

Prepared By and Return to:
John W. Monroe, Jr., Esq., of
Emmanuel, Sheppard & Condon, P.A.
30 S. Spring Street
Pensacola, FL 32502

**SECOND PRIORITY
MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT
AND ASSIGNMENT OF RENTS**

Between:

AMMERSEE LAKES, LLC.,
an Alabama limited liability company

as "**Mortgagor**"

and

ADAMS HOMES, LLC.,
an Alabama limited liability company

as "**Mortgagee**"

Loan Amount: \$202,500.00

**ALABAMA MORTGAGE TAXES IN THE AMOUNT OF \$ 303.75 IS BEING PAID UPON
RECORDATION OF THIS MORTGAGE IN THE OFFICE OF SHELBY COUNTY JUDGE OF PROBATE.**

**SECOND PRIORITY
MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT
AND ASSIGNMENT OF RENTS**

THIS SECOND PRIORITY MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS (as the same be amended, modified, restated, renewed, supplemented, increased or spread at any time or from time to time, the "**Mortgage**") is executed as of the 19th day of December, 2025, by **AMMERSEE LAKES, LLC.**, an Alabama limited liability company, having an address of 5521 Eastcliff Industrial Loop, Birmingham, Alabama 35210 (whether one or more, the "**Mortgagor**" and, if more than one, the expression "**Mortgagor**" shall mean all mortgagors and each of them jointly and severally), to **ADAMS HOMES, LLC.**, an Alabama limited liability company, having an address 100 West Garden Street, Pensacola, Florida, 32502 (together with any holder or holders of all or any part of the Secured Indebtedness (as defined below), the "**Mortgagee**").

**ARTICLE ONE
DEFINITIONS**

The following terms shall have the following meanings, unless the context clearly requires otherwise:

"**Access Laws**" shall mean the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101, *et seq.*), as amended from time to time, the Fair Housing Amendments Act of 1988 (42 U.S.C. §§ 3601, *et seq.*), as amended from time to time, and all other federal, state or local laws, statutes, ordinances, rules, regulations, and orders relative to handicapped access.

"**Affiliate**" shall mean with respect to any Person, (i) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, (1) such Person or (2) any general partner of such Person; (ii) any other Person 5% or more of the equity interest of which is held beneficially or of record by (1) such Person or (2) any general partner of such Person, and (iii) any general or limited partner or member of (1) such Person or (2) any general partner of such Person. "Control" means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise.

"**Mortgagee**" as used herein refers to Adams Homes, LLC., an Alabama limited liability company.

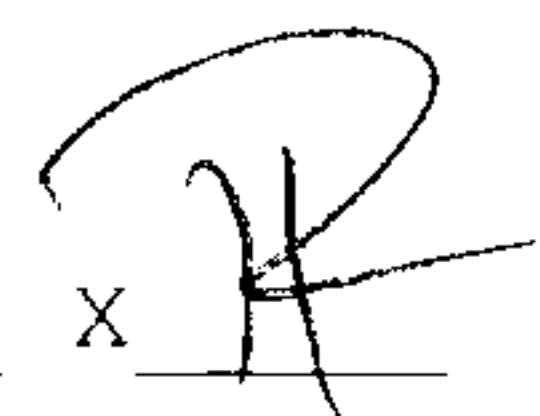
"**Blocked Persons List**" shall mean the list of Specially Designated Nationals and Blocked Persons generated and maintained by OFAC, as it exists from time to time or at any time, together with any and all amendments or replacements thereto or thereof.

"**Code**" shall mean the Alabama Uniform Commercial Code, as amended from time to time, Title 7, Alabama Code.

"**Environmental Law**" shall mean any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Mortgaged Property, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 *et seq.*) ("**CERCLA**"), as amended from time to time, including without limitation, the Superfund Amendments and Reauthorization Act ("**SARA**"), and the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Sections 6901, *et seq.*) ("**RCRA**"), as amended from time to time.

"**Event of Default**" shall have the meaning ascribed to said term in Section 5.01 hereof.

"**Executive Order 13224**" shall mean Executive Order No. 13224, 66 Fed. Reg. 49709 (Sept. 25, 2001), as well as any supplement, amendment or replacement thereto or thereof.

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"Force Majeure Event" shall mean any act of God, act of war, enemy action, civil disturbance, strike or labor lockout, or failure or inability to secure materials by reason of priority or similar regulation or order of any governmental authority.

"GAAP" shall mean Generally Accepted Accounting Principles and procedures of accounting in the United States of America, applied on a consistent basis and as are applicable in the circumstances as of the date of any report required herein or as of the date of an application of such principles as required herein.

"Hazardous Substance" shall mean one or more of the following substances: (i) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, SARA, RCRA, the Toxic Substances Control Act, Federal Insecticide, Fungicide, and Rodenticide Act, and the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801 *et seq.*), and in the regulations promulgated pursuant to said laws; (ii) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (iii) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations; and (iv) any material, waste or substance which is: (a) asbestos; (b) polychlorinated biphenyls; (c) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317); (d) petroleum or petroleum distillate; (e) explosives; (f) radioactive materials; or (g) lead based paint.

"Improvements" shall mean all buildings, structures and improvements now or in the future on the Land regardless of whether physically affixed thereto or severed or capable of severance therefrom.

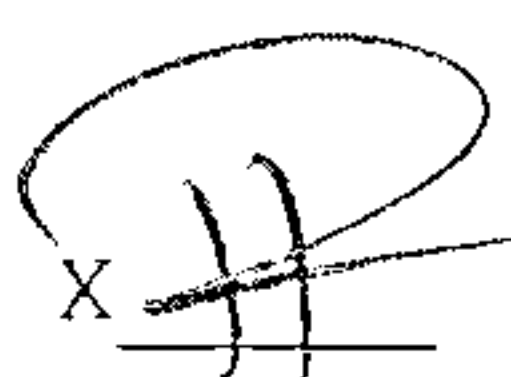
"Land" shall mean the tract of real property described upon Exhibit "A" attached hereto.

"Leases" shall mean all present and future leases and agreements, written or oral, for the use or occupancy of any portion of the Mortgaged Property, and any renewals, extensions or substitutions thereof and any and all subleases thereunder.

"Loan Agreement" shall mean that certain Construction Loan Agreement between Mortgagee and Mortgagor, dated the same date as this Mortgage, which governs the disbursement of the proceeds of the indebtedness.

"Loan Documents" shall mean the Commercial Line of Credit Note, the Construction Loan Agreement, this Mortgage, and the Multi-Partite Agreement together with all documents, agreements, certificates, affidavits, loan agreements, security agreements, guaranties, mortgages, collateral pledge agreements, assignments and contracts representing, evidencing or securing any or all of the Secured Indebtedness or executed in connection therewith, now or at any time, as the same may be amended, modified, restated, renewed or supplemented at any time or from time to time.

"Mortgaged Property" shall mean: (i) the Land and (a) the Improvements; (b) all estates, interests, licenses, rights and titles of Mortgagor in and to or benefiting the Land; (c) all easements, rights-of-way, estates, interests, rights and titles, if any, all streets, ways, alleys, passages, sewer rights, all of Mortgagor's right, title and interest in and to all plans and specifications, options, governmental approvals, permits, development rights, entitlements, impact fee credits of any kind, water and sewer taps and sewer tap credits, capacity reservations, and all other appurtenances whatsoever, in any way belonging, relating or appertaining to the Land including all present or future roads and sidewalks, in front of, or adjoining, the Land, and in and to any strips or gores of real estate adjoining the Land; (d) all passages, waters, water rights, water courses, riparian rights, other rights appurtenant to the Land including all mineral, oil and gas rights appurtenant to said Land, as well as any after-acquired title, franchises or licenses, and the reversions and remainders thereof; and (e) all estates, easements, concessions, interests, rights and titles appurtenant or incident to the foregoing; and (f) the Personal Property; and (g) all other estates, easements, interests, rights and titles which Mortgagor now has, or at any time hereafter acquires, in and to the Land, the Improvements, the Personal Property, and all property which is used or useful in connection therewith, including without limitation (i) all proceeds payable in lieu of or as compensation for loss or damage to any of the foregoing; (ii) all awards for a taking or for degradation of value in any eminent domain proceeding involving any of the foregoing; and (iii) the proceeds of any

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and all insurance (including without limitation, title insurance) covering the Land, the Improvements, the Personal Property, and any of the foregoing.

"Note" shall mean Mortgagor's Commercial Line of Credit Note dated the same date as this Mortgage in the principal amount of \$202,500.00, payable to the order of Mortgagee, and providing a final maturity date, as the same may be amended, modified, restated, supplemented, renewed, decreased, increased or replaced at any time or from time to time.


"Obligor" shall mean Mortgagor and any Guarantors or other party directly or indirectly obligated, primarily or secondarily, for any portion of the Secured Indebtedness.

"Obligations" shall mean (i) any and all of the indebtedness, liabilities, covenants, promises, agreements, terms, conditions, and other obligations of every nature whatsoever, whether joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, of Mortgagor or any other Obligor to Mortgagee, evidenced by, secured by, under and as set forth in the Note, this Mortgage and the other Loan Documents; (ii) any and all other indebtedness, liabilities and obligations of every nature whatsoever (whether or not otherwise secured or to be secured) of Mortgagor or any other Obligor (whether as maker, endorser, surety, guarantor or otherwise) to Mortgagee or any of Mortgagee's Affiliates, whether now existing or hereafter created or arising or now owned or howsoever hereafter acquired by Mortgagee or any of Mortgagee's Affiliates, whether such indebtedness, liabilities and obligations are or will be joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, matured or unmatured; (iii) any and all future advances under this Mortgage; (iv) intentionally omitted; (v) any advances that Mortgagee may make to preserve or protect the Mortgaged Property or Mortgagee's interest therein; and (vi) all expenses and costs, including without limitation attorneys' fees, incurred by Mortgagee in the preparation, execution, or enforcement of any document relating to any of the foregoing.

