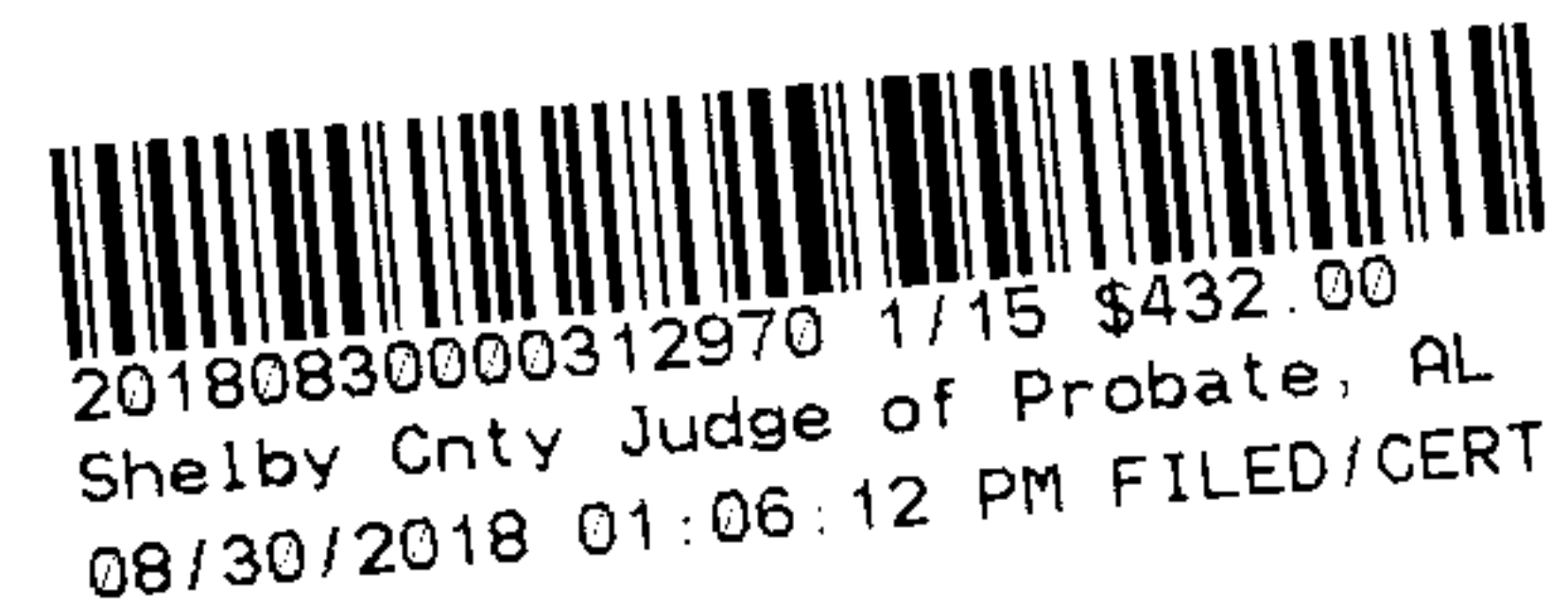


Prepared By & Return to:
Johnson & Mulroony, PC
428 McCallie Avenue
Chattanooga, TN 37402



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MORTGAGE

THIS MORTGAGE is made on July 17, 2018, between JERRY SCARBOROUGH, 1956 Florence Blvd., Florence, Alabama 35630 (“Mortgagor”), and Brightbridge, Inc., 535 Chestnut Street, Chattanooga, Tennessee 37401 (“Mortgagee”).

Recitals

The Mortgagor has guaranteed a Note for Shoals Xtreme Powersports, LLC (“Borrower”) and delivered to the Mortgagee a Note (“Note”), dated July 17, 2018 in which the Borrower promises to pay to the Mortgagee the principal sum of \$250,000.00 in lawful money of the United States, advanced or to be advanced by the Borrower to the Mortgagor, with interest on the principal sum at the rate and times, in the manner, and according to the terms and conditions specified in the Note. The Note is incorporated in this Mortgage by reference, and it is due on July 17, 2028 (*maturity date*).

NOW, THEREFORE, in consideration of the indebtedness, as security for payment to the Mortgagee of the principal with interest, as well as all other sums provided for in the Note and in this Mortgage, in accordance with their respective terms and conditions, and for performance of the agreements, conditions, covenants, provisions, and stipulations contained in this Mortgage and in the Note, the Mortgagor grants, conveys, and mortgages to the Mortgagee all the real estate in Shelby County, and described in Exhibit “A” attached to and made a part of this Mortgage;

TOGETHER WITH the following, which shall be referred to collectively with the real estate described in Exhibit A as the “Mortgaged Property”:

- (a) Any and all buildings and improvements erected or subsequently erected on the property;
- (b) Any and all fixtures, appliances, machinery, equipment, and other articles of personal property at any time installed in, attached to, or situated in or on the real estate or the buildings and improvements to be erected on the real estate, or to be used or intended to be used in connection with the real estate or in the operation of the build-ings, improvements, plant, business, or dwelling on the real estate, whether or not the personal property is or shall be affixed to the real estate;
- (3) All building materials, fixtures, building machinery, and building equipment delivered to the site of the real estate during the course of, or in connection with, construction of the buildings and improvements;
- (4) Any and all tenements, hereditaments, and appurtenances belonging or in any way pertaining to the real estate or any part of the real estate mortgaged or intended to be mortgaged under this Mortgage;

(5) All streets, alleys, passages, ways, and water courses; all easements and covenants now existing or subsequently created for the benefit of the Mortgagor or any future owner or tenant of the mortgaged real estate over ground adjoining the mortgaged real estate; and all rights to enforce the maintenance of such accesses and rights;

(6) All other rights, liberties, and privileges; all reversions, remainders, income, rents, issues, and profits arising from them; and all the estate, right, title, interest, property, possession, claim, and demand, at law or in equity, of the Mortgagor in and to the real estate or any part of it; and

(7) The proceeds and replacements of any of the foregoing;

ALSO TOGETHER WITH any and all awards made to the present and subsequent owners of the Mortgaged Property by any governmental or other lawful authorities for taking or damaging by eminent domain all or any part of the Mortgaged Property or any easement in the property, including any awards for changes in the grades of streets. The Mortgagor assigns such awards to the Mortgagee, who is authorized to collect and receive the proceeds of any awards from the authorities, to give proper receipts and acquittances for those awards, and to apply them (after deduction of attorneys' fees and other costs incurred in connection with collecting the funds) toward the payment of the amount owing on account of this Mortgage and the accompanying Note, even though the amount owing may not then be due and payable. The Mortgagor agrees to make, execute, and deliver, on request, any and all assignments and other instruments sufficient for the purpose of assigning the awards to the Mortgagee, free, clear, and discharged of any and all encumbrances. The Mortgagor further agrees to give the Mortgagee immediate notice of the actual or threatened commencement of any proceedings in the nature of eminent domain affecting all or any part of the Mortgaged Property, and will deliver to the Mortgagee copies of any papers served on the Mortgagor in connection with any such proceedings. No settlement for the damages sustained shall be made by the Mortgagor without the Mortgagee's prior written approval. Approval shall not be unreasonably withheld.

