

Instrument prepared by:
Phillip G. Stutts., Esq.
Leitman, Siegal & Payne, P.C.
420 North 20th Street, Suite 2000
Birmingham, Alabama 35203

STATE OF Georgia)
Fulton COUNTY)

AFFIDAVIT

Personally appeared before me, the undersigned Notary Public in and for said County, in said State, Trace McCreary, as Manager of VARDEN CAPITAL PROPERTIES, LLC, a Florida limited liability company which is Manager of VCP Clear Springs, LLC, VCP Rosewood Manor, LLC and VCP Plantation, LLC, each an Alabama limited liability company, who, being by me first duly sworn, deposes and says as follows:

1. I am Trace McCreary, Manager of VARDEN CAPITAL PROPERTIES, LLC, which is Manager of VCP Clear Springs, LLC, VCP Rosewood Manor, LLC and VCP Plantation, LLC (the "Mortgagor") and, as such Manager, have the authority to execute this Affidavit on behalf of the Mortgagor.

2. The Mortgagor has entered into that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage") dated on or about June 20, 2017, in favor of Arbor Realty SR, Inc. ("Mortgagee").

3. The property covered by the Mortgage that is located in Alabama is situated in three (3) counties.

4. According to the books and records of the Mortgagor, the total value of the property, both real and personal, located within the State of Alabama, and covered by the Mortgage, is One Million Eight Hundred Thousand Dollars and No/100 Dollars (\$ 1,800,000.00). The value of the property in each County is shown below.

Shelby County	\$ <u>924,000</u>	%	<u>51.33%</u>
Lawrence County	\$ <u>500,000</u>	%	<u>27.78%</u>
Morgan County	\$ <u>376,000</u>	%	<u>20.88%</u>

5. The total principal indebtedness due under the Mortgage is One Million Eight Hundred Thousand Dollars ().

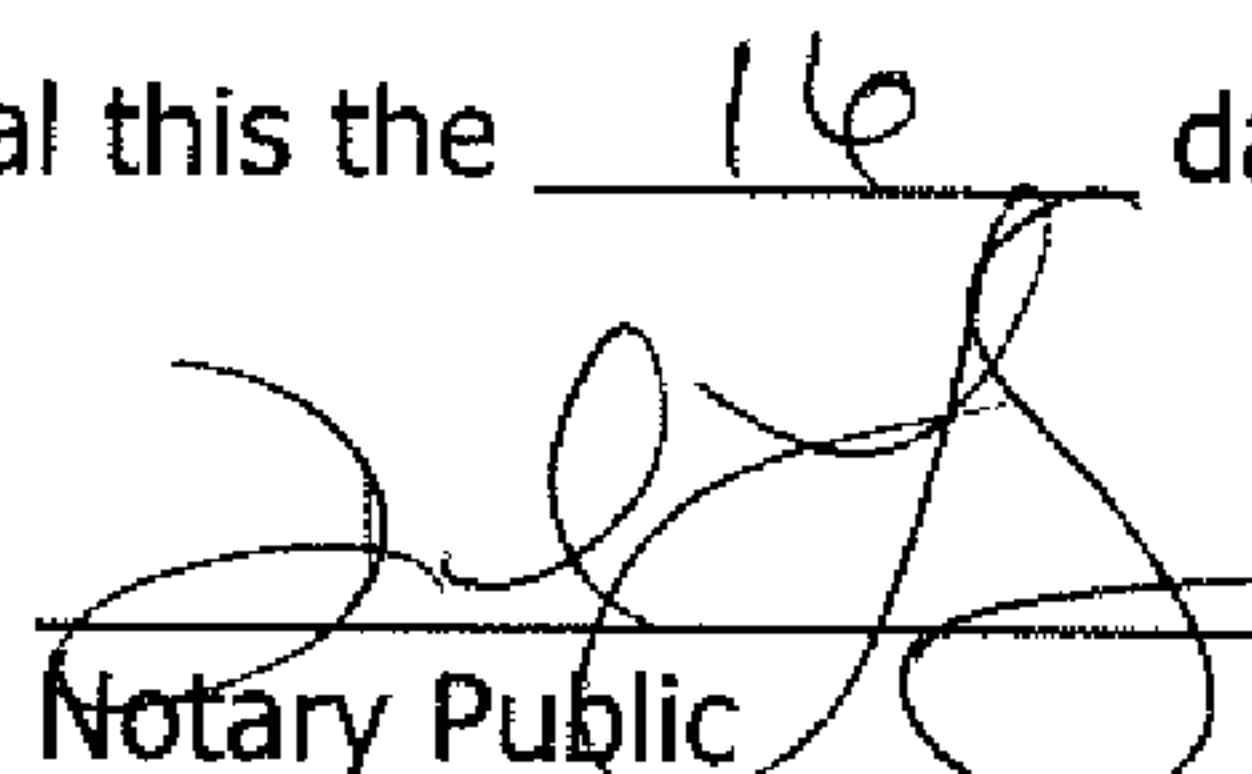
Dated this the 20th day of June, 2017.