"Organizational Documents" shall mean, as to any Person which is not a natural person, the documents and/or instruments creating and/or governing the formation or operation of such Person, including without limitation such documents required to be filed with any governmental authority having jurisdiction over the creation or formation of such Person and including without limitation, articles of incorporation, bylaws, shareholder agreements, voting trust agreements, articles of organization, operating agreements, management agreements, certificates of limited partnership, partnership agreements, statements of qualification, trust agreements or indentures or other agreements or instruments as appropriate for such Person.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

"Personal Property" shall mean the following, now owned or hereafter acquired by Mortgagor, and all accessories, attachments, additions, replacements, substitutes, products, proceeds, and accessions thereto or thereof: (i) all Rents and Leases; (ii) all other income or revenues of any kind now or hereafter derived from the operation of the Land and/or the Improvements; (iii) all general intangibles relating to the development or use of the Land and/or Improvements, including but not limited to all governmental permits relating to construction on the Land all development rights, concurrency rights, sewer, water and other utility rights, credits, entitlements and reservations, and other rights incident to the development of the Project; (iv) all water rights relating to the Land and/or Improvements that is owned by Mortgagor in common with others; (v) all insurance proceeds, surveys, plans and specifications, drawings, permits, warranties, guaranties, deposits, prepaid expenses, contracts, contract rights, and general intangibles now, or hereafter related to, any of the Land and/or Improvements; (vi) all property, personal or otherwise, at any time attached to or incorporated into or used in or about the Land and/or Improvements, including, without limitation, all fixtures, building materials, inventory, furniture, appliances, furnishings, goods, equipment, and machinery and all other tangible personal property affixed, attached or related to such property or used in connection therewith; and (vii) all proceeds and claims arising on account of any damage to or taking of the Land and/or Improvements or any part thereof, and all causes of action and recovery for any loss or diminution in the value of the Land and/or Improvements and all rights of the Mortgagor under any policy or policies of insurance covering the Land and/or Improvements or any Rents relating to the Land and all proceeds, loss payments and premium refunds which may become payable with respect to such insurance policies.

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"Project" shall mean all work accomplished on the Land or otherwise pursuant to the Loan Agreement in accordance with the approved plans and specifications therefor, which shall consist of all on-site and off-site Improvements for development of a one-phase single-family residential subdivision consisting of no less than 27 lots.

"Multi-Partite Agreement" shall mean that agreement among Mortgagee, Borrower, and First Bank of Alabama (as holder of the First Mortgage) creating various rights and obligations among all parties thereto relative to their respective rights as holders of mortgages encumbering the Property.

"Rents" shall mean the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Mortgagor may now or hereafter become entitled or may demand or claim, arising or issuing from or out of the Leases or from or out of the Mortgaged Property, or any part thereof, including, without limitation, minimum rents, additional rents, percentage rents, common area maintenance charges, parking charges (including monthly rental for parking spaces), tax and insurance premium contributions, and liquidated damages following default, premiums payable by any lessee upon the exercise of any cancellation privilege provided for in any of the Leases, and all proceeds payable under any policy of insurance covering the loss of rent resulting from destruction or damage to the Mortgaged Property which renders the Mortgaged Property unfit for occupancy by a tenant, together with any and all rights and claims of any kind which Mortgagor may have against any lessee or against any other occupants of the Mortgaged Property.

"Secured Indebtedness" shall mean: (i) all principal, interest, late charges, fees, premiums, expenses, obligations and liabilities of Mortgagor to Mortgagee arising pursuant to or evidenced or represented by the Note; (ii) all indebtedness, liabilities, and obligations arising under this Mortgage or under any other Loan Documents, including without limitation the Loan Agreement; (iii) all Obligations; and (iv) any and all renewals, increases, extensions, modifications, rearrangements, or restatements of the Note or all or any part of the loans, advances, future advances, indebtedness, liabilities, and obligations described or referred to herein together with all costs, expenses, and attorneys' fees incurred in connection with the enforcement or collection thereof.

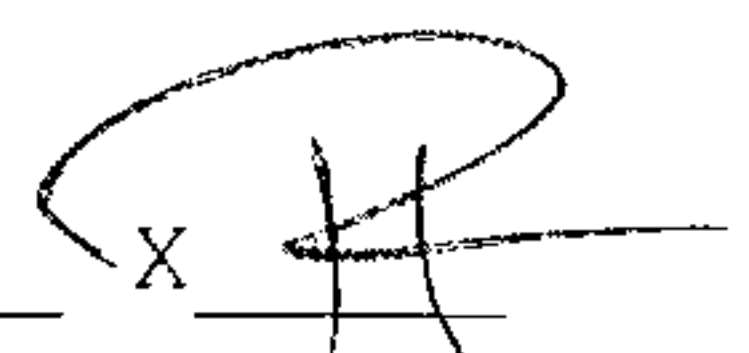
ARTICLE TWO GRANT; WARRANTY OF TITLE

For good and valuable consideration, including the loan evidenced by and made pursuant to the Loan Agreement and the Note, and in order to secure the Secured Indebtedness, Mortgagor does hereby **GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, MORTGAGE, AND CONVEY** unto Mortgagee, and Mortgagee's successors and assigns, the Mortgaged Property, subject to the Permitted Exceptions, **TO HAVE AND TO HOLD** the Mortgaged Property, together with all and singular the rights, hereditaments, and appurtenances thereto, for the use and benefit of Mortgagee. Mortgagor, for Mortgagor and Mortgagor's successors, hereby agrees to warrant and forever defend, all and singular, good and marketable unencumbered fee simple title to the Mortgaged Property unto Mortgagee, and Mortgagee's successors or assigns, forever, against every person whomsoever lawfully claiming, or to claim, the same or any part thereof, *subject, however*, to the Permitted Exceptions. The foregoing warranty of title shall survive the foreclosure of this Mortgage and shall inure to the benefit of and be enforceable by any person who may acquire title to the Mortgaged Property pursuant to such foreclosure.

ARTICLE THREE REPRESENTATIONS AND WARRANTIES AND COVENANTS

3.01 **Representations and Warranties.** Mortgagor represents and warrants to Mortgagee as follows:

(a) *Authority, etc.* Mortgagor is a limited liability company duly formed, validly existing and in good standing under the laws of its state of organization and its Organizational Documents and is duly qualified to transact business within the State of Alabama; Mortgagor has all requisite power and authority to own, lease and operate its properties, including without limitation the Mortgaged Property; Mortgagor has full and lawful authority and power to execute, acknowledge, deliver, and perform this Mortgage and the other Loan Documents and the Loan Documents constitute the legal, valid, and binding obligations of Mortgagor and any other party thereto, enforceable against Mortgagor and such other parties in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting creditors' rights generally; and neither the execution and delivery of the Loan Documents, nor performance of or compliance with the terms thereof,

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will contravene or conflict with any law, statute or regulation to which Mortgagor is subject or any judgment, license, order or permit applicable to Mortgagor or any Organizational Document, indenture, mortgage, agreement or other instrument to which Mortgagor is a party or by which Mortgagor or the Mortgaged Property may be bound or subject.

(b) *Mortgagor's Location.* Mortgagor's principal place of business, chief executive office, location of its account records, mailing address and address for notices hereunder is set forth in the preamble hereof.

(c) *Title.* Mortgagor is the owner of good and marketable title to the Mortgaged Property, subject only to the Permitted Exceptions and other matters as described herein and in the Loan Documents; Mortgagor has not previously sold, assigned, transferred or granted a lien or encumbrance in, and no liens or encumbrances exist in, the Mortgaged Property, or any part thereof except for a first priority mortgage in an amount not to exceed \$957,694.00 (the "First Mortgage") in favor of First Bank of Alabama.

(d) *Access.* The Mortgaged Property has full and free access to and from publicly dedicated streets and utilities' services and connections as are necessary for construction and completion of the Project and subsequent occupancy and operation thereof.

(e) *Conflicts.* Neither the execution and delivery of the Loan Documents, nor consummation of any of the transactions therein contemplated, nor compliance with the terms and provisions thereof, will contravene or conflict with any provision of law, statute or regulation to which Mortgagor is subject or any judgment, license, order or permit applicable to Mortgagor or any indenture, mortgage, deed of trust, agreement or other instrument to which Mortgagor is a party or by which Mortgagor or the Mortgaged Property may be bound, or to which Mortgagor or the Mortgaged Property may be subject.

(f) *Information Provided.* All reports, statements, financial statements, cost estimates and other data, furnished by or on behalf of Mortgagor or any other Obligor including, without limitation, any maps of survey, plans and specifications, and commitments for title insurance are true and correct in all material respects.

(g) *Defaults.* No event has occurred and is continuing which constitutes an Event of Default or would, with the lapse of time or giving of notice or both, constitute an Event of Default.

(h) *Taxes.* All taxes, assessments and other charges levied against the Mortgaged Property and currently payable have been paid in full.

(i) *Leases.* Mortgagor has duly and punctually performed all and singular its obligations under any existing Leases up to the date hereof and, to Mortgagor's knowledge, no default currently exists under any such existing Lease.

(j) *Commercial Loan.* The Secured Indebtedness constitutes a contract under which credit is extended for business, commercial, investment, or other similar purpose, and is not for personal, family, household or agricultural use.

(k) *No Casualty.* The Mortgaged Property is not now damaged or injured as a result of any casualty.

(l) *Priority of Security Interest.* The security interests created pursuant to the terms of this Mortgage and the other Loan Documents (to the extent that they create security interests) are valid and subsisting security interests constituting second priority security interests in and to the collateral identified therein, subject to the Permitted Exceptions, the First Mortgage and other matters as described herein and in the Loan Documents, all as more fully provided in the Loan Documents.

(m) *Zoning.* The Mortgaged Property is shown on the applicable zoning map as being zoned for a classification that permits, construction and use of the Project contemplated to be developed and/or constructed pursuant to the Loan Agreement and all other presently existing Improvements and, except as expressly disclosed to Mortgagee in writing as of the date hereof, there are no conditional governmental permits relating to the use of the Mortgaged Property or any such Improvements.

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(n) *Permits.* Except as expressly disclosed to Mortgagee in writing as of the date hereof, Mortgagor has obtained, and paid the fees for, all governmental permits and licenses necessary for the construction, completion and subsequent operation (other than any required certificate of occupancy or completion) of the Project.

(o) *Compliance with Governmental Regulations.* There are no material violations of governmental laws or regulations that pertain to the Mortgaged Property, and the existing Improvements, if any, and the Project to be developed and/or constructed pursuant to the Loan Agreement do not violate any applicable building, fire or zoning codes or regulations of any governmental agencies having jurisdiction thereof or any restrictive covenants applicable thereto.

(p) *No Adverse Change.* There has been no material adverse change in the financial condition of the Mortgagor or any Obligor since the date of application for the loan evidenced by the Note, nor has any portion of the Mortgaged Property been taken by eminent domain or condemned.

