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STATE OF ALABAMA)
JEFFERSON COUNTY)
SHELBY COUNTY)

THIS INSTRUMENT WAS PREPARED BY
CHERVIS ISOM
1400 CITY NATIONAL BANK BLDG.
BIRMINGHAM, ALABAMA 35203

COLLATERAL ASSIGNMENT OF NOTES AND MORTGAGES
AS ADDITIONAL SECURITY

THIS AGREEMENT is made and entered into on this 22nd day of June, 1981, by and between PINE CREST HOMES, INC., an Alabama corporation ("Assignor") and THE FIRST NATIONAL BANK OF BIRMINGHAM, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Assignor is indebted to the Bank, as evidenced by certain promissory notes executed from time to time by Assignor to the Bank, which indebtedness is secured by mortgages (the "Mortgages") covering certain real property owned by Assignor in Jefferson and Shelby Counties, Alabama (the "Mortgaged Property"), which mortgages have been executed from time to time by Assignor to the Bank, and Assignor is also otherwise indebted or liable to the Bank; and

WHEREAS, Assignor has, by deed dated June 16, 1981, conveyed to the Bank the Mortgaged Property and certain other property owned by Assignor and located in Jefferson County, Alabama (the Mortgaged Property and the aforesaid other property being hereinafter referred to collectively as the "Property") in consideration of a credit to be made by the Bank to Assignor with respect to the indebtedness and liabilities of Assignor to the Bank, and the Bank has agreed to make such credit upon the condition that certain other requirements of the Bank are met; and

WHEREAS, the Bank and Assignor have agreed upon a fair and equitable method of appraising the value of the Property

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Cabiness [redacted] Huston [redacted]

and allocating to each parcel of the Property a fair market value, which appraisals are to be conducted by an appraiser or appraisers to be mutually agreed upon, and engaged, by the Bank and Assignor; and

WHEREAS, the Bank is to credit the indebtedness and liabilities of Assignor to the Bank in an agreed amount based on the appraised fair market value of each of the respective parcels of the Property according to the appraisals referred to hereinabove, effective as of June 17, 1981; and

WHEREAS, upon the Bank's making the credit as described hereinabove, the Bank is to determine the difference between the amount of the indebtedness and liabilities of Assignor to the Bank and the amount of the credit (which difference is hereinafter referred to as the "Pine Crest Indebtedness"); and

WHEREAS, in consideration of, among other things, the Bank's agreement to make the credit described hereinabove, Assignor, Leonard Hultquist, II, the President and sole stockholder of Assignor, and his wife, Mary Frances Hultquist, have agreed to execute to the Bank a promissory note for an amount which will include, among other sums, the Pine Crest Indebtedness, which note shall bear interest at the rate of eight percent (8%) per annum and shall be payable on demand, but if not sooner called, one year from the date thereof (the "Note"); and

WHEREAS, said Leonard Hultquist, II and Mary Frances Hultquist have, contemporaneously herewith, executed and delivered to the Bank a mortgage of even date herewith to secure, among other indebtedness, the indebtedness to be evidenced by the Note (the "Hultquist Mortgage"); and

WHEREAS, Assignor is the owner and holder of certain mortgages (the "Assigned Mortgages"), together with the notes secured thereby (the "Assigned Notes"), which Assigned Mortgages and Assigned Notes are more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, as a condition of its agreement to the foregoing arrangement, the Bank has required the Assignor to execute this assignment of the Assigned Notes and Assigned Mortgages to the Bank, as additional security to the Hultquist Mortgage, in order to secure, among other things, all of the indebtedness and liabilities to be evidenced by the Note (including but not limited to the Pine Crest Indebtedness);