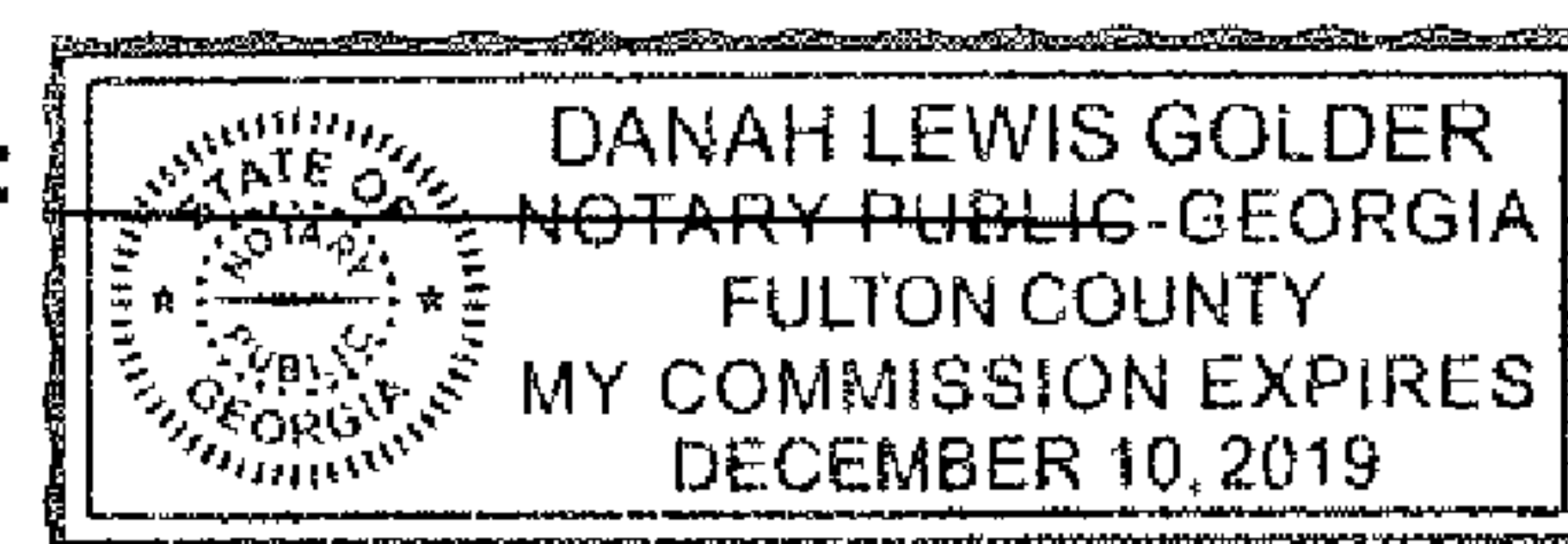

Trace McCreary, Manager of Mortgagor

STATE OF GA)
Fulton COUNTY)

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

Given under my hand and official seal this the 16 day of June, 2017.


Notary Public
My Commission Expires:



PREPARED BY AND UPON
RECORDATION RETURN TO:
Alston & Bird LLP
101 South Tryon Street, Suite 4000
Charlotte, North Carolina 28280
Attention: Robert J. Sullivan, Esq.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE DEBT SECURED BY THIS FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING SHALL IN NO EVENT EXCEED \$1,800,000.00.

VCP CLEAR SPRINGS, LLC, VCP PLANTATION, LLC, and VCP ROSEWOOD MANOR, LLC
individually and collectively, as mortgagor

to

ARBOR REALTY SR, INC., as mortgagee

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

Dated:	As of June 20, 2017
Location:	515 Old Highway 25 West, Columbiana, Alabama 35051
County:	Shelby
Location:	1317 Sparkman Street Northwest, Hartselle, Alabama 35640
County:	Morgan
Location:	1111 Pickens Street, Moulton, Alabama 35650
County:	Lawrence

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AND FIXTURE FILING (this "Security Instrument") is made as of the 20th day of June, 2017 by VCP PLANTATION, LLC ("VCP Plantation"), VCP CLEAR SPRINGS, LLC ("VCP Clear Springs") and VCP ROSEWOOD MANOR, LLC ("VCP Rosewood Manor"), each an Alabama limited liability company, having a principal place of business at 2110 Powers Ferry Road, Suite 150, Atlanta, Georgia 30339 (VCP Plantation, VCP Clear Springs and VCP Rosewood Manor are collectively, jointly and severally, and individually, as the context requires, referred to herein as "Borrower"), to ARBOR REALTY SR, INC., a Maryland corporation, as grantee, having an address at 333 Earle Ovington Boulevard, Uniondale, New York 11553 (together with its successors and assigns, "Lender").

WITNESSETH:

WHEREAS, Borrower is the collective owner of the Property (hereinafter defined) described in Exhibit A attached hereto.

WHEREAS, Borrower and Lender are entering into a certain Loan Agreement of even date herewith ("Loan Agreement") pursuant to which Lender will make a loan ("Loan") to Borrower in the maximum principal amount of \$1,800,000.00. The Loan also will be evidenced by Borrower's promissory note to Lender of even date herewith ("Note").

WHEREAS, the obligations of Borrower under the Note are to be secured, in part, by this Security Instrument;

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and the mutual covenants herein contained, the parties hereto do hereby agree as follows:

ARTICLE 1
DEFINED TERMS

Capitalized terms used in this Security Instrument and not specifically defined in this Security Instrument have the meanings provided in the Loan Agreement.

ARTICLE 2
OBLIGATIONS SECURED

This Security Instrument is given to secure the payment of the principal of, prepayment premium (if any) and interest on the Loan and all other obligations, liabilities or sums due or to become due under the Loan Agreement, the Note, or any other Loan Document, including, without limitation, interest on said obligations, liabilities or sums, the Exit Fee, and amounts advanced by Lender to protect and preserve the Property and the liens hereby created for the benefit of Lender (collectively, the "Debt"), and the performance of all other covenants, obligations and liabilities of Borrower pursuant to the Loan Documents (collectively with the Debt, the "Obligations").

ARTICLE 3
GRANT OF SECURITY

3.01 Property Conveyed. Borrower does hereby irrevocably grant, bargain, sell, alien, demise, release, convey, assign, transfer, deed, hypothecate, pledge, set over, mortgage, warrant and confirm to

Lender, forever with power of sale, all right, title and interest of Borrower in and to all of the following property, rights, interests and estates, now owned or hereafter acquired (collectively, the "Property");

(a) the real property described in Exhibit A attached hereto and made a part hereof (individually and collectively, the "Premises");

(b) (i) all buildings, foundations, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements of every kind or nature now or hereafter located on the Premises (collectively, the "Improvements"); and (ii) to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement, and the goodwill associated therewith;

