

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

Bentley D. Price, Circuit Court Judge

Case No. 2024-000322

Thomas H. Morgan Respondent,

v.

John L. Gilbert, Stuart L. Fred, Bella Vista Partnership, A Texas General Partnership,
Bomasada Group, Inc., A Texas Corporation, Bomasada Investment Group II, LLC, A Texas
Limited Liability Company, Lauralis Management, Inc., A Texas Corporation, and 150 Bee
Street, LLC, A South Carolina Limited Liability Company Defendants,

Of which John L. Gilbert, Stuart L. Fred, Bella Vista Partnership, A Texas General
Partnership, Bomasada Group, Inc., A Texas Corporation, Bomasada Investment Group
II, LLC, A Texas Limited Liability Company, and Lauralis Management, Inc., A Texas
Corporation are the Appellants.

MOTION TO LIFT STAY

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April 11, 2025

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I. Introduction and Relief Sought

The Respondent, Thomas H. Morgan ("Morgan" or "Respondent"), by and through undersigned counsel, respectfully petitions this Court under Rule 241(d), SCACR, for an Order (a) lifting the stay of judgment enforcement imposed by the lower court or (b) requiring Appellants to post a supersedeas bond and permitting limited post-judgment discovery.

Respondent seeks prompt relief to protect and preserve his judgment, which exceeds \$4 million (including post-judgment interest), against Appellants. This judgment is entirely unsecured as a direct result of the trial court's stay pending appeal. Absent intervention by this Court, the Appellants' deteriorating financial condition and history of asset dissipation may render the judgment uncollectible.

Respondent specifically requests:

- A. A lift of the stay of enforcement in full, allowing the Respondent to immediately secure the judgment by recording liens and taking other lawful measures (not including execution or foreclosure) to preserve assets; or
- B. If any stay continues, requiring the Appellants to post a supersedeas bond to the limits authorized by law, up to the judgment amount.
- C. Also, the authorization of limited, targeted discovery into the Appellants' finances and asset transfers pending further appellate proceedings.

These measures are necessary to prevent irreparable harm to the Respondent as the prevailing party and to uphold the enforceability of the judgment.

The factual and legal bases for this Petition are set forth below.

II. Application to Lower Court and Result.

Rule 241(d)(4)(C), SCACR requires a petitioner to seek relief first in the lower court unless exceptional circumstances excuse it. Respondent has complied with this requirement.

Respondent filed a comprehensive Motion to Lift Stay (or for Bond) with the trial court on December 10, 2024. That motion was supported by affidavits and exhibits detailing the facts summarized in this motion. Respondent expressly requested the same relief now sought before this Court: lifting the stay on enforcement or imposing a \$1 million supersedeas bond as a condition of any continued stay.

The lower court that had confirmed the arbitration award in this matter held a hearing on March 4, 2025, and denied the Respondent's motion on March 12, 2025. A certified copy of the trial court's order denying relief is attached as **Exhibit A**. The order provided no protection as requested by the Respondent, leaving the Respondent aggrieved and the judgment unsecured. Accordingly, the Respondent now seeks this Court's review of the lower court's decision under Rule 241(d)(2) and (d)(7), SCACR.

In denying Respondent's motion, the lower court overlooked Respondent's specific factual showings. The Order labeled Respondent's detailed evidence of The Liam's troubles and Appellants' financial maneuvers as "speculative" or "unpersuasive." The court reasoned that since interest rates had been declining and the stock market (S&P 500) had generally performed well, Appellants' assets would likely retain value. Respondent contends that this reasoning was flawed.

Generalized economic indicators do not necessarily reflect the particular risks an individual party or project faces. Here, broad metrics like national interest rates or stock indices failed to consider the highly localized and specific challenges confronting the Appellants' Huntsville project (e.g., construction overruns and poor lease-up) or the complexities of their multi-entity finances. The lower court failed to conduct the careful balancing required by Rule 241 and relevant case law by neglecting un rebutted evidence of these specific issues. The court neither lifted the stay nor imposed any bond, effectively placing all appellate risk on Respondent. This outcome is precisely what Rule 241 is designed to prevent. The Respondent respectfully submits that the lower court's decision failed to

provide the relief the petitioner requested, necessitating this motion.

The Respondent has since obtained a ruling from this Court affirming his judgment, undermining any rationale for further stay of the Respondent's ability to secure his judgment. The Respondent requests that this Court rectify the lower court's error by granting the relief outlined herein.

III. Factual Background

A. The Arbitration Award, Confirmation by the Circuit Court, and Affirmation by this Court.

On February 6, 2024, the Court of Common Pleas for Charleston County issued a judgment in favor of the Respondent and against the Appellants. This judgment, which confirms an arbitration award, totals over \$4 million, including accrued post-judgment interest. On May 8, 2024, at the Appellants' request, the trial court stayed enforcement of the judgment pending appeal without requiring any bond or security. The Appellants filed a Notice of Appeal on March 4, 2024 (Appeal No. 2024-000322), and the case proceeded in this Court.

On March 26, 2025, this Court filed Unpublished Opinion No. 2025-UP-098, affirming the lower court's decision to confirm the arbitration panel's award.

Importantly, the arbitration proceedings that led to the judgment uncovered egregious misconduct by the Appellants. For example, the arbitration panel found that Appellants consistently obstructed access to the Company's financial records. Morgan met his burden of proving that Appellants had paid themselves over \$1.27 million in undocumented "expenses" directly out of Company funds. This finding was supported not only by Morgan's witnesses (who testified that these charges lacked supporting documentation) but also by the panel's observation of Appellants' persistent resistance to Morgan's attempts to review the Company's books. Throughout the arbitration hearing, Appellants thwarted financial transparency – a point the panel noted as an "overarching

theme” corroborating Morgan’s position. In short, Appellants went to great lengths to keep Morgan (a fellow owner) from accessing truthful financial information.

The arbitration award also details how Appellants misappropriated Company funds for personal use, including lavish travel and entertainment expenditures. Appellants billed the Company for numerous “business trips” that were in fact personal luxury vacations. For instance, Appellants charged to the project private jet flights and exotic trips – including golf outings, an African safari, and a deep-sea fishing excursion in Mexico – none of which had any legitimate connection to the Bee Street development. Appellants attempted to justify some of these charges as “employee bonus trips,” but the panel found those explanations unconvincing, particularly given that the trips were enjoyed primarily by Appellants themselves (the managing members) while the struggling project remained incomplete and units unsold. Such expenditures provided personal luxury to Appellants at the Company’s expense, in clear breach of their fiduciary duties. Indeed, the arbitration panel concluded that Appellants Gilbert and Fred breached their duty of loyalty and were unjustly enriched by charging the Company for travel and perks unrelated to the project.

Furthermore, Appellants falsified accounting entries to conceal their self-enrichment. One especially blatant example involved a home theater system installed in Mr. Fred’s Scottsdale, Arizona residence using approximately \$50,000 of Company funds that were supposed to finance the 150 Bee Street project. Mr. Fred attempted to cover up this misappropriation by coding the \$50,000 expenditure in the Company’s books as “Club House Furnishings – 150 Bee Street,” even though the installation was over 2,000 miles away in his personal home. In the arbitration, Morgan introduced documentation of this deceit, and the panel found that Appellants had willfully disguised personal expenses as project costs. Treating Company money as a personal slush fund – and manipulating records to hide it – caused direct damage to the Company and constituted knowing breaches of contract and fiduciary duty.

B. Post-Judgment Enforcement Efforts Halted:

Before the trial court's stay, the Respondent had begun enforcing the judgment in other jurisdictions where the Respondent held assets. These efforts included initiating turnover proceedings and requesting a receiver in Harris County, Texas (the home state of the Appellants) and initiating related enforcement actions in Maricopa County, Arizona, where the Appellants hold property interests.

All such efforts in both jurisdictions ceased once the Charleston County Circuit Court issued the stay.

C. Few Other Apparent Assets to Satisfy Judgment

Respondent's investigation has identified very few unencumbered assets in Mr. Gilbert's or Mr. Fred's names that could satisfy the judgment:

1. Both individuals live in Texas, which means that any primary residence is protected from forced sale under Texas's broad homestead protection.
2. Mr. Fred (with his spouse) co-owns a luxury home in Scottsdale, Arizona, valued around \$4.4 million, but it carries a \$3 million mortgage, leaving at most approximately \$1.4 million in equity (likely less after costs). This asset, even if fully reachable, could cover only a fraction of the judgment. However, no judgment lien has been recorded against this Scottsdale home. Even more importantly, Arizona law severely limits any foreclosure or forced sale when a home is jointly owned with a spouse who is not liable for the judgment. In practical terms, the Petitioner currently has no secured claim

on this property, and even if a lien were filed, Arizona law protects a marital home from being sold to satisfy one spouse's debt when the other co-owner did not incur that debt. In this case, Mr. Fred's wife, Paula Fred, was never sued or served in the underlying action. Because Paula Fred was not a party to the judgment, her ownership interest in the Scottsdale property cannot be reached by this judgment without further legal proceedings in Arizona (if it can be reached at all). The judgment attaches, at best, only to Mr. Fred's interest in the home. Her half-interest remains outside the judgment's reach, meaning the equity tied up in her share of the property is presently beyond the creditor's grasp. As a result, the Scottsdale home cannot be involuntarily sold to satisfy the judgment. Only if Mr. and Mrs. Fred voluntarily sell or refinance the property would any of its equity become available to satisfy this debt. Short of the owners deciding to liquidate that asset, the Petitioner has no immediate way to convert the home's value into funds toward the judgment. This practical reality makes any near-term recovery from the Scottsdale property highly unlikely. In other words, even though the house has substantial equity on paper, collecting that value is speculative and likely a long way off. This underscores the urgency of lifting the stay – the Petitioner must be allowed to pursue and secure other assets that are reachable now, as the Arizona home's value cannot be tapped in the foreseeable future.

3. Mr. Fred has a 50% interest in a 2015 Cessna Citation CJ4 private jet held through an LLC named "Palali Air LLC. " The aircraft's market value is estimated to be between \$6 and \$ 6.5 million, making his half share potentially worth over \$ 3 million before any liens. However, a significant lien from Bank of America encumbers the plane, as

indicated by FAA records, which has been active since 2015 with no release on file. Moreover, the LLC structure further complicates collection efforts.

Petitioner has not found any substantial liquid assets, unencumbered real estate, or other easily collectible property in the Respondent's name that would be sufficient to satisfy the \$4 million judgment. This lack of reachable assets increases the concern that, without enforcement or security, the judgment may go unsatisfied.

D. Motion to Lift Stay or Impose Bond (December 2024).

As months passed, conditions materially worsened. On December 10, 2024, Petitioner moved the trial court to lift the stay or require a \$1,000,000 supersedeas bond (the maximum allowed by South Carolina law for this judgment). In support, Respondent submitted detailed affidavits (attached as **Exhibit B**) highlighting significant changes since the initial stay:

1. **Deteriorating Finances.** Appellants' flagship real estate project – *The Liam at Hays Farm*, a 329-unit apartment complex in Huntsville, Alabama – encountered severe delays and cost overruns. Construction dragged on for over 39 months (versus 16 months planned), incurring millions in unbudgeted costs, interest, and financing charges. Although *The Liam* opened in December 2024, leasing has been extraordinarily sluggish. By late February 2025, only 31 of the 329 units (approximately 9%) were leased, a pace so slow it would take over four years to fully occupy the building. Appellants tried to entice tenants with hefty concessions (two months' free rent plus \$500 gift cards), yet *zero* additional leases were signed in February 2025 despite these offers. Morgan's unrebutted analysis showed that to cover the project's overruns and ongoing shortfalls, Appellants would need to inject an additional \$20–30 million of capital

into *The Liam*. This dire financial situation raised serious doubts about Appellants' liquidity and their ability to satisfy the Bee Street judgment if the stay remained in place.

2. **Asset Dissipation Concerns:** Appellants John L. Gilbert and Stuart L. Fred have a documented history of shifting funds among their various business entities in ways that obscure the true ownership and availability of assets. Given the troubles at *The Liam* and Appellants' past conduct (as highlighted by the arbitration findings of self-dealing and record obstruction), Morgan voiced grave concern that, without enforcement or security, Appellants might lack either the ability or the willingness to satisfy the judgment. In other words, Appellants could attempt to hinder collection – for example, by hiding assets, diverting funds to related companies or insiders, or otherwise dissipating assets – during the pendency of the appeal. This concern was not theoretical; it was grounded in the very patterns of behavior that had been exposed in the arbitration and in Appellants' increasingly precarious financial position.

These undisputed facts established a materially changed situation since the initial stay was granted, reinforcing Morgan's request that the stay be lifted or a bond imposed. Notwithstanding this evidence, the trial court declined to grant any relief, as noted above. Morgan therefore turns to this Court for relief.

E. Worsening Developments (Early 2025)

Conditions have continued to deteriorate since the Respondent's December motion. By late March 2025, the leasing market remained weak. Appellants responded by significantly increasing incentives, offering twelve (12) weeks of free rent (up from eight weeks) and a \$500 gift card for new tenants. This unprecedented giveaway, equivalent to three months free on a 15-month lease or approximately 23% discount on annual rent, resulted in only a modest rise. By March 28, 2025, around

52 units, or nearly 16%, were leased. Even this slight improvement came at the cost of greatly reduced effective rent, undermining the project's revenue potential. Such extraordinary concessions highlight the distress in The Liam and the overall softness in the Huntsville rental market, where competing new developments offer significant discounts to attract tenants.

Updated valuations confirm a further decline in The Liam's financial position. The Respondent now estimates the property's fair market value at approximately \$68 million (\approx \$206,500 per unit) as of March 2025, reflecting a decrease of about 7% since late 2024. Critically, this current value is roughly equal to – or even less than – The Liam's combined debt and preferred equity: a \$46.9 million construction loan plus over \$20 million in accrued preferred equity. As a result, the Appellants' equity in The Liam has been wiped out; the project's remaining value is entirely consumed by debt and preferred equity obligations.

F. Urgency of Relief

With the judgment affirmed, there is no reason to maintain an unconditional stay. Petitioner respectfully asks this Court to lift the stay so he may record judgment liens and take other protective actions (short of foreclosure or execution sales) to secure his ability to collect. Alternatively, if any stay persists, Petitioner asks the Court to impose conditions – namely, a meaningful bond and limited financial discovery – to prevent irreparable prejudice during any remaining appellate proceedings.

IV. Grounds for Petition and Legal Argument

Respondent seeks relief from the trial court's stay order on two alternative grounds. Respondent asserts that an immediate lifting of the stay is justified. However, if the Court is reluctant to fully lift the stay, then a substantial bond and limited discovery should be imposed to safeguard Respondent's rights. The legal principles and equities supporting this Petition are as follows:

A. The Order Staying Enforcement Should Be Lifted

Under South Carolina law, a notice of appeal does not automatically stay the enforcement of a money judgment unless there is a court-ordered stay and adequate security. Here, the lower court granted a discretionary stay but imposed no security. Now that this Court has affirmed the judgment, there is no justification for any continued stay. On the other hand, there is a clear risk that Appellants will conceal, divert, or dissipate assets if enforcement remains stayed.

The underlying arbitration award revealed that Gilbert and Fred regularly moved money between entities to obscure financial transactions. This pattern of asset-shuffling greatly increases the danger that, given more time under a stay, Appellants could further divert or hide assets to frustrate collection efforts. Indeed, the longer an unsecured stay continues, the greater the risk that Respondent's ultimate victory will become hollow – any assets to satisfy the judgment may be moved beyond reach, leaving the judgment uncollectible.

Indeed, evidence from the arbitration underscores that these concerns are well-founded. During the arbitration, a key employee of Appellants provided testimony revealing deliberate deception in Appellants' financial practices. Jo Ved, Appellants' longtime in-house CPA and Comptroller, testified that, contrary to Appellants' claims, no financial records were ever "shredded in the ordinary course of business." In fact, the records were intact, and she had been instructed not to destroy any documents related to 150 Bee Street. Ms. Ved further recounted that Appellants falsely told the arbitration panel they had "provided everything" in terms of accounting records and emails – a representation that turned out to be untrue. This employee's testimony laid bare a pattern of dishonesty and obstruction by Appellants in handling financial information. If Appellants were willing to mislead their own partners and an arbitration panel about the existence of records, there is every

reason to believe they would similarly conceal or manipulate assets now to avoid satisfying the judgment.

Moreover, the arbitration award documented extensive commingling of personal and business funds by Appellants. The evidence showed that Appellants intermingled assets among their various corporations and themselves, blurring the lines between personal and corporate property. Money moved freely back and forth between Gilbert, Fred, and their wholly owned entities, to the point that the legal distinctions among the Defendant entities were virtually indistinguishable. The arbitration panel found that Appellants operated these companies as a single enterprise to facilitate their wrongdoing. This “melding of interests” enabled Gilbert and Fred to divert funds at will for personal benefit, and it adds an additional layer of complexity (and concern) when it comes to collecting the judgment. In essence, Appellants have treated their web of entities and accounts as one common pot of money. Such commingling makes it alarmingly easy for them to shift or hide assets, and thus amplifies the risk that, if the stay remains in place, Appellants will move assets beyond Morgan’s reach.

In light of Appellants’ proven record of deceit and fund-shifting, the indefinite stay (with no bond) that has been in effect since May 2024 is especially perilous. Indeed, since the judgment was entered, Appellants have enjoyed the benefit of a stay without posting any security, meaning Morgan alone bears the full risk of asset dissipation during the appeal. The longer this unsecured stay continues, the greater the chance that Appellants will succeed in making the judgment uncollectible. Equity does not require Morgan to stand by while his judgment is in jeopardy of becoming unenforceable.

On the other hand, lifting the stay will not unduly harm or prejudice Appellants. Respondent is not seeking to immediately execute on assets or force a fire sale. Rather, the immediate intent is merely to perfect judgment liens and otherwise secure the judgment in relevant jurisdictions – essentially to preserve the status quo of Appellants’ assets pending final resolution of the appeal.

Under South Carolina law, recording a judgment to create a lien on real property is a ministerial act that every judgment creditor is entitled to perform as a matter of course. See S.C. Code Ann. § 15-35-810 (a final judgment “shall constitute a lien upon the real estate of the judgment debtor” when entered or docketed, continuing for ten years). Importantly, creating a judgment lien is not the same as executing the judgment by levying or selling assets. South Carolina’s stay statute, S.C. Code Ann. § 18-9-130(A)(2), only prohibits a judgment creditor from enforcing collection by sale of property post-appeal absent a supersedeas bond; it does not prohibit the creditor from taking steps to secure or safeguard the judgment.

Morgan has no present intent to force any sale or to disturb Appellants’ use of their property. Simply allowing him to docket the judgment and obtain liens will not irreparably harm Appellants; it will merely ensure Appellants cannot liquidate, dissipate, or further encumber their assets free of the judgment. If for some reason the judgment were later overturned on further appeal, any liens can be promptly canceled with no lasting harm done. By contrast, if Morgan is prevented from even securing liens now, and Appellants quietly transfer or encumber assets in the interim, Morgan could irretrievably lose the practical benefit of his judgment. In short, lifting the stay to allow basic security measures would cause Appellants minimal prejudice (if any), while maintaining the stay with no bond places Morgan at severe risk.

Notably, in the proceedings below, the Appellants effectively conceded that the judgment should be at least partially secured. Their counsel stated on the record that the Appellants were willing to post a \$1,000,000 letter of credit for Morgan’s benefit if necessary. This offer demonstrates that requiring security is both feasible for Appellants and not unduly burdensome. Despite this, the lower court declined to require even that partial security. As a result, Appellants continue to evade payment while the judgment accrues interest at 11.5% per annum – increasing the debt (now in excess of \$4.02 million as of late February 2025) each day the stay remains in effect.

Appellants argued below that Morgan is adequately protected by the accrual of post-judgment interest during the appeal. That argument is misguided. First, Respondent's lawsuit was a derivative action on behalf of 150 Bee Street, LLC, meaning the judgment proceeds ultimately belong to the Company (and its innocent members), not directly to Morgan. More fundamentally, a right to collect interest is cold comfort if the judgment proves uncollectible in the end. The accrual of interest does nothing to prevent the dissipation or hiding of assets; if anything, mounting interest might even incentivize judgment debtors to delay and avoid payment altogether. Equity and common sense do not favor allowing a judgment debtor to continue enjoying unfettered use of their assets – potentially placing them beyond reach – simply because interest is ticking up in the background. For all these reasons, lifting the stay is appropriate and necessary in this case.

In sum, all factors favor immediately lifting the stay on enforcement. Respondent has a confirmed judgment and a powerful interest in prompt enforceability. Appellants have posted no bond, face a tenuous financial condition, and have a track record that calls their asset preservation into question. No legitimate purpose is served by further delay in Respondent's ability to secure his judgment. Accordingly, Respondent respectfully requests that the Court lift the stay of judgment enforcement in full, allowing him to record judgment liens and pursue other lawful enforcement measures to protect his rights.

B. Alternatively, a \$1,000,000 Supersedeas Bond Should Be Required.

If, for the sake of argument, this Court determines that a stay of execution should remain in place pending any further appellate review, then Appellants should be required to post adequate security at a minimum.

A notice of appeal from a judgment directing the payment of money does not stay the execution of the judgment unless the presiding judge before whom the judgment was obtained grants a stay of execution. If the presiding judge grants a stay of execution and requires a bond

or other surety to guarantee the payment of the judgment pending the appeal, the amount of the bond or other surety may not exceed the amount of the judgment or:

...

(b) one million dollars, whichever is less, for all other entities or individuals.

S.C. Code Ann. § 18-9-130.

Without a bond, Respondent alone bears the risk of any change in Appellants' financial position during appeal. This inverts the usual equitable principle that the party seeking delay provide security to mitigate harm from that delay. As the prevailing party, Respondent has a strong interest in the enforceability of his judgment even during appellate proceedings. This interest is especially acute given this case's protracted timeline: the judgment was entered over a year ago (Feb. 6, 2024) and enforcement has been stayed since May 8, 2024. Now, even after this Court's ruling (March 26, 2025), Appellants may attempt further review, prolonging the stay and interest accrual. Every month of delay is a real economic loss to Respondent and, more importantly, increases the risk that Appellants' precarious finances will worsen.

The judgment is about \$4.0 million plus accruing interest. Yet under South Carolina law, the maximum supersedeas bond for this judgment is \$1,000,000 (applicable to individuals and smaller businesses). Respondent's request for a \$1 million bond thus represents only ~25% of the total judgment—a modest safeguard. Requiring the statutory-maximal bond is reasonable and necessary: it would partially protect Respondent against further asset dissipation and secure a meaningful portion of the judgment (akin to a down payment). The bond amount is capped by statute to avoid undue hardship on debtors, so Appellants cannot claim it is excessive. In fact, as noted, Appellants have already offered to post a \$1 million letter of credit, confirming their ability to provide such security. This concession undercuts any argument that a bond would be impossible or overly burdensome.

In summary, if the stay is not lifted entirely, this Court should exercise its authority under Rule 241(c)(3), SCACR, to condition the stay on posting security. A bond (or irrevocable letter of credit) of \$1,000,000 is the appropriate condition, as it is the maximum allowed by law and has effectively been conceded as reasonable by Appellants' prior offer. This bond would ensure Respondent can recover at least a portion of the judgment (and possibly costs and interest) if Appellants' financial situation continues to decline during further appellate proceedings.

V. The Court Should Permit Targeted Discovery into Appellants' Financial Affairs

Respondent also respectfully requests that the Court authorize limited, targeted discovery regarding Appellants' financial condition and any material asset transfers during the pendency of further appeal.

