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SECURITY AGREEMENT

THIS AGREEMENT dated this 18th day of February, 1977,
by and between the SOUTHERN NATIONAL BANK, a national banking asso-
ciation, (the "Bank") and VICTOR SCOTT and wife, CHARLENE H. SCOTT,
("Borrower").

W I T N E S S E T H:

WHEREAS, simultaneously with the execution hereof the Bank is
making a loan to Borrower in the principal sum of Five Hundred Thou-
sand and no/100 Dollars (\$500,000.00), and

WHEREAS, the Bank is requiring that Borrower secure the afore-
said loan as set forth herein.

NOW, THEREFORE, in consideration of the aforesaid loan made by
the Bank to Borrower, the premises, the mutual covenants and agree-
ments contained herein and other good and valuable consideration, the
receipt and adequacy of which is hereby acknowledged, the parties here-
to agree as follows:

1. As security for the payment of all indebtedness, now or in
the future owing by Borrower to the Bank, including, without limita-
tion, indebtedness under term loans, installment loans, demand loans
and revolving line loans and all other indebtedness of Borrower owing
to the Bank now existing or hereinafter incurred, matured or un-
matured, direct or contingent, including any extension, renewals, or
changes in form of any such loan or indebtedness, Borrower hereby
transfers, assigns, conveys and pledges to the Bank and grants to the
Bank a security interest in:

(a) all of Borrower's accounts, accounts receiv-
able, conditional sales contracts, chattel paper, pro-
missory notes, choses in action, contract rights, instru-
ments, all building materials, equipment, fixtures and
fittings of every kind or character now owned or here-
after acquired by the Debtor for the purpose of or used
in connection with the improvements located or to

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be located on the real estate described in Exhibit A which is made a part hereof by reference, whether such materials, fixtures and fittings are actually located on or adjacent to said real estate or not, and whether in storage or otherwise, wheresoever the same may be located. The personal property herein conveyed and mortgaged shall include, without limitation, all lumber and lumber products, bricks, building stones, hardware, nails, wires and wiring, equipment and appliances, pipes, and piping, ornamental and decorative fixtures, and in general all building material and equipment of every kind and character used or useful in connection with the same improvements, and also, all presently owned or hereafter acquired furnaces, heaters, stoves, ranges, gas and electric light fixtures, refrigerating and air conditioning apparatus, elevators, screens, doors, awnings, blinds, floor covering, lobby furnishings, gas and oil tanks, and equipment, plumbing equipment, carpeting, drapes, dishwashers, disposals, and furniture, used or to be used or located on or in said real estate, documents and general intangibles, now owned or hereafter acquired by Borrower (hereinafter called "Collateral"); and

(b) all the proceeds thereof, either cash or non-cash.

2. Borrower in addition to the other covenants herein contained, warrants and agrees as follows:

(a) All of the statements and representations now, heretofore, or hereafter furnished to the Bank by Borrower pertaining to Borrower's collateral are true and correct and each Account is, or will be when obtained, genuine, and each





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Account arose, or will have arisen, from a bona fide transaction of Borrower in the course of its business;

(b) Borrower will at all times keep accurate and complete records of Borrower's Accounts and Inventory, and the Bank, or its agents, shall have the right to call at Borrower's place or places of business at intervals to be determined by the Bank and, without hinderance or delay, to inspect, audit, check and make abstracts from the books, records, journals, orders, receipts, correspondence and other data relating to Borrower's Accounts and Inventory or to any other transaction between the parties hereto;

(c) Borrower will join with the Bank in executing any security agreements, financing statements or other instruments, in form satisfactory to the Bank, as the Bank may from time to time request in connection with any indebtedness owing to the Bank by Borrower and will give the Bank such financial statements, reports, certificates and other matters as the Bank may from time to time specify;

(d) Borrower will maintain its accounts, books, records and evidence of the Accounts at its office located at Montevallo, Shelby County, Alabama, and will not change the location thereof without the Bank's prior written consent; and

(e) So long as any indebtedness to the Bank secured hereby remains unpaid, Borrower warrants and represents that it will not, without the prior written consent of the Bank, pledge or grant any security interest in any of the Collateral to anyone except the Bank or permit any lien or encumbrance to attach to any of the Collateral or any levy to be made thereon or any financing statement (except the Bank's financing statement) to be on file with respect thereto.