(c) all easements, rights-of-way, strips and gores of land, streets, vaults, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, ditches, ditch rights, reservoirs and reservoir rights, air rights and development rights, lateral support, drainage, gas, oil and mineral rights, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Premises or the Improvements, and the reversion and reversions, remainder and remainders, whether existing or hereafter acquired, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof and any and all sidewalks, drives, curbs, passageways, streets, spaces and alleys adjacent to or used in connection with the Premises and/or Improvements and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both in law and in equity, of Borrower of, in and to the Premises and Improvements, including, but not limited to, every part and parcel thereof, with the appurtenances thereto;

(d) all machinery, equipment, fittings, apparatus, appliances, furniture, furnishings, tools, fixtures (including, but not limited to, all heating air conditioning, ventilating, waste disposal, sprinkle and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures) and other personal property and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon, or in, and used in connection with the Premises or the Improvements, or appurtenant thereto, and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon, or in, and used in connection with the Premises or the Improvements or appurtenant thereto, (all of the foregoing items described in this paragraph (d) collectively, the "Equipment"), all of which, and any replacements, modifications, alterations and additions thereto, to the extent permitted by applicable law, shall be deemed to constitute fixtures (the "Fixtures"), and are part of the real estate and security for the payment of the Obligations and the performance of Borrower's obligations. To the extent any portion of the Equipment is not real property or Fixtures under applicable law, it shall be deemed to be personal property, and this Security Instrument shall constitute a security agreement creating a security interest therein in favor of Lender under the Uniform Commercial Code (the "UCC");

(e) all awards or payments, including interest thereon, which may hereafter be made with respect to the Premises, the Improvements, the Fixtures, or the Equipment, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of said right), or for a change of grade, or for any other injury to or decrease in the value of the Premises, the Improvements or the Equipment or refunds with respect to the payment of property taxes and assessments, and all other proceeds of the conversion, voluntary or involuntary, of the Premises, Improvements, Equipment, Fixtures or any other Property or part thereof into cash or liquidated claims;

- (f) all leases, tenancies, licenses and other agreements affecting the use, enjoyment or occupancy of the Premises, the Improvements, the Fixtures, or the Equipment or any portion thereof now or hereafter entered into and all reciprocal easement agreements, license agreements, and other agreements with tenants or occupants and fee owners of property contiguous to or surrounding the Premises (the "Leases"), together with all rents (including additional rents of any kind and percentage rents), rent equivalents, moneys payable as damages (including payments by reason of the rejection of a Lease in a bankruptcy proceeding) or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payments and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or any of its agents or employees from any and all sources arising from or attributable to the Premises, the Improvements, the Fixtures or the Equipment, including charges for oil, gas, water, steam, heat, ventilation, air-conditioning, electricity, license fees, maintenance fees, charges for taxes, operating expenses or other amounts payable to Borrower (or for the account of Borrower), revenues from telephone services, laundry, vending, television and all receivables, customer obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Premises or rendering of services by Borrower, Property Manager, or any of their respective agents or employees and proceeds, if any, from business interruption or other loss of income insurance (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;
- (g) all proceeds of and any unearned premiums on any insurance policies covering the Premises, the Improvements, the Fixtures, or the Equipment, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Premises, the Improvements, the Fixtures or the Equipment and all refunds or rebates of Impositions, and interest paid or payable with respect thereto;
- (h) all right, title and interest of every nature of Borrower in all monies deposited or to be deposited in any funds or accounts maintained or deposited with Lender, or its assigns, in connection herewith;
- (i) all Property Agreements, accounts receivable, contract rights, franchises, interests, estate or other claims, both at law and in equity, relating to the Premises, the Improvements, the Fixtures or the Equipment, not included in Rents;
- (j) all claims against any Person with respect to any damage to the Premises, the Improvements, the Fixtures or Equipment including, without limitation, damage arising from any defect in or with respect to the design or construction of the improvements, the Fixtures or the Equipment and any damage resulting therefrom;
- (k) all deposits or other security or advance payments, including rental payments made by or on behalf of Borrower to others, with respect to (i) insurance policies, (ii) utility services, (iii) cleaning, maintenance, repair or similar services, (iv) refuse removal or sewer service, (v) parking or similar services or rights and (vi) rental of Equipment, if any, relating to or otherwise used in the operation of the Premises, Improvements, the Fixtures or Equipment;
- (l) all intangible property relating to the Premises, the Improvements, the Fixtures or the Equipment or its operation, including, without limitation, trade names, trademarks, logos, building names and goodwill;

(m) all advertising material, guaranties, warranties, building permits, other permits, licenses, plans and specifications, shop and working drawings, soil tests, appraisals and other documents, materials and/or personal property of any kind now or hereafter existing in or relating to the Premises, the Improvements, the Fixtures, and the Equipment;

(n) all surveys, drawings, designs, plans and specifications prepared by the architects, engineers, interior designers, landscape designers and any other consultants or professionals for the design, development, construction, repair and/or improvement of the Property, as amended from time to time;

(o) the right, in the name of and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Premises, the Improvements, the Fixtures or the Equipment and to commence any action or proceeding to protect the interest of Lender in the Premises, the Improvements, the Fixtures or the Equipment; and

(p) all proceeds of each of the foregoing.

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors and assigns, to FOREVER DEFEND the title to the Property unto Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof;

3.02 Assignment of Leases. In order to further secure payment of the Debt and the performance of the Obligations, Borrower absolutely, presently and unconditionally grants, assigns and transfers to Lender all of Borrower's right, title, interest and estate in, to and under (i) all of the Leases affecting the Property and (ii) the Rents. Unless and until an Event of Default occurs, Borrower shall have a revocable license to collect the Rents (except as otherwise provided in this Security Instrument) as and when they become due and payable. This assignment is a present and absolute assignment and not an assignment for security purposes only, and Lender's right to the Leases and Rents and the proceeds thereof is not contingent upon, and may be exercised without possession of, the Property. During the continuance of an Event of Default, the license granted hereinabove shall be automatically revoked, and Lender or a receiver appointed in accordance with this Security Instrument may enter upon the Property, and collect, retain and apply the Rents toward payment of the Obligations in such priority and proportions as Lender in its discretion shall deem proper. Lender shall be liable to account only for the Rents actually received by Lender pursuant to any provision of any Loan Document.