Here, several factors justify allowing limited discovery aimed at preventing asset dissipation if the stay remains:

- A. Extraordinary Circumstances:** Appellants are primarily Texas residents with complex, multi-state business interests (in Texas, Arizona, Alabama, and possibly elsewhere). Respondent has already had to pursue enforcement in multiple states, highlighting the difficulty of tracking Appellants' assets. There is credible evidence (from the arbitration findings and Respondent's affidavits) suggesting assets could be transferred or hidden. Evidence about The Liam and other assets provides exactly such credible concern. This is not a typical case of a financially stable judgment debtor with transparent assets. Rather, the combination of a large unsecured judgment, far-flung assets, and a history of complex financial maneuvering presents extraordinary circumstances warranting vigilance.
- B. Incomplete Information Due to Stay:** The current stay has prevented Respondent from conducting normal post-judgment discovery, leaving an incomplete picture of Appellants'

finances. To date, Respondent's knowledge is limited to assets discoverable via public records or informal investigation. It is unknown what other assets or recent transfers might exist in less visible forms. This lack of transparency itself justifies court-authorized discovery. Targeted inquiries will allow Respondent to uncover any additional assets or diversion of funds that Appellants may have kept hidden, ensuring they do not exploit the appellate stay to shield assets. Such discovery is necessary to preserve the status quo and prevent further asset concealment while the judgment remains unpaid.

C. Narrow Tailoring to Minimize Burden: Respondent proposes discovery strictly limited in scope, focused only on preserving assets, to minimize any burden on Appellants. Specifically, Respondent seeks authority for:

1. Periodic Financial Disclosures: Appellants should, quarterly, disclose any significant financial changes – e.g., transfers or sales of assets above a threshold (such as \$100,000), the creation of any new entities to hold assets, and any unusual distributions or draws from their businesses.
2. Limited Depositions: Respondent may take no more than two depositions (of Appellants or their knowledgeable agents), each up to four hours, and only if the above disclosures reveal transactions or events that raise significant concern requiring clarification.
3. Targeted Third-Party Subpoenas: If the stay persists, allow Petitioner to serve narrowly tailored subpoenas duces tecum on two third parties involved in The Liam's financing (Bryant Bank and Parse Capital). These subpoenas would seek only documents/communications necessary to understand the continued funding of the distressed project, specifically: (i) records of any capital infusions into The Liam since 2021; (ii) information on sources of funds used to service the Bryant Bank loan since

inception; and (iii) whether any additional capital contributions or guarantees have been required from or provided by Respondents since the original financing agreements.

These measures are designed solely to preserve evidence and asset status, not to delve into unrelated personal matters. In essence, Respondent seeks to monitor the situation to ensure that if the judgment is ultimately upheld through final appeal, it will not have been rendered uncollectible in the meantime. This is a minimal intrusion given the stakes.

CONCLUSION

For the foregoing reasons, Respondent Thomas H. Morgan respectfully requests that this Court grant this Petition and issue an Order providing the following relief:

1. Lift the stay of execution of the judgment in full, thereby allowing Petitioner to immediately pursue all lawful enforcement and judgment-security measures (including recording judgment liens on Respondents' property and interests) as permitted by South Carolina law;

Or, if the Court is not inclined to lift the stay, then:

2. Require Respondents to post a supersedeas bond (or provide an equivalent irrevocable letter of credit) in the amount of \$1,000,000 as a condition of any continued stay of execution during further appellate proceedings; and
3. Permit Petitioner to conduct limited post-judgment discovery during the pendency of the appeal, specifically:

- a. Requiring Respondents to provide quarterly financial updates disclosing any significant asset transfers, dispositions, or new encumbrances;
- b. Allowing Petitioner to take up to two depositions (maximum of four hours each) if warranted to follow up on information from those disclosures; and
- c. Authorizing Petitioner to serve narrowly tailored subpoenas on Bryant Bank and Parse Capital to obtain documents and communications: (i) reflecting or confirming any capital infusions into The Liam project since 2021; (ii) identifying the source of funds used to service the Bryant Bank loan since its inception; and (iii) showing whether any additional capital contributions have been required or requested from Respondents, or any guarantees provided or pledged by them, since the original financing agreements. (No depositions or testimony are sought from these third parties; this request is limited solely to financial records necessary to understand the project's continued funding.)

Granting such relief is necessary to protect Petitioner's legitimate interests as the prevailing party, to preserve the collectability of the judgment, and to prevent irreparable harm from asset dissipation. This relief would be consistent with Rule 241, SCACR and South Carolina law, imposing only a minimal burden on Respondents compared to the substantial prejudice Petitioner will suffer if the judgment remains unsecured. Petitioner also requests such other and further relief as the Court deems just and proper.

Respectfully submitted,

/s W. Andrew Gowder, Jr.

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April 11, 2025

EXHIBIT A

STATE OF SOUTH CAROLINA)	COURT OF COMMON PLEAS
COUNTY OF CHARLESTON)	C.A. NO. 2012-CP-10-00580
)	
THOMAS H. MORGAN)	
)	
Plaintiff,)	
)	
v.)	ORDER DENYING
)	PLAINTIFF’S MOTION TO
)	LIFT STAY
JOHN L. GILBERT, STUART L. FRED,)	
BELLA VISTA PARTNERSHIP, A TEXAS)	
GENERAL PARTNERSHIP, BOMASADA)	
GROUP, INC., A TEXAS CORPORATION,)	
BOMASADA INVESTMENT GROUP II,)	
LLC, A TEXAS LIMITED LIABILITY)	
COMPANY, LAURALIS MANAGEMENT,)	
INC., A TEXAS CORPORATION AND 150)	
BEE STREET, LLC, A SOUTH CAROLINA)	
LIMITED LIABILITY COMPANY,)	
)	
Defendants.)	
)	

On May 8, 2024, the Court issued its order (the “**Stay Order**”) granting the motion of Defendants John Gilbert, Stuart Fred, Bella Vista Partnership, Bomasada Group, Inc. Bomasada Investment Group, II and Lauralis Management, Inc. (hereinafter, collectively, the “**Judgment Debtors**”) to stay enforcement of the judgment entered by this Court on February 6, 2024 (hereinafter the “**Judgment**”). Plaintiff Thomas H. Morgan (“**Plaintiff**”) did not file a motion to reconsider at that time. Instead, on December 10, 2024, Plaintiff filed the instant motion to lift the stay granted by the Court in the Stay Order (the “**Motion**”). The Court heard oral argument on the instant Motion on March 4, 2025 and has carefully considered arguments of counsel and submissions. For the reasons set forth below, the Court denies Plaintiff’s Motion.

The Judgment is currently on appeal to the South Carolina Court of Appeals, No. 2024-000322. Counsel for both Plaintiff and the Judgment Debtors have noted that the appeal has been fully briefed to the Court of Appeals. On or about November 26, 2024, prior to the Plaintiff's filing of the instant Motion, the Judgment Debtors filed a motion with the Court of Appeals seeking to expedite that Court's consideration of the appeal. The Court of Appeals denied this motion on or about January 9, 2025. However, this Court notes that the Court of Appeals has notified counsel that the appeal will be submitted to the Court of Appeals without oral argument during the March 2025 term.

In support of the instant Motion, Plaintiff submits that circumstances have changed since the Court issued its Stay Order on May 8, 2024, particularly in the Huntsville, Alabama multifamily real estate market, and suggests that the Judgment Debtors have taken action to hide assets. In support of this claim, Plaintiff has submitted two affidavits of Thomas Morgan. Prior to the Court's issuance of the Stay Order, Plaintiff had taken steps to attempt to enforce the Judgment in Harris County, Texas and in Maricopa County, Arizona. In Texas, Plaintiff had applied for a "Turnover after Judgment and for the Appointment of a Receiver."

The Court finds these affidavits unpersuasive. In essence, Plaintiff contends that an alleged change of market conditions affecting property in the Huntsville, Alabama, on which Plaintiff holds himself out as an "expert," have deteriorated thereby justifying a lifting of the Stay Order. Plaintiff has presented no evidence regarding the other locations in which he has sought to enforce the Judgment. Moreover, Plaintiff has offered no evidence indicating that the Judgment Defendants have taken any action to hide assets since the issuance of the Stay Order in May 2024.

The Court notes that market conditions are often subject to change. As counsel for the Judgment Debtors noted, general interest rates are down 100 basis points from the Court's issuance

of the Stay Order and capitalization rates, which impact the value of income producing properties, often decrease with a decrease in interest rates thereby increasing the property's underlying value. The Standard & Poor's 500 index is up approximately 20% since the issuance of the Stay Order.

After carefully considering the evidence presented by the parties, arguments of counsel and the notification from the Court of Appeals, the Court **DENIES** Plaintiff's Motion to lift or modify the Stay Order.

IT IS SO ORDERED.

-ELECTRONIC SIGNATURE PAGE TO FOLLOW-



Charleston Common Pleas

Case Caption: Thomas H Morgan VS John L Gilbert , defendant, et al

Case Number: 2012CP1000580

Type: Order/Stay

So Ordered

s/Jennifer B. McCoy #2764

EXHIBIT B

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STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

THOMAS H. MORGAN,

Plaintiff,

v.

JOHN L. GILBERT, STUART L. FRED,
BELLA VISTA PARTNERSHIP, A TEXAS
GENERAL PARTNERSHIP, BOMASADA
GROUP, INC., A TEXAS CORPORATION,
BOMASADA INVESTMENT GROUP II, LLC, A
TEXAS LIMITED LIABILITY COMPANY,
LAURALIS MANAGEMENT, INC., A TEXAS
CORPORATION, and 150 BEE STREET, LLC, A
SOUTH CAROLINA LIMITED LIABILITY
COMPANY,

Defendants.

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT

Civil Action No. 2012-CP-10-00580

AFFIDAVIT OF THOMAS MORGAN

Thomas Morgan, being sworn, states as follows:

1. I am familiar with the facts in this affidavit and make this statement based on my knowledge, belief and review of the most recent market information.
2. I am experienced in real estate development, having undertaken real estate development projects and managed real estate investments in several states in the United States.
3. I know that Bomasada, through Mr. Stuart L. Fred and Mr. John L. Gilbert, is developing an apartment project in Huntsville, Alabama.
4. I am concerned that this project is under financial stress and that, as a result, Mr. Fred and Mr. Gilbert will be under pressure to liquidate assets that might otherwise be available to satisfy my judgment against them to continue to service the debt on this current project.

5. Based on my experience and knowledge, I have researched their current project, The Liam, and the general Huntsville market. This is what I have found.

Huntsville Apartment Market Deterioration

6. The Huntsville apartment market has experienced substantial deterioration, particularly for newly constructed developments. The rapid pace of construction, driven by a surge in supply and rising vacancy rates, has compounded financial difficulties for developers, especially those trying to lease up newly built units. The following factors contribute to this decline.
7. **Overbuilding and Market Saturation.** Since 2022, Huntsville has been the fastest-growing apartment market in the United States, with annual inventory growth far outpacing demand. By the end of the first quarter of 2024, approximately 5,900 units were completed, representing an astounding 15.9% increase in inventory. An additional 6,900 units are expected to be completed by early 2025, further pushing inventory growth by 16.2%. This level of supply expansion has overshadowed demand, resulting in rising vacancies and making it exceedingly difficult for new developments to stabilize.
8. **Declining Occupancy Rates.** Due to the influx of new units, occupancy rates in Huntsville have struggled. In April 2024, the rate fell to 93.7%, 270 basis points below the five-year average. With the market working to absorb new deliveries, the supply is currently overwhelming the demand, creating a challenging environment for developers to attract tenants, especially for newly constructed properties that require high occupancy to meet financial expectations.
9. **Falling Rent Growth and Concessions.** Rent growth in Huntsville has stagnated as a direct result of the oversupply. Developers have had to reduce rents or offer concessions to fill vacant units. In April 2024, effective asking rents fell by 3.3% year-over-year, marking

the 11th consecutive month of rent declines. These rent reductions are especially problematic for newly built developments that need premium rents to cover high construction and financing costs.

10. **Impact on New Developments.** Due to the market's oversupply, new developments in Huntsville are facing extended lease-up periods, which is placing severe financial strain on them. Developers are forced to offer lower rents and concessions, which compromises their ability to meet loan obligations and achieve profitable operations. Rising interest rates have also increased borrowing costs, and many of these projects are now underwater and struggling to achieve positive cash flow.
11. **Additional Economic Pressure.** Huntsville's apartment market is expected to remain under pressure due to the substantial pipeline of projects still under construction. By early 2025, the market will face another significant wave of new units, further exacerbating the supply-demand imbalance. While job growth in Huntsville has been robust, it has not been enough to offset the dramatic increase in apartment inventory. This oversupply will likely result in a prolonged period of rent stagnation and below-average occupancy rates, particularly for newer developments.
12. The Huntsville apartment market is deteriorating rapidly, with the primary challenge being an overwhelming supply of new units that have far outpaced demand. Newly built developments, in particular, are bearing the brunt of this downturn, as occupancy rates have dropped, rents are being cut, and the lease-up periods are extending far beyond initial projections. Given the additional 6,900 units expected by early 2025, this oversupply will worsen, leaving developers in a precarious financial position. For developers of new projects, the Huntsville market presents significant economic risks, and many developments will likely face ongoing challenges in achieving profitability.

Updated Findings from CoStar Report:

13. The Huntsville multifamily vacancy rate remains elevated at **18.3%**, significantly above its 10-year average of 10%. (CoStar Report, Exhibit 1)
14. High levels of new supply, including **over 6,500 units delivered in the past year**, have outpaced absorption rates and contributed to rising vacancies.
15. Effective rents in Huntsville declined by **2.4% year-over-year**, with Class A (4 & 5 Star) properties experiencing a sharper decline of **4.2%**.
16. **Bomasada's Liam project remains under construction** and faces heightened financial risks due to the challenging market conditions, including extended lease-up times and negative rent growth.
17. The Liam is currently offering **8 weeks of free rent** as a leasing concession, an indication of the financial strain and oversupply in the market.
18. Sales activity in the Huntsville multifamily market has been exceptionally low, with just **\$36.3 million in sales volume over the past 12 months**, far below the historical annual average of \$224 million.

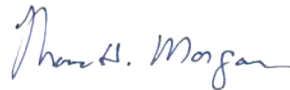
The Liam Project

19. Bomasada's 329-unit multifamily project, **The Liam**, was initially financed with a Construction Loan of \$46.9 million from Bryant Bank and Preferred Equity of \$12 million from Parse Capital. (<https://parsecap.com/asset/pref-equity-development-multifamily-27/>) (Mortgage, Assignment, and Security Agreement, Exhibit 2)
20. Based on a typical 65% loan-to-value ratio, the original total project cost is likely \$72,153,846.

21. The initial equity required for the project, calculated as the total estimated cost minus the construction loan from Bryant Bank and the Preferred Equity Piece from Parse Capital, would be approximately \$13,253,846.
22. According to John Gilbert's testimony during the arbitration hearing, equity funding for Bomasada's projects came from outside sources, including individual and corporate investors, family, and friends. Funds could also have come from Fred and Gilbert individually.
23. The combination of delays, rising interest rates, and a weakened market means the project is unlikely financially viable without significant additional equity. These findings highlight the project's severe financial risks and emphasize the need for protective measures or financial securities during the appeal process. Fred and Gilbert must raise more funds from investors or their own pockets before the construction loan period expires.
24. I next estimated Liam's current value based on comparison sales of other newly built properties in Huntsville and Bomasada's actual cost basis upon completion and lease-up of the project. I accounted for the overages caused by the construction delay, increased interest rates, and the increased time to lease up the project due to the market collapse and overbuilding in Huntsville.
25. Based on my review of the recent sales and refinancing data of higher-end apartment properties in Huntsville, AL, comparable to the Liam, I determined an average of \$222,000 per unit once 95% occupied and leased. Multiplying that by 329 units results in a total value of \$73,000,000.
26. Assuming a loan-to-value ratio of 70% on permanent financing, the maximum loan amount would be \$51,000,000. However, this would not produce enough proceeds for Bomasada,

- Fred, and Gilbert to pay off their preferred equity and construction loans, totaling approximately \$64,300,000.
27. The result is that Fred, Gilbert, and Bomasada would need to come up with a figure of \$13,200,000 to pay their construction loan and preferred equity.
 28. Assuming the property is completed in December 2024, the additional construction time above the 20-month typical construction period is 16 months. Adding the cost of a minimum of 12 months of extra time to lease the property because of the overbuilding and completion of the new building totals an additional 28 months over the initially anticipated time. (The Liam website currently has a “Eight weeks free rent” giveaway.)
 29. The additional project costs include the interest on the construction loan and the preferred equity piece due to the delay, property taxes, and other interim operating and management costs during the lease-up on the vacant units. They also include the additional interest due to the increased borrowing costs due to higher interest rates during this period.
 30. The borrower will owe **\$4,323,219** in additional interest costs due to the extended 36-month construction and lease-up period and the increase in interest rates from 2021 to 2024.
 31. This calculation assumes an even drawdown of the loan, with the loan fully utilized at the end of construction and no significant changes in the interest rate during this extended period.
 32. For the preferred equity piece, the additional interest is approximately **\$7,896,000**. Thus, the total additional interest between debt and preferred equity is **\$12,219,000**.
 33. In addition to interest, the additional operating costs due to vacant units during the lease-up period, estimated at 65% of gross rents for ½ of the additional lease-up periods, would be approximately \$2,400,000.

34. Thus, the total estimated project costs due to construction delays, leasing delays, and interest equals approximately \$14,000,000.
35. **This, combined with the equity shortfall that will have to be covered at permanent financing, shows that Fred, Gilbert, and Bomasada will need to find between \$20,000,000 and \$30,000,000 to cover the costs of The Liam.**
36. I am entitled to be protected as a judgment holder from assets being liquidated to pay these expenses when I should hold a superior position as a judgment creditor.
37. I respectfully request the Court's assistance in (1) entering an order preventing the Defendants from transferring assets to make them unavailable for execution, (2) allowing me to proceed to perfect my liens in the states where the Bomasada Defendants own property, and (3) requiring those defendants to post a bond to the maximum extent allowed by this state's law.



Thomas H. Morgan

SWORN before me this 10th day of December, 2024

s/ Bailey Laura Pope

Notary Public for the State of South Carolina

My Commission Expires: July 30, 2030



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Multi-Family Market Report Huntsville - AL USA

PREPARED BY

David Wilson
Senior Director



MULTI-FAMILY MARKET REPORT

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Overview

Huntsville Multi-Family

12 Mo Delivered Units

6,543

12 Mo Absorption Units

4,490

Vacancy Rate

18.3%

12 Mo Asking Rent Growth

-2.4%

The vacancy rate in the Huntsville multifamily market has ticked down slightly from a record high earlier this year, but at 18.3% remains far above the market's 10-year average of 10.0%.

As of 24Q3, net absorption in Huntsville has totaled 4,500 units over the past year. That level is triple Huntsville's historical annual average as the market benefits from domestic migration and robust job growth.

Madison/Airport and University/Research Park are the Huntsville submarkets with the highest demand over the past 12 months. Looking ahead, the market's demand-side outlook remains strong. The Huntsville job market continues to grow, and strong economic growth is helping support demand across multifamily subclasses across the metro.

Although Huntsville has experienced high demand, the market has experienced even higher levels of new supply. Net deliveries in Huntsville have totaled 6,500 units over the past 12 months, more than three times the market's historical annual average. Madison/Airport,

Limestone County, and University/Research Park received the bulk of the new inventory.

The multifamily vacancy rate in Huntsville rose steadily for four years, up from a trough of about 5% in 2020 to a peak of 19.6% in 24Q1. Since then, vacancies have declined modestly, and are likely to continue to fall in the medium term. Construction starts have been moderate over the past year, and the market's construction pipeline has declined, signaling that deliveries will slow in the coming quarters. There are currently 3,200 units under construction in the market.

With its elevated multifamily vacancy rate, landlords have lost pricing power and annual rent growth in Huntsville has been negative, changing -2.4% over the past 12 years.

Like in many multifamily markets around the country, sales activity in Huntsville has been far below normal. The market has seen a total of just \$36.3 million trade over the past 12 months. Private investors, many of them from out of state, have been the main purchasers.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	20,926	24.2%	\$1,449	\$1,402	74	0	2,420
3 Star	20,346	15.2%	\$1,160	\$1,129	22	0	778
1 & 2 Star	5,008	6.7%	\$867	\$858	(1)	0	0
Market	46,280	18.3%	\$1,268	\$1,232	95	0	3,198

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	2.1% (YOY)	9.2%	12.3%	19.6%	2024 Q1	5.1%	2020 Q2
Absorption Units	4,490	781	2,763	4,433	2024 Q3	(337)	2007 Q2
Delivered Units	6,543	1,077	2,284	6,625	2024 Q3	0	2012 Q3
Demolished Units	0	2	15	42	2015 Q4	0	2024 Q3
Asking Rent Growth	-2.4%	1.7%	2.6%	7.9%	2022 Q1	-3.3%	2009 Q4
Effective Rent Growth	-3.2%	1.6%	2.6%	7.9%	2022 Q1	-4.3%	2024 Q1
Sales Volume	\$36.3M	\$147.6M	N/A	\$717.2M	2022 Q3	\$130K	2010 Q3

Huntsville's multifamily vacancy rate reached an all-time high earlier this year and has since declined modestly to 18.3%. Even with the recent decline, vacancies in the market are still far above the national vacancy rate of 7.8% and more than triple Huntsville's recent trough of about 5% in 2020.

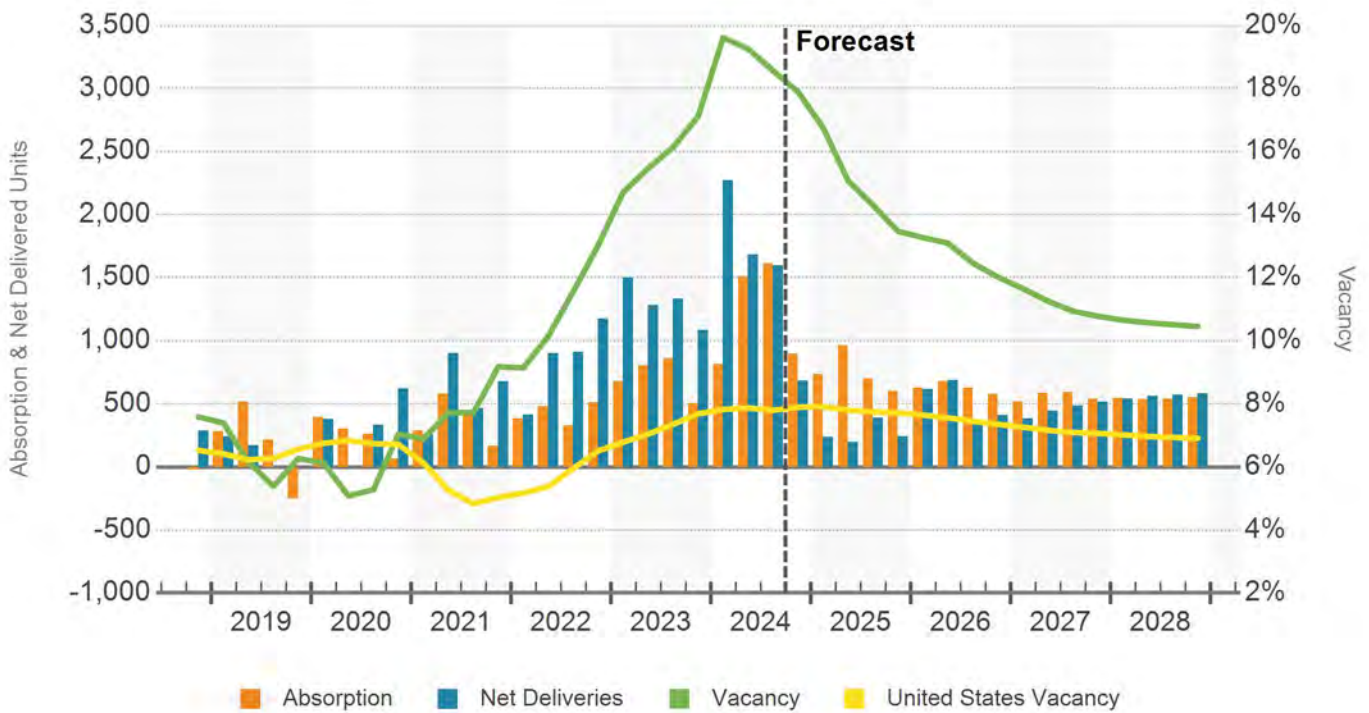
Vacancies are particularly high in Huntsville properties rated 4 & 5 Star, at 24.2%. Limestone County and Outlying Madison are the Huntsville markets with the highest vacancy rates, while vacancies are lowest in South Madison County.