3. Borrower hereby assigns to the Bank and the Bank hereby accepts from Borrower, for a term which shall last as long as there shall be any indebtedness or obligations, present or future, direct or contingent, matured or unmatured, of whatever nature, owing to the Bank by Borrower, all of Borrower's present and future books of Accounts, trial balance records, and ledgers and the cabinets in which they are located or maintained, in any way relating to the Collateral, and all present and future supporting evidence or documents relating thereto in the form of written applications, credit information, account cards, payment records, trial balances, correspondence, delivery receipts, certificates of title, invoices, insurance certificates and the like as well as the past and current information stored in computer software programs for and on behalf of Borrower by third parties. Borrower, if requested by the Bank, agrees to legend all of the foregoing to indicate the assignment thereof to the Bank.

3.1 If Borrower shall default hereunder, then in addition to all of the other rights and remedies of the Bank, the Bank will have the right forthwith, or at any time thereafter, to remove from Borrower's premises all of the foregoing and keep and retain the same in Bank's possession until all indebtedness and obligations of whatever nature owing by Borrower to the Bank shall have been fully paid and discharged.

4. The Bank shall have the right to notify the account debtors obligated on any or all of the Accounts to make payment thereof direct to the Bank and to take control of all proceeds of any such Accounts, which right the Bank may exercise at any time, whether or not Borrower is then in default hereunder or is theretofore making collections thereon. Borrower shall, if requested by the Bank, stamp or cause to be stamped on each Account item in legible letters "Pledged to Southern National Bank". Borrower authorizes the Bank to sign and endorse Borrower's name upon any check, draft, money order or other form of

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payment for any Account item, to compromise and settle Accounts on behalf of Borrower and to sign and endorse satisfactions and releases of Account items in Borrower's name and on behalf of Borrower. Until such time as the Bank elects to exercise such right by giving to Borrower written notice thereof, Borrower is authorized as agent of the Bank, to collect and enforce the Accounts in Borrower's name. The cost of such collection and enforcement, including attorneys' fees and out-of-pocket expenses and all other expenses and liabilities resulting therefrom, shall be borne solely by Borrower whether the same are incurred by the Bank or Borrower.

5. Upon written notice by the Bank to Borrower, Borrower will forthwith upon receipt of all checks, drafts, cash and other remittances in payment or on account of the Accounts deposit the same in a special account maintained with the Bank over which the Bank alone has power of withdrawal. The funds in said special account shall be held by the Bank as security for all indebtedness of Borrower to the Bank secured hereby. Said proceeds shall be deposited in precisely the form received, except for the endorsement of Borrower when necessary to permit collection of items which endorsement Borrower agrees to make and which the Bank is also hereby authorized to make on Borrower's behalf. After such notice and pending such deposit, Borrower agrees that it will not mingle any such checks, drafts, cash or other remittances with any of the Borrower's funds or property but will hold them separate and apart therefrom and upon an express trust for the Bank until deposit thereof is made in the aforesaid special account. After such notice, so long as Borrower is not in default hereunder, the Bank will, once a week or at such other mutually agreeable periodic intervals, release the collected funds on deposit in the special account to Borrower. From such special account, the Bank, on each due date of principal and/or interest on any indebtedness secured hereby, may apply the whole or any part of the

collected funds on deposit in the special account against such principal and/or interest payment. In the event of any default hereunder, in addition to all other remedies available to the Bank, the Bank may apply the whole or any part of the collected funds on deposit in such special account against the principal, interest and/or other charges owed to the Bank by Borrower, the order and method of such application to be at the direction of the Bank.

6. In the event any of the indebtedness hereby secured or any part thereof or any interest thereon is not paid when due, or in the event any of the warranties or agreements herein set forth are not true or are broken, or in the event of an event of default under the provisions of any loan agreement or other writing between Borrower and the Bank, then, in any such event, the Bank may, at its option without notice or demand, declare all of the indebtedness hereby secured immediately due and payable, and the Bank may, in addition to any other rights and remedies which it may have, immediately and without demand, exercise any and all of the rights and remedies granted to a secured party upon default under the Uniform Commercial Code of the State of Alabama. The Bank shall not be liable for failure to collect any Accounts or to enforce any contract right or for any action or omission on the part of the Bank, its officers, agents and employees, except willful misconduct. No remedy herein conferred upon, or reserved to, the Bank is intended to be exclusive of any other remedy or remedies, including those of any note or other evidence of indebtedness held by Bank, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity. Exercise or omission to exercise any right of the Bank shall not affect any subsequent right of the Bank to exercise the same.