3.03 Security Agreement. This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the UCC. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. This Security Instrument is filed as a fixture filing and covers goods that are or are to become fixtures on the Property. Borrower by executing and delivering this Security Instrument has granted to Lender, as security for the Obligations, a security interest in the Property to the full extent that the Property may be subject to the UCC of the State (as defined in Section 3.05). Borrower hereby irrevocably authorizes Lender to prepare, execute and file all initial financing statements, and any restatements, extensions, continuations, renewals or amendments thereof, in such form as Lender may require to perfect or continue the perfection of this security interest or other statutory liens held by Lender. Unless prohibited by applicable law, Borrower agrees to pay all reasonable expenses incident to the preparation, execution, filing and/or recording of any of the foregoing. With respect to any of the Property in which a security interest is not perfected by the filing of a financing statement, Borrower consents and agrees to undertake, and to cooperate fully with Lender, to perfect the security interest hereby granted to Lender in the Property. Without limiting the foregoing, if and to the extent any of the

Property is held by a bailee for the benefit of Borrower, Borrower shall promptly notify Lender thereof and, if required by Lender, promptly obtain an acknowledgment from such bailee that is satisfactory to Lender and confirms that such bailee holds the Property for the benefit of Lender as secured party and shall only act upon instructions from Lender with respect to the Property.

3.04 Pledge of Monies Held. Borrower hereby pledges to Lender, as security for the Obligations, all money now or hereafter held by Lender in escrow or reserve or on deposit pursuant to the terms hereof or pursuant to the Loan Agreement or any other Loan Document, until expended or applied as provided in this Security Instrument or such other Loan Document.

3.05 Satisfaction and Release. If Borrower shall pay to Lender the Obligations, at the times and in the manner stipulated in the Loan Documents, and if Borrower shall perform and observe each of the other Obligations, then these presents and the estate hereby granted shall cease, terminate and be void.

ARTICLE 4 BORROWER'S COVENANTS

4.01 Payment and Performance. Borrower will pay the Obligations at the time and in the manner provided in the Loan Documents and fully and punctually perform the Obligations when and as required by the Loan Documents. Borrower may not prepay the Obligations except as provided in the Loan Agreement.

4.02 Compliance with Loan Agreement. Borrower shall comply with all covenants and agreements in the Loan Agreement, including, without limitation, all obligations regarding the ownership, operation, management and condition of the Property and the protection and perfection of the liens hereby created in favor of Lender. All of the covenants in the Loan Agreement are incorporated herein by reference. The covenants set forth in the Loan Agreement include, among other provisions: (a) the prohibition against the further sale, transfer or encumbering of any of the Property or any interest in Borrower without Lender's consent, (b) the obligation to pay when due all Impositions on the Property or assessed against Lender with respect to the Loan, (c) the right of Lender to inspect the Property, (d) the obligation to keep the Property insured, (e) the obligation to enter into Leases for all or any portion of the Property only in accordance with the terms of the Loan Agreement, and (f) the obligation to comply with all legal requirements (including environmental laws), maintain the Property in good condition, and promptly repair any damage or casualty.

4.03 Warranty of Title. Borrower warrants that (a) it holds, subject only to the Permitted Encumbrances, good, insurable and marketable fee simple title to the Premises and the Improvements and Fixtures (together with the Premises, collectively, the "Realty") and to all easements and rights benefitting the Realty and has the right to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confine, pledge, assign and/or hypothecate the Property. Borrower further covenants to warrant and forever defend Lender from and against all persons claiming any interest in the Property (other than tenants of the Property claiming rights to occupy portions of the Property, as tenants only).

ARTICLE 5 DEFAULT

5.01 Events of Default. The occurrence of an "Event of Default" as that term is defined under the Loan Agreement shall constitute an "Event of Default" under this Security Instrument.

5.02 Remedies.

(a) If an Event of Default occurs, Lender may, at its option, and without prior notice or demand, exercise and hereby is authorized and empowered by Borrower so to exercise, any or all of the remedies set forth in the Loan Agreement or any other Loan Document (including, without limitation, the right to accelerate the Loan) or otherwise permitted by law or in equity.

(b) Lender's remedies under this Security Instrument are cumulative with the remedies provided in the other Loan Documents, by law or in equity and may be exercised independently, concurrently or successively in Lender's sole discretion and as often as occasion therefor shall arise. Lender's delay or failure to accelerate the Loan or exercise any other remedy upon the occurrence of an Event of Default shall not be deemed a waiver of such right as remedy. No partial exercise by Lender of any right or remedy will preclude further exercise thereof. Notice or demand given to Borrower in any instance will not entitle Borrower to notice or demand in similar or other circumstances nor constitute Lender's waiver of its right to take any future action in any circumstance without notice or demand (except where expressly required by this Security Instrument to be given). Lender may release other security for the Obligations, may release any party liable for the Obligations, may grant extensions, renewals or forbearances with respect thereto, may accept a partial or past due payment or grant other indulgences, or may apply any other security held by it to payment of the Obligations, in each case without prejudice to its rights under this Security Instrument and without such action being deemed an accord and satisfaction or a reinstatement of the Obligations. Lender will not be deemed as a consequence of its delay or failure to act, or any forbearances granted, to have waived or be estopped from exercising any of its rights or remedies.

(c) Borrower shall pay, on written demand by Lender, all costs incurred by Lender in (a) collecting any amount payable under the Loan Documents, or (b) enforcing its rights under the Loan Documents, in each case whether or not legal proceedings are commenced. Such fees and expenses include, without limitation, reasonable fees for attorneys, paralegals, law clerks and other hired professionals, a reasonable assessment of the cost of services performed by Lender's default management staff, court fees, costs incurred in connection with pre-trial, trial and appellate level proceedings, including discovery, and costs incurred in post-judgment collection efforts or in any bankruptcy proceeding. Amounts incurred by Lender shall be added to the Obligations, shall be immediately due and payable, and shall bear interest at the Default Rate from the date of disbursement until paid in full, if not paid in full within five (5) days after Lender's written demand for payment.