Huntsville's elevated vacancy rate has come despite high demand. Net absorption in Huntsville has totaled 4,500 units over the past 12 months, triple the market's

historical annual average. Huntsville's multifamily market benefits from high population growth and above-average incomes. Median household income in Huntsville is \$85,000, which is above the national average of \$77,000 and is significantly higher than nearby Birmingham's median income of \$69,000 per household.

While demand in Huntsville has been high over the past year, it has not kept pace with the abundance of new inventory that has been delivered. Developers have built 6,500 units in the market over the past year, three times the market's historical average. The new supply has been spread around the market, with the submarkets of Madison/Airport, Limestone County, and University/Research Park all receiving significant amounts of new supply.

ABSORPTION, NET DELIVERIES & VACANCY

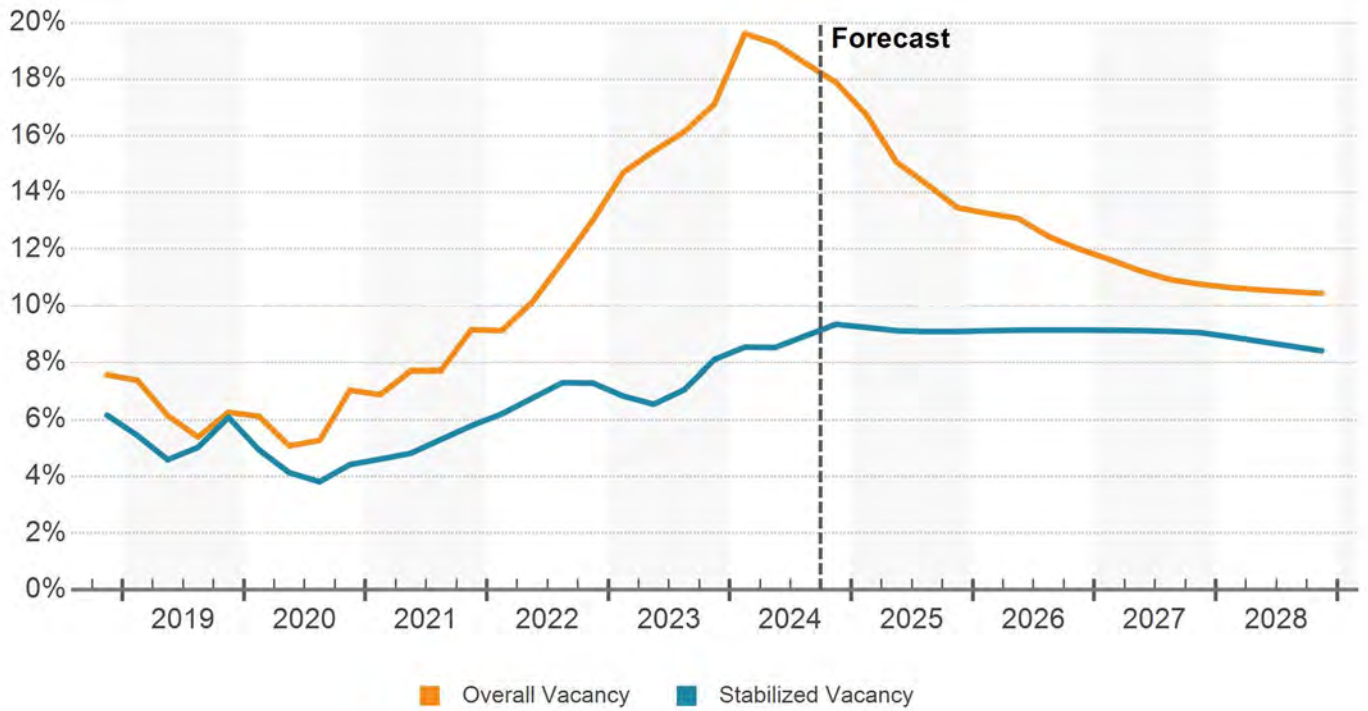


Vacancy

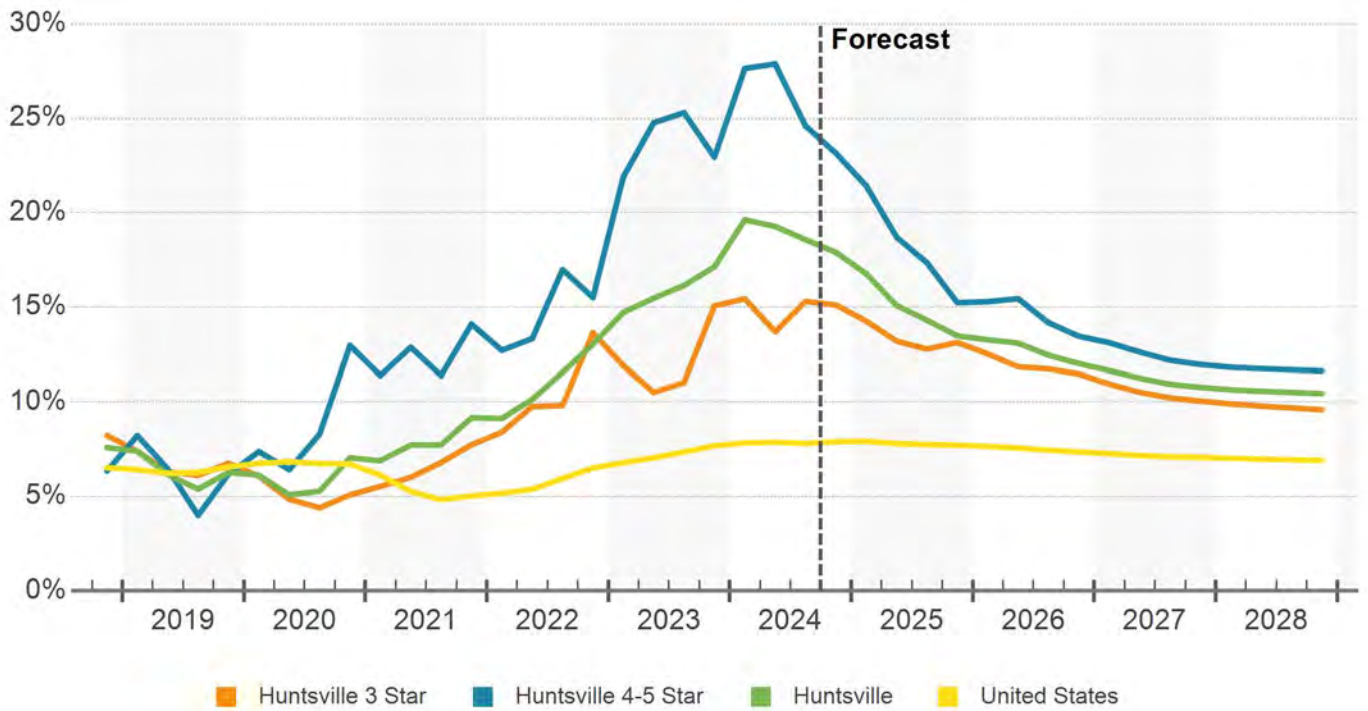
Huntsville Multi-Family

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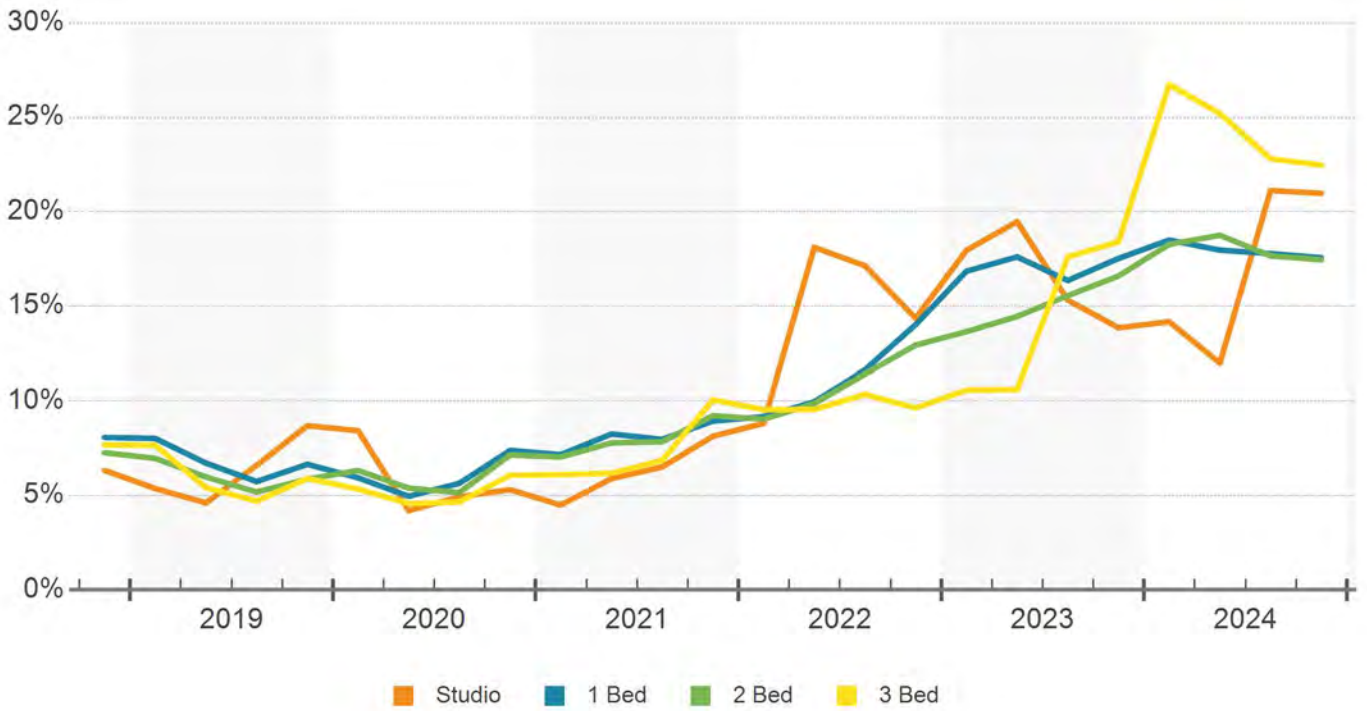
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Rent

Huntsville Multi-Family

With vacancies rising to record levels earlier this year, owners and landlords in Huntsville have lost pricing power. As a result, average asking rents in the market have changed -2.4% over the past 12. This is a contrast to the national market, which has experienced annual rent growth of 1.0%.

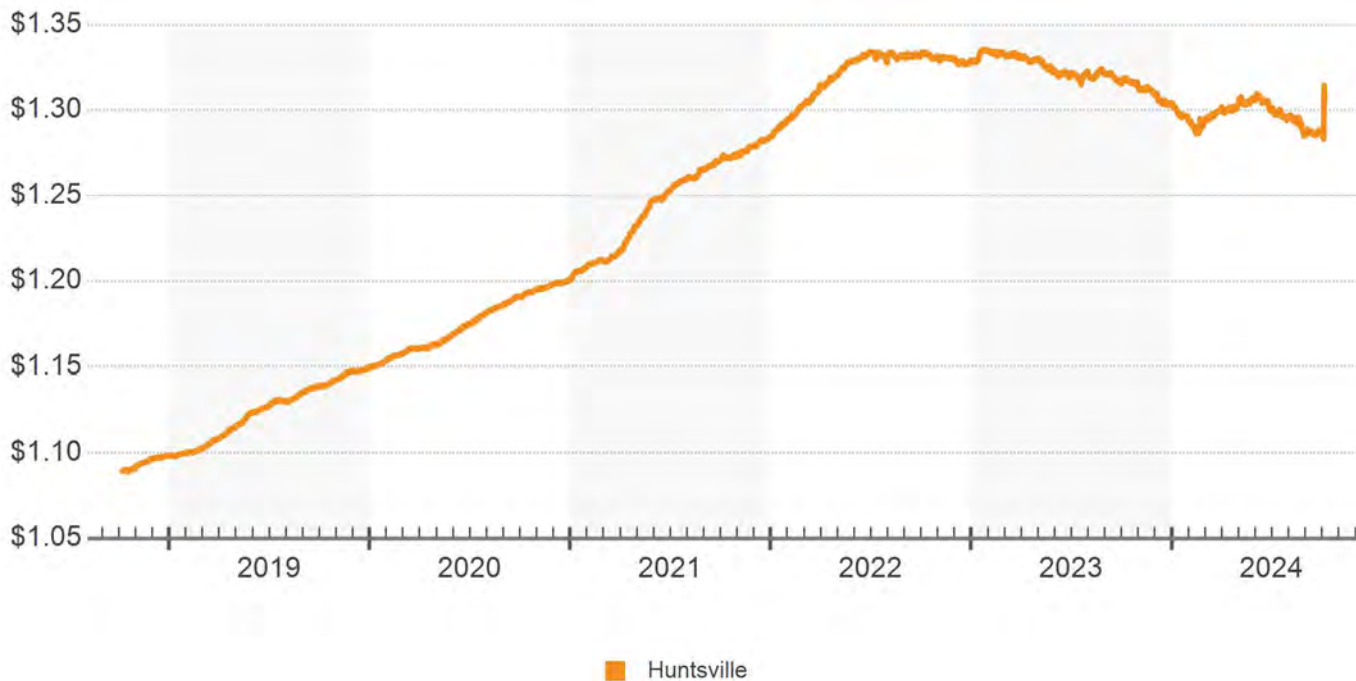
Much of Huntsville's recently delivered inventory has been in the 4 & 5 Star segment. Those properties have experienced the steepest rent declines, with rents changing -4.2% over the past 12 months. Rents at 3 Star properties have also declined, while 1 & 2 Star properties have seen modest increases.

Huntsville is a relatively affordable multifamily market, with average asking rents of \$1,270/month. That level is significantly below the U.S. average of \$1,730/month and

is also lower than rents in Southeastern markets such as Atlanta and Nashville. However, rents in Huntsville are among the most expensive in Alabama. Huntsville's asking rents are slightly above those in nearby Birmingham and are well above those in Mobile and Montgomery.

Top-of-the-line apartments in Huntsville can be rented at a particular discount compared to high-end assets nationally. Properties rated 4 & 5 Star in Huntsville have average asking rents of only \$1,450/month, compared to the national benchmark of \$2,120/month. Considering that median household incomes in Huntsville are above the national average, Huntsville holds a significant affordability advantage compared to most markets nationwide.

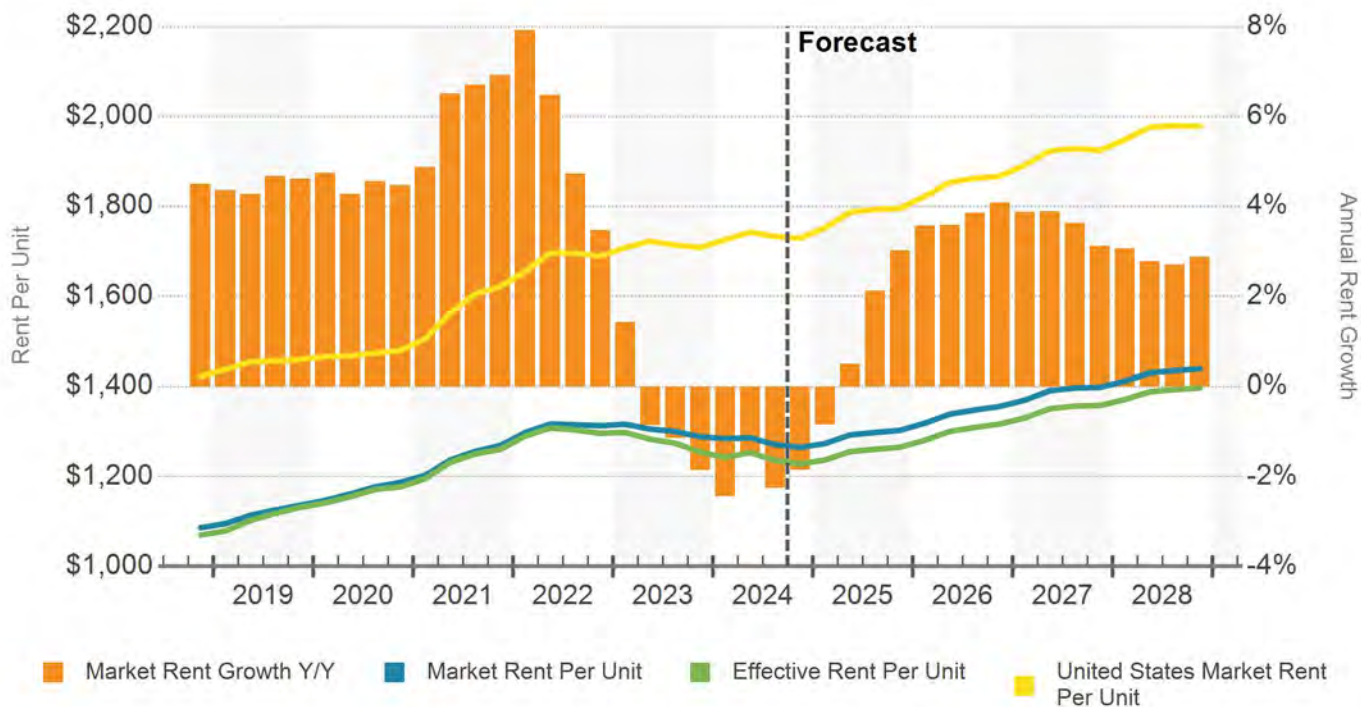
DAILY ASKING RENT PER SF



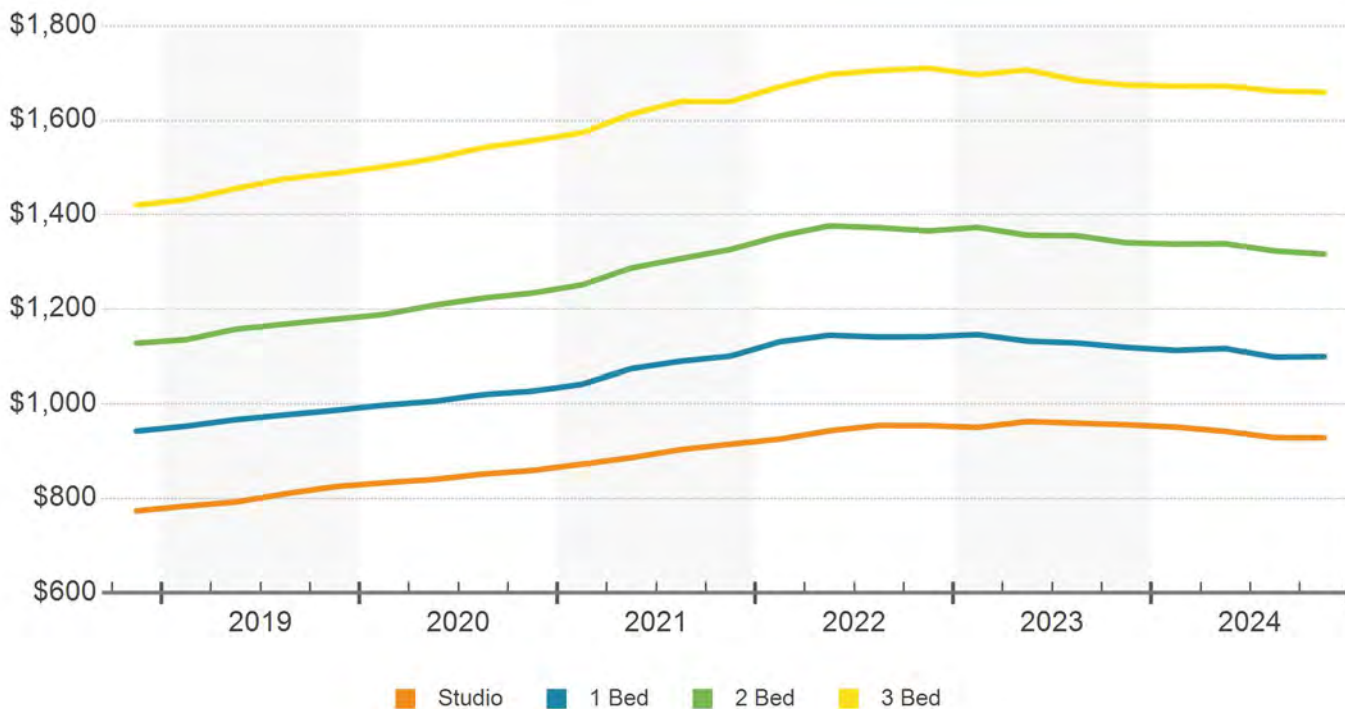
Rent

Huntsville Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



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Rent

Huntsville Multi-Family

4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Huntsville	\$0.41	\$0.90	\$0.64	\$0.32	\$0.52	\$0.64	\$0.33	\$0.54	\$0.06	\$0.19	\$0.38	\$4.93
Central	\$0.42	\$0.94	\$0.66	\$0.34	\$0.55	\$0.67	\$0.34	\$0.56	\$0.07	\$0.21	\$0.39	\$5.15
Limestone County	\$0.42	\$0.94	\$0.66	\$0.34	\$0.55	\$0.67	\$0.34	\$0.56	\$0.07	\$0.21	\$0.39	\$5.15
Madison/Airport	\$0.40	\$0.83	\$0.60	\$0.28	\$0.49	\$0.60	\$0.32	\$0.51	\$0.06	\$0.16	\$0.36	\$4.61
South Madison Cou...	\$0.42	\$0.94	\$0.66	\$0.34	\$0.55	\$0.67	\$0.34	\$0.56	\$0.07	\$0.21	\$0.39	\$5.15
University/Research...	\$0.42	\$0.94	\$0.66	\$0.34	\$0.55	\$0.67	\$0.34	\$0.56	\$0.07	\$0.21	\$0.39	\$5.15

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Huntsville	\$0.34	\$0.52	\$0.42	\$0.12	\$0.31	\$0.41	\$0.26	\$0.37	\$0.04	\$0.05	\$0.30	\$3.14
Central	\$0.33	\$0.49	\$0.40	\$0.11	\$0.29	\$0.39	\$0.25	\$0.32	\$0.04	\$0.03	\$0.29	\$2.94
Limestone County	\$0.34	\$0.50	\$0.41	\$0.11	\$0.30	\$0.39	\$0.25	\$0.38	\$0.04	\$0.03	\$0.29	\$3.04
Madison/Airport	\$0.36	\$0.59	\$0.46	\$0.16	\$0.35	\$0.45	\$0.27	\$0.41	\$0.04	\$0.07	\$0.31	\$3.47
Outlying Madison C...	\$0.33	\$0.49	\$0.40	\$0.11	\$0.29	\$0.39	\$0.25	\$0.34	\$0.04	\$0.03	\$0.29	\$2.96
South Madison Cou...	\$0.34	\$0.50	\$0.41	\$0.11	\$0.30	\$0.39	\$0.25	\$0.38	\$0.04	\$0.03	\$0.29	\$3.04
Southwest	\$0.34	\$0.49	\$0.41	\$0.11	\$0.29	\$0.39	\$0.25	\$0.35	\$0.04	\$0.03	\$0.29	\$2.99
University/Research...	\$0.34	\$0.56	\$0.44	\$0.14	\$0.33	\$0.43	\$0.26	\$0.37	\$0.04	\$0.06	\$0.30	\$3.27

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Huntsville	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.38	\$0.23	\$0.23	\$0.03	\$0.03	\$0.28	\$2.72
Central	\$0.31	\$0.48	\$0.40	\$0.11	\$0.29	\$0.38	\$0.24	\$0.27	\$0.03	\$0.03	\$0.28	\$2.82
Limestone County	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.37	\$0.23	\$0.21	\$0.03	\$0.03	\$0.28	\$2.69
Madison/Airport	\$0.31	\$0.48	\$0.39	\$0.11	\$0.29	\$0.38	\$0.24	\$0.26	\$0.03	\$0.03	\$0.28	\$2.80
Outlying Madison C...	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.38	\$0.23	\$0.23	\$0.03	\$0.03	\$0.28	\$2.72
South Madison Cou...	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.37	\$0.23	\$0.21	\$0.03	\$0.03	\$0.28	\$2.69
Southwest	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.37	\$0.23	\$0.21	\$0.03	\$0.03	\$0.28	\$2.69
University/Research...	\$0.30	\$0.47	\$0.39	\$0.10	\$0.28	\$0.37	\$0.23	\$0.21	\$0.03	\$0.03	\$0.28	\$2.69

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Construction

Huntsville Multi-Family

There has been a high level of construction activity in the Huntsville multifamily market over the past year, but that is changing. Encouraged by Huntsville's strong demographic growth and favorable long-term economic outlook, net deliveries in the market have totaled 6,500 units over the past 12 months. That level is triple the market's 10-year annual average of 1,900.