NOW, THEREFORE, in consideration of the premises and to secure the payment of the indebtedness and liabilities to be evidenced by the Note, and the compliance with all the stipulations contained in the Note and in this instrument, and in order to secure further any and all other and additional indebtedness, liabilities and obligations of every kind and description whatsoever now or hereafter owing by Assignor, Leonard Hultquist, II, or Mary Frances Hultquist, or any one or more or all of them, to the Bank, whether absolute or contingent, direct or indirect, due or to become due, joint or several, liquidated or unliquidated, regardless of how they may arise or by what agreement or instrument they may be evidenced or whether they are evidenced by any agreement or instrument, and whether incurred or given as maker, endorser, surety, guarantor or otherwise, and any and all extensions and renewals of the Note or of said other additional indebtedness, liabilities and obligations, or any part thereof (all of the indebtedness evidenced by the Note, said other additional indebtedness, liabilities and obligations and extensions and renewals secured hereby being hereinafter collectively referred to as the "Indebtedness"), Assignor does hereby conditionally transfer, assign, set over and convey to the Bank the Assigned Notes and the Assigned Mortgages, together with the indebtednesses secured by the Assigned Mortgages and evidenced by the Assigned Notes; and Assignor does hereby conditionally remise, release, quitclaim and convey to the Bank all of the right, title and interest

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of the Assignor in and to the property described in and conveyed by the Assigned Mortgages. Assignor is now the owner of the Assigned Notes, and the indebtedness evidenced thereby, and the Assigned Mortgages, and Assignor hereby delivers possession of the Assigned Notes and the Assigned Mortgages to the Bank, directing the Bank to maintain possession of said instruments as security for the payment of the Indebtedness.

It is expressly understood and agreed by the Assignor and the Bank that the Assignor reserves and is entitled to collect all sums payable under the Assigned Notes and to retain, use and enjoy the same unless and until the Assignor/or Hultquist defaults in the payment of the Indebtedness evidenced by the Note or in the performance of the terms and conditions of the Note, or notes evidencing the Indebtedness, the Hultquist Mortgage, the Assigned Mortgages, or the Assigned Notes. Assignor does hereby authorize and empower the Bank, upon ^{or Hultquist} default by Assignor/in the payment of the Indebtedness or the performance of the terms and conditions of the Note or notes evidencing the Indebtedness, the Hultquist Mortgage, the Assigned Mortgages or the Assigned Notes, to collect all sums payable under the Assigned Notes. Any amounts received or collected by the Bank, by virtue of this Agreement, prior to the time that the Bank shall complete foreclosure of the Assigned Mortgages or prior to the Indebtedness as evidenced by the Note being legally extinguished or satisfied, shall be applied to the payment of the Indebtedness.

and Hultquist
UPON CONDITION, HOWEVER, that if Assignor/shall pay all of the Indebtedness secured by this assignment (whether now owed or hereafter incurred, contracted or arising) and any renewals or extensions thereof and all interest thereon and shall do and perform all other acts and things herein agreed to be done, this assignment shall be null and void; but should said Indebtedness hereby secured or any renewals or extensions thereof, or any part thereof, or any interest

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Shelby Cnty Judge of Probate, AL
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thereon, or any installment of principal and interest agreed to be paid thereon, remain unpaid at maturity, whether by acceleration or otherwise, or should the interest of the Bank in the property described in and conveyed by the Assigned Mortgages become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the Indebtedness, or should default be made with respect to any provision or provisions of the Assigned Notes, the Assigned Mortgages or the Note, then, in any of said events, the whole of the Indebtedness hereby secured, or any portion or part of the same as may not at said date have been paid, with interest thereon, shall at once become due and payable at the option of the Bank, and this assignment shall be subject to foreclosure and may be foreclosed as now or hereafter provided by law.

Assignor further agrees that the Bank, its successors or assigns, may bid at any sale had for the foreclosure of such security and may purchase the Assigned Mortgages and the Assigned Notes if the highest bidder therefor; and the undersigned further agrees to pay a reasonable attorney's fee to the Bank, its successors or assigns, for the foreclosure of such security, said fee to be part of the Indebtedness hereby secured.

All covenants and agreements herein made by the undersigned shall bind its successors and assigns; and every option, right and privilege herein reserved or secured to the Bank shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed by its President and its seal to be hereunto affixed and attested by its Secretary both of said officers being thereunto duly authorized, all on this 22nd day of June, 1981.