(q) *No Possessory Interests.* No Person has any possessory interest in the Mortgaged Property or right to occupy any portion thereof.

(r) *Legal Proceedings.* There are no claims, suits or other legal proceedings, pending or, to the actual knowledge of Mortgagor, on the date hereof, threatened against Mortgagor before any court or tribunal, which, if adversely determined, could (1) result in a judgment in money damages, or a fine or penalty against Mortgagor or the Mortgaged Property, (2) impair Mortgagor's ability to perform its obligations under the Loan Documents, (3) impair Mortgagor's ability to construct and complete the Project or use or occupy any Improvements, or (4) reduce Mortgagor's income.

(s) *Utilities.* All utilities required by law or required for development, construction, use and operation of the Mortgaged Property are available in sufficient capacity to meet the needs of the Project to be constructed and any existing Improvements, and all lines for such utilities run or will run either from publicly dedicated streets or, in the event they run or are to run through or over private property, there exist properly recorded easements which run with the land within which same run or are to run.

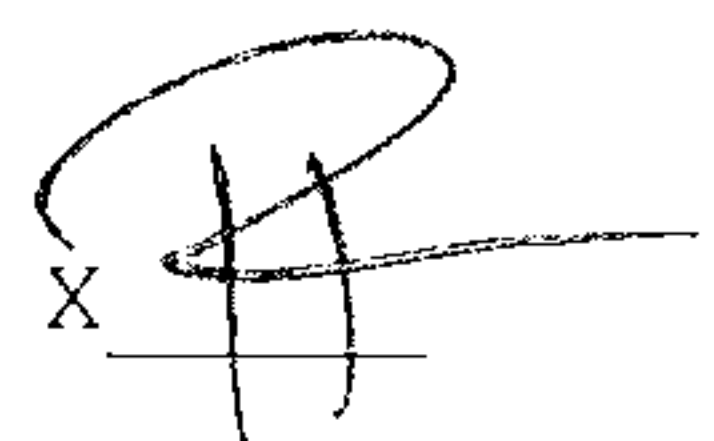
(t) *Access Laws.* The Project when constructed pursuant to the approved plans and specifications therefor and all other Improvements shall be in compliance with all Access Laws applicable to the Mortgaged Property and access therefrom is available from publicly dedicated streets or, in the event such access is gained through or over private property, there presently exist properly recorded easements that run with the Land.

(u) *Bankruptcy.* There are no actions, whether voluntary or involuntary, pending or threatened under the United States Bankruptcy Code in which Mortgagor or any Obligor is a "debtor".

(v) *Financial and Other Information.* All financial information furnished to Mortgagee with respect to Mortgagor or the Mortgaged Property (a) is complete and correct in all material respects, (b) accurately presents the financial condition of such Persons as of the respective dates thereof and (c) has been prepared in accordance with GAAP. All other documents and information furnished to Mortgagee with respect to such Persons are correct in all material respects and complete insofar as completeness is necessary to give Mortgagee an accurate knowledge of their subject matter. Such Persons have no material liability or contingent liability not disclosed to Mortgagee in writing and there is no material lien, claim, charge or other right of others of any kind (including liens or retained security titles of conditional vendors) on any property of such Persons not disclosed in such financial statements or otherwise disclosed to Mortgagee in writing.

(w) *Intentionally omitted.*

(x) *Tax Liability.* Mortgagor has filed all required federal, state and local tax returns and has paid all taxes due (including interest and penalties, but subject to lawful extensions disclosed to Mortgagee in writing) other than taxes being promptly and actively contested in good faith and by appropriate proceedings. Mortgagor is maintaining adequate reserves for tax liabilities (including contested liabilities) in accordance with generally accepted accounting principles or in accordance with such other principles or methods as are reasonably acceptable to Mortgagee.

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3.02 **Covenants.** So long as this Mortgage shall remain in effect, Mortgagor covenants and agrees with Mortgagee as follows:

(a) *Payment of Obligations.* Mortgagor shall pay as and when due all amounts owing on the Obligations, including without limitation the Secured Indebtedness.

(b) *Other Loan Documents.* Mortgagor shall perform all covenants, agreements and undertakings required of Mortgagor under the other Loan Documents, as and when required thereunder.

(c) *Taxes.* Mortgagor shall pay, prior to delinquency, all taxes and assessments as to any of the Mortgaged Property, and shall furnish to Mortgagee (not later than ten (10) days prior to the date upon which such taxes or assessments would become delinquent) evidence satisfactory to Mortgagee of the timely payment of such taxes and assessments *provided, however*, Mortgagor shall not be required to pay any such tax or assessment if and so long as the amount, applicability or validity thereof is being contested in good faith by appropriate legal proceedings and a bond has been posted in form and substance acceptable to Mortgagee, or if acceptable to Mortgagee in the alternative, appropriate cash reserves therefor have been deposited with Mortgagee, in each case, in an amount equal to the amount being contested plus a reasonable additional sum as determined by Mortgagee to cover costs, legal fees and expenses, interest and penalties.

(d) *Insurance.*

(i) Type and Amounts. Mortgagor shall maintain or cause to be maintained, to promptly pay, on or before the same becoming due, all premiums relative to, shall provide Mortgagee with evidence of such coverages as Mortgagee shall require with respect to, and shall name Mortgagee as an additional insured, loss payee and/or mortgagee, as appropriate, under, the policies of insurance as and when required, which must be carried with insurers approved by and acceptable to Mortgagee, in its sole discretion, and as required by the Loan Agreement.

(ii) Requirements as to Policies. All policies of insurance required hereunder are (1) to be issued by companies approved by Mortgagee and either licensed to transact business in the State of Alabama, or obtained through a duly authorized surplus line insurance agent or otherwise in conformity with the laws of such state, with a claims paying ability rating of "A" or better by Standard & Poor's Ratings Group, (2) to contain the standard New York mortgagee non-contribution clause naming Mortgagee as the Person to which all payments made by such insurer shall be paid, (3) to be maintained so long as the Secured Indebtedness remains unpaid without cost to Mortgagee, and (4) to provide that Mortgagee shall receive at least thirty (30) days prior written notice of any modification, termination or cancellation.


(iii) Delivery of Policies. Mortgagor shall cause the originals or duplicate originals of each policy required hereunder to be delivered to Mortgagee.

(iv) Payment of Premiums. Mortgagor shall pay, or cause to be paid, all insurance premiums at least thirty (30) days before such premiums become due and shall furnish Mortgagee satisfactory proof of such timely payments and shall deliver all renewal policies to Mortgagee at least thirty (30) days prior to the expiration of each expiring policy.

(v) Review of Values. Upon the written request of Mortgagee, Mortgagor shall increase the amount of insurance covering the Mortgaged Property to its then full insurable value.

(e) *Notice of Casualty.* Mortgagor shall immediately deliver written notice to Mortgagee of any casualty loss affecting the Mortgaged Property that would cost more than \$25,000.00 to repair or replace.

(f) *Compliance with Laws.* Mortgagor shall comply with all governmental laws, ordinances, rules, and regulations applicable to the Mortgaged Property and its ownership, use, and operation, and shall comply with all, and not violate any, easements, restrictions, agreements, covenants, and conditions with respect to or affecting the Mortgaged Property, or any part thereof.

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(g) *Condition of Mortgaged Property.* Mortgagor shall maintain, preserve, and keep the Mortgaged Property in good repair and condition at all times and from time to time. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof. Except as otherwise provided in this Mortgage, no part of the Improvements shall be removed, demolished or altered, without the prior written consent of Mortgagee. Mortgagor shall have the right, without such consent, to remove and dispose of free from the lien of this Mortgage any part of the Improvements as from time to time may become worn out or obsolete, provided that such Improvements shall be replaced with other Improvements of equal utility and of a value at least equal to that of the replaced Improvements.


(h) *Payments for Labor and Materials.* Mortgagor shall pay promptly all bills for labor, materials and equipment incurred in connection with the Mortgaged Property, and shall never permit to be fixed against the Mortgaged Property, or any part thereof, any lien, even though inferior to the liens and security interests hereof, for any such bill which may be legally due and payable; *provided, however*, Mortgagor shall not be required to pay any such bill if the amount, applicability or validity thereof is being contested in good faith by appropriate legal proceedings and Mortgagor has furnished to Mortgagee a bond in form and substance acceptable to Mortgagee with corporate surety satisfactory to Mortgagee, or other security satisfactory to Mortgagee, and sufficient such that the contested lien shall be transferred from the Mortgaged Property to such bond.

(i) *Further Assurances.* Mortgagor shall execute and deliver forthwith to Mortgagee, at any time and from time to time upon request by Mortgagee, any and all additional instruments (including, without limitation, deeds of trust, mortgages, security agreements, assignments, and financing statements) and further assurances, and to do all other acts and things at Mortgagor's expense, as may be necessary or proper, in Mortgagee's reasonable opinion, to effect the intent of these presents, to more fully evidence and to perfect, the rights, titles and Liens, herein created or intended to be created hereby and to protect the rights of Mortgagee hereunder.

(j) *Prohibition Against Liens.* Without the prior written consent of Mortgagee, Mortgagor shall not create, incur, permit or suffer to exist in respect of the Mortgaged Property, or any part thereof, any other or additional lien on a parity with or superior or inferior to the liens and security interests hereof except for the First Mortgage; *provided, however*, if any such lien now or hereafter affects the Mortgaged Property or any part thereof, Mortgagor covenants to timely perform all covenants, agreements and obligations required to be performed under or pursuant to the terms of any instrument or agreement creating or giving rise to such lien.