5.03 Application of Proceeds. The proceeds from disposition of the Property shall be applied by Lender to the payment of the Obligations (including, without limitation, advances made by Lender and enforcement costs incurred by Lender) in such priority and proportion as Lender determines in its sole discretion.

5.04 Continuing Lien; Right to Release Property. If less than all of the Property is, at any time, sold through foreclosure, power of sale, or otherwise, or if Lender releases any portion of the Property (for whatever consideration Lender deems appropriate), this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property, unimpaired and without loss of priority.

ARTICLE 6 WAIVERS

6.01 Waiver of Rights of Redemption, Marshalling and Other Rights. Borrower hereby waives, to the fullest extent permitted by law, the benefit of all laws, now or hereafter in force, providing for (a) the valuation or appraisal of the Property, or any party thereof, prior to any sale or sales thereof pursuant to this Security Instrument or any decree, judgment or order of a court of competent

jurisdiction; (b) the right to stay or extend any such proceeding, to have this Security Instrument reinstated or to redeem the Property or any portion thereof so sold; (c) rights of marshalling relating to any such sale or sales; (d) any right to require that the Property be sold as separate tracts or units in connection with enforcement of this Security Instrument; and (e) the benefit of any moratorium, exemption or homestead rights now or hereafter provided. Borrower makes such waivers on its own behalf and on behalf of all parties now or hereafter claiming or having an interest (direct or indirect) by, through or under Borrower.

6.02 Waiver of Counterclaim. Borrower hereby waives, to the fullest extent permitted by law, the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of, or in any way connected with, the Obligations.

6.03 Waiver of Foreclosure Defense. Borrower hereby waives, to the fullest extent permitted by law, any defense Borrower might have by reason of Lender's failure to make any tenant or tenant of the Property a party defendant in any foreclosure instituted by Lender.

6.04 Waiver of Notices Generally. Borrower hereby waives, to the fullest extent permitted by law, its rights to notice from Lender except when this Security Instrument or the other Loan Documents expressly provides for Lender to give notice to Borrower.

6.05 Waiver of Statute of Limitations and Laches. Borrower hereby waives, to the fullest extent permitted by law, the benefit of any statute of limitations or laches defense to payment of the Debt or performance of the Obligations.

6.06 WAIVER OF TRIAL BY JURY. BORROWER WAIVES ITS RIGHT, TO THE FULLEST EXTENT PERMITTED BY LAW, AND AGREES NOT TO ELECT, A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER.

6.07 Consent to Jurisdiction. Borrower hereby consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in the county and state where the Land is located with respect to any legal action or proceeding arising with respect to this Security Instrument or any other Loan Document and waives all objections which it may have to such jurisdiction and venue. Nothing herein shall, however, preclude or prevent Lender from bringing actions against Borrower in any other jurisdiction as may be necessary to enforce or realize upon the security herein provided.

ARTICLE 7 MISCELLANEOUS

7.01 Covenants Run with the Land. All of the grants, covenants, terms, provisions and conditions herein shall run with the Premises, shall be binding upon Borrower and shall inure to the benefit of Lender, subsequent holders of this Security Instrument and their successors and assigns. Without limitation to any provision hereof, the term "Borrower" shall include and refer to the Borrower named herein, any subsequent owner of the Property, and its respective heirs, executors, legal representatives, successors and assigns.

7.02 Subrogation. If the Loan is used to pay, satisfy, discharge, extend or renew any indebtedness secured by a pre-existing deed to secure debt or other security instrument, or other lien encumbering the Property ("Prior Lien"), then to the extent of funds so used, Lender shall automatically, and without further action on its part, be subrogated to all rights, including lien priority, held by the holder of the indebtedness secured by the Prior Lien, whether or not the Prior Lien is released, and such

former rights are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for payment of the Debt and performance of the Obligations.

7.03 Applicable Law. This Security Instrument shall be governed by, and enforced in accordance with the internal laws of the State where the Property is located (without regard to conflicts of law principles), and any applicable laws of the United States of America.

7.04 No Merger. In the event that Lender should become the owner of the Property, there shall be no merger of the estate created by this Security Instrument with the fee estate in the Property.

7.05 Advances. This Security Instrument shall cover any and all advances made pursuant to the Loan Documents, rearrangements and renewals of the Obligations and all extensions in the time of payment thereof, even though such advances, extensions or renewals be evidenced by new promissory notes or other instruments hereafter executed and irrespective of whether filed or recorded. Likewise, the execution of this Security Instrument shall not impair or affect any other security that may be given to secure the payment of the Obligations, and all such additional security shall be considered as cumulative. The taking of additional security, execution of partial releases of the security, or any extension of time of payment of the Obligations shall not diminish the force, effect or lien of this Security Instrument and shall not affect or impair the liability of Borrower and shall not affect or impair the liability of any maker, surety, or endorser for the payment of the Obligations.

7.06 No Modifications. This Security Instrument may not be changed, amended or modified, except in a writing expressly intended for such purpose and executed by Borrower and Lender.

7.07 Notices. Notices shall be given under this Security Instrument in conformity with the terms and conditions of the Loan Agreement and in conformity with applicable law.

7.08 Inconsistencies. In the event of any inconsistency between this Security Instrument and the Loan Agreement, the terms hereof shall be controlling as necessary to create, preserve and/or maintain a valid security interest upon the Property, otherwise the provisions of the Loan Agreement shall be controlling. The terms of the Loan Agreement are hereby incorporated herein and expressly made a part hereof by this reference.

7.09 Limitation of Liability. The provisions of this Security Instrument are, notwithstanding anything to the contrary herein, subject to the provisions of Section 13.26 of the Loan Agreement which are incorporated herein in reference as if herein set forth in full.

7.010 Joint and Several Liability. Notwithstanding anything to the contrary contained herein, the representations, warranties, covenants and agreements made by each Borrower herein, and the liability of each Borrower hereunder, are joint and several.