TO HAVE AND TO HOLD for its own use forever, the Mortgagee is granted, under this Mortgage, the interests and rights in the Mortgaged Property as described above;

UNDER AND SUBJECT to the lien of a mortgage between Jerry Scarborough and Wendy Scarborough to Resmae Mortgage Corporation, in the original amount of \$460,000.00 ("Prior Mortgage");

AND SO LONG AS the Mortgaged Property or any part of it is subject to the Prior Mortgage, the Mortgagor agrees that:

(a) The Mortgagor will pay the principal, interest, and all other sums when due and payable under the Prior Mortgage no later than their due date, and will comply with all of the other terms, covenants, and conditions of the Prior Mortgage.

(b) The Mortgagor will produce to the Mortgagee, on request, receipts or other evidence of payment satisfactory to the Mortgagee with respect to all sums due under the Prior Mortgage.

(c) The Mortgagor will not enter into any agreement or arrangement, without the prior written consent of the Mortgagee, pursuant to which the Mortgagor is granted any forbearance or indulgence with regard to time or amount in the payment of any principal, interest, or other sums due under the Prior Mortgage.

FURTHERMORE, any default by the Mortgagor under the Prior Mortgage, because of the failure to make a payment or otherwise to comply with the terms of the Prior Mortgage shall constitute a default under this Mortgage. Any failure by the Mortgagor to produce the receipts concerning the Prior Mortgage shall also constitute a default under this Mortgage. It shall also constitute a default under this Mortgage if



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the Mortgagor enters into an agreement contrary to the provisions of the preceding paragraph. In the case of any default under this Mortgage, the Mortgagee shall have the right to declare immediately due and payable the entire indebtedness secured by this Mortgage with interest and other appropriate charges.

AND IN ADDITION, the Mortgagee, at its election, and without notice to the Mortgagor, may make, but shall not be obligated to make, any payments the Mortgagor has failed to make under the Prior Mortgage. The Mortgagee may add the amount of those payments to the principal debt secured by this Mortgage. Any payment by the Mortgagee shall not release the Mortgagor from the Mortgagor's obligations or constitute a waiver of the Mortgagor's default under this Mortgage.

IF AND TO THE EXTENT that the Mortgagor is required to deliver, and does deliver, tax receipts and insurance policies to the holder of the Prior Mortgage, the Mortgagor shall be required to deliver only photocopies of those documents to the Mortgagee within the times set forth in this Mortgage, even though this Mortgage may otherwise require delivery of original documents to the Mortgagee.

PROVIDED ALWAYS, and this Mortgage is executed on the express condition that, if the Mortgagor pays to the Mortgagee the principal sum of the Note, the interest, and all other sums that are secured by this Mortgage and that are payable by the Mortgagor to the Mortgagee, in accordance with the provisions of the Note and this Mortgage, at the times and in the manner specified, and without deduction, fraud, or delay, and if the Mortgagor performs and complies with all the agreements, conditions, covenants, provisions, and stipulations contained in this Mortgage and in the Note, then this Mortgage and the estate granted by it shall cease and become void.

THE MORTGAGOR COVENANTS and agrees with the Mortgagee that until the indebtedness secured by this Mortgage is fully repaid:

ARTICLE I COVENANTS

Warranty of Title

1.01. The Mortgagor has good and marketable fee simple title to the Mortgaged Property, free and clear of all liens, encumbrances, charges, and all other conditions except as noted in paragraph (7).

Payment and Performance

1.02. The Mortgagor shall pay to the Mortgagee, in accordance with the terms of the Note and this Mortgage, the principal, interest, and other sums, and shall perform and comply with all the agreements, conditions, covenants, provisions, and stipulations of the Note and this Mortgage.

Maintenance of Mortgaged Property

1.03. The Mortgagor shall abstain from and shall not permit the commission of waste in or about the Mortgaged Property. The Mortgagor shall not remove or demolish, or alter the structural character of, any building erected at any time on the Mortgaged Property without the prior written consent of Mortgagee. The Mortgagor shall not permit the Mortgaged Property to become vacant, deserted, or unguarded, and shall maintain the Mortgaged Property in good condition and repair, with reasonable wear and tear excepted, making all repairs of every nature whenever necessary.

Insurance

1.04. (a) The Mortgagor shall keep the Mortgaged Property continuously insured against loss or damage by fire, with extended coverage, and against such other hazards as the Mortgagee may reasonably require.

(b) Without limiting the foregoing, the Mortgagor shall, if requested by the Mortgagee, maintain the following insurance:

- (1) Insurance against loss or damage to the Mortgaged Property by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage." This insurance shall be in an amount not less than the greater of the original amount of the Note or that percentage of the full replacement cost of all buildings and improvements erected on the property (exclusive of the cost of excavations, foundations, and footings below the lowest basement floor) that is required to satisfy any applicable co-insurance requirement in any policy;
- (2) Comprehensive public liability insurance (including coverage for any elevators and escalators on the Mortgaged Property and, if any construction of new improvements occurs after execution of this Mortgage, completed operations coverage for one year after construction of the improvements has been completed) on an "occurrence basis" against claims for personal injury. This coverage shall include, without limitation, bodily injury, death, or property damage occurring on, in, or about the Mortgaged Property and the adjoining streets, sidewalks, and passageways. This insurance shall afford immediate minimum protection to a limit of not less than that required by the Mortgagee with respect to personal injury or death to any one or more persons or to damage to property;
- (3) Worker's compensation insurance (including employer's liability insurance, if requested by the Mortgagee) for all employees of the Mortgagor engaged on or with respect to the Mortgaged Property in an amount reasonably satisfactory to the Mortgagee, or if limits are established by law, in the legal amounts;
- (4) During the course of any construction or repair of improvements on the Mortgaged Property, builder's completed value risk insurance against "all risks of physical loss," including collapse and transit coverage, during construction. This insurance shall be in nonreporting form, covering the total value of work performed and equipment, supplies, and materials furnished. If requested by the Mortgagee, this policy of insurance shall contain the "permission to occupy on completion of work or occupancy" endorsement;
- (5) Boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning, and elevator and escalator equipment, provided that the Mortgaged Property contains equipment of such nature, and insurance against loss of occupancy or use arising from any breakdown in such equipment, in amounts reasonably satisfactory to the Mortgagee;

(c) All policies of insurance required by the terms of this paragraph shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of the policy, regardless of any act or negligence of the Mortgagor that might otherwise result in forfeiture of insurance. All policies shall also contain an agreement by the insurer waiving all rights of set-off, counterclaim, or deductions against the Mortgagor.