(k) *Conveyance; Due On Sale; Release of Lots.* Without the prior written consent of Mortgagee, in Mortgagee's sole and absolute discretion (*i.e.*, such consent may be withheld for any reason or for no reason whatsoever), Mortgagor shall not sell or otherwise alienate or dispose of (which shall include any installment sales contract or agreement for deed, lease-option agreement, ground lease, or lease under which the tenant does not occupy any portion of the Mortgaged Property) the Mortgaged Property, or any part thereof, nor shall it permit the sale, transfer, assignment, pledge, encumbrance, or other disposition of any interest in Mortgagor or the right to receive distributions or profits from Mortgagor or the Mortgaged Property, or the change in control in Mortgagor or any Person comprising Mortgagor that results in a material change in the identity of the Person(s) in control of such entity. The foregoing shall include, without limitation, any transfer of any portion of the Mortgaged Property into an entity formed by or for Mortgagor for "estate planning" or succession purposes. In the event of the violation of any of the foregoing, Mortgagee may, at its election, declare the entire Secured Indebtedness to be immediately due and payable, without notice to Mortgagor (which notice Mortgagor hereby expressly waives); and upon such declaration, the entire Secured Indebtedness shall be immediately due and payable, anything contained in any Loan Document to the contrary notwithstanding, and the Mortgagee shall have such options as are provided herein and the Loan Documents. Mortgagee shall not be required to demonstrate any actual impairment of its security in order to exercise such option. The provisions hereof shall be operative with respect to, and be binding upon, any Persons who shall acquire any part or interest in or encumbrance upon the Mortgaged Property, or any interest in the Mortgagor. Any waiver by the Mortgagee of the provisions hereof shall not be a waiver of the right of the Mortgagee in the future to insist upon strict compliance with the provisions hereof. Provided all Obligations are current and not in default, Mortgagee shall release properly platted and developed lots for **\$7,500.00**, plus accrued unpaid interest thereon, per lot.

(l) *Financial Reporting.* Mortgagor shall deliver to Mortgagee such financial information as required by the Loan Agreement.

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(m) *Additional Reports and Information.* Mortgagor shall also deliver to Mortgagee, in form and substance reasonably satisfactory to Mortgagee and within ten (10) days of Mortgagee's request therefor from time to time, copies of all financial statements and reports that Mortgagor sends to its members, and all other information relating to Mortgagor, the Mortgaged Property or the Secured Indebtedness reasonably required by Mortgagee from time to time.

(n) *Tax on Liens.* If at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Mortgage, or upon any rights, titles, liens, or security interests created hereby, or upon the Secured Indebtedness, or any part thereof, Mortgagor shall pay immediately all such taxes to the extent permitted by law; provided that, if it is unlawful for Mortgagor to pay such taxes, then Mortgagor shall, if Mortgagee so requires, prepay the Secured Indebtedness in full within sixty (60) days after demand therefor by Mortgagee.

(o) *Inspections.* During all business hours, Mortgagor shall allow any representative of Mortgagee to inspect the Mortgaged Property, and all books and records of Mortgagor, and to make and take away copies of such books and records. Mortgagor shall maintain complete and accurate books and records in accordance with good accounting practices.

(p) *Removal of Personality.* Mortgagor shall not cause or permit any of the Personal Property to be removed from Mortgaged Property, except items of Personal Property which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to, or greater than, the replaced items when new.

(q) *Expenses.* Mortgagor shall promptly pay and hold Mortgagee harmless from all appraisal fees, survey fees, recording fees, abstract fees, title policy fees, escrow fees, inspection fees, attorneys' fees, and all other costs of every kind incurred by Mortgagee in connection with the Secured Indebtedness, the collection thereof and the exercise by Mortgagee of its rights and remedies hereunder and under the other Loan Documents. Additionally, Mortgagor agrees to reimburse Mortgagee of the cost of periodic field examinations of the Mortgagor's books and records at such intervals as Mortgagee may require.

(r) *Mortgagee's Right to Make Certain Payments.* In the event Mortgagor fails to pay and/or discharge the taxes, assessments, liens, levies, liabilities, obligations and encumbrances, or fails to keep the Mortgaged Property insured or to deliver the policies, premiums paid or fails to repair the Mortgaged Property as herein agreed, Mortgagee is hereby authorized at its election to pay and/or discharge, the taxes, assessments, liens, levies, liabilities, obligations and encumbrances or any part thereof, to procure and pay for such insurance or to make and pay for such repairs, without any obligation on its part to determine the validity and/or necessity thereof, and without Mortgagee waiving or affecting any option, lien, equity or right under or by virtue of this Mortgage. The full amount of each and every such payment made by the Mortgagee shall be secured by this Mortgage and become immediately due and payable by Mortgagor and shall bear interest from date thereof until paid at the default rate set forth in the Note and together with such interest. Nothing herein contained shall be deemed as requiring Mortgagee to advance or spend monies for any of the purposes mentioned in this paragraph.


(s) *Obligations Under Personal Property; Governmental Approvals; and Contracts.* Mortgagor shall perform fully all obligations imposed upon Mortgagor by the agreements and instruments constituting part of the Personal Property, all governmental approvals, licenses or permits relative to the use and occupancy of the Improvements, and shall maintain and keep all of the foregoing in full force and effect.

(t) *Alterations.* Mortgagor shall make no material alterations in the Mortgaged Property, except as required by law or municipal ordinance, without Mortgagee's prior written consent.

(u) *Payment of Utilities.* Mortgagor shall pay promptly all charges for utilities or services related to the Mortgaged Property.

(v) *Intentionally omitted.*

(w) *Forfeiture.* Mortgagor shall not commit, permit or suffer any act, omission or circumstance which would afford any federal, state or local government, or agency thereof, the right of forfeiture as against the Mortgaged

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Property or any part thereof or any monies paid in performance of the Obligations. In furtherance thereof, Mortgagor hereby agrees to, and does, indemnify, defend and hold Mortgagee harmless of, from and against any loss, damage or injury by reason of any such forfeiture as a result of Mortgagor's breach of the foregoing covenants.


(x) *Access Laws.* Mortgagor shall strictly comply at all times, to the extent required thereby, with all Access Laws.

ARTICLE FOUR ENVIRONMENTAL MATTERS

4.01 **Representations and Warranties.** Mortgagor represents and warrants to Mortgagee as follows: (i) neither the Mortgaged Property nor the Mortgagor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law; (ii) Mortgagor has not and is not required by any Environmental Law to obtain any permits or license to construct or use any improvements, fixtures or equipment forming a part of the Mortgaged Property; (iii) Mortgagor has made diligent inquiry into previous uses and ownership of the Mortgaged Property, and has determined that no Hazardous Substance has been disposed of or released on or to the Mortgaged Property; (iv) Mortgagor's prior, current and intended future use of the Mortgaged Property will not result in the disposal or release of any Hazardous Substance on or to the Mortgaged Property except as permitted by applicable law.

4.02 **Environmental Matters.** Mortgagor shall not use, generate, manufacture, store, release, discharge, or dispose of on, under, or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Substance or allow any other person or entity to do so except under conditions permitted by applicable laws (including all Environmental Laws). Mortgagor shall keep and maintain the Mortgaged Property in compliance with and shall not cause or permit the Mortgaged Property to be in violation of, any Environmental Law. Mortgagor shall give prompt written notice to Mortgagee of: (i) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substance on the Mortgaged Property or the migration thereof from or to other property; (ii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property relating to any loss or injury resulting from any Hazardous Substance; and (iii) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law. Mortgagor shall provide to Mortgagee copies, contemporaneously with filing same, of all reports, inventories, notices or other forms filed or submitted to the Environmental Protection Agency, or any state or local agency having responsibility for overseeing or enforcing any Environmental Laws. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "**Remedial Work**") is reasonably necessary under any applicable local, state or federal law or regulation, any judicial order, or by any governmental entity because of, or in connection with, the current or future presence or release of a Hazardous Substance, Mortgagor shall within such period of time as may be required under any applicable law, regulation, order or agreement, commence and thereafter diligently prosecute to completion, all such Remedial Work. All Remedial Work shall be performed by competent contractors. All costs and expenses of such Remedial Work shall be paid by Mortgagor including, but not limited to, Mortgagee's reasonable attorneys' fees and costs incurred in connection with review of such Remedial Work. In the event Mortgagor shall fail to diligently prosecute to completion such Remedial Work, Mortgagee may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the Secured Indebtedness.

4.03 **Environmental Indemnity.** Mortgagor shall protect, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Mortgaged Property whether known or unknown, fixed or contingent, occurring prior to the termination of this Mortgage, including, but not limited to: (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Mortgaged Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the release of the lien of this Mortgage, or the extinguishment of the lien by foreclosure or action in lieu thereof, and this

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covenant shall survive such release or extinguishment. These covenants and requirements shall be in addition to, and not in substitution of, any other covenants and requirements under any separate environmental indemnification executed in favor of Mortgagee in connection with the transactions evidenced by this Mortgage.

ARTICLE FIVE EVENTS OF DEFAULT; WAIVERS; REMEDIES

5.01 **Events of Default.** Any one or more of the following shall constitute an "**Event of Default**" hereunder:

(a) the failure to pay when due (i) any payment of principal and/or interest on the Secured Indebtedness or any other obligation of any Obligor to Mortgagee under the Note or any other Loan Document, whether a regularly scheduled payment, at maturity or by acceleration, or (ii) any taxes or assessments described in Section 3.02 of this Mortgage, or (iii) any insurance premiums required to keep the insurance coverage required by this Mortgage or any other Loan Document in full force and effect at any time, or (iv) any other monetary sum required to be paid pursuant to the terms of any other Loan Document or any instrument evidencing the Permitted Exceptions;

(b) a default which is not otherwise the subject of any other provision of this Article 5 shall occur in the performance of any of the covenants or agreements of any Obligor contained in the Note, the Loan Agreement, this Mortgage, or any other Loan Document;

(c) if any representation or warranty of any Obligor in any of this Mortgage, the other Loan Documents, any endorsement, any guaranty, or in any certificate or statement furnished at any time thereunder or in connection therewith proves to be untrue or misleading in any material respect when made or furnished;

(d) a default that remains uncured within the applicable grace or curative period, if any, shall occur under the First Mortgage or under any other obligation, liability or indebtedness of any Obligor to any other party that, in the opinion of Mortgagee, causes a material adverse change in the financial condition of Mortgagor or any other Obligor;

(e) the commencement of a proceeding by or against any Obligor for dissolution or liquidation, the voluntary or involuntary termination or dissolution of any Obligor or the merger or consolidation of any Obligor with or into another entity;

(f) the insolvency of, the business failure of, the appointment of a custodian, trustee, liquidator or receiver for or for any of the property of, the assignment for the benefit of creditors by, or the filing of a petition under bankruptcy, insolvency or debtor's relief law or the filing of a petition for any adjustment of indebtedness, composition or extension by or against any Obligor or affecting the Mortgaged Property;

(g) the death or legal incapacity of any Obligor who is a natural person;


(h) the failure of any Obligor to timely deliver financial statements, including tax returns, other statements of condition or other information, as required by the Loan Documents or as Mortgagee shall request from time to time;

(i) the entry of a judgment against any Obligor which Mortgagee deems to be of a material nature, in Mortgagee's sole discretion, which is not released or satisfied within ten (10) days of the entry thereof;

(j) the seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any property of any Obligor, including without limitation the Mortgaged Property;

(k) should Mortgagee's liens, mortgages or security interests, including without limitation this Mortgage, in any of the collateral for the Note, including without limitation the Mortgaged Property, become unenforceable, or cease to be second priority liens, mortgages or security interests;

(l) should any additional liens be granted upon the Mortgaged Property, or should a default occur under the terms of any agreement, declaration, indenture, mortgage or other security instrument that results in the creation of a lien or other security interest in the Mortgaged Property, whether such lien or security interest is superior or inferior in priority to this Mortgage;

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- (m) the determination by Mortgagee that a material adverse change has occurred in the financial condition of any Obligor;
- (n) the failure of Mortgagor's business to comply with any law or regulation controlling its operation;
- (o) condemnation or taking by eminent domain of all or any material part (as determined by Mortgagee in its sole discretion) of the Mortgaged Property;
- (p) Intentionally Omitted
- (q) the occurrence of an Event of Default as such is defined in the Note, Loan Agreement or any other Loan Document.

