Section 40-22-2 (the ***Existing Indebtedness***) and \$500,000,000 of which is new indebtedness (the ***New Indebtedness***).

2. That the value of the real property and fixtures covered by the Mortgages and located within the State of Alabama is approximately \$42,825,000; that the value of such property located in Elmore County is approximately \$4,925,000 or 11.50% of the value of all of such Alabama Collateral; the value of such property located in Baldwin County is approximately \$4,700,000 or 10.97% of the value of all of such Alabama Collateral; the value of such property located in Houston County is approximately \$4,050,000 or 9.46% of the value of all of such Alabama Collateral; the value of such property located in Jefferson County is approximately \$16,575,000 or 38.70% of the value of all of such Alabama Collateral (with \$9,975,000 of such amount or 23.29% being attributable to the property located at 2300 Riverchase Galleria, Hoover, and \$6,600,000 of such amount or 15.41% being attributed to the property located at 5060 Pinnacle Square, Trussville); the value of such property located in Montgomery County is approximately \$4,675,000 or 10.92% of the value of all of such Alabama Collateral; the value of such property located in

Shelby County is approximately \$5,300,000 or 12.38% of the value of all of such Alabama Collateral; and the value of such property located in Tuscaloosa County is approximately \$2,600,000 or 6.07% of the value of all of such Alabama Collateral; and that the total value of all of the real property and fixtures conveyed to secure the Obligations and covered by the Mortgages and the other Security Documents (and located within and outside the State of Alabama) is approximately \$3,000,250,000.

3. That the total maximum amount of New Indebtedness of the Obligations to be secured by the Mortgages which is allocable to the State of Alabama and upon which mortgage privilege recording tax is due is \$7,150,000 being based on 1.43% of the total value of all real property and fixtures securing such Obligations.

4. That the Probate Judge of the County wherein the first of the Mortgages will be recorded shall collect the mortgage recording privilege tax in the amount of \$10,725.00 and, pursuant to § 40-22-2(7) of the Code, after deducting the Probate Judge's 5% commission, make distribution of such tax to the State of Alabama and to the other counties named above according to the percentages set out above.

5. That, after the recordation of the Mortgage in such first County and payment of the recording tax amount provided in paragraph 4 above, the Judge of Probate of each of the other Counties named herein shall accept for recording the Mortgages to be recorded in such other Counties without payment of any additional tax.

6. That no bond is required to be posted and no annual report is required to be filed pursuant to § 40-22-2(2), *Code of Alabama* (1975), as amended, and no additional mortgage recording privilege tax shall be payable if Petitioner pays mortgage recording privilege tax, at the time of recordation of the Mortgage, in the amount set forth in paragraph 4 above, unless and until the aggregate principal amount of the Obligations shall exceed \$2,188,125,000.

IT IS ORDERED, THEREFORE, as follows:

1. That the amount of the New Indebtedness under the Mortgage allocable to Alabama and upon which mortgage recording privilege tax will be due under § 40-22-2, *Code of Alabama* (1975), as amended, is \$7,150,000.


2. That the Judge of Probate of the first County in which one of the Mortgages is payable shall collect mortgage recording privilege tax in the amount of \$10,725.00, plus any recording and filing fees which may be due upon recordation of the Mortgage recorded, which tax shall be distributed to each of the other Counties and the State of Alabama as provided by law after deducting the commission due to the Judge of Probate of the County where the first of the Mortgages is recorded.