Activity has been spread around geographically, with the submarkets of Madison/Airport, Limestone County, and University/Research Park all receiving over 1,000 units. Over 75% of the apartments built in the past year have been 4 & 5 Star properties, and Huntsville's 4 & 5 Star inventory has more than doubled since the start of 2020. Notable recent deliveries include Stella at Five Points, a 4 Star, 351-unit property that was delivered in July. The average asking rent at Stella at Five Points is about \$1,650/month.

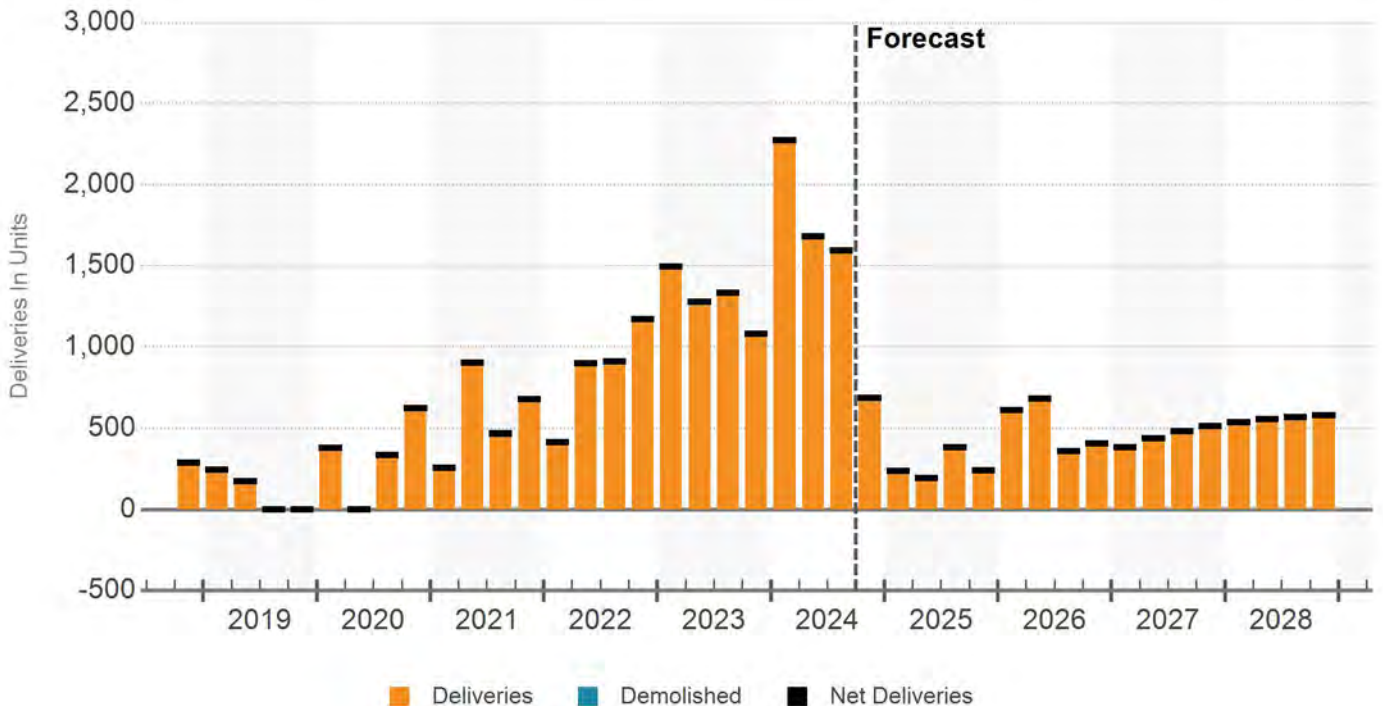
The wave of new construction has likely peaked. As Huntsville's vacancy rate rose and interest rates have made it more difficult to finance new projects, construction starts have moderated. As a result, Huntsville's construction pipeline has declined as new

properties have been delivered. There are currently 3,200 units under construction here, down from a recent peak of over 11,000 in late 2022. The new units will increase existing inventory by 6.9%.

Developers in Huntsville often seek to attract renters working in the market's well-paying technology-related, government, and R&D sectors. Large mixed-use developments such as MidCity and Town Madison are designed to appeal to higher-income residents who are willing to pay premiums for a live/work/play environment.

Mixed-use developments in the market include MidCity, a \$350 million project in the University/Research Park Submarket that will include multifamily, retail, office, and hotel components at full build-out. Two apartment properties were delivered in MidCity last year: the 296-unit Metronome at MidCity and the 244-unit Encore at MidCity. The development continues to grow. The Hamlet at MidCity is a community of 236 for-rent single-family homes that were delivered in February. MidCity is replacing the vacant 1 million-SF Madison Square Mall that was demolished in 2017.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Huntsville Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

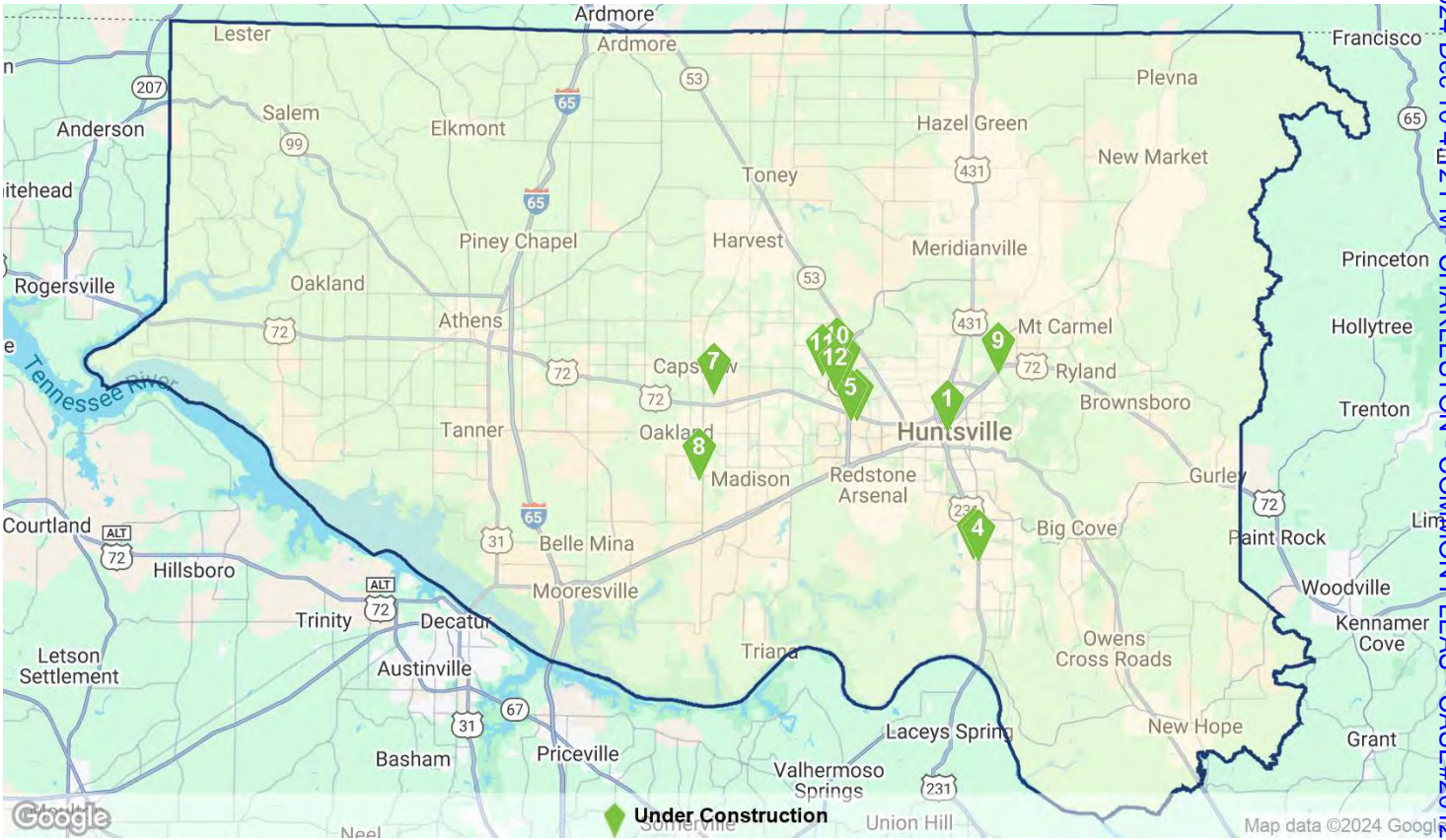
12

3,198

6.9%

267

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Front Row 512 Clinton Ave W	★★★★☆	545	6	May 2024	May 2026	Rocket Development Partners Essex Capital Partners, Ltd.
2 The Liam at Hays Farm... 401 Haysland Rd SW	★★★★☆	329	6	Apr 2022	Nov 2024	Bomasada Group, Inc. Bomasada Group, Inc.
3 The Wellory 5905 University Dr NW	★★★★☆	328	6	Jan 2023	Aug 2025	RCP Companies -
4 The Jessam at Hays Farm 850 Haysland Rd SW	★★★★☆	318	3	Oct 2023	Nov 2024	Camden Securities Company -
5 Anthem House Apartments 5909 University Dr NW	★★★☆☆	304	3	Jun 2024	Jun 2025	- Opportunity Alabama, Inc
6 Boardwalk at Research... 5736 Oakwood Rd NW	★★★★☆	287	4	May 2022	Nov 2024	- Zimmer Development Company
7 Solstice 5541 Promenade Point Pky	★★★★☆	238	3	Oct 2023	Jan 2025	SCorUSA, LLC SCorUSA, LLC

Under Construction Properties

Huntsville Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 VLux Madison 30710 Hardiman Rd	★ ★ ★ ★ ★	235	1	Jun 2023	Nov 2024	-
9 Terraces at High Mountain 4130 High Mountain Rd NE	★ ★ ★ ★ ★	198	2	Dec 2022	Nov 2024	- Zimmer Development Company
10 The Norwood 536 Johns Rd NW	★ ★ ★ ★ ★	177	3	Aug 2023	Nov 2024	Ridgehouse Capital Larson Financial Group
11 Lakeside Residences 100 Stanwich Rd	★ ★ ★ ★ ★	143	2	Feb 2023	Nov 2024	-
12 1589 Residences 1589 Old Monrovia Rd NW	★ ★ ★ ★ ★	96	2	Sep 2023	Nov 2024	-

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Like in many markets around the country, multifamily sales volume has been unusually low over the past year as investors grapple with high interest rates, a wide bid-ask spread, and elevated vacancy rates. As of 24Q3, transaction volume in the Huntsville multifamily market has totaled just \$36.3 million over the past 12 months. That level is a fraction of the market's 10-year annual average of \$224 million.

In addition to below-average dollar volume over the past year, the number of units sold in Huntsville has also declined. Over the past four quarters, an average of fewer than 250 units have been traded per quarter, compared with a quarterly average of over 750 units over the past decade. The sales that do take place often involve out-of-state players who are drawn to Huntsville because of its strong population growth and relatively high income levels, as well as its steady absorption and comparatively lower acquisition costs.

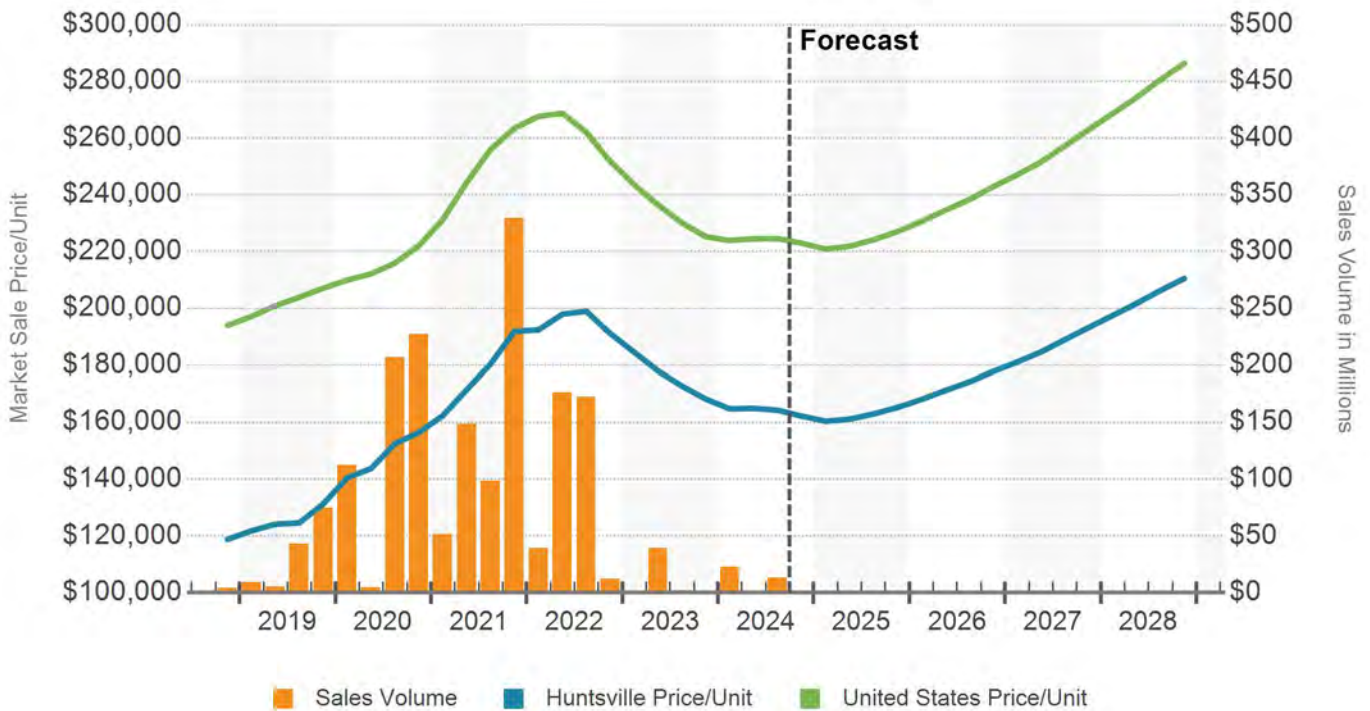
Most multifamily sales in Huntsville are relatively small.

Over the past year, the average transaction size in the Huntsville market was \$4.1 million, with an average price of \$150,000/unit. Many transactions are even smaller. For instance, a private investor purchased a 16-unit property in the West Huntsville Submarket in July for \$1.3 million, or \$80,900/unit, at a 7.75% cap rate. The property was built in 1975 and was 94% occupied at the time of sale.

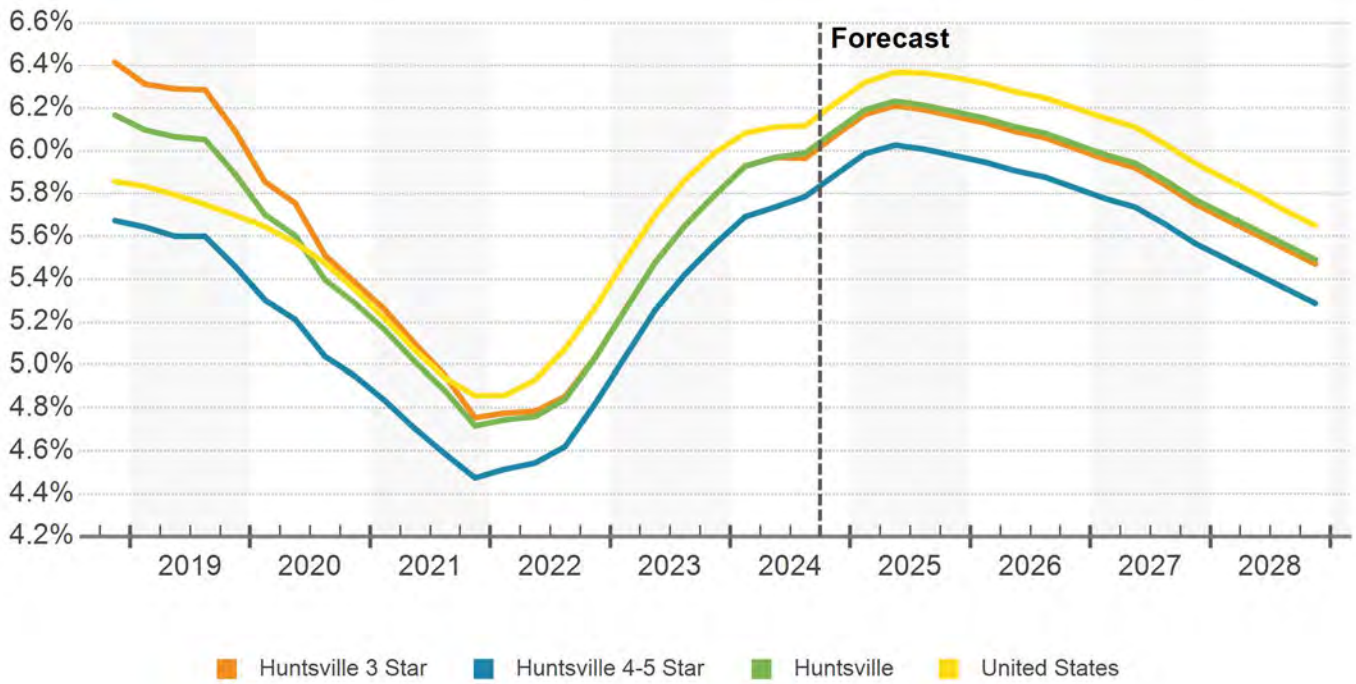
Over the past decade, the suburban Madison/Airport Submarket has accounted for about half of all multifamily investment in Huntsville because of its large concentration of recently built and newly renovated apartment buildings. Madison/Airport is on the west side of the market, and more recently, Limestone County, which is further west, has joined Madison/Airport as one of Huntsville's most heavily traded submarkets.

Transaction volume in the market will likely remain limited until interest rates begin to decline.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

Huntsville Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

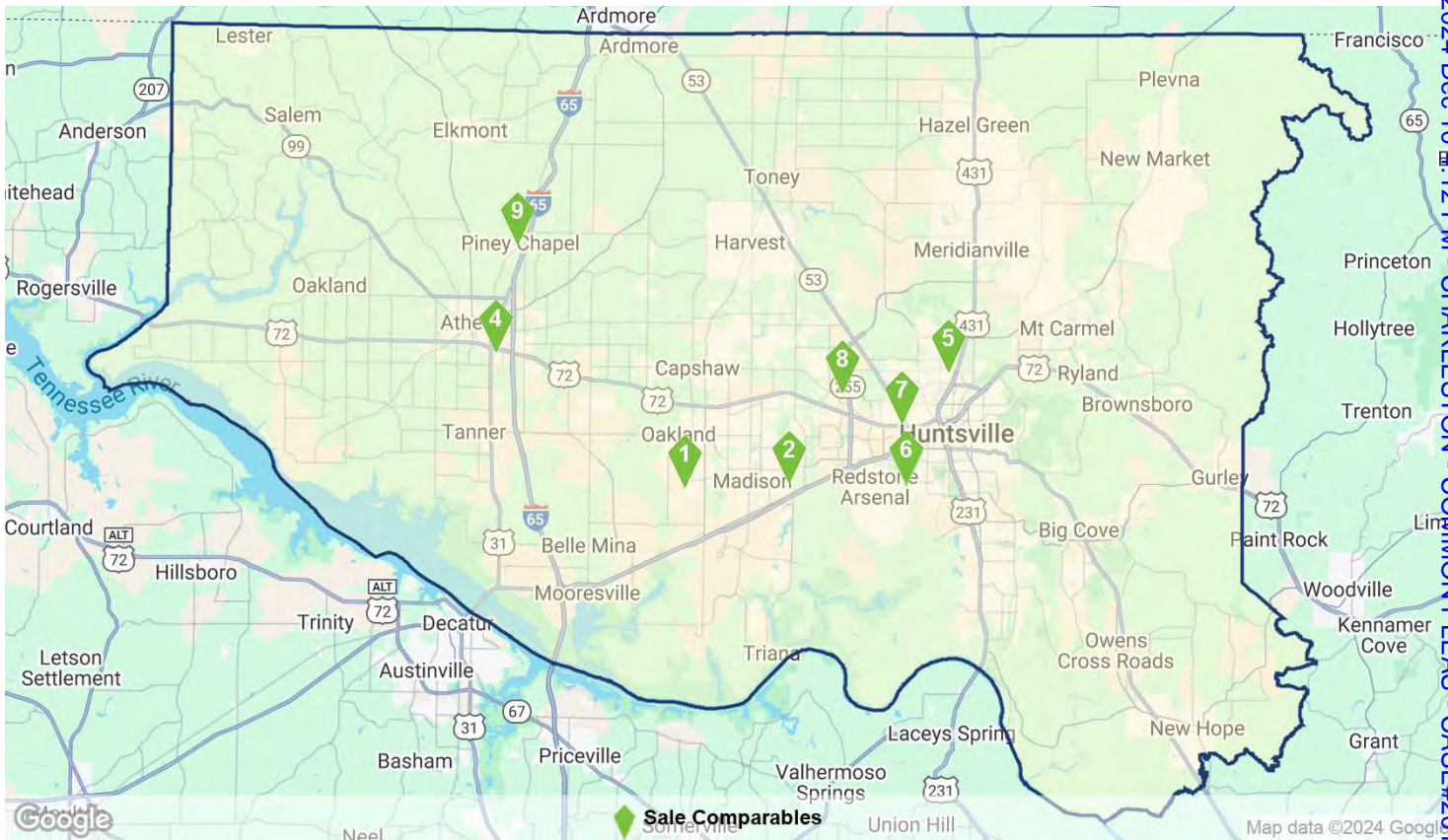
9

\$147

\$5.2

18.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$405,000	\$5,192,143	\$1,200,000	\$21,650,000
Price/Unit	\$67,500	\$146,552	\$84,375	\$225,520
Cap Rate	3.0%	6.4%	6.8%	8.2%
Vacancy Rate At Sale	0%	18.3%	12.5%	24.1%
Time Since Sale in Months	0.3	3.6	2.9	8.4
Property Attributes	Low	Average	Median	High
Property Size in Units	5	63	14	316
Number of Floors	1	1	2	3
Average Unit SF	450	745	686	1,250
Year Built	1960	1981	1975	2023
Star Rating	★★★★★	★★★★★ 2.6	★★★★★	★★★★★

Sales Past 12 Months

Huntsville Multi-Family

RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information				
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF	
1 St. Andrews Villas 29789 Hardiman Rd	★★★★☆	2021	96	22.9%	1/25/2024	\$21,650,000	\$225,520	\$86	
2 Shelton Park Apartments 194 Shelton Rd	★★★☆☆	1984	100	1.0%	9/11/2024	\$10,500,000	\$105,000	\$72	
3 3915 McVay St	★★★★☆	1975	16	6.3%	7/10/2024	\$1,295,000	\$80,937	\$180	
4 Cloverleaf Apartments 206-208 Cloverleaf Dr	★★★☆☆	1960	14	14.3%	2/29/2024	\$1,200,000	\$85,714	\$46	
5 3410 Elizabeth St NW	★★★☆☆	1960	8	12.5%	7/24/2024	\$675,000	\$84,375	\$141	
6 McVay Manor 3815 McVay St	★★★☆☆	1960	8	12.5%	7/15/2024	\$620,000	\$77,500	\$179	
7 4009 Marie Ave NW	★★★☆☆	1974	6	0%	5/31/2024	\$405,000	\$67,500	\$145	
8 Ariza Research 5771 Oakwood Rd NW	★★★★☆	2023	316	24.1%	6/27/2024	-	-	-	
9 Elkton Apartments 20609 Elkton Rd	★★★☆☆	1977	5	0%	9/27/2024	-	-	-	

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Huntsville has experienced strong housing growth over the last several years, including almost 20,000 new single-family housing starts and over 15,000 multifamily units constructed in the previous 5 years. During that same period, the overall MSA population has increased by over 60,000 people, a 14% increase.