(d) All policies of insurance shall be issued by companies and in amounts in each company satisfactory to the Mortgagee. Attached to all policies of insurance shall be a mortgagee clause in favor of the Mortgagee and not subject to contribution, as well as a lender's loss payable endorsement for the benefit of the Mortgagee, both of which shall be in a form satisfactory to the Mortgagee. The Mortgagor shall furnish the Mortgagee with a signed duplicate original policy with respect to all required insurance coverage. If the Mortgagee consents to the provision by the Mortgagor of the required insurance through blanket policies carried by the Mortgagor and covering more than one location, then the Mortgagor shall furnish the Mortgagee with a signed certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date. At least twenty days

prior to the expiration of each policy, the Mortgagor shall furnish the Mortgagee with evidence satisfactory to the Mortgagee of the payment of the premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. All policies, including policies for any amounts carried in excess of the required minimum and policies not specifically required by the Mortgagee, shall be in a form satisfactory to the Mortgagee, shall be maintained in full force and effect, and shall be assigned and delivered to the Mortgagee, with premiums prepaid, as collateral security for payment of the indebtedness secured by this Mortgage. All policies shall contain a provision that the policies will not be cancelled or materially amended (including any reduction in the scope or limits of coverage) without at least ten days prior written notice to the Mortgagee. If all or any part of the insurance shall expire, be withdrawn, or become void or unsafe because of the Mortgagor's breach of any condition, shall become void or unsafe due to the value or impairment of the capital of any company in which the insurance may then be carried, or shall be unsatisfactory to the Mortgagee for any reason, the Mortgagor shall obtain new insurance satisfactory to the Mortgagee for the premises.

(e) If the Mortgagor fails to provide, preserve, maintain in force, or deliver and furnish to the Mortgagee the policies of insurance required by this Mortgage, the Mortgagee may procure insurance or single-interest insurance for the risks covering the Mortgagee's interest. The Mortgagor will pay all premiums on insurance procured by the Mortgagee promptly on demand by the Mortgagee. Until payment is made by the Mortgagor, the amount of all premiums, together with interest at a rate that shall be seven (7) percent each year higher than the rate specified in the Note, shall be secured by this Mortgage.

(f) In the event of loss, the Mortgagor will give immediate notice to the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by the Mortgagor. Each insurance company shall be authorized and is directed to make payment under the insurance, including return of unearned premiums, directly to the Mortgagee instead of jointly to the Mortgagor and the Mortgagee, and the Mortgagor irrevocably appoints the Mortgagee as the Mortgagor's attorney-in-fact to endorse any insurance draft. The Mortgagee shall have the right to elect to retain and apply the proceeds of any insurance, to reduce the indebtedness secured by this Mortgage, or to restore or repair the damaged property. If the Mortgagee becomes the owner of all or any part of the Mortgaged Property by foreclosure or otherwise, the policies, including all rights, titles, and interests of the Mortgagor under those policies, shall become the absolute property of the Mortgagee.

(g) Notwithstanding the provisions of Subparagraph (f), above, if the Mortgaged Property is damaged by fire or other casualty covered by insurance, the Mortgagee will make the insurance proceeds available to the Mortgagor for repair and reconstruction of the Mortgaged Property on the following terms and conditions:

- (1) The work will be performed by a reputable general contractor satisfactory to the Mortgagee pursuant to plans and specifications satisfactory to the Mortgagee, in the exercise of its reasonable business judgment.
- (2) The insurance proceeds will be held by the Mortgagee (or by an escrow agent satisfactory to the Mortgagee) in trust, to be disbursed periodically as the work progresses, in amounts not exceeding 90 percent of the value of labor and materials incorporated into the work. The remaining 10 percent will be released to the Mortgagor on final completion of the work in accordance with the plans and specifications, and on a receipt of a release of liens from all contractors and subcontractors engaged in the work.
- (3) If the entire insurance proceeds are not used for restoration, the excess proceeds will be applied to the mortgage debt. If the cost of the work will exceed the insurance proceeds, the Mortgagor will deposit the amount of the excess with the Mortgagee (or the escrow agent) to be disbursed prior to disbursement of the insurance proceeds.

- (4) If the damage or destruction is such that the buildings on the Mortgaged Property are totally destroyed, this Subparagraph (g) shall not apply.

Taxes and Other Charges

1.05. The Mortgagor shall pay, when due and payable and before interest or penalties accrue, all taxes, assessments, water and sewer rents, and other charges or claims that may be assessed, levied, or filed at any time against the Mortgagor, against all or any part of the Mortgaged Property, or against the interest of the Mortgagee in the Mortgaged Property; or that, by any present or future law, may have priority over the indebtedness secured by this Mortgage either in lien or in distribution out of the proceeds of any judicial sale. The Mortgagor shall produce receipts for payment of these amounts to the Mortgagee not later than the payment dates. If the Mortgagor, in good faith and by appropriate legal action, contests the validity or amount of any item and establishes for payment a reserve, in the amount the Mortgagee requires and either in the Mortgagor's books or by depositing cash with the Mortgagee, as the Mortgagee may elect, then the Mortgagor shall not be required to pay the item or to produce the required receipts while the reserve is maintained and for so long as the contest that prevents collection is maintained, prosecuted with diligence, and has not been terminated or discontinued adversely to the Mortgagor.