ARTICLE 8 STATE PROVISIONS

8.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 8 and the other terms and conditions of this Security Instrument, the terms and conditions of this Article 8 shall control and be binding.

8.02 Power of Sale. Borrower hereby vests Lender with full power and authority, upon the happening of an Event of Default, at Lender's option, to declare the entire Debt to be immediately due

and payable, and at Lender's option, to take possession of the Property if and to the extent allowed by law, and to sell the 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 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, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the Property so purchased. Lender may bid at said sale and purchase the Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale the 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 Lender may elect. The proceeds of any foreclosure sale pursuant to this paragraph shall be applied first, to the payment of the costs of said sale, including reasonable attorney's and auctioneer's fees; second, to the payment of the Debt hereby secured, whether due or not, with the unpaid interest thereon to the date of sale, and any amount that may be due Lender by virtue of any of the special liens or agreements herein contained; and, third, the balance, if any, to be paid over to Borrower, or as may otherwise be provided by law.

8.03 Maximum Principal Amount Secured. Notwithstanding anything contained herein to the contrary, the maximum amount of principal indebtedness secured by this Security Instrument at the time of execution hereof or which under any contingency may become secured by this Security Instrument at any time hereafter is \$1,800,000.00, plus (a) taxes, charges or assessments which may be imposed by law upon the Property; (b) premiums on insurance policies covering the Property; and (c) expenses incurred in upholding the lien of this Security Instrument, including, but not limited to, (i) the expenses of any litigation to prosecute or defend the rights and lien created by this Security Instrument; (ii) any amount, cost or charges to which Lender becomes subrogated upon payment, whether under recognized principles of law or equity or under express statutory authority and (iii) interest at the Default Rate (or regular interest rate).

IN WITNESS WHEREOF, this Security Instrument has been executed by the undersigned as of the day and year first above written.

BORROWER:

VCP CLEAR SPRINGS, LLC, an Alabama limited liability company

By: VARDEN CAPITAL PROPERTIES, LLC, a Florida limited liability company

Its: Manager

By: 

Name: Trace McCreary

Title: Manager

ACKNOWLEDGEMENT

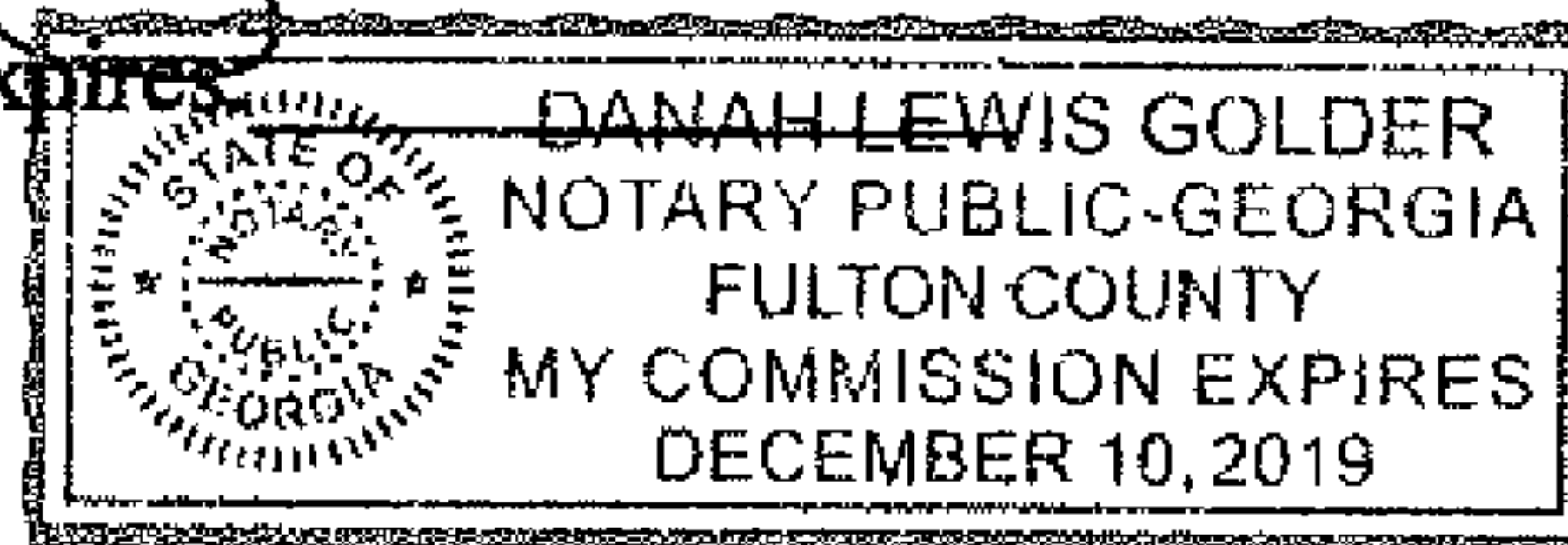
STATE OF GA)
)SS:
COUNTY OF Fulton)

I, Danah L. Golder Notary Public in and for said County in said State, hereby certify that Trace McCreary whose name as Manager of Varden Capital Properties, LLC, a Florida limited liability company, the Manager of VCP Clear Springs, LLC, an Alabama limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this 16 day of June, 2017.