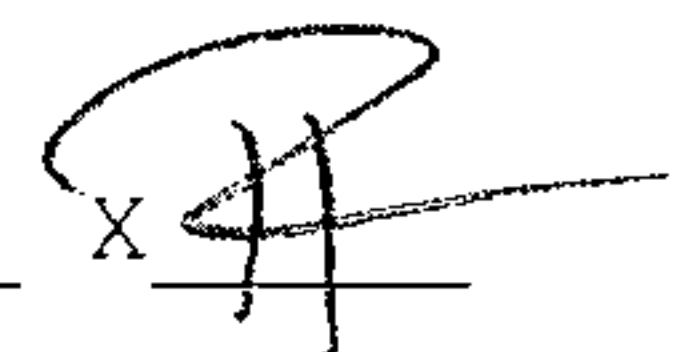
5.02 **Remedies of Mortgagee.** Upon the occurrence of any Event of Default, the Mortgagee may immediately do any one or more of the following:

(a) Declare the outstanding principal amount of the Note and the interest accrued thereon, and all other sums comprising the Secured Indebtedness, to be due and payable immediately, and upon such declaration such principal and interest and other sums shall immediately become due and payable without demand, notice or presentment for payment.

(b) Mortgagee may proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (i) to enforce payment of the Note or the performance of any term hereof or any other right; (ii) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the judgment or decree of the court or courts of competent jurisdiction; (iii) to collect all Rents, issues, profits, revenues, income, proceeds or other benefits from the Mortgaged Property pursuant to applicable law, and as further described in Section 7.04 of this Mortgage; (iv) without regard to the value, adequacy or occupancy of the Mortgaged Property, to seek appointment of a receiver; (v) to enter upon and take possession of the Mortgaged Property and to collect all Rents, issues, profits, revenues, income or other benefits thereof, and such receiver shall have all rights and powers permitted under law; (vi) to pursue any other remedy available to it, including, but not limited to, taking possession of the Mortgaged Property without notice or hearing to Mortgagor; (vii) to make repairs, alterations, additions and improvements to the Mortgaged Property for the purpose of preserving it or its value; or (viii) to surrender all insurance policies. Mortgagee shall take action either by such proceedings or by the exercise of its power with respect to entry or taking possession, or both as Mortgagee may determine.

(c) Mortgagee may sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the Courthouse door in the county where the Mortgaged Property is located, either in person or by auctioneer, after having first given at least twenty-one (21) day 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 a newspaper of general circulation published in said county 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 property so purchased. Mortgagee may bid at said sale and purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. All bids must be in cash or its equivalent, except for any bid by the Mortgagee or anyone acting on its behalf. Mortgagee may bid its debt as a cash equivalent in a foreclosure under this power of sale or in any other sale of the Mortgaged Property or any other collateral described in this Mortgage. All that is necessary for the Mortgagee to bid its debt is to offer to cancel a portion of its debt and the cancellation of any portion of the debt for these purposes will be considered a dollar-for-dollar equivalent of a cash bid or payment as appropriate. The rights to bid debt granted to the Mortgagee are not restricted to sales under this provision of the Mortgage, and Mortgagee shall have such rights in the event of any sale whatsoever of any part or portion of the Mortgaged Property or any collateral described in this Mortgage. 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.

(d) Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the Mortgaged Property in its own

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absolute right without further accountability to any person or entity, including, but not limited to, other creditors of Mortgagor. Mortgagee may, if permitted by law, and after allowing for costs and expenses of the sale, compensation and other charges, in paying the purchase price, apply any portion of or all of the indebtedness and other sums due to Mortgagee under the Note, this Mortgage or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon. Mortgagee shall, unless precluded under applicable law from seeking a deficiency judgment against Mortgagor, be entitled to enforce payment from Mortgagor of all amounts then remaining due and unpaid and to recover judgment against Mortgagor or any other person liable for payment of the Obligations pursuant to the instruments evidencing the Obligations, for any portion thereof remaining unpaid, with interest at the "Default Rate" as provided in the Note.

(e) Mortgagee shall have the power and authority to institute and maintain any suits and proceedings as Mortgagee may deem advisable (i) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (ii) to preserve or protect its interest in the Mortgaged Property, and (iii) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

(f) If Mortgagor has defaulted in its obligation to procure and maintain in full force and effect, the insurance as described in this Mortgage, or any other insurance required by any other Loan Document or by any applicable State or Federal regulation, then Mortgagee may, at its sole option, but Mortgagee shall not be required to, procure and maintain such insurance coverage for the Mortgaged Property as Mortgagee shall elect in its sole discretion ("Force Placed Insurance"). The sole beneficiary under any Force Placed Insurance policy shall be Mortgagee, and Mortgagor shall have no rights or benefits thereunder, including any right to collect proceeds of or benefits under any Force Placed Insurance policy following destruction of the Mortgaged Property, or any portion thereof. All amounts paid by Mortgagee for premiums for Force Placed Insurance on the Mortgaged Property shall be added to balance of the Obligations secured by this Mortgage and such amounts shall accrue interest at the "Default Rate" as provided in the Note.


(g) In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, the Mortgaged Property, any Obligor, or its property, then Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by Mortgagor for the Secured Indebtedness [or under the Guaranty, as applicable,] at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date.

(h) Pursue any and all remedies available under the Code, it being agreed that ten (10) days' notice as to the time, date and place of any proposed sale shall be reasonable.

(i) Exercise any and all rights or other remedies as contained in the other Loan Documents or otherwise available in law or in equity.

5.03 Waiver of Appraisal, Valuation, Stay, Marshaling, Extension and Redemption Laws. Mortgagor agrees to the fullest extent permitted by law, that upon the occurrence or continuation of an Event of Default, if Mortgagee has elected to enforce its remedies hereunder or at law, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property of the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

5.04 Remedies Cumulative. The rights of Mortgagee and its successors and assigns hereunder or under any other Loan Document, shall be separate, distinct and cumulative of other powers and rights herein granted and all

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other rights which Mortgagee may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages, and preservation of security as provided at law, and such remedies may be pursued by Mortgagee concurrently. No act of Mortgagee or its successors or assigns, shall be construed as an election to proceed under any one provision to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding. All remedies granted to Mortgagee shall be exercised as often as may be deemed appropriate by Mortgagee following the occurrence and continuation of any Event of Default.

ARTICLE SIX SECURITY AGREEMENT

6.01 **Grant and Perfection of Security Interest.** Mortgagor hereby transfers, assigns, delivers and grants to Mortgagee a security interest in and right of set-off against the Personal Property as security for payment of the Secured Indebtedness. Mortgagor hereby authorizes Mortgagee to file in each and every jurisdiction as Mortgagee shall determine one or more financing statements (or a photocopy of this Mortgage in substitution for a financing statement), continuation statements or amendments thereto as Mortgagee shall at any time or from time to time determine, and otherwise containing such information as is required or is permissible to be contained in a financing statement filed pursuant to Article 9 of the Code. Mortgagor shall have possession of the Personal Property, except to the extent otherwise expressly provided in this Mortgage or where Mortgagee elects, in its sole and absolute discretion, to perfect its security interest by possession in addition to or instead of filing of a financing statement. To the extent that any Personal Property is in the possession of a third party, Mortgagor agrees that it shall join with Mortgagee, and take such other steps as Mortgagee shall require, in notifying, but also hereby authorizes Mortgagee to directly notify without Mortgagor's joinder, the third party of Mortgagee's security interest and obtaining an acknowledgment in such form or forms as Mortgagee shall require from the third party that it is holding the Personal Property or such portion as is held by the third party for the benefit of the Mortgagee and subject to the security interest granted herein and the operation of this Mortgage. Mortgagor agrees that it shall join with Mortgagee, and take such other steps as Mortgagee shall require, in obtaining "control" of any Investment Property, Deposit Accounts, Letter of Credit Rights or Electronic Chattel Paper (as such terms are defined in the Code) forming any part of the Personal Property, with any agreements establishing control to be in form and substance satisfactory to Mortgagee.


6.02 **Notice of Change in Location.** Mortgagor covenants and agrees that in the event that the state of its "location," as used in the Code, shall change from its "location" existing as of the date hereof, Mortgagor shall notify Mortgagee in writing within fifteen (15) days thereof and shall further provide to Mortgagee the state of its location and shall take all such actions as are required in order to perfect or continue the perfection of Mortgagee's security interest in the Personal Property.

6.03 **Assignment of Non-Code Personal Property.** To the extent that any of the Personal Property is not subject to the Code, Mortgagor hereby assigns to Mortgagee all of Mortgagor's right, title, and interest in and to the Personal Property to secure the Secured Indebtedness, together with the right of set-off with regard to such Personal Property (or any part hereof). Release of the lien of this Mortgage shall automatically terminate this assignment to the extent that this Mortgage was the sole instrument evidencing said assignment.

ARTICLE SEVEN ASSIGNMENT OF RENTS

7.01 **Assignment.** Mortgagor does hereby grant, transfer and assign unto Mortgagee its rights under (i) the Leases; (ii) any and all guaranties of payment or performance of the obligations of any lessee under any Leases; and (iii) all Rents or issues from the Mortgaged Property; *provided, however,* that Mortgagee hereby grants to Mortgagor a license to collect and receive all Rents, which license shall be revocable by notice from Mortgagee to Mortgagor at any time after the occurrence and during the continuation of an Event of Default.