The market benefits greatly from the presence of the U.S. Army/Redstone Arsenal base. The base employs about 50,000 people, including active-duty soldiers, civilians, and contract employees. The presence of the military base has attracted major government defense contractors in the tech and advanced manufacturing sectors to Huntsville, including Boeing, Polaris, NASA, Lockheed Martin, GE Aviation, and Northrop Grumman.

The largest economic driver in the metro area is the Toyota-Mazda manufacturing facility, the company's largest engine producer in North America. It employs over 2,000 workers who help supply engines to seven Toyota vehicle plants in North America. Earlier this year, Toyota announced a \$282 million plant expansion, which

is expected to add more than 350 jobs to the area.

The Toyota-Mazda plant has already created spin-off demand for industrial space. Multiple automotive suppliers and manufacturers have announced plans to move to Huntsville to help service increased demand from the plant. These moves should continue supporting manufacturing and trade/transportation/warehousing employment growth in the coming years.

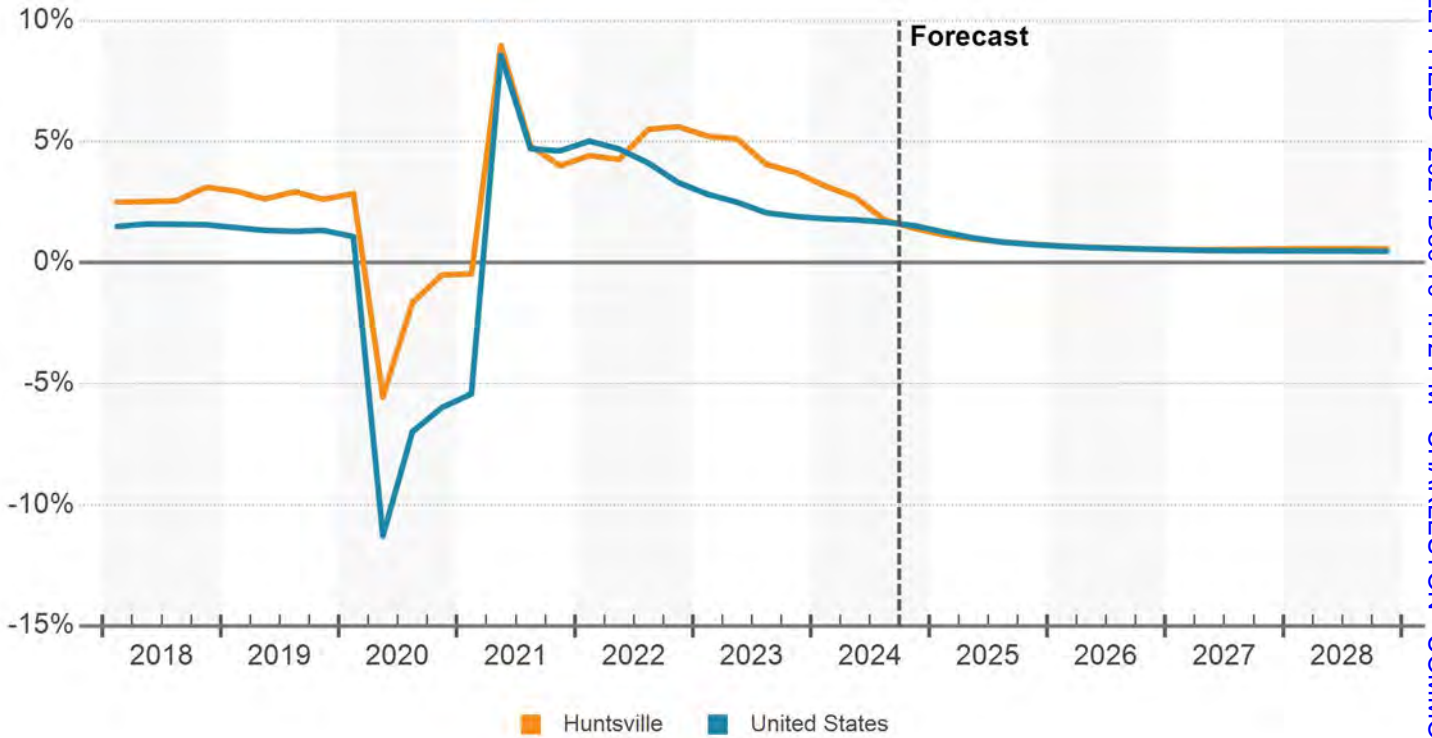
Huntsville's economy also benefits from the 7,000-acre Port of Huntsville, which includes the Huntsville International Airport and International Intermodal Center. The intermodal center in the Global Logistics Park contains the Norfolk Southern Railway and has a stacking capacity of over 800 loads. Norfolk Southern recently announced a \$200 million investment to grow capacity on a key rail line in Alabama, the 3B Corridor, which connects northern and central Alabama markets to the Port of Mobile. Additionally, I-65 runs through Huntsville, connecting the metro to larger markets such as Nashville and Birmingham.

HUNTSVILLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	36	1.5	0.81%	0.38%	4.33%	0.62%	-0.41%	0.33%
Trade, Transportation and Utilities	40	0.8	0.62%	0.82%	2.26%	1.00%	0.57%	0.28%
Retail Trade	27	1.0	0.17%	0.84%	1.62%	0.25%	0.71%	0.21%
Financial Activities	9	0.6	1.45%	0.38%	3.89%	1.47%	0.61%	0.35%
Government	58	1.4	2.42%	2.25%	1.65%	0.66%	0.64%	0.51%
Natural Resources, Mining and Construction	11	0.7	1.17%	2.37%	2.98%	2.27%	1.12%	0.73%
Education and Health Services	25	0.5	3.84%	3.55%	2.67%	2.07%	1.55%	0.77%
Professional and Business Services	70	1.7	1.84%	0.80%	3.36%	1.81%	0.69%	0.59%
Information	3	0.5	8.14%	0.53%	0.88%	1.02%	0.37%	0.54%
Leisure and Hospitality	24	0.8	0.33%	2.25%	2.10%	1.47%	0.96%	0.98%
Other Services	9	0.9	2.45%	1.40%	1.50%	0.61%	0.52%	0.49%
Total Employment	284	1.0	1.74%	1.66%	2.69%	1.33%	0.63%	0.56%

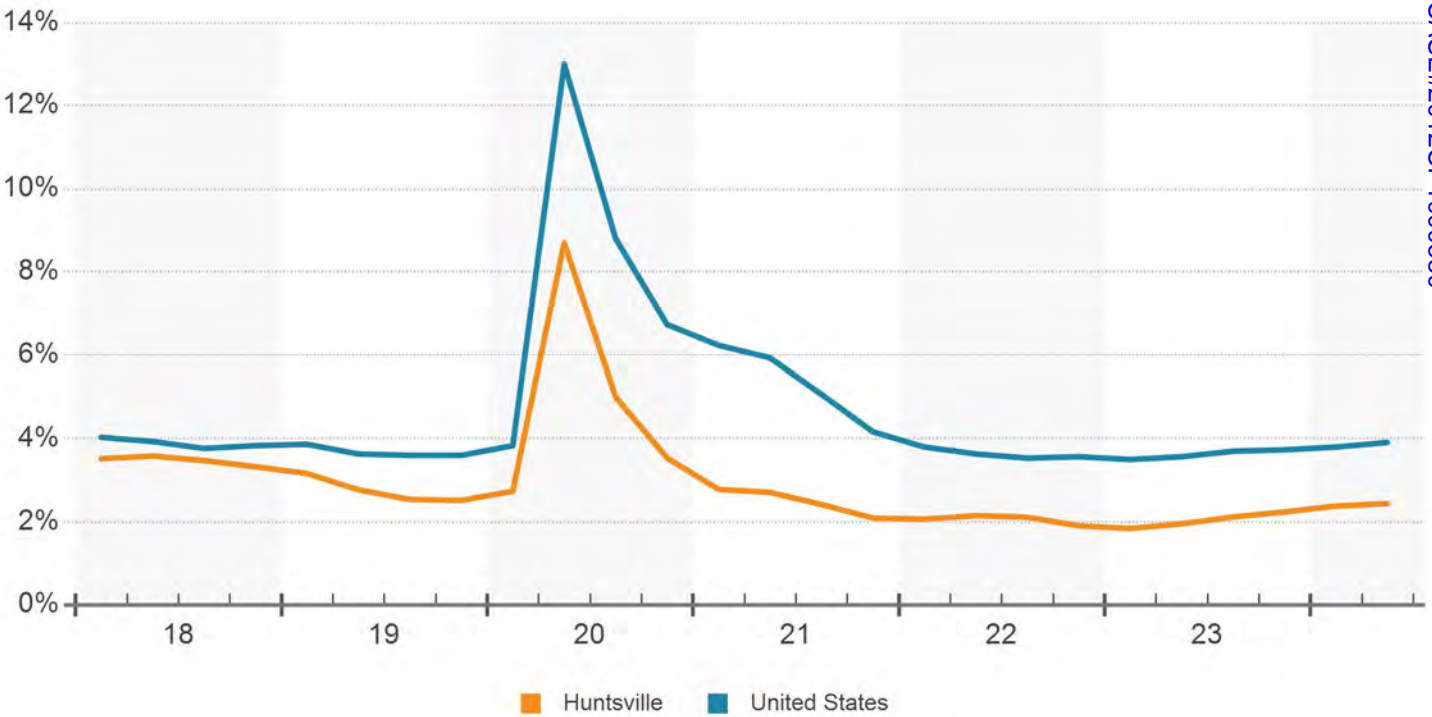
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

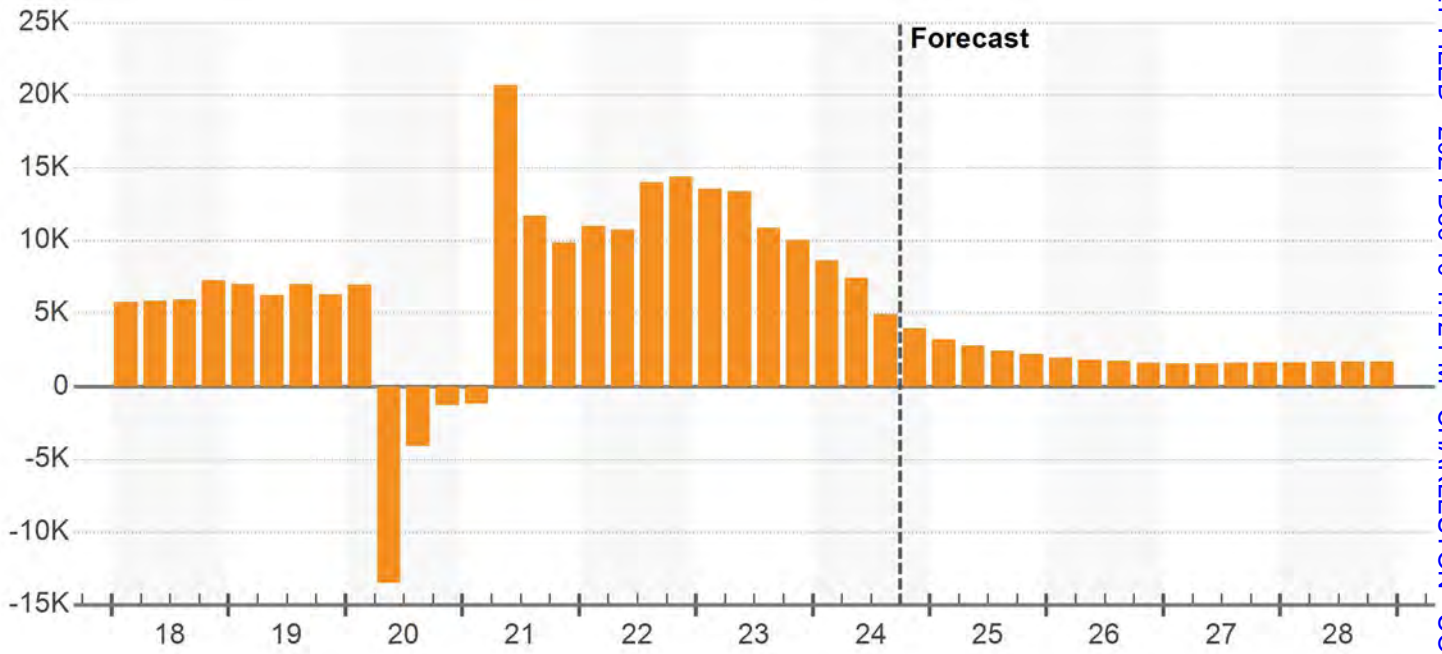


Source: Oxford Economics

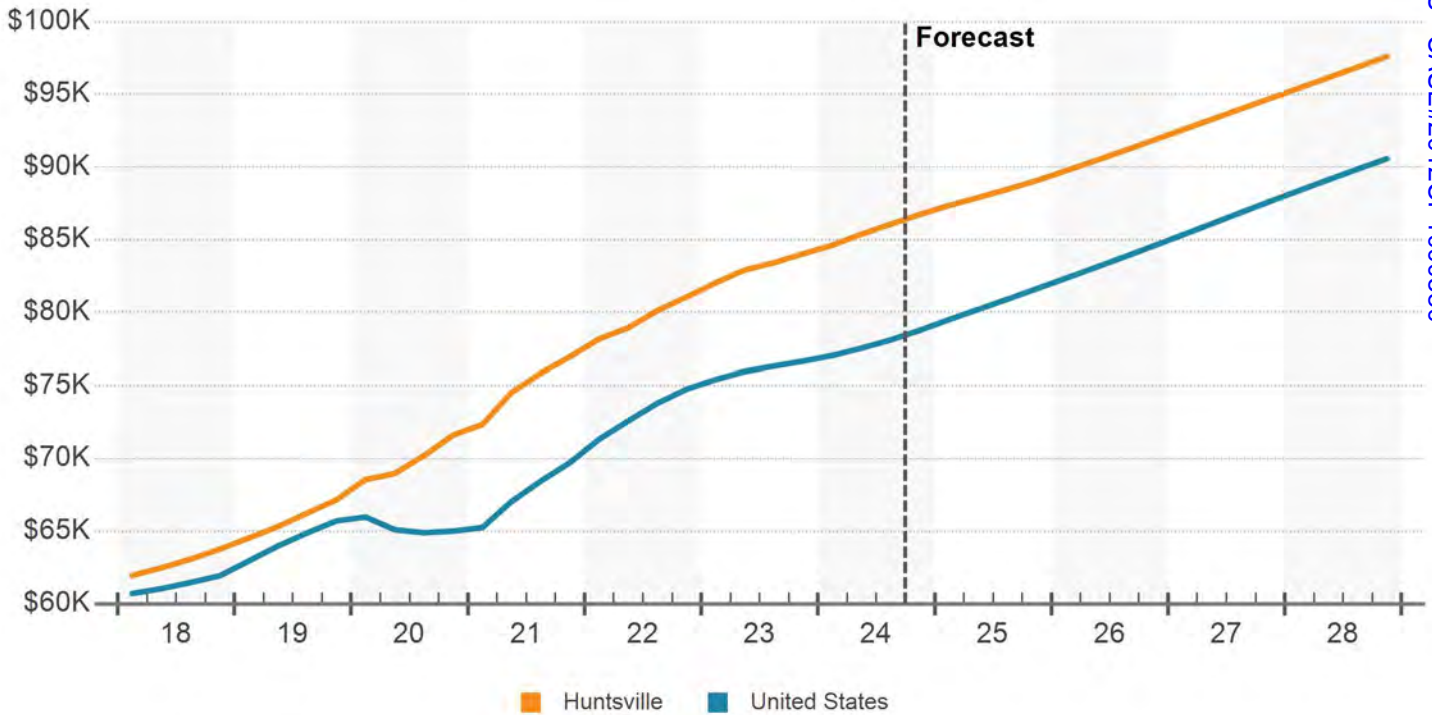
UNEMPLOYMENT RATE (%)



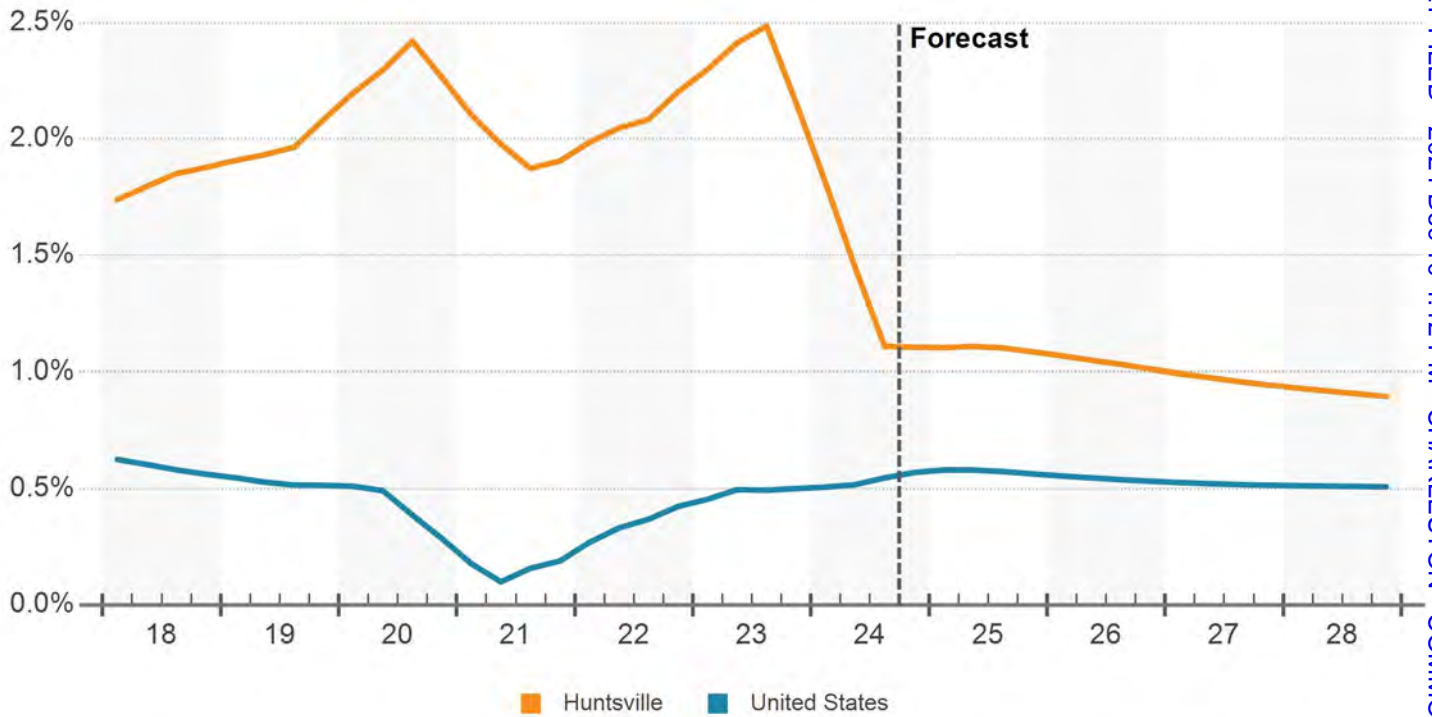
NET EMPLOYMENT CHANGE (YOY)



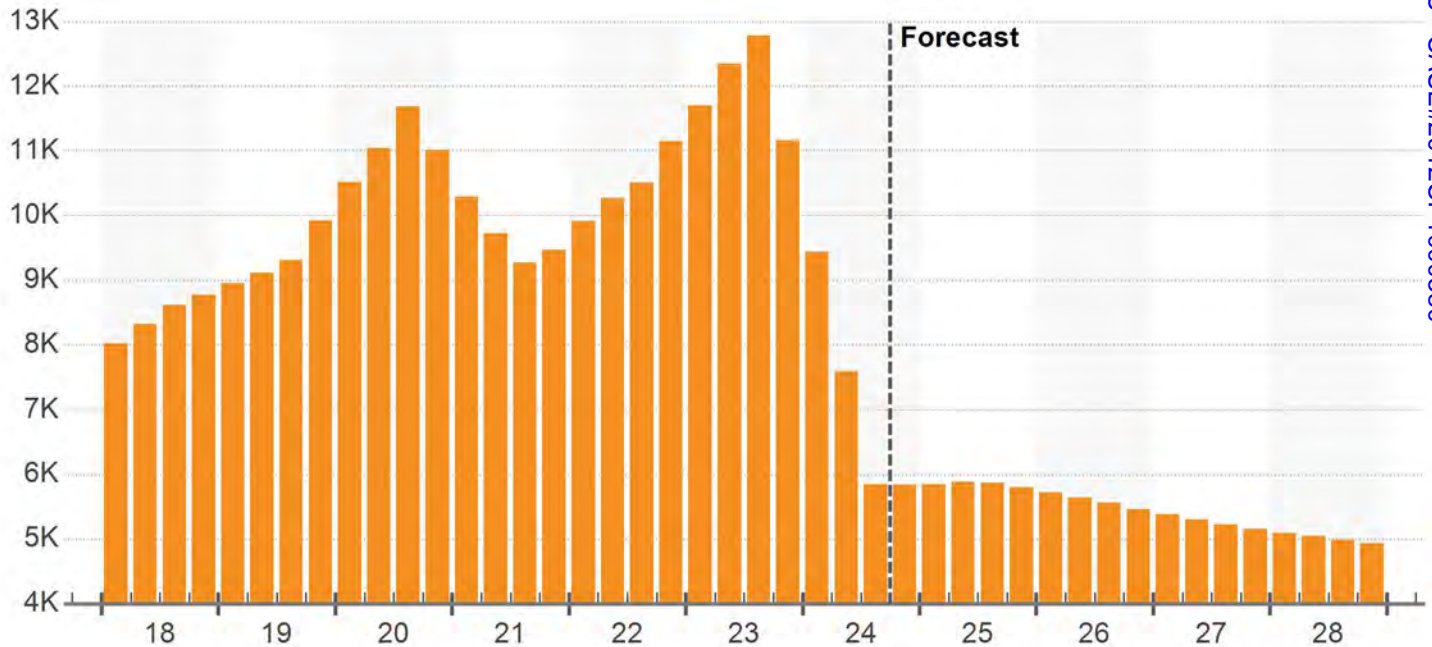
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	533,217	336,782,188	1.1%	0.5%	1.8%	0.5%	1.0%	0.5%
Households	214,677	131,632,297	1.3%	0.7%	1.8%	0.9%	1.1%	0.6%
Median Household Income	\$86,124	\$78,165	3.2%	2.4%	4.4%	3.9%	3.0%	3.5%
Labor Force	261,810	168,401,953	1.3%	0.5%	2.1%	0.8%	0.7%	0.5%
Unemployment	2.4%	3.9%	0.3%	0.2%	-0.3%	-0.2%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