7. Borrower agrees to pay the Bank all attorneys', and accountants' fees, and court costs or other expenses which may be incurred



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or expended by the Bank in taking any action hereunder or with regard to the Collateral, whether it be auditing, checking or collecting upon the Collateral or protecting or enforcing Bank's rights hereunder.

8. Any and all recording and filing fees, revenue stamps, taxes or other expenses and charges payable in connection with the execution and delivery to the Bank of this Agreement or of the recording or filing thereof or the recording of any financing statements requested by the Bank pursuant hereto shall be borne by Borrower.

9. Borrower hereby waives any and all causes of action and claims which it may ever have against Bank as a result of any possession, collection, settlement, compromise or sale by the Bank of any Accounts or Inventory in the event of default by Borrower hereunder, notwithstanding the effect of such possession, collection, settlement, compromise or sale upon the business of Borrower, and Borrower waives all rights of redemption, if any, it may have.

9.1. The failure at any time or times hereafter to require strict performance by Borrower of any of the provisions, warranties, terms, and conditions contained in this Agreement or any other agreement, document or instrument now or hereafter executed by Borrower, and delivered to the Bank, shall not waive, affect or diminish any right of Bank hereafter to demand strict compliance and performance therewith and with respect to any other provisions, warranties, terms and conditions contained in such agreements, documents or instruments, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether the same are of a different type. None of the warranties, conditions, provisions and terms contained in this Agreement or any other agreement, document or instrument now or hereafter executed by Borrower and delivered to the Bank shall be deemed to have been waived by any act or knowledge of the Bank, its agents, officers or employees, but only by an instrument in writing signed by an officer of Bank and directors to Borrower specifying such waiver.

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10. This Agreement shall be binding upon the successors and assigns of all the parties hereto and shall inure to the benefit of the Bank, its successors and assigns.

11. This Agreement shall be governed by, and construed according to, the laws of the State of Alabama.

DONE and DATED this the 18th day of February, 1977.

Victor Scott
Victor Scott
Charlene H. Scott
Charlene H. Scott

SOUTHERN NATIONAL BANK

By William R. Weatherly
Its Vice President

Attest:

Charles R. Breedlove
Its Vice President

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STATE OF ALABAMA:
JEFFERSON COUNTY:

I, the undersigned Notary Public, in and for said state and county, hereby certify that William R. Weatherly, whose name as vice-president of Southern National Bank, a national banking association, is signed to the foregoing Security Agreement, and whose signature is duly attested by Charles R. Breedlove, as vice president of said corporation, is known to me; he acknowledged before me on this day that, being informed of the contents of the said Security Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Bank.

Given under my hand and official seal this the 18th day of February, 1977.

Kathryn Jean Hallman
Notary Public

STATE OF ALABAMA:
JEFFERSON COUNTY:

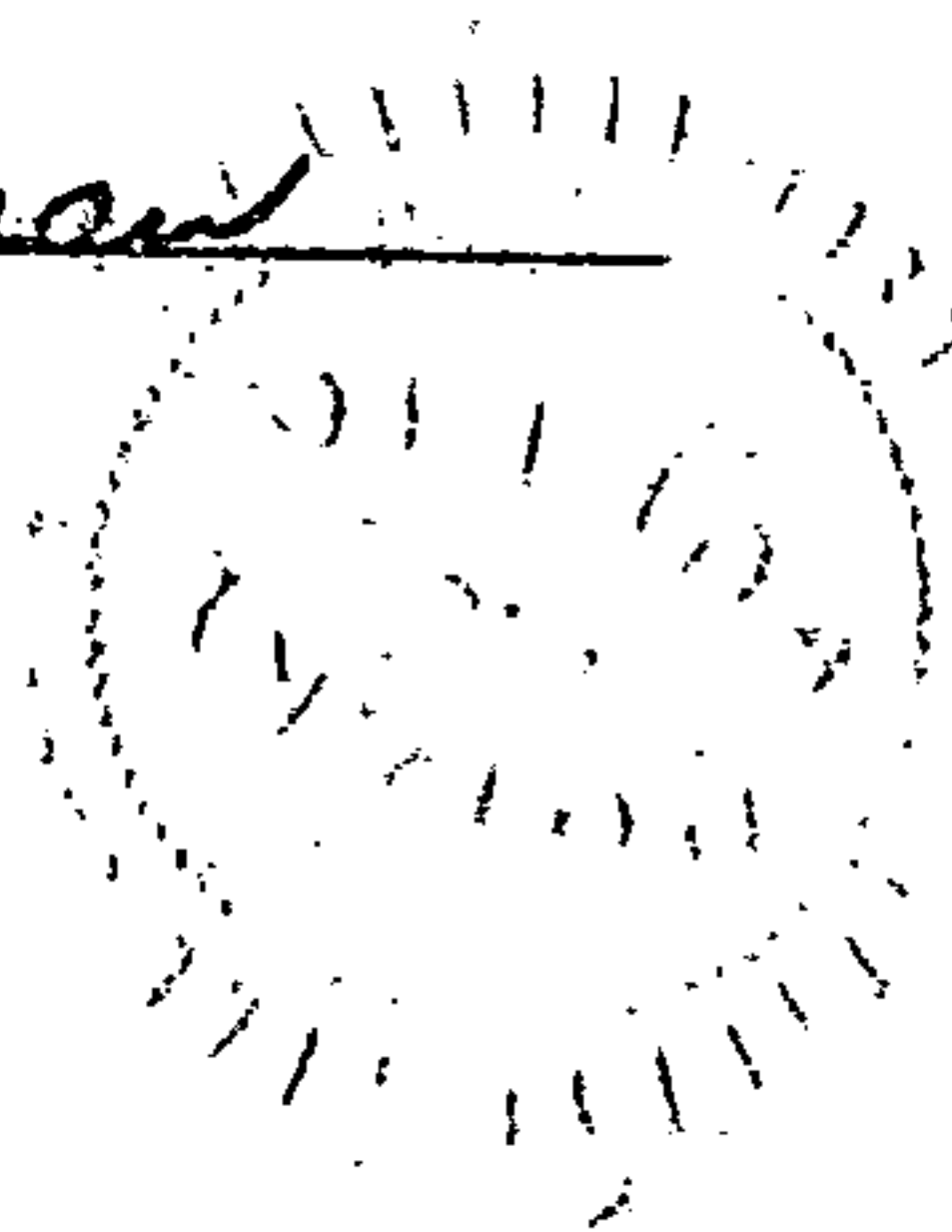


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I, the undersigned Notary Public, in and for said state and county, hereby certify that Victor Scott and wife, Charlene H. Scott, whose names are signed to the foregoing Security Agreement, and who are known to me, acknowledged before me on this day, that being informed of the contents of the said Security Agreement, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 18th day of February, 1977.

Kathryn Jean Hallman
Notary Public



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EXHIBIT A



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A portion of the W 1/2 of the NE 1/4 and the SE 1/4 of the NW 1/4 of Section 3, Township 24 North, Range 12 East more particularly described as follows: Begin at the Southeast corner of the SW 1/4 of the NE 1/4 of Section 3, Township 24 North, Range 12 East and run Northerly along the East side of the said quarter-quarter for 708.9 feet to a point on the North side of the 60 foot wide right-of-way of State Highway #25, then turn an angle of 82 deg. 58 min. 53 sec. to the left and run Northwesternly and parallel to the said right-of-way for 974.37 feet, then turn an angle of 90 deg. 06 min. 57 sec. to the right and run Northerly for 20.00 feet to the point of beginning. (said point also being on the North side of the 100 foot wide right-of way of State Highway #25). Then turn an angle of 90 deg. 00 min. To the left and run Westerly along the said 100 foot wide right-of-way for 205.54 feet, then turn an angle of 7 deg. 31 min. 11 sec. to the right and run 100.8 feet to a point on the North right-of-way of State Highway #155, then turn an angle of 7 deg. 32 min. 11 sec. to the right and run Westerly along the 80 foot wide right-of-way of said Highway #155 for 82.84 feet, then turn an angle of 74 deg. 56 min. 38 sec. to the right and run Northerly for 266.44 feet to a point on the South side of the 100 foot wide right-of-way of Southern Railroad, then turn an angle of 61 deg. 23 min. 15 sec. to the right and run Northeasterly along the said railroad right-of-way for 91.13 feet, then turn an angle of 1 deg. 04 min. 36 sec. to the left and run Northeasterly along the said railroad right-of-way for 351.71 feet, then turn an angle of 119 deg. 41 min. 21 sec. to the right and run Southerly for 519.00 feet back to the point of beginning. Situated in Shelby County, Alabama.

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
DOCUMENT WAS FILED

1977 NOV 29 PM 3:42

Thomas P. Lawrence, Jr.
JUDGE OF PROBATE

Rec. 15.00
Incl. 1.00

16.00