7.02 **Covenants Regarding Leases.** With respect to the Leases from time to time or at any time existing, Mortgagor shall (i) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with, the Leases, (ii) not receive or collect any Rents from any of the Leases for a period of more than one (1) month in advance, (iii) not waive, discount, set-off, compromise, or in any manner release or discharge any lessee,


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of and from any obligations, covenants, conditions and agreements by such lessee under its Lease, (iv) not terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof, without the prior written consent of Mortgagee, and shall use all reasonable efforts to maintain each of the Leases in full force and effect during the term of this Mortgage, (v) not subordinate any Lease to any mortgage or other encumbrance (other than the lien of this Mortgage), and (vi) shall (A) obtain Mortgagee's approval as to the form and substance of each Lease or amendment thereto, (B) deliver to Mortgagee, true and complete copies of the Leases and any amendments thereto, (C) not enter into any oral leases or any side agreements with respect to a Lease with any lessee, except upon notice to and approval in writing by Mortgagee, (D) not execute any Lease except for actual occupancy by the lessee thereunder, and (E) from time to time upon request of Mortgagee, furnish to Mortgagee a written certification signed by Mortgagor describing all then existing Leases and the names of the tenants and Rents payable thereunder.

7.03 No Liability for Mortgagee. Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to let the Mortgaged Property, or any part thereof, after an Event of Default or from any other act or omission of Mortgagee in managing the Mortgaged Property, or any part thereof. Mortgagee shall not be obligated to perform or discharge, any obligation, duty or liability under the Leases and Mortgagor shall indemnify Mortgagee for, and hold Mortgagee harmless from, any and all liability, loss or damage which may or might be incurred under the Leases, and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Mortgagee incur any such liability under the Leases or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, and upon the failure of Mortgagor to do so Mortgagee may, at its option, declare the Secured Indebtedness immediately due and payable. It is further understood that the assignment evidenced by this Article Seven shall not operate to place responsibility upon Mortgagee for the control, care, management or repair of the Mortgaged Property, nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Mortgaged Property by any person, or for any dangerous or defective condition on the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any lessee, licensee, employee or other person.

7.04 Specific Remedies Under Assignment of Rents Upon Default or Event of Default. Upon the occurrence of any default or Event of Default under this Mortgage or any other Loan Document, Mortgagee may exercise any and all rights and remedies contained in this Mortgage and the other Loan Documents, and Mortgagee, without in any manner waiving such default, may at its sole option (a) without notice and without regard to the adequacy of the security for the indebtedness evidenced by the Loan Documents, either in person, by agent or by a receiver appointed by the court, enforce the assignment evidenced by this Mortgage and take possession of the Mortgaged Property and have, hold, manage, lease and operate the same on such terms and for such period of time as Mortgagee may deem proper, and, either with or without taking possession of said Mortgaged Property in its own name, and (b) to dispossess by summary proceedings any tenant defaulting in the payment of Rents to Mortgagee, and (c) to rent or lease the Mortgaged Property or any part thereof including renewals of Leases, and (d) make demand directly to tenants in occupancy or to Mortgagor or any other Obligor, or to all of them, at Mortgagee's sole election, or sue for or otherwise directly collect and receive all Rents of said Mortgaged Property directly from tenants in occupancy, including those past due and unpaid, with full power to make from time to time all alterations, renovations, repairs thereto or replacements thereof as may seem proper to Mortgagee, and to apply such Rents to the payment of (i) expenses of managing the Mortgaged Property, including, but not limited to, the salaries, fees and wages of a managing agent and such other employees as Mortgagee may deem necessary or desirable and all expenses of operating and maintaining the Mortgaged Property, including, but not limited to, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens and premiums for insurance which Mortgagee may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Mortgaged Property which Mortgagee may deem necessary or desirable, and (ii) the Secured Indebtedness, together with all costs, attorneys' fees and paralegals' fees, in such order of priority as Mortgagee in its sole discretion may determine, notwithstanding any statute, law, custom or usage to the contrary. Nothing contained herein shall impair or affect any right or remedy which Mortgagee might now or hereafter have, but the remedies provided herein shall be in addition to any others which Mortgagee may have hereunder or under Alabama law.

ARTICLE EIGHT

X _____ X 

MISCELLANEOUS


8.01 **Reserve for Taxes and Insurance.** Upon notification from Mortgagee, Mortgagor shall create a fund or reserve for the payment of all ground rentals, insurance premiums, taxes, and assessments against the Mortgaged Property by paying the Mortgagee, contemporaneously with each installment of principal and interest on the Note, a sum equal to the rentals payable by Mortgagor to any lessor of the Mortgaged Property, or any part thereof, plus the premiums that will become due and payable on the insurance policies covering the Mortgaged Property, or any part thereof, plus taxes and assessments next due on the Mortgaged Property, or any part thereof, as estimated by Mortgagee, less all sums paid previously to Mortgagee therefor, divided by the number of installments of principal and/or interest to elapse before one month prior to the date when such ground rentals, premiums, taxes, and assessments will become delinquent, such sums to be held by Mortgagee, without interest, for the purposes of paying such ground rentals, premiums, taxes, and assessments. Prior to the occurrence of an Event of Default, Mortgagee shall apply such sums to the payment of such ground rentals, premiums, taxes and assessments. After the occurrence and during the continuation of an Event of Default, Mortgagee may, in its sole discretion, apply such sums to the payment of such expenses or to the Secured Indebtedness. Any excess reserve shall, at the discretion of Mortgagee, be credited by Mortgagee on subsequent payments to be made on the Secured Indebtedness by Mortgagor, and any deficiency shall be paid by Mortgagor to Mortgagee on or before the date when such ground rentals, premiums, taxes, and assessments, shall have become delinquent.

8.02 **Condemnation and Eminent Domain.** Mortgagee shall be entitled to receive any and all sums which may be awarded or become payable to Mortgagor for the condemnation of, or taking upon exercise of the right of eminent domain with respect to, any of the Mortgaged Property or as a result of private sale in lieu thereof, and any sums which may be awarded or become payable to Mortgagor for damages caused by public works or construction on or near the Mortgaged Property. Mortgagor shall give immediate written notice to Mortgagee of any such proceedings affecting the Mortgaged Property and shall afford Mortgagee an opportunity to participate in any proceeding or settlement of awards with respect thereto. All sums are hereby assigned to Mortgagee, and Mortgagor shall, upon request of Mortgagee, make, execute, acknowledge, and deliver any and all additional assignments and documents as may be necessary from time to time to enable Mortgagee to collect and receipt for any such sums. Mortgagee shall not be, under any circumstances, liable or responsible for failure to collect, or exercise diligence in the collection of, any of such sums. Any sums so collected shall be applied by Mortgagee, first, to the expenses, if any, of collection, and then to the Secured Indebtedness, and if any sums then be remaining then to Mortgagor.

8.03 **Insurance Proceeds.** Mortgagee is authorized and empowered to collect and receive the proceeds of any and all insurance that may become payable with respect to any of the Mortgaged Property. In event of any casualty loss, Mortgagor shall give immediate notice by mail to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payments for such loss directly to Mortgagee instead of to Mortgagor or to Mortgagor and Mortgagee jointly. The insurance proceeds or any part hereof may be applied by Mortgagee at its option, after deducting therefrom all its expenses including attorneys' fees, either to reduction of the Secured Indebtedness or the restoration or repair of the property damaged. Mortgagee is hereby authorized, at its option, to settle and compromise any claims, awards, damages, rights of action and proceeds, and any other payment or relief under any insurance policy. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the Secured Indebtedness, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

8.04 **After-Acquired Property.** The lien of this Mortgage shall automatically attach, without further act, to all after-acquired property of Mortgagor located in or on, or attached to, or used or intended to be used in connection with the operation of the Mortgaged Property or Mortgagor's business thereon and shall, without further act of any party, be subject to the provisions of this Mortgage.

8.05 **Illegality.** If any provision of this Mortgage is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Mortgage, the legality, validity, and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

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8.06 **Counterparts.** This Mortgage may have simultaneously been executed in a number of identical counterparts, each of which, for all purposes, shall be deemed an original.

8.07 **Exhibits.** All exhibits attached hereto are by this reference made a part hereof.

8.08 **Indemnity.** Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from and against, any and all losses, damages, claims, costs, penalties, causes of action, liabilities and expenses, including court costs and attorneys' fees, howsoever arising (including, without limitation, for injuries to or deaths of persons and damage to property), from or incident to the ownership of the Mortgaged Property and development, use, possession, maintenance, management, and construction.

8.09 **Singular; Plural.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

8.10 **Headings.** The captions, headings, and arrangements used in this Mortgage are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

8.11 **Notices.** Whenever this Mortgage requires or permits any consent, approval, notice, request, or demand from one party to another, the consent, approval, notice, request, or demand must be in writing to be effective and shall be deemed to have been given when personally delivered or deposited in the United States mails, registered or certified, return receipt requested, addressed to the party to be notified at the address set forth in the preamble hereof (or at such other address as may have been designated by written notice).

8.12 **Governing Laws.** The substantive laws of the State of Alabama shall govern the validity, construction, enforcement, and interpretation of this Mortgage, and the other Loan Documents, unless otherwise specified therein.


8.13 **Time of Essence.** Time is of the essence of this Mortgage.

8.14 **Fixture Filing.** This Mortgage shall also constitute a security agreement with respect to the Personal Property and a "fixture filing" for purposes of the Code. Portions of the Personal Property are or may become fixtures. Information concerning the security interests herein granted may be obtained at the addresses stated in the preamble hereof.

8.15 **Financing Statement.** Mortgagee shall have the right at any time to file this Mortgage as a financing statement, but the failure to do so shall not impair the validity and enforceability of this Mortgage in any respect whatsoever. A carbon, photographic, or other reproduction of this Mortgage, or any financing statement relating to this Mortgage, shall be sufficient as a financing statement.

8.16 **Entire Agreements; Amendments.** This Mortgage, the Note and the other documents executed in connection herewith represent the final agreement between the parties and 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. This Mortgage cannot be amended except by agreement in writing by the party against whom enforcement of the amendment is sought. The modification hereof or of the Obligations, or the release of any portion of the Mortgaged Property from the lien hereof shall not impair the priority of the lien of this Mortgage or the remaining Mortgaged Property encumbered hereby.