Installments for Insurance, Taxes, and Other Charges

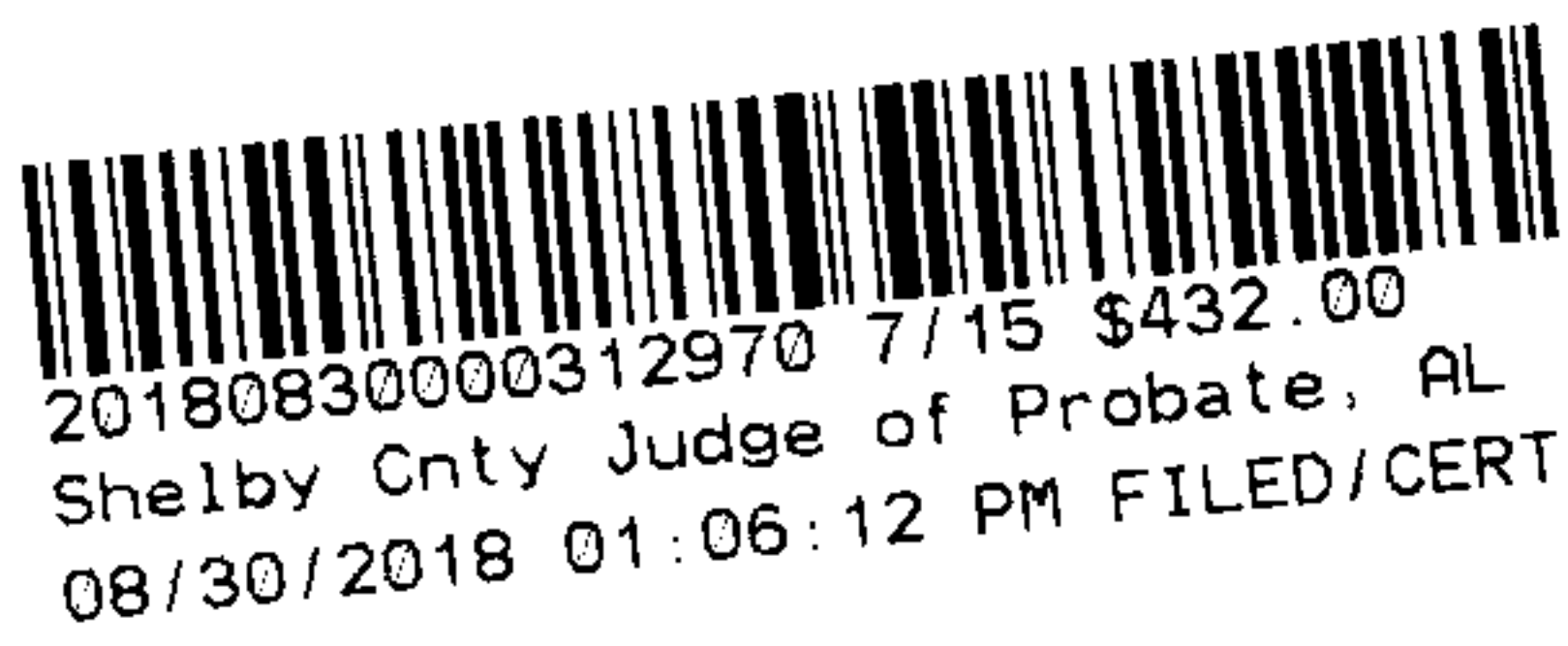
1.06. On written request by the Mortgagee, the Mortgagor shall pay to the Mortgagee monthly, when the monthly installment of principal and interest is payable, an amount equal to one-twelfth of the annual premiums for the fire and extended coverage insurance; the annual real estate taxes, water and sewer rents; any special assessments, charges, or claims; and any other item that at any time may become a lien on the Mortgaged Property prior to the lien of this Mortgage. On demand from time to time, the Mortgagor shall pay to the Mortgagee any additional sums necessary to pay taxes and other items, as estimated by the Mortgagee. The amounts paid shall be security for payment of taxes and other items and shall be used in payment of those items if the Mortgagor is not otherwise in default under this Mortgage. No amount so paid shall be deemed to be trust funds but may be commingled with general funds of the Mortgagee, and no interest shall be payable on the amounts. If, pursuant to any provision of this Mortgage, the whole amount of the unpaid principal debt becomes due and payable, the Mortgagee shall have the right, at its election, to apply any amount so held against the entire indebtedness secured by this Mortgage. At the Mortgagee's option, the Mortgagee from time to time may waive and, after any waiver, may reinstate the provisions of this paragraph that require the monthly payments.

Security Agreement

1.07. This Mortgage constitutes a security agreement under the Uniform Commercial Code and creates a security interest in the personal property included in the Mortgaged Property. The Mortgagor shall execute, deliver, file, and refile any financing statements or other security agreements that the Mortgagee may require from time to time to confirm the lien of this Mortgage with respect to that property and shall pay all costs of filing. Without limiting the foregoing, the Mortgagor irrevocably appoints the Mortgagee attorney-in-fact for the Mortgagor to execute, deliver, and file such instruments for and on behalf of the Mortgagor.

Compliance With Law and Regulations

1.08. The Mortgagor shall comply with all laws, ordinances, regulations, and orders of federal, state, municipal, and other governmental authorities that relate to the Mortgaged Property.



Inspections

1.09. The Mortgagee, and any persons authorized by the Mortgagee, shall have the right at any time, on reasonable notice to the Mortgagor, to enter the Mortgaged Property at a reasonable hour to inspect and photograph its condition and state of repair.

Declaration of No Set-Off

1.10. Within one week after being requested to do so by the Mortgagee, the Mortgagor shall certify to the Mortgagee or to any proposed assignee of this Mortgage, in a writing to be duly acknowledged, the amount of principal, interest, and other charges then owing on the obligation secured by this Mortgage and whether there are any set-offs or defenses against it.

Defaults and Right to Remedy

1.11. The Mortgagee, at its option and without notice to the Mortgagor, shall have the right to make any payment or expenditure that the Mortgagor should have made, or that the Mortgagee deems advisable, to protect the security of this Mortgage or the Mortgaged Property if the Mortgagor fails to pay taxes, assessments, water and sewer charges, other claims for which liens may be attached to the Mortgaged property (except in case of contest), or insurance premiums; fails to make necessary repairs; permits waste; or otherwise fails to comply with its obligations under this Mortgage, the Note, or any other document executed in connection with this Mortgage. Any payment by the Mortgagee shall be without prejudice to any of the Mortgagee's rights or remedies under this Mortgage, at law, or in equity. All sums, as well as costs, advanced by the Mortgagee pursuant to this Mortgage, shall be due immediately from the Mortgagor to the Mortgagee, shall be secured by this Mortgage, and shall bear interest at seven (7) percent annually in excess of the rate otherwise provided in the Note from the date of payment by the Mortgagee until the date of repayment.

ARTICLE II DEFAULT AND REMEDIES

Events of Default

2.01. Any one or more of the following shall constitute an "Event of Default":

(a) The failure of the Mortgagor to pay an installment of principal or interest, or any other sum, on the date it is due under the Note or this Mortgage [*if applicable, add: subject to any applicable grace period provided in the Note or in this Mortgage*].

(b) The Mortgagor's nonperformance of or noncompliance with any of the other agreements, conditions, covenants, provisions, or stipulations contained in the Note, in this Mortgage, or in any other document executed in connection with this Mortgage.