Notary Public

My Commission Expires



VCP PLANTATION, LLC, an Alabama limited liability company

By: VARDEN CAPITAL PROPERTIES, LLC, a Florida limited liability company

Its: Manager

By: TM

Name: Trace McCreary

Title: Manager

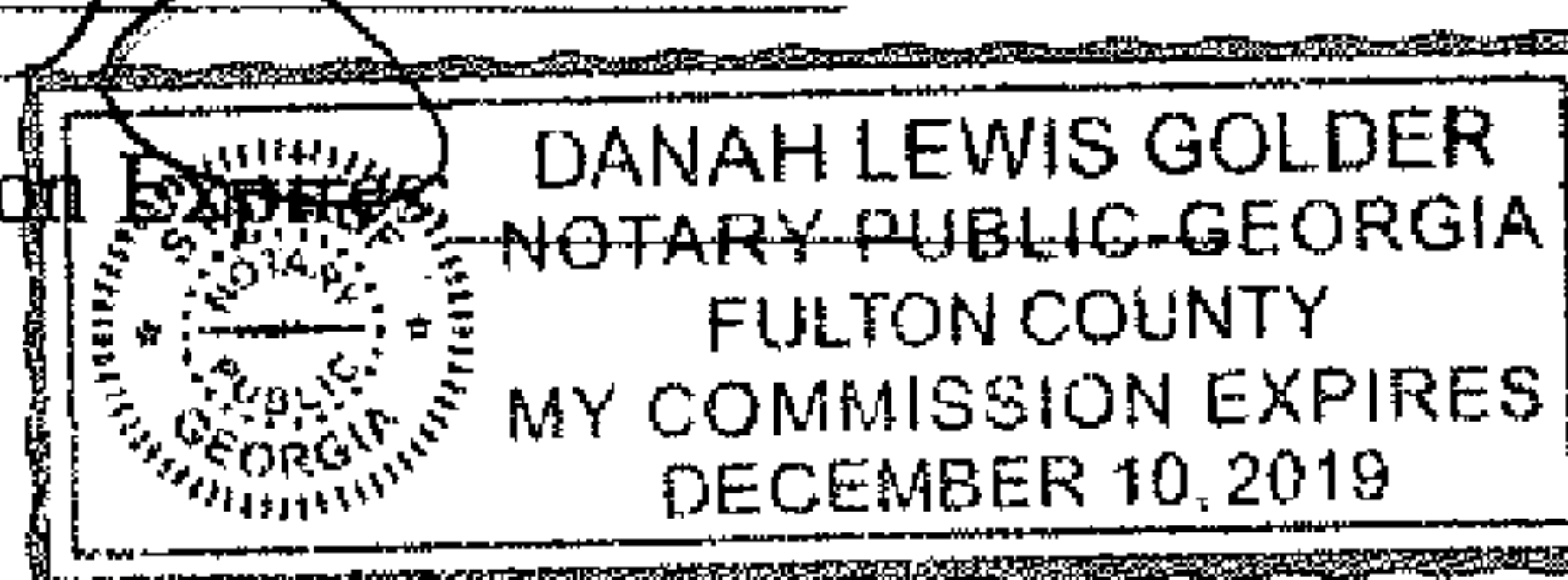
STATE OF GA)
)SS:
COUNTY OF Fulton)

I, Danah L. Golder, a Notary Public in and for said County in said State, hereby certify that Trace McCreary whose name as Manager of Varden Capital Properties, LLC, a Florida limited liability company, the Manager of VCP Plantation, LLC, an Alabama limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this 16 day of June, 2017.

Danah L. Golder
Notary Public

My Commission Expires



VCP ROSEWOOD MANOR, LLC, an Alabama
limited liability company

By: VARDEN CAPITAL PROPERTIES, LLC, a
Florida limited liability company

Its: Manager

By: [Signature]

Name: Trace McCreary

Title: Manager

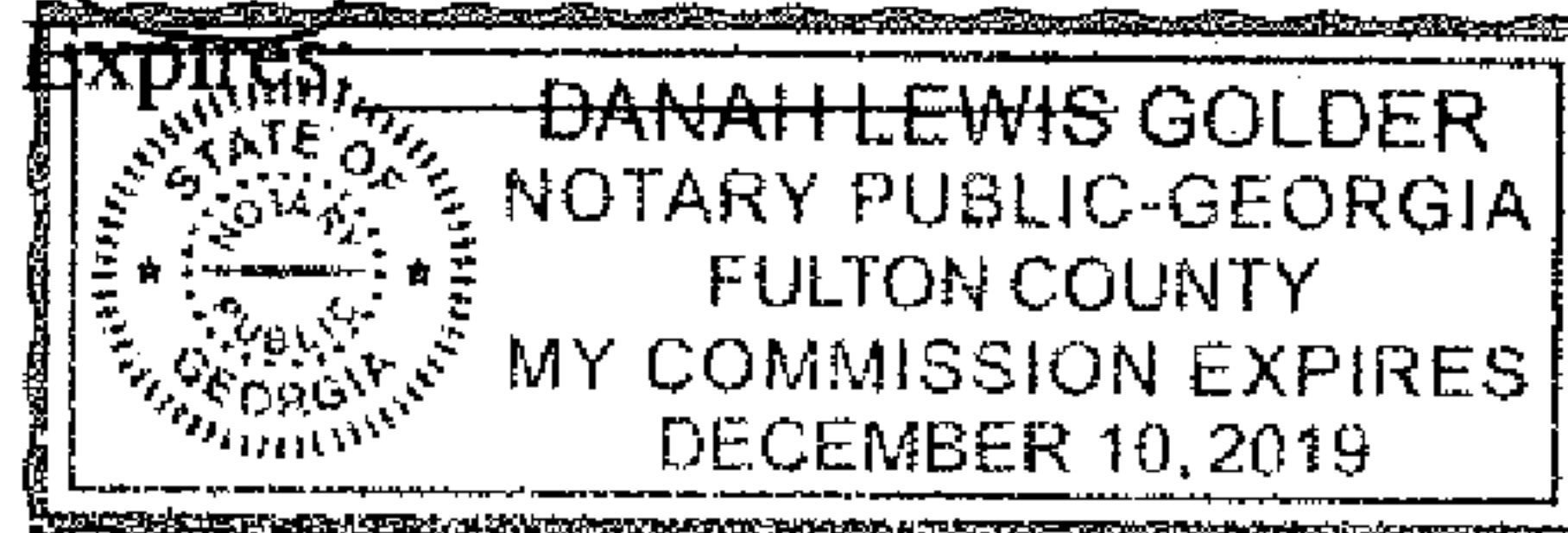
STATE OF GA)
)SS:
COUNTY OF Fulton)

I, Danah L. Golder, a Notary Public in and for said County in said State,
hereby certify that Trace McCreary whose name as Manager of Varden Capital Properties, LLC, a Florida
limited liability company, the Manager of VCP Rosewood Manor, LLC, an Alabama limited liability
company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on
this day that, being informed of the contents of the conveyance, he, as such Manager and with full
authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this 16 day of June, 2017.