8.17 **Assignment; Successors and Assigns.** The terms "Mortgagor" and "Mortgagee" herein shall include the parties named above as Mortgagor and Mortgagee, respectively, and their successors and assigns, and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective successors and assigns. Mortgagor shall not be entitled to assign its rights and obligations under this Mortgage without the prior written consent of Mortgagee. If Mortgagee issues its prior written consent to Mortgagor's assignment of this Mortgage, then Mortgagor shall, notwithstanding any such consent, continue to be fully liable for the payment and performance obligations owed to Mortgagee under this Mortgage as if it were the "Mortgagor" hereunder. Mortgagee may at any time, and from time to time, as it may deem appropriate,

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assign all or part of all of its rights and interests under this Mortgage, the Note, and the other Loan Documents and any guaranties of the Obligations. In such event, this Mortgage shall continue to apply in full force and effect, and Mortgagee and/or its successors and assigns agree to give Mortgagor notice of any such assignment whereby Mortgagee does not retain the servicing of the Obligations; *provided, however*, the failure of Mortgagee to give such notice shall not affect the validity of any such assignment or any obligations of Mortgagor under this Mortgage, the Note or any other of the Loan Documents executed in connection therewith. In the event of an assignment by Mortgagee, such assignment shall be deemed to have been made pursuant to the terms of this Mortgage and not to be in modification hereof.

8.18 **No Right of Setoff.** No setoff or claim that Mortgagor may now or in the future have against Mortgagee shall relieve or excuse Mortgagor from paying the installments under the Note or performing any other obligation secured hereby when the same is due.

8.19 **No Third Party Benefitted.** This Mortgage is made for the purpose of setting forth rights and obligations of Mortgagor and Mortgagee and the other parties hereto, and no other Person shall have any rights hereunder or by reason hereof.

8.20 **Nonliability of Mortgagee.** Mortgagor acknowledges and agrees that:

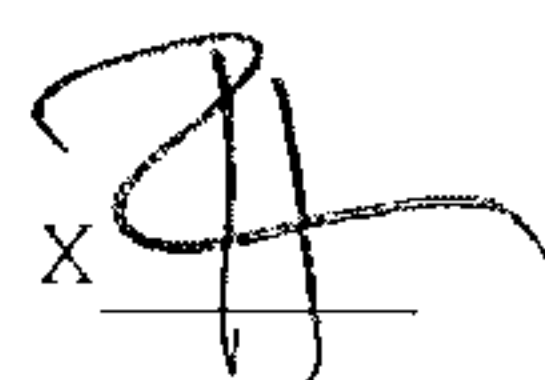
(a) the relationship between Mortgagor and Mortgagee is and shall remain solely that of debtor and creditor, and Mortgagee neither undertakes nor assumes any responsibility to review, inspect, supervise, approve or inform Mortgagor of any matter in connection with the development, construction and operation of the Mortgaged Property, as applicable, including matters relating to (i) plans and specifications, (ii) activities or actions of architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them with respect to the Mortgaged Property, or (iii) if applicable, progress of the construction of any Improvements on the Mortgaged Property or their conformity with any plans and specifications. Mortgagor shall rely entirely on its own judgment with respect to the foregoing matters and acknowledges that any review, inspection, supervision, approval or other information supplied to Mortgagee in connection with such matters is solely for the protection of Mortgagee and that neither Mortgagor nor any other third party, including any "guarantor" shall be entitled to rely on Mortgagee for such purposes;

(b) notwithstanding any other provision of any Loan Document to the contrary, (i) Mortgagee is not a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind with Mortgagor and Mortgagee does not intend to ever assume any such status; and (ii) Mortgagee shall not be deemed responsible for or be deemed to be a participant in any acts, omissions or decisions of Mortgagor;

(c) Mortgagee shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any Person or property resulting from any construction on, or occupancy or use of, the Mortgaged Property, whether arising from: (i) any defect in any building, grading, landscaping or other onsite or offsite improvement; (ii) any act or omission of Mortgagor or any of Mortgagor's agents, employees, independent contractors, licensees or invitees; or (iii) any accident on the Mortgaged Property or any fire or other casualty or hazard thereon;

(d) by accepting, requiring or approving anything required to be performed or given to Mortgagee under this Mortgage or any other Loan Document (or by failing to accept, require or approve same), including any certificate, financial statement, inspection, survey, plans and specifications, appraisal or insurance, Mortgagee shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty, representation or undertaking by Mortgagee to anyone; and

(e) Mortgagee shall not be liable for any omission, error of judgment or act done by Mortgagee in good faith, or be otherwise responsible or accountable to Mortgagor under any circumstances whatsoever, nor shall Mortgagee be personally liable in case of entry by Mortgagee, or anyone entering by virtue of the powers granted under this Mortgage, upon the Mortgaged Property or for debt contracted or for damages incurred in the management or operation of the Mortgaged Property, and Mortgagee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Mortgagee hereunder, believed by Mortgagee in good faith to be genuine.

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8.21 **Right to Modify.** Without affecting the obligation of Mortgagor to pay and perform as herein required, without affecting the personal liability of any person for payment of the Obligations including without limitation the Secured Indebtedness, and without affecting the lien or priority of the lien hereof on the Mortgaged Property, Mortgagee may, at its option, extend the time for payment of the Obligations or any portion thereof, reduce the payments thereon, release any person liable on any portion of the Obligations, accept a renewal note or notes therefor, modify the terms of the Secured Indebtedness, release or reconvey any part of the Mortgaged Property, take or release other or additional security, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or agreement subordinating the lien hereof. Any such action by Mortgagee may be taken without Mortgagor's consent and without the consent of any subordinate lienholder and shall not affect the priority of this Mortgage over any subordinate lien.

8.22 **Expenses of Recording.** Mortgagor agrees to pay all recording fees, documentary stamp taxes, intangible taxes, charges and filing, registration and recording fees imposed upon this Mortgage, the recording or filing thereof, or upon the Mortgagee by reason of its ownership of this Mortgage, or its enforcement thereof.

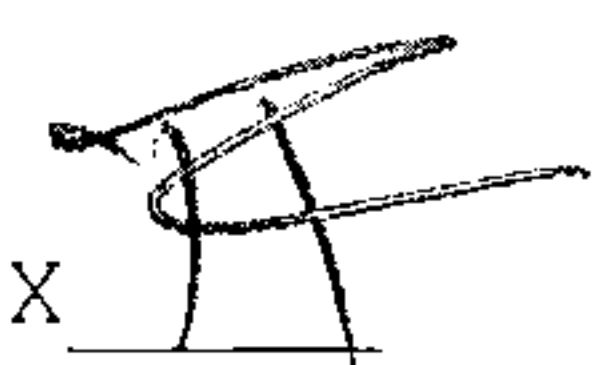
8.23 **Attorneys' Fees.** The term "attorneys' fees" as used herein shall also include charges for paralegals, law clerks and other staff members operating under the supervision of an attorney, and shall also include, without limitation, any allocated costs of Mortgagee's in-house counsel to the extent permitted by applicable law. Any award or payment of attorneys' fees hereunder or by order of a court of competent jurisdiction shall include as a part thereof any and all sales and/or use taxes imposed thereon by any appropriate governmental authority.

8.24 **Future Advances.** Any additional sum or sums advanced by the then holder of the Note secured hereby, to or for the benefit of Mortgagor, whether obligatory or made at the option of Mortgagee, or otherwise, at any time within twenty (20) years from the date of this Mortgage, with interest at the rate agreed upon at the time of each additional loan or advance, shall be equally secured with and have the same priority as the original indebtedness and be subject to all of the terms and provisions of this Mortgage, whether or not such additional loan or advance is evidenced by a promissory note of the borrowers and whether or not identified by a recital that it is secured by this Mortgage; provided that the aggregate amount of principal indebtedness outstanding and so secured at any one time shall not exceed a maximum principal sum equal to four (4) times the face amount of the Note, plus interest thereon and any disbursements made for the payment of taxes, levies, insurance or other sums in connection with the Mortgaged Property with interest on such disbursements.

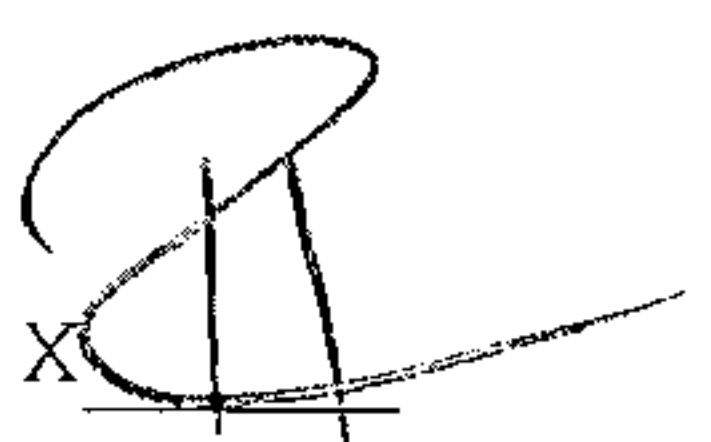
8.25 **WAIVER OF JURY TRIAL. THE PARTIES TO THIS MORTGAGE KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS EITHER MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING BASED ON, ARISING OUT OF, OR IN ANY WAY RELATED TO: THIS AGREEMENT, THE OBLIGATIONS, ANY NOTES, LOAN AGREEMENTS, OR ANY OTHER LOAN DOCUMENT OR AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH ANY OF THE OBLIGATIONS; OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THIS JURY WAIVER ALSO APPLIES TO ANY CLAIM, COUNTERCLAIM, CAUSE OF ACTION OR DEMAND ARISING FROM OR RELATED TO (I) ANY COURSE OF CONDUCT, COURSE OF DEALING, OR RELATIONSHIP OF MORTGAGOR, ANY OBLIGOR, OR ANY OTHER PERSON WITH MORTGAGEE OR ANY EMPLOYEE, OFFICER, DIRECTOR OR ASSIGNEE OF MORTGAGEE IN CONNECTION WITH THE OBLIGATIONS; OR (II) ANY STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON BY OR ON BEHALF OF LENDER TO MORTGAGOR, ANY OBLIGOR, OR ANY OTHER PERSON IN CONNECTION WITH THE OBLIGATIONS, REGARDLESS OF WHETHER SUCH CAUSE OF ACTION OR DEMAND ARISES BY CONTRACT, TORT OR OTHERWISE. BORROWER HEREBY ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO THE MORTGAGEE IN EXTENDING CREDIT TO THE MORTGAGOR, THAT THE MORTGAGEE WOULD NOT HAVE EXTENDED SUCH CREDIT WITHOUT THIS JURY TRIAL WAIVER, AND THAT MORTGAGOR HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS JURY TRIAL WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER. MORTGAGOR FURTHER CERTIFIES THAT NO PERSON HAS REPRESENTED TO IT, EXPRESSLY OR OTHERWISE, THAT MORTGAGEE OR ANY OTHER PERSON WOULD NOT, IN THE EVENT OF A LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER.**

X

X



[Signature page to follow]

X _____ X 

IN WITNESS WHEREOF, Mortgagor intending to be legally bound hereby, has executed this Mortgage as of the day and year first above written.