(c) The entry of a decree or order for relief by a court that has jurisdiction of the Mortgaged Property in respect to the Mortgagor in an involuntary case under the federal bankruptcy laws or

any other applicable federal or state bankruptcy, insolvency, or other similar law; the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official for any substantial part of the Mortgagor's property; or the ordering of the winding-up or liquidation of the Mortgagor's affairs.

(d) The commencement by the Mortgagor of a voluntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency, or other similar law; the consent by the Mortgagor to the appointment of, or the taking of possession by, a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official for any substantial part of the Mortgagor's property; the making by the Mortgagor of any assignment for the benefit of creditors; or the failure of the Mortgagor generally to pay its debts as they become due.

(e) The failure, within sixty days after the entry of a final judgment for the payment of money that is rendered against the Mortgagor.

For purposes of this paragraph, the word "Mortgagor" shall mean the party named as the Mortgagor in this Mortgage and all or any of the persons guaranteeing the Mortgagor's obligations to the Mortgagee.

Remedies

2.02. (a) On the occurrence of any Event of Default, the entire unpaid balance of principal, accrued interest, and all other sums secured by this Mortgage shall become immediately due and payable, at the option of the Mortgagee, without further notice or demand.

(b) When the entire indebtedness becomes due and payable, whether because of maturity, because of the occurrence of any Event of Default, or otherwise, then:

- (1) The Mortgagee may institute any action of mortgage foreclosure or may take any other action, at law or in equity, for the enforcement of this Mortgage and for realization on the mortgage security or any other security allowed by law. Furthermore, the Mortgagee may proceed to final judgment and execution for the entire unpaid balance of the principal debt, with interest at the rate or rates stipulated in the Note, together with all other sums due by the Mortgagor in accordance with the provisions of the Note and this Mortgage. These sums would include all sums that the Mortgagee may have loaned to the Mortgagor after the date of this Mortgage; all sums that the Mortgagee may have advanced for taxes, water or sewer rents, other charges or claims for which a lien may be attached, and insurance, repairs, or maintenance costs; and all costs of suit. The Mortgagor authorizes the Mortgagee at its option to foreclose this Mortgage, subject to the rights of any tenants of the Mortgaged Property. The failure to make any tenants parties defendant to any foreclosure proceedings and to foreclose their rights will not be asserted by the Mortgagor as a defense to any proceedings instituted by the Mortgagee to recover the indebtedness secured by this Mortgage or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property. Nothing contained in this subparagraph shall prevent the Mortgagor from asserting, in any proceedings to dispute the amount of the deficiency or the sufficiency of any bid at the foreclosure sale, that any tenants have adversely affected the value of the Mortgaged Property.
- (2) The Mortgagee may enter into possession of the Mortgaged Property, with or without legal action, and by force if necessary. In the alternative, the Mortgagee shall be entitled to the appointment of a receiver regardless of the solvency of the Mortgagor, or any other person liable for the debt secured by this Mortgage, and regardless of whether the Mortgagee has an adequate remedy at law. Either the Mortgagee or a receiver, as the case may be, may rent all or any part of the Mortgaged Property for any period and on any terms and conditions that the Mortgagee or the receiver may determine are appropriate. The Mortgagee or the receiver may collect all rentals and, after deducting all costs of collection and administration expenses, may apply the net rentals, in the

order and amounts that the Mortgagee or the receiver may elect, to the payment of taxes, water and sewer rents, other charges and claims for which liens may be attached, insurance premiums, and other carrying charges; to the payment of costs for maintenance, repair, or restoration of the Mortgaged Property; and to the reduction of the principal or interest, or both. For that purpose, the Mortgagor assigns to the Mortgagee all rentals due and to become due under any existing or future lease; all rights to use and occupation of the Mortgaged Property; and all rights and remedies provided in the lease, at law, or in equity for the collection of the rentals. Any lease or leases entered into by the Mortgagee or by the receiver pursuant to this subparagraph shall survive foreclosure of this Mortgage and repayment of the debt, except to the extent any applicable lease provides otherwise.

(c) To obtain possession of the Mortgaged Property in the event of any default under this Mortgage or the Note, the Mortgagor authorizes and empowers any attorney of any court of record in the State of Alabama or elsewhere, as attorney for the Mortgagor and all persons claiming under or through the Mortgagor, to sign an agreement for entering, in any competent court, an amicable action in ejectment for possession of the Mortgaged Property. Such attorney is further authorized to appear on behalf of the Mortgagor and to confess judgment against the Mortgagor, and against all persons claiming under or through the Mortgagor, in favor of the Mortgagee for recovery of possession of the Mortgaged Property by the Mortgagee. This Mortgage, or a copy of this Mortgage verified by affidavit, shall be a sufficient warrant. After confession of judgment, a writ of possession may immediately issue for possession of the Mortgaged Property, without any prior writ or proceeding and without any stay of execution. If for any reason after the action has been commenced it shall be discontinued, or possession of the Mortgaged Property shall remain in or be restored to the Mortgagor, the Mortgagee shall have the right, for the same default or for any subsequent default, to bring one or more further amicable actions to recover possession of the Mortgaged Property. The Mortgagee may bring an amicable action in ejectment and confess judgment before or after the institution of proceedings to foreclose this Mortgage or to enforce the Note, after entry of judgment in such proceedings or on the Note, or after a sheriff's sale of the Mortgaged Property in which the Mortgagee is the successful bidder. The authorization to pursue proceedings for obtaining possession and for confession of judgment is an essential part of the remedies for enforcement of this Mortgage and the Note, and shall survive any execution sale to the Mortgagee.

(d) The Mortgagee shall have the right from time to time to bring an appropriate action to recover any sums required to be paid by the Mortgagor under the terms of this Mortgage, as they become due, regardless of whether the principal indebtedness or any other sums secured by the Note and this Mortgage shall be due, and without prejudice to the right of the Mortgagee to bring a subsequent action to foreclose this Mortgage, or any other action, for any default by the Mortgagor that existed at the time the earlier action was commenced.

(e) Any real estate sold to satisfy this Mortgage debt may be sold in one parcel, as an entirety, or in such parcels and in such manner or order as the Mortgagee, in its sole discretion, may elect.

(f) Neither the Mortgagor, nor any other person obligated for payment of all or any part of the sums now or subsequently secured by this Mortgage, shall be relieved of the obligation because of the failure of the Mortgagee to comply with any request of the Mortgagor or of any other person to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Mortgage or of the Note; because of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage; or because of any agreement or stipulation between any subsequent owner of the Mortgaged Property and the Mortgagee that extends the time of payment or modifies the terms of the Mortgage or Note without first having obtained the consent of the Mortgagor or the other person obligated for payment. In the latter event, the Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any extension or modification agreement, unless

expressly released and discharged in writing by the Mortgagee. No release of all or any part of the security shall in any way impair or affect the lien of this Mortgage or its priority over any subordinate lien.