Huntsville Multi-Family

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SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Central	24	2,427	5.2%	7	1	352	14.5%	5	1	545	22.5%	3
2	Limestone County	36	4,651	10.0%	4	7	2,101	45.2%	1	1	235	5.1%	5
3	Madison/Airport	61	13,573	29.3%	1	7	1,997	14.7%	2	1	238	1.8%	4
4	Outlying Madison County	32	3,283	7.1%	6	3	687	20.9%	4	1	198	6.0%	6
5	South Madison County	27	5,103	11.0%	3	0	0	0%	-	2	647	12.7%	2
6	Southwest	71	4,014	8.7%	5	1	107	2.7%	6	0	0	0%	-
7	University/Research Park	69	13,229	28.6%	2	6	1,300	9.8%	3	6	1,335	10.1%	1

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Central	\$1,402	\$1.57	1	0.9%	\$1,342	\$1.50	1	-1.5%	4.3%	2
2	Limestone County	\$1,362	\$1.23	5	-0.8%	\$1,304	\$1.17	7	-4.2%	4.3%	3
3	Madison/Airport	\$1,331	\$1.25	4	-3.4%	\$1,294	\$1.22	4	-4.0%	2.7%	4
4	Outlying Madison County	\$1,271	\$1.29	3	-3.4%	\$1,206	\$1.22	3	-5.9%	5.1%	1
5	South Madison County	\$1,169	\$1.21	7	-0.6%	\$1,156	\$1.19	6	-0.2%	1.1%	6
6	Southwest	\$909	\$1.21	6	-2.2%	\$901	\$1.20	5	-0.6%	0.9%	7
7	University/Research Park	\$1,287	\$1.34	2	-3.0%	\$1,253	\$1.30	2	-3.3%	2.6%	5

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Central	484	19.9%	6	48	2.0%	7	7.3
2	Limestone County	1,600	34.4%	7	1,082	23.3%	2	1.2
3	Madison/Airport	2,671	19.7%	5	1,354	10.0%	1	1.5
4	Outlying Madison County	643	19.6%	4	803	24.5%	4	0.5
5	South Madison County	640	12.5%	1	97	1.9%	5	-
6	Southwest	527	13.1%	2	96	2.4%	6	1.1
7	University/Research Park	1,921	14.5%	3	1,010	7.6%	3	1.3

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	54,141	2,245	4.3%	2,180	4.0%	1.0
2027	51,896	1,817	3.6%	2,241	4.3%	0.8
2026	50,079	2,058	4.3%	2,512	5.0%	0.8
2025	48,021	1,055	2.2%	2,992	6.2%	0.4
2024	46,966	6,231	15.3%	4,822	10.3%	1.3
YTD	46,280	5,545	13.6%	4,023	8.7%	1.4
2023	40,735	5,182	14.6%	2,840	7.0%	1.8
2022	35,553	3,387	10.5%	1,705	4.8%	2.0
2021	32,166	2,307	7.7%	1,466	4.6%	1.6
2020	29,859	1,338	4.7%	1,020	3.4%	1.3
2019	28,521	416	1.5%	762	2.7%	0.5
2018	28,105	510	1.8%	674	2.4%	0.8
2017	27,595	300	1.1%	463	1.7%	0.6
2016	27,295	737	2.8%	752	2.8%	1.0
2015	26,558	257	1.0%	861	3.2%	0.3
2014	26,301	1,160	4.6%	698	2.7%	1.7
2013	25,141	796	3.3%	173	0.7%	4.6
2012	24,345	75	0.3%	136	0.6%	0.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	28,046	2,248	8.7%	2,072	7.4%	1.1
2027	25,798	1,823	7.6%	1,962	7.6%	0.9
2026	23,975	1,834	8.3%	1,981	8.3%	0.9
2025	22,141	764	3.6%	2,340	10.6%	0.3
2024	21,377	4,759	28.6%	3,614	16.9%	1.3
YTD	20,926	4,308	25.9%	3,050	14.6%	1.4
2023	16,618	4,043	32.2%	2,183	13.1%	1.9
2022	12,575	2,130	20.4%	1,657	13.2%	1.3
2021	10,445	2,161	26.1%	1,764	16.9%	1.2
2020	8,284	1,338	19.3%	694	8.4%	1.9
2019	6,946	416	6.4%	400	5.8%	1.0
2018	6,530	178	2.8%	307	4.7%	0.6
2017	6,352	300	5.0%	261	4.1%	1.1
2016	6,052	725	13.6%	855	14.1%	0.8
2015	5,327	273	5.4%	680	12.8%	0.4
2014	5,054	943	22.9%	558	11.0%	1.7
2013	4,111	480	13.2%	33	0.8%	14.5
2012	3,631	75	2.1%	72	2.0%	1.0

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	21,155	15	0.1%	109	0.5%	0.1
2027	21,140	12	0.1%	306	1.4%	0
2026	21,128	243	1.2%	561	2.7%	0.4
2025	20,885	304	1.5%	673	3.2%	0.5
2024	20,581	1,472	7.7%	1,263	6.1%	1.2
YTD	20,346	1,237	6.5%	1,024	5.0%	1.2
2023	19,109	1,139	6.3%	712	3.7%	1.6
2022	17,970	1,257	7.5%	99	0.6%	12.7
2021	16,713	146	0.9%	(304)	-1.8%	-
2020	16,567	0	0%	276	1.7%	0
2019	16,567	0	0%	244	1.5%	0
2018	16,567	332	2.0%	304	1.8%	1.1
2017	16,235	0	0%	153	0.9%	0
2016	16,235	12	0.1%	(109)	-0.7%	-
2015	16,223	26	0.2%	139	0.9%	0.2
2014	16,197	217	1.4%	150	0.9%	1.4
2013	15,980	316	2.0%	156	1.0%	2.0
2012	15,664	0	0%	45	0.3%	0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	4,940	(18)	-0.4%	(1)	0%	18.0
2027	4,958	(18)	-0.4%	(27)	-0.5%	0.7
2026	4,976	(19)	-0.4%	(30)	-0.6%	0.6
2025	4,995	(13)	-0.3%	(21)	-0.4%	0.6
2024	5,008	0	0%	(55)	-1.1%	0
YTD	5,008	0	0%	(51)	-1.0%	0
2023	5,008	0	0%	(55)	-1.1%	0
2022	5,008	0	0%	(51)	-1.0%	0
2021	5,008	0	0%	6	0.1%	0
2020	5,008	0	0%	50	1.0%	0
2019	5,008	0	0%	118	2.4%	0
2018	5,008	0	0%	63	1.3%	0
2017	5,008	0	0%	49	1.0%	0
2016	5,008	0	0%	6	0.1%	0
2015	5,008	(42)	-0.8%	42	0.8%	-
2014	5,050	0	0%	(10)	-0.2%	0
2013	5,050	0	0%	(16)	-0.3%	0
2012	5,050	0	0%	19	0.4%	0

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	5,654	10.4%	(0.3)	\$1,438	\$1.46	2.9%	(0.2)	\$1,397	\$1.42
2027	5,588	10.8%	(1.2)	\$1,398	\$1.42	3.1%	(1.0)	\$1,358	\$1.38
2026	6,016	12.0%	(1.5)	\$1,356	\$1.37	4.1%	1.1	\$1,317	\$1.33
2025	6,468	13.5%	(4.4)	\$1,303	\$1.32	3.0%	4.9	\$1,265	\$1.28
2024	8,403	17.9%	0.8	\$1,265	\$1.28	-1.9%	0	\$1,228	\$1.24
YTD	8,487	18.3%	1.2	\$1,268	\$1.28	-2.4%	(0.5)	\$1,232	\$1.25
2023	6,974	17.1%	4.1	\$1,289	\$1.30	-1.9%	(5.3)	\$1,254	\$1.27
2022	4,632	13.0%	3.9	\$1,313	\$1.33	3.5%	(3.4)	\$1,296	\$1.31
2021	2,947	9.2%	2.1	\$1,269	\$1.28	6.9%	2.5	\$1,260	\$1.27
2020	2,105	7.0%	0.8	\$1,187	\$1.20	4.5%	(0.1)	\$1,177	\$1.19
2019	1,788	6.3%	(1.3)	\$1,136	\$1.15	4.6%	0.1	\$1,131	\$1.14
2018	2,133	7.6%	(0.7)	\$1,086	\$1.10	4.5%	1.9	\$1,070	\$1.08
2017	2,296	8.3%	(0.7)	\$1,039	\$1.05	2.6%	0.2	\$1,016	\$1.03
2016	2,459	9.0%	(0.3)	\$1,013	\$1.02	2.4%	0.7	\$977	\$0.99
2015	2,475	9.3%	(2.4)	\$989	\$1	1.7%	0.3	\$954	\$0.96
2014	3,080	11.7%	1.3	\$973	\$0.98	1.4%	(0.3)	\$936	\$0.95
2013	2,616	10.4%	2.2	\$960	\$0.97	1.6%	0	\$939	\$0.95
2012	1,992	8.2%	(0.3)	\$944	\$0.96	1.7%	-	\$937	\$0.95

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	3,263	11.6%	(0.3)	\$1,628	\$1.56	2.7%	(0.2)	\$1,575	\$1.51
2027	3,087	12.0%	(1.5)	\$1,585	\$1.52	2.9%	(1.0)	\$1,533	\$1.47
2026	3,225	13.4%	(1.8)	\$1,540	\$1.48	3.9%	1.1	\$1,490	\$1.43
2025	3,371	15.2%	(7.9)	\$1,482	\$1.42	2.8%	6.5	\$1,433	\$1.38
2024	4,947	23.1%	0.2	\$1,441	\$1.38	-3.6%	0.2	\$1,394	\$1.34
YTD	5,059	24.2%	1.2	\$1,449	\$1.39	-4.2%	(0.4)	\$1,402	\$1.35
2023	3,811	22.9%	7.4	\$1,496	\$1.44	-3.8%	(6.2)	\$1,441	\$1.38
2022	1,949	15.5%	1.4	\$1,555	\$1.49	2.4%	(3.5)	\$1,534	\$1.47
2021	1,472	14.1%	1.1	\$1,519	\$1.46	5.9%	2.9	\$1,505	\$1.45
2020	1,074	13.0%	6.8	\$1,434	\$1.38	3.0%	(1.1)	\$1,417	\$1.36
2019	430	6.2%	(0.2)	\$1,393	\$1.34	4.1%	0.1	\$1,390	\$1.33
2018	415	6.3%	(2.2)	\$1,337	\$1.28	4.0%	2.0	\$1,322	\$1.27
2017	543	8.5%	0.2	\$1,286	\$1.23	2.1%	0.2	\$1,259	\$1.21
2016	503	8.3%	(3.6)	\$1,260	\$1.21	1.8%	0.3	\$1,214	\$1.17
2015	634	11.9%	(8.7)	\$1,237	\$1.19	1.5%	0.4	\$1,192	\$1.14
2014	1,041	20.6%	4.6	\$1,219	\$1.17	1.0%	(0.5)	\$1,163	\$1.12
2013	656	16.0%	10.2	\$1,206	\$1.16	1.5%	(0.6)	\$1,171	\$1.12
2012	209	5.8%	0	\$1,188	\$1.14	2.1%	-	\$1,179	\$1.13

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	2,030	9.6%	(0.4)	\$1,327	\$1.37	3.0%	(0.3)	\$1,291	\$1.33
2027	2,124	10.0%	(1.4)	\$1,288	\$1.33	3.3%	(0.9)	\$1,254	\$1.29
2026	2,423	11.5%	(1.7)	\$1,247	\$1.29	4.2%	1.0	\$1,214	\$1.25
2025	2,740	13.1%	(2.0)	\$1,197	\$1.24	3.1%	3.2	\$1,165	\$1.20
2024	3,109	15.1%	0.1	\$1,160	\$1.20	-0.1%	(0.1)	\$1,129	\$1.17
YTD	3,091	15.2%	0.1	\$1,160	\$1.19	-0.7%	(0.7)	\$1,129	\$1.16
2023	2,877	15.1%	1.4	\$1,161	\$1.19	0%	(4.7)	\$1,142	\$1.17
2022	2,451	13.6%	5.9	\$1,160	\$1.19	4.7%	(3.2)	\$1,145	\$1.18
2021	1,293	7.7%	2.7	\$1,108	\$1.14	8.0%	1.4	\$1,104	\$1.13
2020	842	5.1%	(1.7)	\$1,027	\$1.05	6.5%	1.1	\$1,023	\$1.05
2019	1,120	6.8%	(1.5)	\$964	\$0.99	5.4%	0.2	\$956	\$0.98
2018	1,363	8.2%	0	\$914	\$0.94	5.2%	2.0	\$895	\$0.92
2017	1,336	8.2%	(0.9)	\$869	\$0.89	3.3%	(0.1)	\$847	\$0.87
2016	1,488	9.2%	0.7	\$841	\$0.86	3.3%	1.6	\$810	\$0.83
2015	1,367	8.4%	(0.7)	\$814	\$0.84	1.8%	(0.3)	\$786	\$0.81
2014	1,480	9.1%	0.3	\$800	\$0.82	2.1%	0.2	\$778	\$0.80
2013	1,412	8.8%	0.8	\$784	\$0.81	1.9%	1.0	\$776	\$0.80
2012	1,251	8.0%	(0.3)	\$769	\$0.79	0.9%	-	\$763	\$0.78

1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	361	7.3%	(0.3)	\$1,007	\$1.26	3.2%	(0.3)	\$997	\$1.24
2027	378	7.6%	0.2	\$976	\$1.22	3.5%	(1.0)	\$966	\$1.20
2026	368	7.4%	0.3	\$942	\$1.17	4.6%	0.9	\$933	\$1.16
2025	357	7.1%	0.2	\$901	\$1.12	3.6%	1.1	\$892	\$1.11
2024	347	6.9%	1.2	\$869	\$1.08	2.5%	(1.8)	\$860	\$1.07
YTD	337	6.7%	1.0	\$867	\$1.08	2.6%	(1.8)	\$858	\$1.07
2023	287	5.7%	1.1	\$848	\$1.06	4.4%	(1.8)	\$842	\$1.05
2022	232	4.6%	1.0	\$812	\$1.01	6.2%	(4.1)	\$809	\$1.01
2021	182	3.6%	(0.1)	\$765	\$0.95	10.3%	4.3	\$762	\$0.95
2020	188	3.8%	(1.0)	\$694	\$0.86	6.0%	1.8	\$691	\$0.86
2019	238	4.8%	(2.3)	\$655	\$0.81	4.2%	(0.5)	\$650	\$0.80
2018	355	7.1%	(1.2)	\$628	\$0.78	4.7%	(0.1)	\$619	\$0.77
2017	418	8.3%	(1.0)	\$600	\$0.74	4.8%	2.6	\$588	\$0.73
2016	467	9.3%	(0.1)	\$572	\$0.71	2.2%	(0.4)	\$561	\$0.69
2015	474	9.5%	(1.6)	\$560	\$0.69	2.6%	2.4	\$548	\$0.68
2014	559	11.1%	0.2	\$546	\$0.68	0.2%	(1.1)	\$533	\$0.66
2013	548	10.8%	0.3	\$544	\$0.67	1.3%	(0.4)	\$540	\$0.67
2012	531	10.5%	(0.4)	\$537	\$0.66	1.7%	-	\$534	\$0.66

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$210,539	306	5.5%
2027	-	-	-	-	-	-	\$193,222	280	5.8%
2026	-	-	-	-	-	-	\$177,805	258	6.0%
2025	-	-	-	-	-	-	\$165,283	240	6.2%
2024	-	-	-	-	-	-	\$162,272	235	6.1%
YTD	9	\$36.3M	1.2%	\$5,192,143	\$146,552	6.4%	\$164,272	238	6.0%
2023	9	\$41.2M	0.6%	\$5,882,224	\$190,628	6.1%	\$168,214	244	5.8%
2022	19	\$400.3M	7.0%	\$25,018,028	\$210,567	5.2%	\$191,156	277	5.0%
2021	43	\$628.2M	15.1%	\$15,321,433	\$137,397	5.4%	\$191,922	279	4.7%
2020	31	\$551.7M	13.9%	\$18,390,831	\$133,590	5.8%	\$156,468	227	5.3%
2019	23	\$132.5M	7.1%	\$5,760,239	\$65,296	6.9%	\$131,294	191	5.9%
2018	27	\$92M	8.6%	\$4,380,370	\$58,036	7.7%	\$118,817	172	6.2%
2017	26	\$180.5M	9.9%	\$7,220,696	\$65,979	6.6%	\$111,730	162	6.2%
2016	27	\$168.4M	15.5%	\$6,734,754	\$46,860	6.9%	\$103,439	150	6.4%
2015	24	\$65.1M	8.8%	\$3,101,467	\$33,281	10.1%	\$97,749	142	6.4%
2014	9	\$8.8M	1.8%	\$1,254,100	\$20,952	10.5%	\$91,210	132	6.6%
2013	14	\$120.4M	11.3%	\$10,030,250	\$60,212	7.5%	\$85,104	123	6.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$268,011	304	5.3%
2027	-	-	-	-	-	-	\$245,983	279	5.6%
2026	-	-	-	-	-	-	\$226,410	257	5.8%
2025	-	-	-	-	-	-	\$210,493	238	6.0%
2024	-	-	-	-	-	-	\$206,771	234	5.9%
YTD	2	\$21.7M	2.0%	\$21,650,000	\$225,521	5.7%	\$209,474	237	5.8%
2023	1	\$13.6M	0.3%	\$13,630,000	\$243,393	-	\$215,877	245	5.6%
2022	8	\$295.5M	13.9%	\$49,243,075	\$245,806	4.5%	\$245,886	279	4.8%
2021	7	\$420.1M	18.4%	\$70,014,448	\$254,290	4.2%	\$250,517	284	4.5%
2020	5	\$264.3M	14.8%	\$52,852,000	\$215,899	5.6%	\$207,764	235	4.9%
2019	1	\$42.3M	3.8%	\$42,300,000	\$158,427	5.0%	\$177,177	201	5.5%
2018	2	\$54M	5.8%	\$27,000,000	\$142,105	5.3%	\$161,271	183	5.7%
2017	4	\$110M	15.6%	\$27,488,125	\$111,175	5.6%	\$151,379	171	5.8%
2016	1	\$15.8M	4.0%	\$15,800,000	\$65,833	4.0%	\$138,869	157	5.9%
2015	1	\$8.4M	3.4%	\$8,400,000	\$46,667	-	\$130,089	147	6.0%
2014	-	-	-	-	-	-	\$120,787	137	6.2%
2013	4	\$67.9M	28.0%	\$22,623,333	\$83,174	6.5%	\$112,061	127	6.4%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$172,248	308	5.5%
2027	-	-	-	-	-	-	\$157,996	283	5.8%
2026	-	-	-	-	-	-	\$145,300	260	6.0%
2025	-	-	-	-	-	-	\$135,059	242	6.2%
2024	-	-	-	-	-	-	\$132,593	237	6.1%
YTD	1	\$1.3M	0.1%	\$1,295,000	\$80,938	6.8%	\$134,102	240	6.0%
2023	2	\$22.5M	0.5%	\$11,260,000	\$220,784	-	\$136,442	244	5.8%
2022	7	\$97.8M	3.7%	\$16,298,333	\$159,527	5.2%	\$154,664	277	5.0%
2021	18	\$128M	10.8%	\$7,113,694	\$71,058	4.5%	\$151,772	272	4.8%
2020	11	\$260.9M	13.6%	\$23,718,364	\$115,956	6.2%	\$120,595	216	5.4%
2019	10	\$80.6M	9.1%	\$8,063,500	\$53,401	5.5%	\$97,514	175	6.1%
2018	11	\$31.2M	10.3%	\$4,457,214	\$33,263	7.6%	\$87,479	157	6.4%
2017	10	\$58.7M	8.0%	\$6,522,778	\$45,367	7.1%	\$82,366	147	6.5%
2016	18	\$148.9M	23.4%	\$9,303,194	\$47,075	6.7%	\$77,419	139	6.6%
2015	10	\$45.3M	9.3%	\$5,035,403	\$33,947	9.2%	\$74,320	133	6.6%
2014	2	\$1.7M	0.6%	\$871,350	\$16,757	-	\$69,997	125	6.7%
2013	5	\$49.4M	9.2%	\$12,350,000	\$51,298	8.0%	\$65,965	118	6.9%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$104,138	309	6.5%
2027	-	-	-	-	-	-	\$95,847	284	6.8%
2026	-	-	-	-	-	-	\$88,335	262	7.1%
2025	-	-	-	-	-	-	\$82,014	243	7.2%
2024	-	-	-	-	-	-	\$80,017	237	7.1%
YTD	6	\$13.4M	2.8%	\$2,680,000	\$98,529	6.4%	\$80,806	240	7.0%
2023	6	\$5M	1.4%	\$1,256,393	\$86,648	6.1%	\$80,039	237	6.9%
2022	4	\$7M	1.7%	\$1,760,000	\$81,860	5.9%	\$89,941	267	6.0%
2021	18	\$80M	22.4%	\$4,708,562	\$71,597	6.8%	\$88,121	261	5.7%
2020	15	\$26.6M	13.5%	\$1,897,352	\$40,492	5.7%	\$68,650	204	6.5%
2019	12	\$9.6M	5.0%	\$795,875	\$37,899	8.5%	\$59,887	178	7.0%
2018	14	\$6.8M	6.7%	\$565,605	\$25,420	8.7%	\$53,093	157	7.4%
2017	12	\$11.9M	9.0%	\$988,325	\$26,181	8.0%	\$50,760	151	7.4%
2016	8	\$3.7M	3.8%	\$464,719	\$19,465	8.9%	\$48,026	142	7.5%
2015	13	\$11.4M	12.8%	\$1,037,472	\$25,819	11.3%	\$45,816	136	7.6%
2014	7	\$7M	7.3%	\$1,407,200	\$22,337	10.5%	\$42,802	127	7.7%
2013	5	\$3.1M	4.4%	\$618,600	\$14,059	7.5%	\$40,165	119	8.0%

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DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2028	-	54,142	10.4%	-	2,263	-	2,245	-	-
2027	-	51,897	10.8%	-	1,835	-	1,817	-	-
2026	-	50,080	12.0%	-	2,078	-	2,059	-	-
2025	-	48,021	13.5%	-	1,068	-	1,055	-	-
2024	-	46,966	17.9%	-	6,231	-	6,231	-	-
YTD	320	46,280	18.3%	22	5,545	22	5,545	12	3,198
2023	298	40,735	17.1%	23	5,182	23	5,182	32	7,894
2022	275	35,553	13.0%	15	3,387	15	3,387	44	10,684
2021	260	32,166	9.2%	11	2,307	11	2,307	28	7,060
2020	249	29,859	7.0%	5	1,338	5	1,338	19	4,357
2019	244	28,521	6.3%	2	416	2	416	9	2,391
2018	242	28,105	7.6%	3	510	3	510	5	1,149
2017	239	27,595	8.3%	1	300	1	300	4	754
2016	238	27,295	9.0%	3	737	3	737	2	522
2015	235	26,558	9.3%	3	299	2	257	3	737
2014	233	26,301	11.7%	6	1,160	6	1,160	4	827
2013	227	25,141	10.4%	2	796	2	796	5	968
2012	225	24,345	8.2%	1	75	1	75	3	1,042

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Mortgage Book 2021 Page 5274
Madison County, Alabama
Frank Barger, PROBATE JUDGE
Recorded: 11/9/2021 4:08:54 PM
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\$70,426.75

**THIS INSTRUMENT PREPARED BY
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**
John Baggette, Esq.
Lanier Ford Shaver & Payne, P.C.
2101 West Clinton Ave., Suite 102
Huntsville, Alabama 35805

STATE OF ALABAMA

COUNTY OF MADISON

**FUTURE ADVANCE MORTGAGE,
ASSIGNMENT OF RENTS AND LEASES
AND SECURITY AGREEMENT**

THIS INDENTURE (herein this “**Mortgage**”) made this 9th day of November, 2021, **between Bomasada Liam Huntsville, LLC, a Delaware limited liability company** (hereinafter called “**Borrower**,” whether one or more), Mortgagor, and **Bryant Bank**, an Alabama banking corporation (hereinafter called “**Bank**”), Mortgagee.