WITNESSES:

MORTGAGOR:

AMMERSEE LAKES, LLC.,
an Alabama limited liability company

By: Ryan Ramage

Its: Manager

Lindsey Cochran
Print Name: Lindsey Cochran

Laure Gellus
Print Name: Laure Gellus

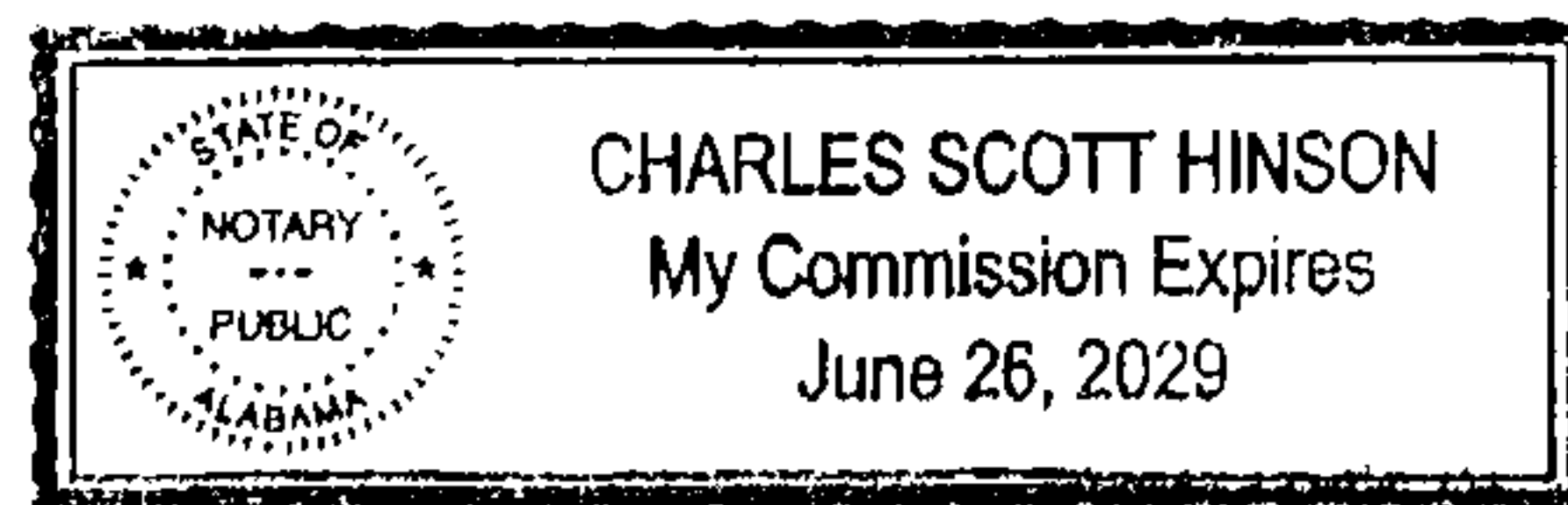
STATE OF ALABAMA)
COUNTY OF Jefferson) ss:

I, Charles Scott Hinson, the undersigned Notary Public, in and for said State and County, hereby certify that Ryan Ramage, in his capacity as Manager of Ammersee Lakes, LLC., an Alabama limited liability company, signed his name to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, he as such Manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this 12 day of Dec, 2025

Charles Scott Hinson
Notary Public for the State of Alabama

[NOTARY SEAL]



X X

EXHIBIT "A"

Legal Description for Overall Project Land

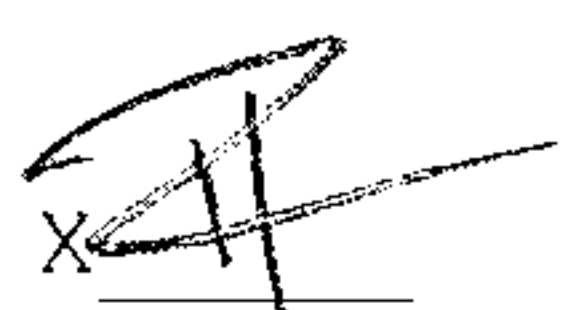
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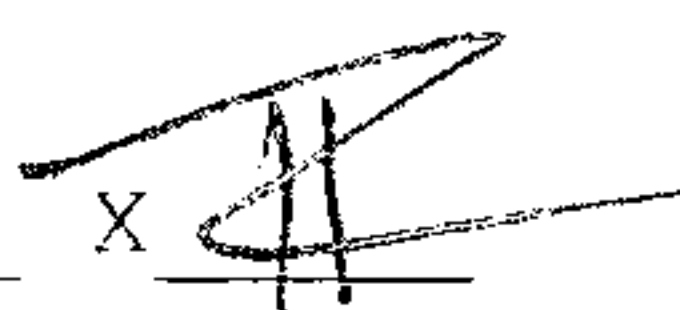
Exhibit "A"

A tract of land in and being a part of the South 1/2 of Section 2, Township 22 South, Range 3 West, Shelby County, Alabama.

More particularly described as follows:

Commence at the Southeast corner of Section 2, Township 22 South, Range 3 West, Shelby County, Alabama; thence run North 00 degrees 01 minute 53 seconds East a distance of 1467.80 feet to an 1 inch crimped pipe, and Point of Beginning; thence run North 00 degrees 05 minutes 29 seconds East for a distance of 588.45 feet to an open top pipe; thence run South 88 degrees 33 minutes 44 seconds West for a distance of 359.61 feet to an axle; thence run South 89 degrees 14 minutes 16 seconds West for a distance of 238.30 feet to a 1/2 inch rebar capped rebar (DEC) at the Northeast corner of Lot 44A, recorded in Amended Map of Ammersee Lakes, Second Sector, Map Book 36, Page 99, Probate Office, Shelby County, Alabama; thence run South 00 degrees 49 minutes 30 seconds East along the East line of said Lot 44A for a distance of 99.15 feet to the Southeast corner of said Lot 44A, said Southeast corner being in common with the Northeast corner of a Common Area, recorded in Instrument #20090226000069660 in the Probate Office of Shelby County, Alabama; thence run South 00 degrees 49 minutes 30 seconds East along the East line of said Instrument for a distance of 70.00 feet to the Southeast corner of said Common Area, thence run South 82 degrees 55 minutes 24 seconds West along the southerly line of said Common Area for a distance of 335.53 feet to a 1/2 inch capped rebar (21784 LS) at the Northeast corner of Lot 57, recorded in Amended Map of Ammersee Lakes First Sector, Map Book 28, Page 98B, Probate Office, Shelby County, Alabama; thence run South 06 degrees 34 minutes 26 seconds West along the East line of said Lot 57 for a distance of 120.00 feet to a 1/2 inch capped rebar (21784 LS) at the Southeast corner of said Lot 57, being on the northerly right of way of Ammersee Lakes Drive; thence with a curve turning to the right with a radius of 625.00 feet, with a delta angle of 03 degrees 13 minutes 34 seconds with a chord length of 35.19 feet, with a chord bearing of South 82 degrees 06 minutes 51 seconds East, run along the arc of said curve for a distance of 35.19 feet; thence run South 09 degrees 29 minutes 56 seconds West for a distance of 50.00 feet to the southerly right of way of Ammersee Lakes Drive, being on the northerly line of Lot 23 of said Amended Map of Ammersee Lakes First Sector, thence with a curve turning to the right with a radius of 575.00 feet, with a delta angle of 08 degrees 52 minutes 32 seconds, with a chord length of 88.98 feet, with a chord bearing of South 76 degrees 10 minutes 42 seconds East, run along the arc of said curve for a distance of 89.07 feet to a 1/2 inch capped rebar (21784 LS) at the northeast corner of said Lot 23; thence run South 18 degrees 25 minutes West along the easterly line of Lot 23 and Lot 22 of said Amended Map of Ammersee Lakes, First Sector for a distance of 175.22 feet to a 1/2 inch capped rebar (DEC); thence run South 89 degrees 40 minutes 48 seconds East for a distance of 883.49 feet to the point of beginning.

EXHIBIT "B"
(Permitted Exceptions)

X _____ X 

Subject to the following:

Permits to Alabama Power Company recorded in Deed Book 133, Page 367 and Deed Book 143, Page 433.

Easements to Alabama Power Company recorded in Inst. 2002-06367; Inst. 2002-10038; Inst 2005-38746 and Inst. 2005-38747.

Restrictions as recorded in Instrument #: 2001-29304, being further amended in Instrument Numbers: 20030929000655100; Instrument #: 20051031000564250, Instrument #: 20140615000288760; Instrument #: 20180405000114100; Instrument #20180601000191890 and Instrument # 20240710000209703, in the Probate Office of Shelby County, Alabama.

Right of way to Shelby County recorded in Deed Book 124, Page 251.

Easement to Bagley Properties recorded in Inst. 20190417000126320.

Agreement with City of Montevallo Sewer and Water Board recorded in Inst. 2002-13452, Probate Office, Shelby County, Alabama.

Agreement between Bagley Properties, LLC and Ammersee Lakes Property Owners Association, as recorded in Inst. No. 20090226000069660, Probate Office Shelby County, Alabama.

Sixth Amendment to Declaration of Protective Covenants, Restrictions Easements and Agreements for Ammersee Lakes as recorded in Inst. No. 20240710000209730, Probate Office, Shelby County, Alabama.



Filed and Recorded
Official Public Records
Judge of Probate, Shelby County Alabama, County
Clerk
Shelby County, AL
12/22/2025 12:50:18 PM
\$400.75 BRITTANI
20251222000391050

Allen S. Bayl