(g) With respect to the personal property in which a security interest is granted, the Mortgagee may exercise any or all of the rights accruing to a secured party under this Mortgage, under the Uniform Commercial Code as applicable in the jurisdiction where the Mortgaged Property is located, and under any other applicable law. The Mortgagor shall, if the Mortgagee requests, assemble all personal property and make it available to the Mortgagee at a place designated by the Mortgagee that is reasonably convenient to the Mortgagor and the Mortgagee. Any notice required to be given by the Mortgagee of a public or private sale, lease, or other disposition of the personal property or of any other intended action by the Mortgagee may be personally delivered to the Mortgagor or may be deposited in the United States mail, postage prepaid, duly addressed to the Mortgagor at the address of the Mortgagor last known to the Mortgagee. Such notice, if personally delivered or so deposited at least 30 business days prior to the proposed action shall constitute reasonable and fair notice to the Mortgagor of any action.

Attorneys' Fees

2.03. If the Mortgagee becomes a party to any suit or proceeding affecting the Mortgaged Property, the lien created by this Mortgage, or the Mortgagee's interest in the Mortgaged Property (including any proceeding in the nature of eminent domain), or if the Mortgagee engages counsel to collect any of the indebtedness or to enforce performance of the agreements, conditions, covenants, provisions, or stipulations of this Mortgage or the Note, then the Mortgagee's costs, expenses, and reasonable attorneys' fees, whether or not suit is instituted, shall be paid to the Mortgagee by the Mortgagor, on demand, with interest at the rate provided in the Note. Until paid, they shall be deemed to be part of the indebtedness evidenced by the Note and secured by this Mortgage.

ARTICLE III ADDITIONAL PROVISIONS

Notices

3.01. All notices permitted or required under this Mortgage or the Note shall be in writing, and shall be personally delivered, or sent by registered or certified mail, postage prepaid, and addressed to the addressee, at the address set forth in this Mortgage or in the Note or at such other address as the addressee may designate in writing from time to time.

Amendment

3.02. This Mortgage cannot be changed or amended except by agreement in writing signed by the party against whom enforcement of the change is sought.

Parties Bound

3.03. This Mortgage shall be binding on and inure to the benefit of the parties and their respective heirs, personal representatives, successors, and assigns. For purposes of this Mortgage, the neuter gender shall include the masculine and the feminine, the singular shall include the plural, and the plural shall include the singular, as the context may require.

Joint and Several Liability

3.04. All agreements, conditions, covenants, provisions, stipulations, warrants of attorney, authorizations, waivers, releases, options, undertakings, rights, and benefits made or given by the Mortgagor shall be



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joint and several and shall bind and affect all persons who are defined as the "Mortgagor" as fully as though all of them were specifically named whenever the word "Mortgagor" is used.

Interest Rate

3.05. Notwithstanding any provision contained in this Mortgage or in the Note, the Mortgagor's liability for interest shall not exceed the limits now imposed by the applicable usury law. If any clause in the Note or this Mortgage requires interest payments in excess of the highest rate permitted by the applicable usury law, the clause in question shall be deemed to require payment at the highest interest rate allowed by the applicable usury law.

Captions

3.06. The captions preceding the text of the paragraphs or subparagraphs of this Mortgage are inserted only for convenience of reference and shall not constitute a part of this Mortgage, nor shall they in any way affect its meaning, construction, or effect.

Limited Liability of Mortgagor

3.07. The Mortgagor's liability shall be enforceable only out of this Mortgage, the security agreement assignment of leases and of rents, any guaranty or surety agreement made with respect to the debt represented by the Note that this Mortgage secures, or any other collateral, guaranty, or surety agreement for the Note conveyed, mortgaged, pledged, or assigned in writing by the Mortgagor to the Mortgagee. The lien of any judgment against the Mortgagor in any proceeding instituted on, under, or in connection with this Mortgage or the Note, or both, shall not extend to any property now or subsequently owned by the Mortgagor other than the Mortgaged Property and the other security for the payment of the Note.

Release Clause; Sales; Easements

3.08. (a) The Mortgagee agrees to release portions of the Mortgaged Property from the lien of this Mortgage, provided that no Event of Default has occurred, on the following terms and conditions:

- (1) The portions to be released shall consist of [individual dwellings and the land allocated to them, as identified in Exhibit A] and shall be described in accordance with a recorded subdivision plan that is satisfactory to the Mortgagee.
- (2) Releases shall be made only in connection with good faith sales of dwellings to unrelated, individual purchasers.
- (3) The Mortgagor shall pay the Mortgagee for each dwelling and lot to be released, the amount set forth in a separate re-lease schedule approved by the Mortgagor and the Mortgagee or the balance secured by this Mortgage, whichever is less.
- (4) Each request for a release shall include a field survey of the area to be released if the Mortgagee so requests, a release instrument in form and substance satisfactory to the Mortgagee, and a check for the appropriate amount.
- (5) The Mortgagee shall not be obligated to deliver any release unless the real estate remaining subject to the lien of this Mortgage has a right of access to a public highway for vehicles and pedestrians; has a right of access to then existing utility and service facilities for providing all or any part of the Mortgaged Property with water, sanitary sewer, storm sewer, electricity, gas, and street lighting services; complies in all respects with applicable zoning and subdivision ordinances; and meets all other requirements of law.



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(6) All costs incident to the preparation and recordation of release documents shall be borne by the Mortgagor.

(b) The Mortgagee agrees to join in any easement that the Mortgagor may grant across or through any part of the real estate for streets and driveways, water, sewer, gas and electric facilities, storm drainage systems, telephone apparatus, and other public facilities that the Mortgagor may require in connection with development of the real estate in accordance with plans already submitted by the Mortgagor to the Mortgagee so that the lien of this Mortgage will be subordinate to the rights granted pursuant to each easement.

Other Financing

3.09. (a) The Mortgagor will not create or permit to exist any other lien on, or security interest in, any portion of the Mortgaged Property (including any furniture, fixtures, machinery, and equipment used in connection with the Mortgaged Property). The Mortgagor will not lease any furniture, fixtures, machinery, and equipment and will not incur any indebtedness to purchase any furniture, fixtures, machinery, and equipment, except as contemplated by this Mortgage, without the prior written consent of the Mortgagee.