THIS MORTGAGE IS FILED AS AND SHALL CONSTITUTE A FIXTURE FILING IN ACCORDANCE WITH THE PROVISIONS OF SECTION 7-9A-502(c) OF THE CODE OF ALABAMA.

THIS MORTGAGE IS A “CONSTRUCTION MORTGAGE” AS DEFINED IN SECTION 7-9A-334(h) OF THE CODE OF ALABAMA AND SECURES, AMONG OTHER OBLIGATIONS, AN OBLIGATION INCURRED FOR THE CONSTRUCTION OF AN IMPROVEMENT ON LAND.

WITNESSETH:

WHEREAS, Borrower is justly indebted to Bank on a loan (the “**Loan**”) in the principal sum of FORTY SIX MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (**\$46,900,000.00**), or so much as may from time to time be disbursed thereunder, as evidenced by a promissory note dated of even date herewith, payable to Bank with interest thereon (the “**Note**”) on demand or as otherwise provided in the Note, pursuant to that certain Construction Loan Agreement of even date herewith by and between Borrower and Bank (as may be amended from time to time, the “**Loan Agreement**”);

WHEREAS, Borrower may hereafter become indebted to Bank or to a subsequent holder of this Mortgage on loans or otherwise (the Bank and any subsequent holder of this Mortgage being referred to herein as “**Lender**”); and

WHEREAS, the parties desire to secure the payment and performance of all Obligations. The term “**Obligations**” means (a) the payment when and as due and payable of the principal of and interest on the Loan or so much thereof as may be advanced from time to time, and any and all late charges, and all other indebtedness, loans, advances, and each and every obligation and liability evidenced by, owing, arising



under or in connection with the Loan, the Mortgage, the Note, and/or any of the other Security Documents (as defined in the Loan Agreement) to which Borrower is a party, together with any extensions, modifications, amendments, and restatements of any of the foregoing; (b) the payment of all other expenses, costs, advances and indebtedness which the Mortgage by its terms secures; (c) the performance and observance of the covenants and agreements of Borrower contained in the Mortgage, the Note and each of the other Security Documents; (d) all obligations to perform or forbear from performing acts, and agreements, instruments and documents evidencing, guarantying, securing or otherwise executed in connection with any of the foregoing, together with any amendments, modifications and restatements thereof, and all expenses and reasonable attorneys' fees incurred by Lender hereunder or any other document, instrument or agreement related to any of the foregoing; and (e) all obligations and liabilities of the Borrower to Lender under any letters of credit issued by Lender.

NOW, THEREFORE, Borrower, in consideration of Lender's making the Loan, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Borrower, including but not limited to attorneys' fees, and any and all Obligations as set forth above, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note and set forth in all other documents evidencing, securing or executed in connection with the Loan (this Mortgage, the Note, the Loan Agreement and such other documents are sometimes referred to herein as the "**Loan Documents**"), has bargained and sold and does hereby grant, bargain, sell, alien and convey unto Lender, its successors and assigns, the following described land, real estate, estates, buildings, improvements, fixtures, furniture, and personal property (which together with any additional such property in the possession of Lender or hereafter acquired by Borrower and subject to the lien of this Mortgage, or intended to be so, as the same may be constituted from time to time is hereinafter sometimes referred to as the "**Mortgaged Property**") to-wit:

- (a) All that tract or parcel or parcels of land and estates particularly described on **Exhibit A** attached hereto and made a part hereof (the "**Land**");
- (b) All buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, fittings, building materials, machinery, equipment, furniture and furnishings and personal property of every nature whatsoever now or hereafter owned by Borrower and used or intended to be used in connection with or with the operation of said property, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals, substitutions, replacements and accessions to any of the foregoing, whether such fixtures, fittings, building materials, machinery, equipment, furniture, furnishings and personal property which actually are located on or adjacent to the Land or not, and whether in storage or otherwise, and wheresoever the same may be located (the "**Improvements**");
- (c) All accounts (as presently or hereafter defined in the UCC), general intangibles, goods, contracts and contract rights relating to the Land and Improvements, whether now owned or existing or hereafter created, acquired or arising, including without limitation, all construction contracts, architectural services contracts, management contracts, leasing agent contracts, purchase and sales contracts, put or other option contracts, and all other contracts and agreements relating to the construction of improvements on, or the operation, management and sale of all or any part of the Land and Improvements;
- (d) Together with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, leases, subleases, licenses, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the

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estate, right, title, interest, property, possession, claim and demand, whatsoever, at law, as well as in equity, of Borrower of, in and to the same, including but not limited to:

(i) All rents, royalties, profits, issues and revenues of the Land and Improvements from time to time accruing, whether under leases or tenancies now existing or hereafter created; and

(ii) All judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Land and Improvements or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Land and Improvements or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets, subject to Paragraph 1.07 below. Lender hereby is authorized on behalf of and in the name of Borrower to execute and deliver valid acquittances for, and appeal from, any such judgments or awards;

(e) Any and all licenses, development permits, building permits, utility supply agreements, sewer and water discharge permits and agreements, and other licenses, permits and agreements relating to the use, development, construction, occupancy and operation of the Land and Improvements, whether now or hereafter issued or executed, and all modifications, amendments, replacements or re-issuances of the foregoing;

(f) All cash and non-cash proceeds and all products of any of the foregoing items or types of property described in (a), (b), (c), (d) or (e) above, including, but not limited to, all insurance, contract and tort proceeds and claims, and including all inventory, accounts, chattel paper, documents, instruments, equipment, fixtures, consumer goods and general intangibles acquired with cash proceeds of any of the foregoing items or types of property described in (a), (b), (c), (d) or (e) above.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Lender, its successors and assigns forever, subject, however, to the terms and conditions herein;

PROVIDED, HOWEVER, that these presents are upon the condition that, (i) if Borrower shall fully pay or cause to be fully paid to Lender the principal and interest payable with respect of the Loan and the Note, and any extensions, renewals, modifications and refinancings of same, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall pay all charges incurred herein by Lender on account of Borrower, including, but not limited to, attorneys' fees, and shall pay any and all Obligations, and shall keep, perform and observe all and singular the covenants, conditions and agreements in this Mortgage, in the Note, in the other Loan Documents, expressed to be kept, performed, and observed by or on the part of Borrower, all without fraud or delay, and (ii) Lender shall have no further commitment or agreement to make advances, incur obligations or give value under the Loan, the Note, or any other Loan Document (including without limitation advances, obligations or value relating to future advances, open-end, revolving or other lines of credit or letters of credit), then this Mortgage, and all the properties, interests and rights hereby granted, bargained, sold and conveyed shall cease, terminate and be void, but shall otherwise remain in full force and effect.

AND Borrower further represents, warrants, covenants and agrees with Lender as follows:

**ARTICLE I
GENERAL**

1.01 Performance of Mortgage, Note and Loan Documents. Borrower shall perform, observe and comply with all provisions hereof, of the Note, and of the other Loan Documents, and shall duly and punctually pay to Lender the sum of money expressed in the Note, with interest thereon, and all other sums

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Mortgage, of the Note, and of the other
Loan Documents, all without any deductions or credit for taxes or other similar charges paid by Borrower.

1.02 Warranty of Title. Borrower hereby warrants that, except for the matters set forth on **Exhibit B** hereto, it is lawfully seized of an indefeasible estate in fee simple in the land and real property hereby mortgaged, or is lawfully seized of such other estate or interest as is described on **Exhibit A** hereto, and has good and absolute title to all existing personal property hereby granted as security, and has good right, full power and lawful authority to sell, convey, mortgage and grant a security interest in the same in the manner and form aforesaid; that the same is free and clear of all grants, reservations, security interests, liens, charges, and encumbrances whatsoever, including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature, and that Borrower shall and will warrant and forever defend the title thereto and the quiet use and enjoyment thereof unto Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

1.03 Future Advances, Revolving and Open-End Loans, and Other Debts. It is expressly understood that this Mortgage is intended to and does secure not only the Loan, but also future advances and any and all Obligations, whether now existing or hereafter arising, and any and all extensions, renewals, modifications and refinancings of same, or any part thereof, existing at any time before actual cancellation of this instrument on the probate records of the county or counties where the Mortgaged Property is located, and whether the same be evidenced by note, open account, assignment, endorsement, guaranty, pledge or otherwise. The Loan may, if provided in the applicable loan instruments, provide for revolving or open-end loans and advances, all of which shall be secured by this Mortgage.

1.04 Monthly Tax Deposit. If required by Lender in accordance with Section 8.14 of the Loan Agreement, Borrower shall escrow taxes in accordance with Section 8.14 of the Loan Agreement.

1.05 Other Taxes, Utilities and Liens; Contest and Defense of Title.

(a) Borrower shall pay promptly, when and as due, and, if requested, will exhibit promptly to Lender receipts for the payment of all taxes, assessments, water rates, utility charges, dues, charges, fines, penalties, costs and other expenses incurred, and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Property or any part thereof or upon the revenues, rents, issues and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof, or upon the interest of Lender in the Mortgaged Property (other than any of the same for which provision has been made in Paragraph 1.04 of this Article I), or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property.

(b) Except for Permitted Encumbrances and except to the extent otherwise expressly set forth in the Loan Agreement, Borrower shall not create or suffer or permit any lien, charge or encumbrance to attach to or be filed against the Mortgaged Property or any part thereof, or interest thereon, or any other rights and properties conveyed, mortgaged and granted hereunder, whether such lien, charge or encumbrance is on a parity, inferior or superior to the lien of this Mortgage, including liens for labor or materials with respect to the Mortgaged Property (collectively, "Mechanic's Liens").

(c) Notwithstanding paragraph (b) of this Section 1.05, Borrower may in good faith and with reasonable diligence contest the validity or amount of any Mechanic's Liens and defer payment and discharge thereof during the pendency of such contest, provided that: (i) such contest shall prevent the sale or forfeiture of the Mortgaged Property, or any part thereof or any interest therein, to satisfy such Mechanic's Liens and shall not result in a forfeiture or impairment of the lien of this Mortgage; and (ii) within thirty (30) days after Borrower has been notified of the filing of any such Mechanic's Liens,

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Borrower shall have notified Lender in writing of Borrower's intention to contest such Mechanic's Liens, or to cause any other party to contest such Mechanic's Liens, Borrower shall have obtained a title insurance endorsement over such Mechanic's Liens in form and substance reasonably satisfactory to Lender, insuring Lender against loss or damage by reason of such Mechanic's Liens; provided that in lieu of such title insurance endorsement Borrower may (i) deposit and keep on deposit with Lender (or such depository as may be designated by Lender) a sum of money sufficient, in the judgment of Lender, to pay in full such Mechanic's Liens and all interest thereon, or (ii) file a bond sufficient to release and discharge the lien. All such deposits (if any) are to be held in interest bearing accounts and may be used by the Lender in its reasonable discretion to protect the priority of this Mortgage. In case Borrower shall fail to maintain such title insurance, deposit or bond, or fail to prosecute or cause the prosecution of such contest with reasonable diligence, or fail to pay or cause to be paid the amount of the Mechanic's Lien, plus any interest finally determined to be due upon the conclusion of such contest; then Lender may, at its option, apply any money and liquidate any securities then on deposit with Lender (or other depository designated by Lender) in payment of or on account of such Mechanic's Liens, or that part thereof then unpaid, together with all interest thereon according to any written bill, notice or statement, without inquiring into the amount, validity or enforceability thereof. If the amount of money so deposited shall (in Lender's reasonable judgment) be insufficient for the payment in full of such Mechanic's Liens, together with all interest thereon, then Borrower shall forthwith, upon demand, deposit with Lender (or other depository designated by Lender) the sum which shall (in Lender's reasonable judgment, when added to the funds then on deposit with Lender) be necessary to make such payment in full (or such other security as shall be reasonably satisfactory to Lender). If a Mechanic's Lien claim is ultimately resolved in the claimant's favor, then the monies so deposited shall be applied in full payment of such Mechanic's Lien or that part thereof then unpaid, together with all interest thereon (provided no Event of Default shall then exist) when Lender has been furnished with satisfactory evidence of the amount of payment to be made. Any excess monies remaining on deposit with Lender (or other depository) under this Section 1.05(c) shall be paid to Borrower, provided that no Event of Default shall then exist.

(d) If the lien and security interest of Lender in or to the Mortgaged Property, or any part thereof, shall be endangered or shall be attacked by a third party, directly or indirectly, Borrower shall promptly notify Lender upon Borrower obtaining knowledge thereof and shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, or any part thereof, and shall file and prosecute such proceedings and take all actions reasonably necessary to preserve and protect such title, lien and security interest in and to the Mortgaged Property.

1.06 Insurance. Borrower shall obtain and maintain or cause to be obtained and maintained, in full force and effect at all times insurance with respect to Borrower and the Mortgaged Property as required pursuant to the Loan Agreement. If required by Lender in accordance with Section 8.14 of the Loan Agreement, Borrower shall escrow Premiums (as defined in the Loan Agreement) in accordance with Section 8.14 of the Loan Agreement.

1.07 Condemnation; Casualty; Eminent Domain. All matters related to condemnation, casualty, or eminent domain with respect to all or any part of the Mortgaged Property shall be governed by Article 10 of the Loan Agreement.

1.08 Care of the Property.

(a) Borrower shall (i) maintain, repair, restore, replace or rebuild any portion of the Mortgaged Property which may be damaged or destroyed in accordance with the requirements of the Loan Agreement; (ii) keep the Mortgaged Property in good condition and repair, free from intentional physical waste; (iii) pay all operating costs and expenses of the Mortgaged Property when due; (iv) comply with all Applicable Laws (as defined in the Loan Agreement), observe and comply with any conditions and requirements

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necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to all or any portion of the Mortgaged Property or the use and occupancy thereof; (v) refrain from any action, and correct any condition known to Borrower, which would materially increase the risk of fire or other hazard to the Mortgaged Property or any portion thereof; and (vi) cause the Mortgaged Property to be managed in a competent and professional manner.

(b) Without the prior written consent of Lender, Borrower shall not cause, suffer or permit (i) any material alteration of the Mortgaged Property, except as required by any applicable legal requirement or as otherwise contemplated or permitted by the Loan Agreement or any Lease; (ii) any change in the zoning classification requested by Borrower or intended use or occupancy of the Mortgaged Property; (iii) any change in the identity of Borrower, except with respect to transfer of membership interests to the extent permitted by Section 9.4 of the Loan Agreement, or the person or entity responsible for managing the Mortgaged Property; or (iv) any modification of the licenses, permits, privileges, franchises, covenants, conditions or declarations of use applicable to the Mortgaged Property, except as required to operate the Mortgaged Property in the manner required hereunder.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Borrower shall give prompt written notice of the same to Lender.

(d) Lender is authorized to enter upon and inspect the Mortgaged Property in accordance with Section 6.4 of the Loan Agreement.

1.09 Further Assurances; After-Acquired Property.

(a) At any time, and from time to time, upon request by Lender, Borrower, at Borrower's expense, will make, execute and deliver or cause to be made, executed and delivered to Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lender any and all such other and further mortgages, instruments of further assurance, certificates and other documents as may, in the reasonable opinion of Lender, be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligation of Borrower under the Note and this Mortgage, and the priority of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Borrower. Upon any failure by Borrower so to do, Lender may make, execute, and record any and all such mortgages, instruments, certificates, and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower so to do. The lien and rights hereunder automatically will attach, without further act, to all after-acquired property (except consumer goods, other than accessions, not acquired within ten (10) days after Lender has given value under the Note) attached to and/or used in the operation of the Mortgaged Property or any part thereof.

(b) Without limitation to the generality of the other provisions of this Mortgage, including subparagraph (a) of this Paragraph 1.09, it hereby expressly is covenanted, agreed and acknowledged that the lien and rights hereunder automatically will attach to any further, greater, additional, or different estate, rights, titles or interests in or to any of the Mortgaged Property at any time acquired by Borrower by whatsoever means, including that in the event Borrower is the owner of an estate or interest in the Mortgaged Property or any part thereof (such as, for example, as the lessee or tenant) other than as the fee simple owner thereof, and prior to the satisfaction of record of this Mortgage, Borrower obtains or otherwise acquires such fee simple or other estate, then such further, greater, additional, or different estate in the Mortgaged Property, or a part thereof, shall automatically, and without any further action or filing or recording on the part of Borrower or Lender or any other person or entity, be and become subject to this Mortgage and the lien hereof. In consideration of Lender's making the Loan as aforesaid, and to secure the

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Loan and Obligations set forth above, Borrower hereby grants, bargains, sells, and conveys to Lender, on the same terms as set forth in this Mortgage and intended to be a part hereof, all such after-acquired property and estates.

1.10 Leases Affecting Mortgaged Property. Borrower shall comply with and observe its obligations as landlord or tenant under all leases affecting the Mortgaged Property or any part thereof. If requested by Lender, Borrower shall furnish Lender with executed copies of all leases now or hereafter existing on the Mortgaged Property; and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender in accordance with the Loan Documents. Borrower shall not accept payment of rent more than one (1) month in advance without the express written consent of Lender. If requested by Lender, Borrower shall execute and deliver to Lender, as additional security, such other documents as may be requested by Lender to evidence further the assignment to Lender hereunder, and to assign any and all such leases whether now existing or hereafter created, including, without limitation, all rents, royalties, issues and profits of the Mortgaged Property from time to time accruing. Borrower shall not cancel, surrender or modify any lease affecting the Mortgaged Property except as permitted by the Loan Documents.

1.11 Expenses. Borrower shall pay or reimburse Lender for all reasonable attorneys' fees, costs and expenses incurred by Lender in connection with the collection of the indebtedness secured hereby or the enforcement of any rights or remedies provided for in this Mortgage, in any of the other Loan Documents, or as may otherwise be provided by law, or in any action, proceeding or dispute of any kind in which Lender is made a party, or appears as party plaintiff or defendant, affecting this Mortgage, the Note, any of the other Loan Documents, Borrower or the Mortgaged Property, including but not limited to the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, any environmental condition of or affecting the Mortgaged Property, or any action to protect the security hereof; and any such amounts paid or incurred by Lender shall be added to the indebtedness secured hereby and shall be further secured by this Mortgage.

1.12 Performance by Lender of Defaults by Borrower. If Borrower shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property, or otherwise described in Paragraphs 1.04 and 1.05 hereof; in the payment of any utility charge, whether public or private; in the payment of insurance premiums; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; or in the performance or observance of any other covenant, condition or term of this Mortgage, of the Note, or of any of the other Loan Documents, then Lender, at its option, may perform or observe the same; and all payments made for costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon calculated in the manner set forth in the Note, and at the default interest rate specified in the Note. Lender hereby is empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to Borrower or any person in possession holding under Borrower for trespass or otherwise.

1.13 Books and Records. Borrower shall keep and maintain at all times full, true and accurate books of accounts and records and deliver the financial statements specifically required by the Loan Agreement.

1.14 Estoppel Affidavits. Borrower within twenty (20) days after written request from Lender shall furnish a written statement, duly acknowledged, setting forth its calculation of the unpaid principal of and interest on the Loan and whether or not it is aware of any offsets or defenses exist against any principal and interest.

1.15 Restrictions on Transfer.

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(a) Borrower, without the prior written consent of Lender and except as otherwise permitted by Section 9.4 of the Loan Agreement, shall not effect, suffer or permit any Prohibited Transfer (as defined herein). Any merger or consolidation, change in capital structure, or any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

(i) Except as otherwise permitted by the Loan Documents, the Mortgaged Property or any part thereof or interest therein, excepting only sales or other dispositions of collateral ("Obsolete Collateral") no longer useful in connection with the operation of the Mortgaged Property, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;

(ii) Any transfer of an interest in Borrower (Grantor) in violation of Section 9.4 of the Loan Agreement;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this section shall not apply to the following, all of which shall be expressly permitted by this Mortgage and the other Loan Documents as a Permitted Transfer: (i) to liens securing the indebtedness, (ii) to the lien of current Taxes not in default, (iii) to any transfers of the Mortgaged Property, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives, (iv) to Leases permitted by the terms of the Loan Documents, if any; or (v) to other Permitted Encumbrances permitted by the terms of the Loan Agreement, if any.

(b) In determining whether or not to make the Loan, Lender evaluated the background and experience of Borrower and its direct owners in owning and operating property such as the Mortgaged Property, found such persons or entities acceptable and relied and continues to rely upon same as the means of maintaining the value of the Mortgaged Property which is Lender's security for the Note. Borrower and its direct and indirect owners are well experienced in borrowing money and owning and operating property such as the Mortgaged Property, were ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Borrower recognizes that Lender is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Borrower. Borrower further recognizes that any secondary junior financing placed upon the Mortgaged Property (i) may divert funds which would otherwise be used to pay the Note; (ii) could result in acceleration and foreclosure by any such junior encumbrancer which would force Lender to take measures and incur expenses to protect its security; (iii) would detract from the value of the Mortgaged Property should Lender come into possession thereof with the intention of selling same; and (iv) would impair Lender's right to accept a deed in lieu of foreclosure, as a foreclosure by Lender would be necessary to clear the title to the Mortgaged Property. In accordance with the foregoing and for the purposes of (a) protecting Lender's security, both of repayment and of value of the Mortgaged Property; (b) giving Lender the full benefit of its bargain and contract with Borrower; (c) allowing Lender to raise the interest rate and collect assumption fees; and (d) keeping the Mortgaged Property free of subordinate financing liens, Borrower agrees that if this section is deemed a restraint on alienation, that it is a reasonable one.

1.16 Environmental Matters. Concurrently herewith, Borrower and Guarantor shall execute and deliver a Hazardous Materials Indemnification and Warranty Agreement in form satisfactory to Lender (the "Environmental Indemnity Agreement"). The performance of the covenants, undertakings and obligations of the indemnitors under the Environmental Indemnity Agreement shall be secured by this Mortgage.

1.17 Inspection Rights and Easements. In addition to other inspection rights of Lender, Borrower shall and hereby does grant and convey to Lender, its agents, representatives, contractors, and employees, to be exercised by Lender following an Event of Default hereunder or under any of the other Loan Documents, an easement and license to enter on the Mortgaged Property at any time and from time to time for the purpose of making such audits, tests, inspections, and examinations, including, without limitation, inspection of buildings and improvements, subsurface exploration and testing and groundwater testing (herein "**Inspections**"), as Lender, in its sole discretion, deems necessary, convenient, or proper to determine the condition and use of the Mortgaged Property, to make an inventory of the Mortgaged Property, and to determine whether the ownership, use and operation of the Mortgaged Property are in compliance with all federal, state, and local laws, ordinances, rules, and regulations, including, without limitation, environmental laws, health and public accommodation laws, the ADA and the Rehabilitation Act, as applicable, and ordinances, rules and regulations relating thereto. Notwithstanding the grant of the above easement and license to Lender, Lender shall have no obligation to perform any such Inspections, or to take any remedial action. All the costs and expenses incurred by Lender with respect to any Inspections which Lender may conduct or take pursuant to this Paragraph 1.17, including, without limitation, the fees of any engineers, laboratories, and contractors, shall be repaid by Borrower, with interest, and shall be secured by this Mortgage and the other Loan Documents.

1.18 Use, Governmental Compliance, etc. Borrower shall (a) use the Mortgaged Property solely for the uses provided for in the Loan Agreement, or otherwise as permitted in writing by Lender; (b) comply with all Applicable Laws (as defined in the Loan Agreement); and (c) obtain and maintain any and all licenses, permits, franchises, governmental authorizations, patents, trademarks, copyrights or other rights necessary for the ownership of its property and the advantageous conduct of its business and as may be required from time to time by applicable law.