ATTEST:

John L. Ligon
Its Secretary

PINE CREST HOMES, INC.

By: [Signature]
Its President



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Shelby Cnty Judge of Probate, AL
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STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Leonard Hultquist, II, whose name as President of Pine Crest Homes, Inc. is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 22nd day of June, 1981.

Stephen R. Smith
Notary Public

My Commission Expires: 11/13/84

[SEAL]

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Shelby Cnty Judge of Probate, AL
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EXHIBIT "A"

ASSIGNED NOTES AND MORTGAGES

JEFFERSON COUNTY, ALABAMA:

1. Mortgage Note dated October 24, 1980 in the principal amount of \$3,450.00 payable to the order of Pine Crest Homes, Inc. by Charles Dean Bailey and Donna A. Huguley; said Mortgage Note secured by Mortgage dated October 24, 1980 in favor of Pine Crest Homes, Inc., recorded in Real 2000, Page 9, in the Office of the Judge of Probate of Jefferson County, Alabama.

2. Mortgage Note dated October 24, 1980 in the principal amount of \$2,700.00 payable to the order of Pine Crest Homes, Inc. by Marion Joseph Humphrey and Chris Dowdell Humphrey; said Mortgage Note secured by Mortgage dated October 24, 1980 in favor of Pine Crest Homes, Inc., recorded in Real 2000, Page 11, in the Office of the Judge of Probate of Jefferson County, Alabama.

3. Mortgage Notes dated November 6, 1980 in the principal amount of \$6,074.00 payable to the order of Pine Crest Homes, Inc. by D. C. Walker, Jr., Joyce T. Walker and Janet L. Walker; said Mortgage Note secured by Mortgage dated November 6, 1980 in favor of Pine Crest Homes, Inc., recorded in Real 2000, Page 15, in the Office of the Judge of Probate of Jefferson County, Alabama.

4. Note dated December 31, 1980 in the principal amount of \$3,000.00 payable to the order of Pine Crest Homes, Inc. by Marilyn E. Acton; said Note secured by Mortgage dated December 31, 1980 in favor of Pine Crest Homes, Inc., recorded in Real 2033, Page 777, in the Office of the Judge of Probate of Jefferson County, Alabama.

5. Real Estate Mortgage Note dated April 29, 1981, in the principal amount of \$5,900.00 payable to the order of Pine Crest Homes, Inc. by Arthur M. Boudreaux and Glenda H. Boudreaux; said Real Estate Mortgage Note secured by Mortgage dated April 29, 1981, in favor of Pine Crest Homes, Inc., recorded in Real 2052, Page 137, in the Office of the Judge of Probate of Jefferson County, Alabama.

6. Note dated June 1, 1981, in the principal amount of \$3,225.00 payable to the order of Pine Crest Homes, Inc. by Jonathan Daniel Barganier and Virginia C. Barganier; said note secured by mortgage dated June 1, 1981, in favor of Pine Crest Homes, Inc., recorded in Real Volume 2067, Page 389 in the Office of the Judge of Probate of Jefferson County, Alabama.

SHELBY COUNTY, ALABAMA:

1. Note dated April 1, 1981, in the principal amount of \$3,300.00 payable to the order of Pine Crest Homes, Inc. by Walter E. Duffey, Jr. and Debra Thornton Duffey; said Note secured by Mortgage dated April 1, 1981, in favor of Pine Crest Homes, Inc., recorded in Book 411, Page 263, in the Office of the Judge of Probate of Shelby County, Alabama.



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Shelby Cnty Judge of Probate, AL
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STATE OF ALA. JEFFERSON CO.
I CERTIFY THIS INSTRUMENT
WAS FILED ON

REAL 2087

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

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1981 JUL 30 AM 9:01

Rec 10.50
Incl. 1.00
11-58

NOTARIAL PUBLIC TAX
\$1.00
POLICE DEPARTMENT

D. Thomas A. Snowdon, Jr.
JUDGE OF PROBATE

NOTARIAL PUBLIC