(b) Without first obtaining the written consent of the Mortgagee, the Mortgagor shall have no right to permit the holder of a subordinate mortgage or other subordinate lien, regardless of whether the Mortgagee has consented to such mortgage or lien, to terminate any lease of all or a portion of the Mortgaged Property, whether the lease is subordinate to the lien of this Mortgage by law, the terms of the lease, or a separate agreement. The holder of any subordinate mortgage or other subordinate lien shall have no right, whether by foreclosure of its mortgage, by lien, or otherwise, to terminate any lease, whether permitted to do so by the Mortgagor or as a matter of law. Any attempt to terminate any lease shall be ineffective and void.

Due-on-Sale

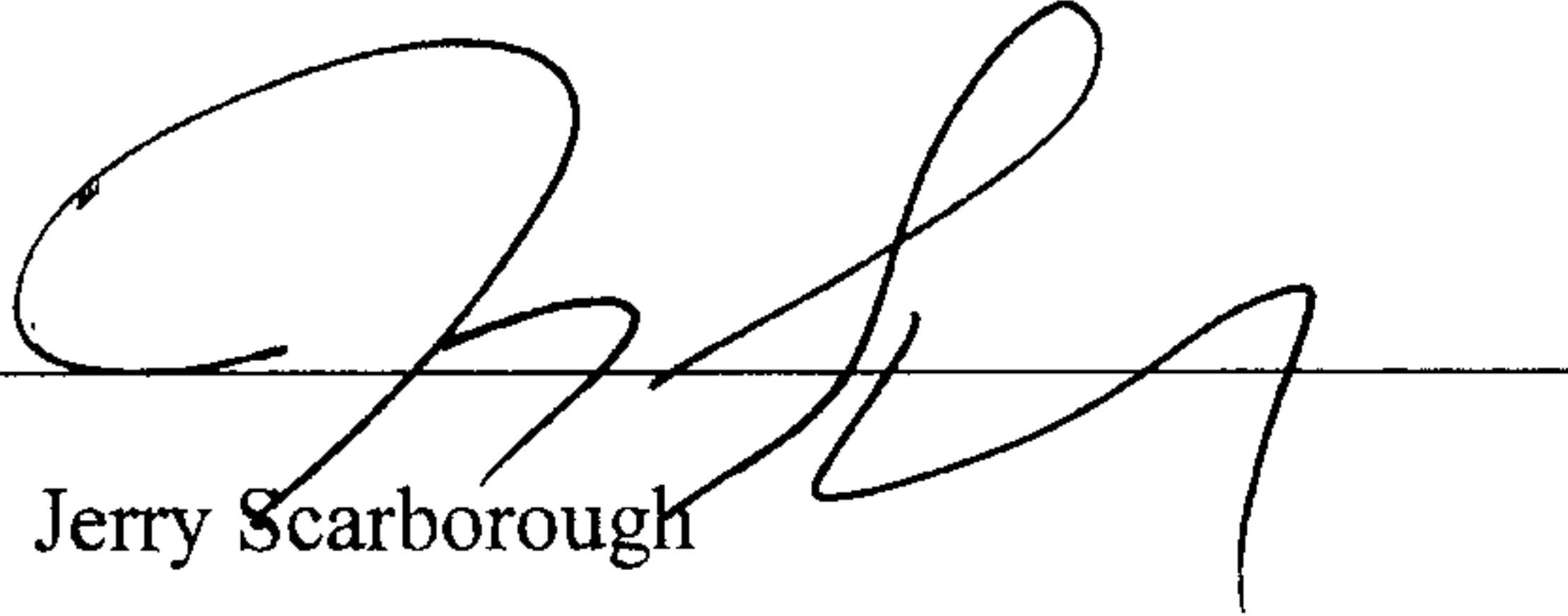
3.10. Without the prior written consent of the Mortgagee, the Mortgagor will abstain from, and will not cause or permit any sale, exchange, transfer, lease, or conveyance (referred to collectively as "transfer") of, all or any part of the Mortgaged Property, or any interest in it, voluntarily or by operation of law [*if desired, add: other than leases in the ordinary course of the Mortgagor's business or other than leases of not more than Nil square feet of space.* If the Mortgagor is a corporation, any change in the ownership of the corporate stock of the Mortgagor, or the issuance of additional stock that results in the transfer of control and management of the Mortgagor, shall be deemed to be a transfer of the Mortgaged Property within the meaning of this Article. If the Mortgagor is a partnership, any change in the ownership of partnership interests of the Mortgagor shall be deemed to be a transfer of the Mortgaged Property within the meaning of this Article.

Financial Statements

3.11. (a) As long as the debt secured by this Mortgage remains unpaid in whole or in part, the Mortgagor covenants to furnish each year to the Mortgagee statements that shall set forth the annual income and expenses relating to the Mortgaged Property and a balance sheet for the Mortgagor. These statements and the balance sheet shall be audited when requested by the Mortgagee, shall be prepared by a public accountant who is satisfactory to the Mortgagee, and shall be compiled in such detail as the Mortgagee may reasonably require. Annual reports shall be due on or before 1st of each year, if the Mortgagor's books are kept on a calendar year basis, or on or before appropriate days following the close of each fiscal year, if the Mortgagor's books are kept on a fiscal year basis.

(b) Any parties or persons guaranteeing the obligation of the Mortgagor shall furnish the Mortgagee with financial statements on or before 1st of each year while the guarantee is in effect. Each statement shall include a balance sheet and shall be certified as true and correct by the guarantor.

MORTGAGOR:


Jerry Scarborough

WITNESSES:

STATE OF Alabama
COUNTY OF Lauderdale

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named JERRY SCARBOROUGH, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who being duly sworn, acknowledged that he executed the within instrument for the purpose therein contained.

WITNESS my hand and official seal, this 17th day of July, 2018.