ARTICLE II ASSIGNMENT OF RENTS AND LEASES

2.01 Assignment. Borrower, in consideration of Lender's making the Loan as aforesaid and for other good and valuable consideration, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Borrower, including but not limited to reasonable attorneys' fees, and any and all Obligations, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note and in the other Loan Documents, does hereby sell, assign and transfer unto Lender all leases, subleases and lease guaranties of or relating to all or part of the Mortgaged Property, whether now existing or hereafter created or arising, including without limitation those certain leases, if any, specifically described on an exhibit to this Mortgage, and all the rents, issues and profits now due and which may hereafter become due under or by virtue of any such lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Mortgaged Property or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Lender under the powers herein granted, it being the intention of the parties to hereby establish an absolute transfer and assignment of all the said leases, subleases, lease guaranties and agreements, and all the avails thereof, to Lender, and Borrower does hereby appoint irrevocably Lender its true and lawful attorney in its name and stead (with or without taking possession of the aforesaid Mortgaged Property as hereinafter provided), to rent, lease or let all or any portion of the Mortgaged Property to any party or parties

at such rental and upon such term, in its discretion as it may determine, and to collect all of said rents, issues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the leases, subleases, lease guaranties and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Mortgaged Property, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Lender would have upon taking possession of the Mortgaged Property pursuant to the provisions hereinafter set forth.

2.02 Prepayment of Rent. Borrower represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Property for more than one installment in advance and that the payment of none of the rents to accrue for any portion of said Mortgaged Property has been or will be waived, released, reduced, or discounted, or otherwise discharged or compromised by Borrower. Borrower waives any right of setoff against any person in possession of any portion of the Mortgaged Property. Borrower agrees that it will not assign any of the rents or profits except to the purchaser or grantee of the Mortgaged Property.

2.03 Not Mortgagee in Possession; No Liability. Nothing herein contained shall be construed as constituting Lender as "mortgagee in possession" in the absence of the taking of actual possession of the Mortgaged Property by Lender pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

2.04 Assignment of Leases and Other Agreements Affecting the Mortgaged Property. In order to further secure payment of the Obligations and the observance, performance and discharge of Borrower's obligations under the Loan Documents, Borrower hereby assigns to Lender all of Borrower's right, title, interest and estate in, to and under all of the Leases or other agreements, affecting the use, enjoyment or occupancy of the Mortgaged Property now or hereafter made affecting the Mortgaged Property or any portion thereof. Unless an Event of Default is in existence at such time and Lender notifies Borrower that Lender has revoked Borrower's license to collect the rents, issues, income and profits of the Property (collectively, the "Rents"), Borrower shall be entitled to collect the Rents (except as otherwise provided in this Mortgage) as and when they become due and payable pursuant to a license therefor granted by Lender to Borrower hereunder. Neither these assignments nor Lender's enforcement of the provisions of these assignments (including the receipt of the Rents) will operate to subordinate the lien of this Mortgage to any of the rights of any tenant or other party to any other agreement affecting the use, enjoyment or occupancy of the Mortgaged Property or any part of the Mortgaged Property, or to subject Lender to any liability to any such tenant for the performance of any obligations of Borrower under any such Lease or other agreement affecting the Mortgaged Property, unless and until Lender agrees to such subordination or assumes such liability by an appropriate written instrument.

2.05 Instruction to Lessees. Borrower does further specifically authorize and instruct each and every present and future lessee, tenant, sublessee or subtenant of the whole or any part of the Mortgaged Property to pay all unpaid rental agreed upon in any lease, sublease or tenancy to Lender upon receipt of demand from said Lender to pay the same.

2.06 Default (Assignment). Upon the occurrence of any Event of Default, as described in Paragraph 4.01 of this Mortgage, then, in addition to the right to demand and collect directly from tenants rents accruing from leases of the Mortgaged Property, Lender shall have all rights and remedies set forth in Article IV or elsewhere in this Mortgage.

ARTICLE III SECURITY AGREEMENT

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Mauhin County, Alabama

3.01 Grant of Security Interest. Borrower (the “debtor” for purposes of the Uniform Commercial Code), in consideration of Lender’s (the “secured party” for purposes of the Uniform Commercial Code) making the Loan as aforesaid and for other good and valuable consideration, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Borrower, including but not limited to reasonable attorneys’ fees, and any and all Obligations, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth and set forth in the Note and in the other Loan Documents, does hereby assign and grant to Lender title to and a security interest in such portions of the Mortgaged Property the security interest in and disposition of which is governed by the Uniform Commercial Code (the “Collateral”).

3.02 Definitions and Interpretation of Uniform Commercial Code. All terms used herein which are defined in the Alabama Uniform Commercial Code (the “Uniform Commercial Code”) shall have the same meaning herein as in the Uniform Commercial Code unless otherwise indicated herein. References herein to the Uniform Commercial Code shall mean the Alabama Uniform Commercial Code as existing on the date of this Mortgage and as revised and amended from time to time. Anything to the contrary herein notwithstanding, rights and remedies of the debtor and secured party under the Uniform Commercial Code shall be deemed to mean such rights and remedies existing under the Uniform Commercial Code as in effect on the date such rights or remedies are enforced; provided, that no such interpretation shall have the effect of invalidating any security interest created hereunder. No reference herein to rights or remedies existing under the Uniform Commercial Code on the date of this Mortgage, which may not exist or which may be modified under later revisions or amendments to the Uniform Commercial Code, shall have the effect of invalidating this Mortgage or any security interest created hereunder.

3.03 Financing Statements. No financing statement covering any Collateral or any proceeds thereof is on file in any public office, except for financing statements specifically set forth on an addendum attached hereto, if any, and except for the financing statements executed by Borrower and Lender. At Lender’s request, Borrower will join with Lender in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Lender, and will pay the cost of filing the same in all public offices wherever filing is deemed by Lender to be reasonably necessary or desirable. Borrower authorizes Lender to prepare and to file financing statements covering the Collateral signed only by Lender and to sign Borrower’s signature to such financing statements in jurisdictions where Borrower’s signature is required. Borrower promises to pay to Lender the fees incurred in filing the financing statements, including but not limited to mortgage recording taxes payable in connection with filings on fixtures, which fees shall become part of the indebtedness secured hereby.

3.04 Representations of Borrower (Collateral). With respect to all of the Collateral, Borrower represents and warrants that:

- (a) The Collateral is used or bought primarily for business purposes;
- (b) If the Loan is a construction loan, the Collateral is being acquired and/or installed with the proceeds of the Note which Lender may disburse directly to the seller, contractor, or subcontractor in accordance with the applicable provisions of the Loan Agreement;
- (c) Except as expressly set forth in the Loan Agreement, all the Collateral will be kept at the real property described in **Exhibit A** hereto. Borrower promptly shall notify Lender of any change in the location of the Collateral. Except for transactions in the ordinary course of Borrower’s business, Borrower, its agents or employees, will not remove the Collateral from said location without the prior written consent of Lender;

(d) If certificates of title are issued or outstanding with respect to any of the Collateral, Borrower shall cause Lender's interest to be properly noted thereon; and

(e) Borrower's name has always been as set forth on the first page of this Mortgage, except as otherwise disclosed in writing to Lender. Borrower promptly shall advise Lender in writing of any change in Borrower's name.

3.05 Assignment of Liabilities. If at any time or times by sale, assignment, negotiation, pledge, or otherwise, Lender transfers any or all of the indebtedness or instruments secured hereby, such transfer shall, unless otherwise specified in writing, carry with it Lender's rights and remedies hereunder with respect to such indebtedness or instruments transferred, and the transferee shall become vested with such rights and remedies whether or not they are specifically referred to in the transfer. If and to the extent Lender retains any of such indebtedness or instruments, Lender shall continue to have the rights and remedies herein set forth with respect thereto.

3.06 No Obligation of Lender Under Assigned Contracts. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any contracts or agreements relating to the Mortgaged Property, and Borrower shall and does hereby agree to indemnify and hold Lender harmless of and from any and all liability, loss or damage which it may or might incur under any such contracts or agreements or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said contracts or agreements, except to the extent such loss, damage, claims, and/or demands arise out of the gross negligence or willful misconduct of Lender. Should Lender incur any such liability, loss or damage, under said contracts or agreements or under or by reason of the assignment thereof, or in the defense of any claims or demands asserted against Lender in connection with any one or more of said contracts or agreements, Borrower agrees to reimburse Lender for the amount thereof, including costs, expenses and reasonable attorneys' fees immediately upon demand, and until the same are fully reimbursed by Borrower, all such costs, expenses and attorneys' fees shall be secured by the assignment hereunder and by this Mortgage.

3.07 Default (Security Agreement). Upon the occurrence of any Event of Default, as described in Paragraph 4.01 of this Mortgage, Lender shall have all rights and remedies set forth in Article IV or elsewhere in this Mortgage.

ARTICLE IV EVENTS OF DEFAULT AND REMEDIES

4.01 Event of Default. Under this Mortgage an "Event of Default" means an Event of Default as defined under the Loan Agreement.

4.02 Acceleration of Maturity. If an Event of Default shall have occurred, then the entire balance of the indebtedness (including but not limited to the Loan and the Obligations) secured hereby (or such parts as Lender may elect) with interest accrued thereon (or such parts as Lender may elect) shall, at the option of Lender, become due and payable without notice or demand, time being of the essence. Any omission on the part of Lender to exercise such option when entitled to do so shall not be considered as a waiver of such right.

4.03 Right of Lender to Enter and Take Possession.

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(a) If an Event of Default shall have occurred and be continuing, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property, and if and to the extent permitted by law, Lender or its agents may enter and take and maintain possession of all the Mortgaged Property, together with all the documents, books, records, papers and accounts of Borrower or then owner of the Mortgaged Property relating thereto, and may exclude Borrower and its agents and employees wholly therefrom.

(b) Upon every such entering upon or taking of possession pursuant to Section 4.03(a), Lender, as attorney-in-fact or agent of Borrower, or in its own name as mortgagee and under the powers herein granted, may hold, store, use, operate, manage and control the Mortgaged Property (or any portion thereof selected by Lender) and conduct the business thereof either personally or by its agents, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (ii) insure or keep the Mortgaged Property (or any portion thereof selected by Lender) insured; (iii) manage and operate the Mortgaged Property (or any portion thereof selected by Lender) and exercise all the rights and powers of Borrower in its name or otherwise, with respect to the same, including legal actions for the recovery of rent, legal dispossessory actions against tenants holding over and legal actions in distress of rent, and with full power and authority to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Borrower to cancel the same, and to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof except any such lease or sublease entered into in compliance with this Mortgage; (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted Lender, all as Lender from time to time may determine to be to its best and commercially reasonable advantage; and Lender may collect and receive all the income, revenues, rents, issues and profits of the Mortgaged Property (or any portion thereof selected by Lender), including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes), (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions, (cc) the cost of such insurance, (dd) such taxes, assessments and other charges prior to this Mortgage as Lender may determine to pay, (ee) other proper charges upon the Mortgaged Property or any part thereof, and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Lender, Lender shall apply the remainder of the moneys so received by Lender, first to the payment of accrued interest under the Note; second to the payment of tax deposits required in Paragraph 1.04; third to the payment of any other sums required to be paid by Borrower under this Mortgage or under the other Loan Documents; fourth to the payment of overdue installments of principal on the Note; and the balance, if any, as otherwise required by law.

(c) Whenever all such Events of Default have been cured and satisfied, Lender shall surrender possession of the Mortgaged Property to Borrower, or to whomsoever shall be entitled to possession of the Mortgaged Property as a matter of law. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

4.04 Receiver.

(a) If an Event of Default shall have occurred and be continuing, Lender, upon application to a court of competent jurisdiction, shall be entitled, without notice and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect the rents, profits, issues, royalties and revenues thereof.

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(b) Borrower shall pay to Lender upon demand all costs and expenses, including reasonable receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions contained in this Paragraph 4.04; and all such expenses shall be secured by this Mortgage.

4.05 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Loan; (b) to foreclose this Mortgage; and (c) to pursue any other remedy available to Lender, all as Lender may elect.

4.06 Rights of a Secured Party. Upon the occurrence of an Event of Default, Lender, in addition to any and all remedies it may have or exercise under this Mortgage, the Note, any of the other Loan Documents, or under applicable law, may immediately and without demand exercise any and all of the rights of a secured party upon default under the Uniform Commercial Code, all of which shall be cumulative. Such rights shall include, without limitation:

(a) The right to take possession of the Collateral without judicial process and to enter upon any premises where the Collateral may be located for the purposes of taking possession of, securing, removing, and/or disposing of the Collateral without interference from Borrower and without any liability for rent, storage, utilities or other sums;

(b) The right to sell, lease, or otherwise dispose of any or all of the Collateral, whether in its then condition or after further processing or preparation, at public or private sale; and unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give to Borrower at least ten (10) days' prior notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition of the Collateral is to be made, all of which Borrower agrees shall be reasonable notice of any sale or disposition of the Collateral;

(c) The right to require Borrower, upon request of Lender, to assemble and make the Collateral available to Lender at a place reasonably convenient to Borrower and Lender; and

(d) The right to notify account debtors, and demand and receive payment therefrom.

To effectuate the rights and remedies of Lender upon default, Borrower does hereby irrevocably appoint Lender attorney-in-fact for Borrower, with full power of substitution to sign, execute, and deliver any and all instruments and documents and do all acts and things to the same extent as Borrower could do, and to sell, assign, and transfer any collateral to Lender or any other party.

4.07 Power of Sale. If an Event of Default shall have occurred, Lender may sell the Mortgaged Property to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Mortgaged Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Lender may bid at said sale and purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner as Lender may elect. The provisions of Paragraph 4.06 of this Mortgage shall apply with respect to Lender's enforcement of rights or interests in personal property which constitutes Mortgaged Property hereunder.

4.08 Application of Foreclosure or Sale Proceeds. The proceeds of any foreclosure sale pursuant to Paragraph 4.07, or any sale pursuant to Paragraph 4.06, shall be applied as follows:

- (a) First, to the costs and expenses of (i) retaking, holding, storing and processing the Collateral and preparing the Collateral or the Mortgaged Property (as the case may be) for sale, and (ii) making the sale, including a reasonable attorneys' fee for such services as may be necessary in the collection of the indebtedness secured by this Mortgage or the foreclosure of this Mortgage;
- (b) Second, to the repayment of any money, with interest thereon to the date of sale at the applicable rate or rates specified in the Note, this Mortgage, or the other Loan Documents, as applicable, which Lender may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided, and as may be provided in the Note or the other Loan Documents, such repayment to be applied in the manner determined by Lender;
- (c) Third, to the payment of the indebtedness (including but not limited to the Loan and the Obligations) secured hereby, with interest to date of sale at the applicable rate or rates specified in the Note, this Mortgage, or the other Loan Documents, as applicable, whether or not all of such indebtedness is then due;
- (d) Fourth, the balance, if any, shall be paid as provided by law.

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

4.10 Waiver of Exemption. Borrower waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and Borrower waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Mortgaged Property be set off against any part of the indebtedness secured hereby.

4.11 Suits to Protect the Mortgaged Property. Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the income, revenues, rents and profits arising therefrom; and (c) 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 would impair the security hereunder or be prejudicial to the interest of Lender.

4.12 Borrower to Pay the Note on any Default in Payment; Application of Moneys by Lender. If default shall occur in the payment of any amount due under this Mortgage, the Note, or any of the other Loan Documents, or if any other Event of Default shall occur under this Mortgage, then, upon demand of Lender, Borrower shall pay to Lender the whole amount due and payable under the Note; and in case Borrower shall fail to pay the same forthwith upon such demand, Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of Lender's agents and attorneys.

4.13 Delay or Omission No Waiver. No delay or omission of the Lender or County holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by the Note, this Mortgage, or any of the other Loan Documents to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

4.14 No Waiver of One Default to Affect Another. No waiver of any default hereunder or under any of the other Loan Documents shall extend to or shall affect any subsequent or any other then existing default or shall impair any rights, powers or remedies consequent thereon.

If Lender (a) grants forbearance or an extension of time for the payment of any indebtedness secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein, in the Note, or in any of the other Loan Documents; (d) releases any part of the Mortgaged Property from this Mortgage or otherwise changes any of the terms of this Mortgage, the Note, or any of the other Loan Documents; (e) consents to the filing of any map, plat, or replat of or consents to the granting of any easement on, all or any part of the Mortgaged Property; or (f) makes or consents to any agreement subordinating the priority of this Mortgage, any such act or omission shall not release, discharge, modify, change, or affect the original liability under this Mortgage, the Note, or the other Loan Documents of Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender shall the provisions of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Lender, without notice to any person, corporation or other entity (except notice shall be given to Borrower so long as Borrower remains liable under the Note, this Mortgage or any of the other Loan Documents) hereby is authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, or of the other Loan Documents, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

4.15 Discontinuance of Proceedings — Position of Parties Restored. In case Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been taken.

4.16 Remedies Cumulative. No right, power, or remedy conferred upon or reserved to Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder, or under the Note, or any of the other Loan Documents or now or hereafter existing at law or in equity or by statute.

4.17 Notice of Defaults Under the Loan Documents. Borrower shall give prompt notice to Lender of any defaults by Borrower under this Mortgage or any of the other Loan Documents.

ARTICLE V MISCELLANEOUS

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Madison County, Alabama

5.01 Binding Effect. Wherever in this Mortgage one of the parties hereto is named or referred to, the heirs, administrators, executors, successors, assigns, distributees, and legal and personal representatives of such party shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of Borrower or by or on behalf of Lender shall bind and inure to the benefit of their respective heirs, administrators, executors, successors, assigns, distributees, and legal and personal representatives, whether so expressed or not. Notwithstanding the foregoing, Borrower shall not be entitled to assign any of its rights, titles, and interests hereunder, or to delegate any of its obligations, liabilities, duties, or responsibilities hereunder, and will not permit any such assignment or delegation to occur (voluntarily or involuntarily, or directly or indirectly), without the prior written consent of Lender.

5.02 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof. "Herein," "hereby," "hereunder," "hereof," and other equivalent words or phrases refer to this Mortgage and not solely to the particular portion thereof in which any such word or phrase is used, unless otherwise clearly indicated by the context.

5.03 Gender; Number. Whenever the context so requires, the masculine includes the feminine and neuter, the singular includes the plural, and the plural includes the singular.

5.04 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms or provisions contained in this Mortgage, in the Note, or in any of the other Loan Documents shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein, and in the Note, and in the other Loan Documents shall be in no way affected, prejudiced or disturbed thereby.

5.05 Loan Documents. Wherever reference is made herein to this Mortgage, the Note, or the Loan Documents, such reference shall include all renewals, extensions, modifications and refinancings thereof.

5.06 Conflict in Loan Documents. In the event of conflict in the terms of any provision in this Mortgage, the Note, or any of the other Loan Documents, the terms of the Loan Agreement shall apply.

5.07 Instrument Under Seal. This Mortgage is given under the seal of all parties hereto, and it is intended that this Mortgage is and shall constitute and have the effect of a sealed instrument according to law.

5.08 Addresses and Other Information. The following information is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code, as enacted in the State of Alabama, for instruments to be filed as financing statements:

- (a) **Name of Borrower (Debtor):** **Bomasada Liam Huntsville, LLC**
Address of Borrower: 8980 Lakes at 610 Drive
Houston, Texas 77054
Attn: John Gilbert
- (b) **Name of Lender (Secured Party):** **Bryant Bank**
Address of Lender: 320 Pelham Avenue SW, Suite 100
Huntsville, Alabama 35801
Attn: Mike Johnston, Executive Vice President

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Madison County, Alabama
- (c) **Record Owner of Real Estate described on Exhibit A hereto:** Bomasada Liam Huntsville, LLC
- 5.09 Applicable Law. This Mortgage shall be governed by the laws of the State of Alabama.**
- 5.10 Rider.** Additional provisions of this Mortgage, if any, are set forth below or on a Rider attached hereto and made a part hereof.

[Signatures follow on next page]

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Madison County, Alabama

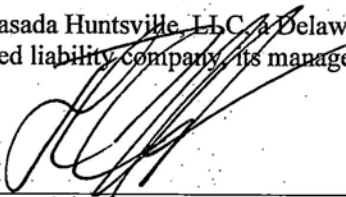
IN WITNESS WHEREOF, Borrower has caused this Mortgage to be executed and effective as of the day and year first above written, although actually executed on the date or dates reflected below.

BORROWER (Mortgagor, Debtor):

BOMASADA LIAM HUNTSVILLE, LLC,
a Delaware limited liability company

By: Bomasada Parse Huntsville, LLC, a Delaware limited liability company, its sole member

By: Bomasada Huntsville, LLC, a Delaware limited liability company, its manager

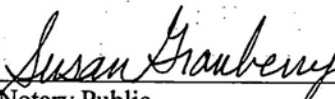
By: 

John L. Gilbert, Manager

STATE OF Texas)
COUNTY OF Harris)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that John L. Gilbert, whose name as Manager of Bomasada Huntsville, LLC, a Delaware limited liability company, in its capacity as Manager of Bomasada Parse Huntsville, LLC, a Delaware limited liability company, in its capacity as the Member of **Bomasada Liam Huntsville, LLC**, a Delaware limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of such conveyance, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 28th day of October, 2021.



Notary Public
My Commission Expires: 7-30-23

[Notarial Seal]

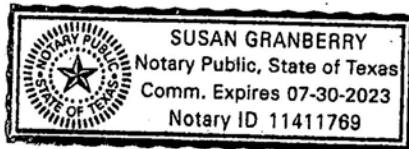


EXHIBIT A

Description of Mortgaged Property

SITUATED IN THE COUNTY OF MADISON, STATE OF ALABAMA AND DESCRIBED AS FOLLOWS:

Lots 2A and 2B as shown on the Minor Plat of National Subdivision Fifth Addition, dated July 14, 2021, filed for record August 3, 2021 as Instrument Number 2021-00063841 in the Office of the Judge of Probate of Madison County, Alabama.

EXHIBIT B

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Permitted Exceptions to Title

1. All matters established by, and shown on, that certain Final Plat of National Subdivision, Fourth Addition, recorded as Instrument No. 2020-00065933 in the Office of the Judge of Probate of Madison County, Alabama.
2. All matters established by, and shown on, that certain Minor Plat of National Subdivision Fifth Addition, dated July 14, 2021, filed for record August 3, 2021 as Instrument Number 2021-00063841 in the Office of the Judge of Probate of Madison County, Alabama.

RECEIVED

Apr 11 2025

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

Bentley D. Price, Circuit Court Judge

Case No. 2024-000322

Thomas H. Morgan Respondent,

v.

John L. Gilbert, Stuart L. Fred, Bella Vista Partnership, A Texas General Partnership, Bomasada Group, Inc., A Texas Corporation, Bomasada Investment Group II, LLC, A Texas Limited Liability Company, Lauralis Management, Inc., A Texas Corporation, and 150 Bee Street, LLC, A South Carolina Limited Liability Company Defendants,

Of which John L. Gilbert, Stuart L. Fred, Bella Vista Partnership, A Texas General Partnership, Bomasada Group, Inc., A Texas Corporation, Bomasada Investment Group II, LLC, A Texas Limited Liability Company, and Lauralis Management, Inc., A Texas Corporation are the Appellants.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the Respondent’s Motion to Lift Stay and Supporting Affidavit have been served upon opposing counsel by emailing a copy on April 11, 2025, to:

Morris A. Ellison
Henry E. Grimball
Womble Bond Dickinson (US) LLP 5
Exchange St (29401)
PO Box 999
Charleston, SC 29402
(843)722-3400
Morris.Ellison@wbd-us.com
Henry.Grimball@wbd-us.com

Counsel for Appellants

/s/ Bailey Pope
Bailey Pope
Paralegal to W. Andrew Gowder Jr.