[Signature]
Notary Public

My Commission Expires



LEGAL DESCRIPTION

CLEAR SPRINGS PROPERTY

PARCEL 1:

A PART OF THE SE 1/4 OF SECTION 26, TOWNSHIP 21 SOUTH, RANGE 1 WEST, SHELBY COUNTY, ALABAMA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE WHERE THE SOUTHEAST RIGHT OF WAY LINE OF ALABAMA HIGHWAY NO. 25 INTERSECTS THE WEST RIGHT OF WAY LINE OF EGG AND BUTTER ROAD THENCE SOUTH 49 DEGREES 59 MINUTES 02 SECONDS WEST 514.43 FEET ALONG THE SOUTHEAST RIGHT OF WAY LINE OF ALABAMA HIGHWAY NO. 25 TO A 1/2" REBAR FOUND WITH HOLLIS CAP AND THE POINT OF BEGINNING; THENCE SOUTH 29 DEGREES 40 MINUTES 13 SECONDS EAST 196.89 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 63 DEGREES 26 MINUTES 03 SECONDS WEST 40.00 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 26 DEGREES 33 MINUTES 57 SECONDS EAST 25.00 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 63 DEGREES 26 MINUTES 03 SECONDS WEST 72.13 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 00 DEGREES 45 MINUTES 19 SECONDS EAST 226.53 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 81 DEGREES 13 MINUTES 24 SECONDS EAST 8.34 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE SOUTH 15 DEGREES 59 MINUTES 44 SECONDS WEST 325.29 FEET TO AN IRON FOUND; THENCE NORTH 81 DEGREES 11 MINUTES 07 SECONDS WEST 186.66 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP; THENCE NORTH 17 MINUTES 33 SECONDS 26 SECONDS WEST 448.99 FEET TO A 1/2" REBAR FOUND WITH HOLLIS CAP ON THE SOUTHEAST RIGHT OF WAY LINE OF ALABAMA HIGHWAY NO. 25; THENCE NORTH 49 DEGREES 59 MINUTES 02 SECONDS EAST 509.17 FEET ALONG SAID RIGHT OF WAY LINE TO THE POINT OF BEGINNING. CONTAINING 4.9 ACRES, MORE OR LESS.

PARCEL 2:

ALONG WITH THE PERPETUAL NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY FOR DRAINAGE, UTILITIES, INCLUDING INSTALLATION, AND USE AND MAINTENANCE OF A SEWER DRAINAGE LINE DESCRIBED IN INSTRUMENT DATED OCTOBER 28, 1996, RECORDED OCTOBER 28, 1996, IN INSTRUMENT NO. 1996-35731 IN THE OFFICE OF THE JUDGE OF PROBATE OF SHELBY COUNTY, ALABAMA.

SITUATED IN SHELBY COUNTY, ALABAMA.

RIGHTS OF OTHER PARTIES IN AND TO THE USE OF THE EASEMENT FOR DRAINAGE AND UTILITIES AS RECORDED IN INSTRUMENT NO. 2000-36573.

PLANTATION GARDENS PROPERTY

A PART OF THE NE1/4 OF THE NW1/4 OF SECTION 10, TOWNSHIP 7 SOUTH, RANGE 4 WEST, MORGAN COUNTY, ALABAMA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM THE NORTHWEST CORNER OF SAID NE1/4 OF THE NW1/4; THENCE S2°06'00"W 720.29 FEET ALONG THE 1/4 MILE LINE TO THE POINT OF BEGINNING; THENCE S2°06'00"W 274.77 FEET ALONG SAID 1/4 MILE LINE; THENCE S89°05'19"E 540.88 FEET; THENCE N2°07'46"E 165.22 FEET; THENCE S89°04'14"E 81.82 FEET; THENCE N0°22'01"E 44.46 FEET; THENCE N52°28'16"E 150.33 FEET TO A POINT ON THE SOUTHWEST RIGHT OF WAY LINE OF SPARKMAN STREET, NW; THENCE N37°34'02"W 50.00 FEET ALONG SAID RIGHT OF WAY LINE; THENCE S52°28'09"W 150.25 FEET; THENCE N37°28'31"W 128.79 FEET; THENCE S71°17'10"W 272.71 FEET; THENCE N85°20'09"W 252.74 FEET TO THE POINT OF BEGINNING. CONTAINING 3.92 ACRES, MORE OR LESS.

LEGAL DESCRIPTION

ROSEWOOD MANOR PROPERTY

COMMENCE AT THE SOUTHWEST CORNER OF NW-1/4 OF NW-1/4 OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 WEST; THENCE S87°39'29"E ALONG THE SOUTH BOUNDARY OF SAID QUARTER QUARTER SECTION, 19.71 FEET TO A POINT ON AN OLD NORTH-SOUTH FENCE, SAID POINT BEING THE POINT OF BEGINNING AT THE HEREIN DESCRIBED TRACT OF LAND; THENCE CONTINUE S87°39'29"E, 368.02 FEET; THENCE N01°23'23"E, 338.09 FEET; THENCE N88°36'37"W, 367.96 FEET TO A POINT ON AN OLD FENCE; THENCE S01°23'23"W, 331.97 FEET TO POINT OF BEGINNING, CONTAINING 2.83 ACRES, LYING AND BEING LOCATED IN THE NW-1/4 OF NW-1/4 OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 WEST, LAWRENCE COUNTY, ALABAMA.



Filed and Recorded
Official Public Records
Judge James W. Fuhrmeister, Probate Judge,
County Clerk
Shelby County, AL
07/06/2017 02:34:41 PM
\$2767.00 CHERRY
20170706000240420

A handwritten signature in black ink, appearing to be "James W. Fuhrmeister", is written over the printed name and title of the County Clerk.