Notary Public
[Notarial Seal]

My commission expires: _____

MY COMMISSION EXPIRES 8-29-2021

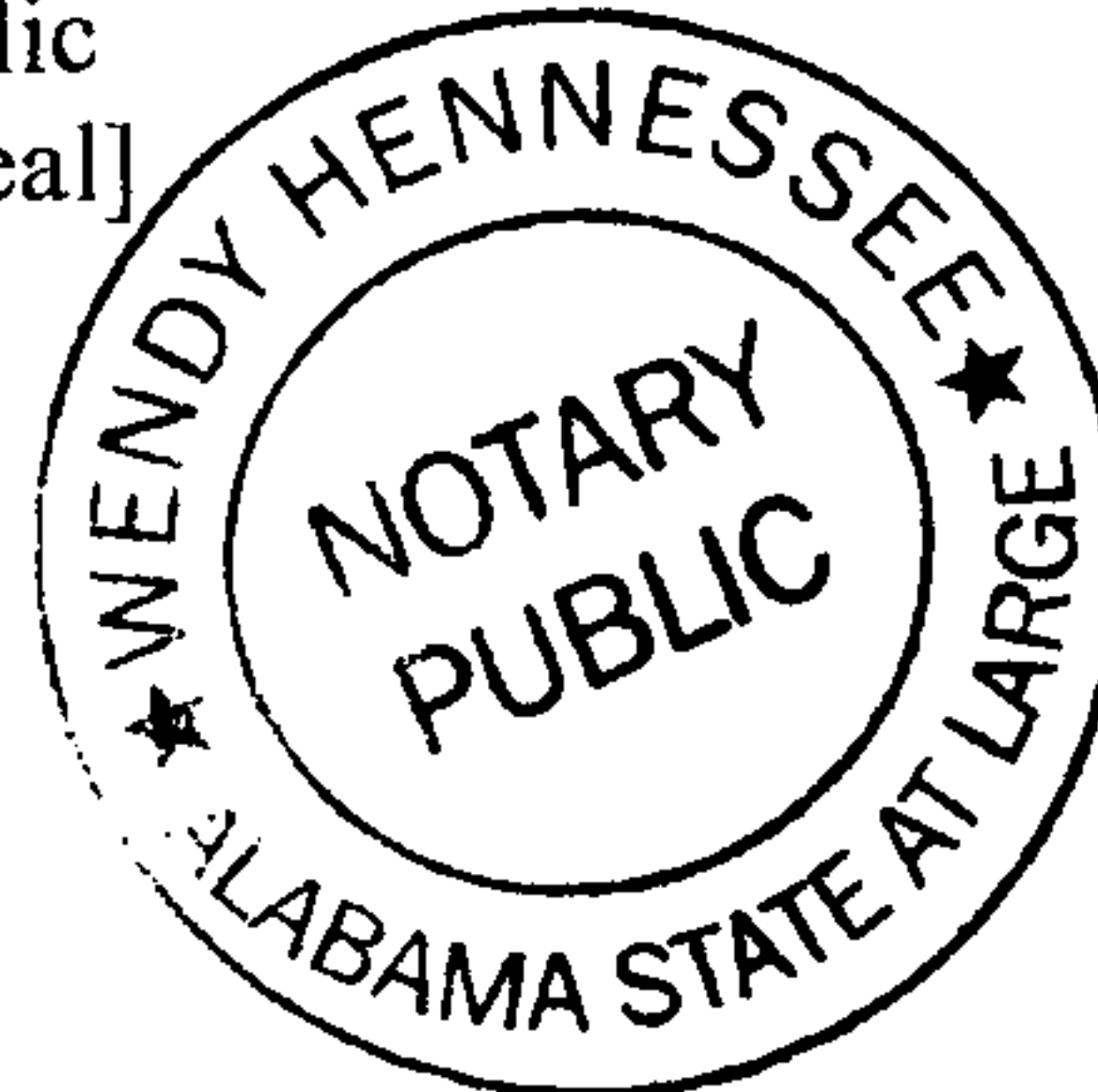
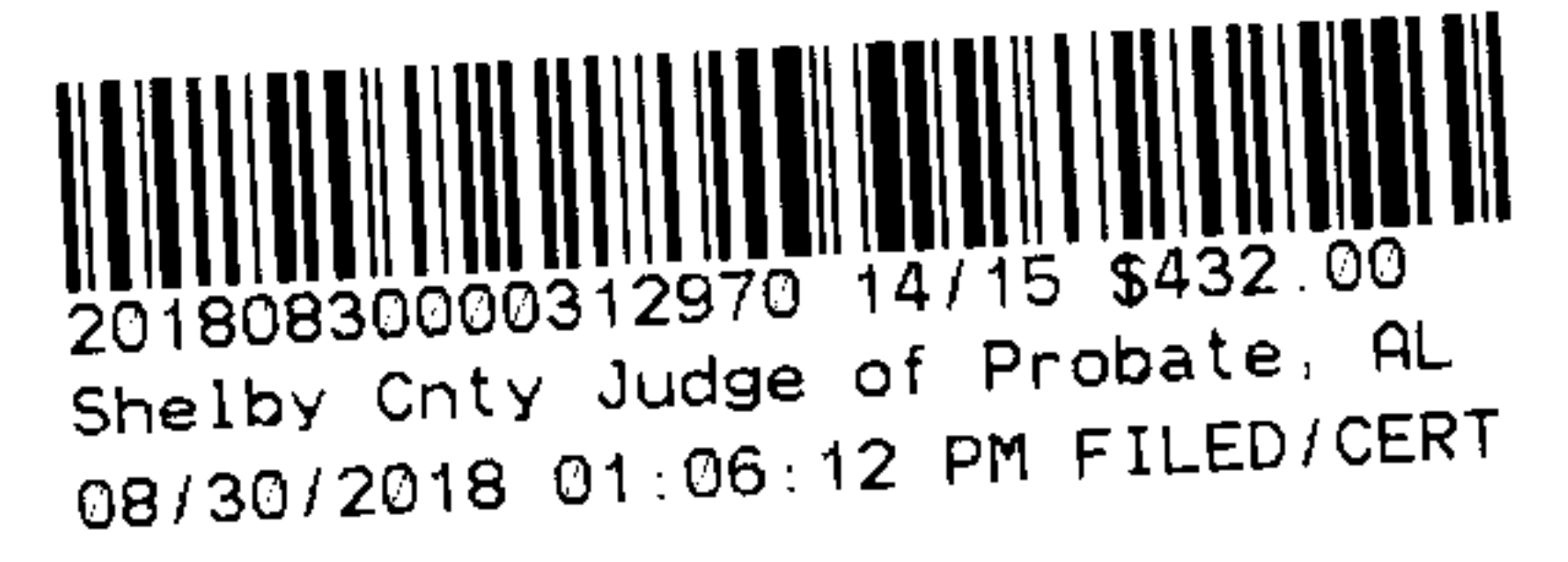


EXHIBIT "A"




Lot 216, according to the Survey of Bent River Commons, Sector 2, as recorded in Map Book 25, Page 25, in the Probate Office of Shelby County, Alabama.

FOR PRIOR TITLE see Quit Claim Deed of record in Instrument No. 20050209000065370, in the Probate Office of Shelby County, Alabama..

Commonly known as 5033 Bent River Trail, Birmingham, Alabama 35216.

EXHIBIT "B"


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Additional Terms

The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- (a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.**

- (b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat and claim of SBA with respect to this Loan.**

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secure by this instrument.