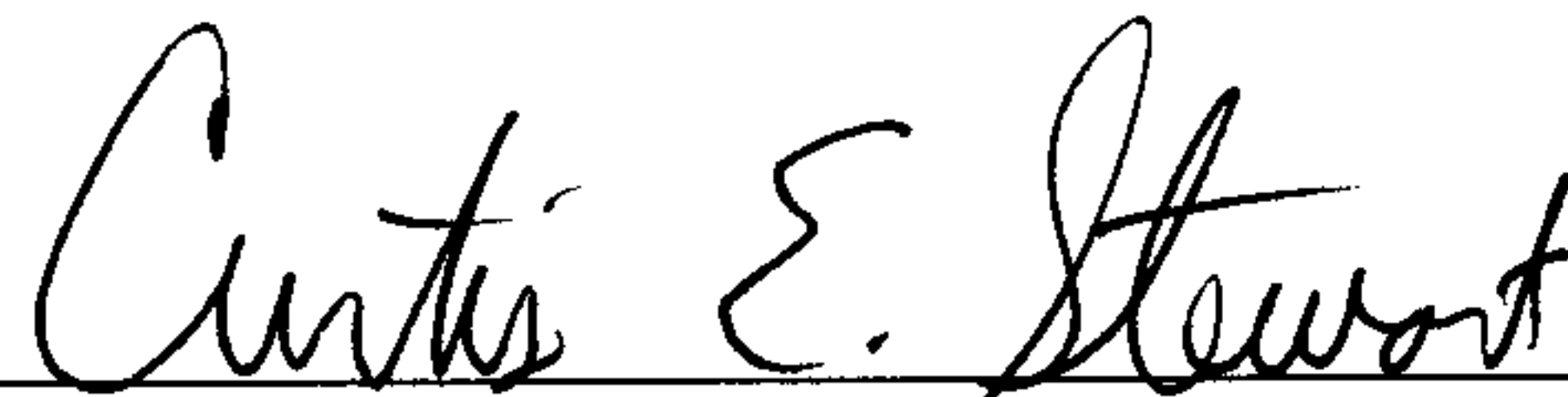
3. That no bond shall be required to be posted and no annual report shall be required to be filed pursuant to § 40-22-2(2), *Code of Alabama* (1975), as amended, and no additional mortgage recording privilege tax shall be payable unless and until the aggregate principal indebtedness of the Obligations secured by the Mortgages shall exceed \$2,188,125,000.

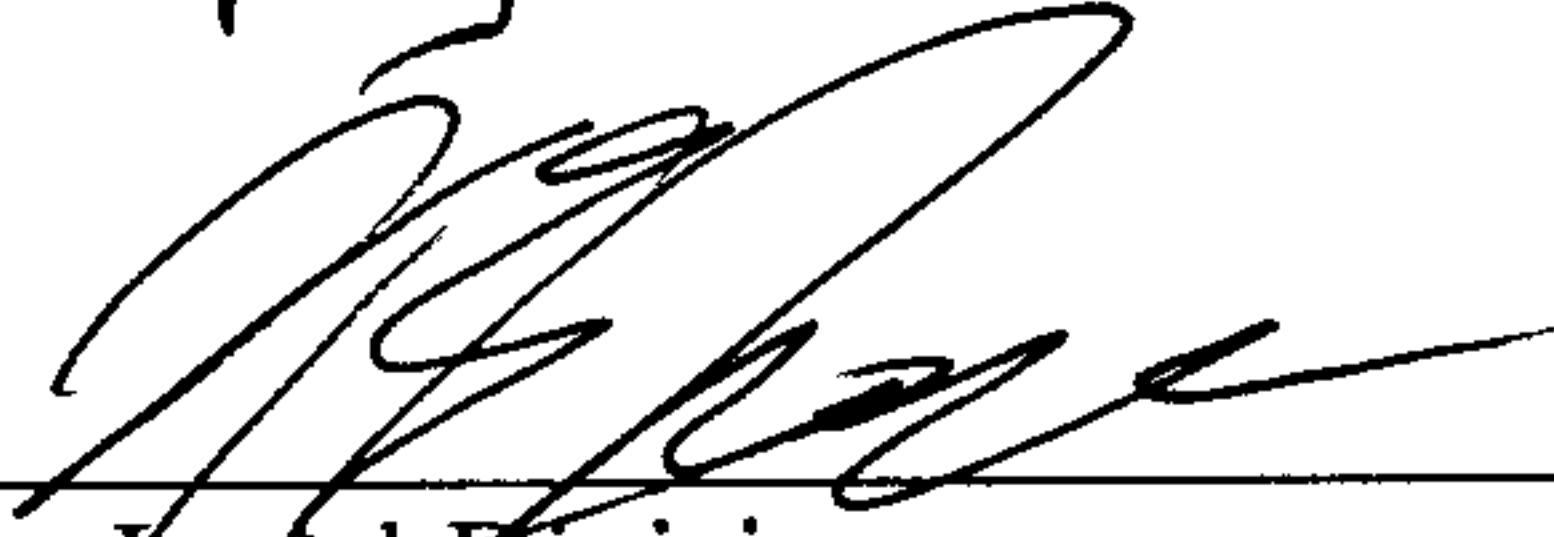
DONE at Montgomery, Alabama, this the 22nd day of July, 2016.


Attest:

**STATE OF ALABAMA DEPARTMENT
OF REVENUE**

By: 
Secretary

By: 
Deputy Commissioner of Revenue


Legal Division


20160817000294320 24/24 \$85.00
Shelby Cnty Judge of Probate, AL
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