

JUNIOR MORTGAGE

Rayford Lyn
Scarborough and
wife, Cindy P.

This indenture is made and entered into this 26 day of October, 1981 by and between Rayford Lyn Scarborough and wife, Cindy P. Scarborough (hereinafter called "Mortgagor", whether one or more) and DAC Corporation of Ala., an Alabama corporation (hereinafter called "Mortgagee").

WHEREAS, Sharon L. Scarborough, an unmarried woman is (are) justly indebted to the Mortgagee in the amount of Four Thousand Six Hundred and 00/100----- (\$4,600.00) as evidenced by that certain promissory note of even date herewith, which bears interest as provided therein and which has a final maturity date of November 1, 1985

Now, therefore, in consideration of the premises, and to secure the payment of the debt evidenced by said note and any and all extensions and renewals thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such extensions and renewals (the aggregate amount of such debt and interest thereon, including any extensions and renewals and the interest thereon, is hereinafter collectively called "Debt") and the compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the Mortgagee, the following described real estate, situated in Shelby County, Alabama (said real estate being hereinafter called "Real Estate"):

Lot 24, according to Survey of Valley Forge as recorded in Map Book 6, Page 60 in Office of Judge of Probate in Shelby County, Alabama.

ALSO, KNOWN AS: 821 Independence Drive - Alabaster, Alabama 35007

19811130000127740 Pg 1/2 00
Shelby Cnty Judge of Probate, AL
11/30/1981 00:00:00 FILED/CERTIFIED

Together with all the rights, privileges, tenements, appurtenances and fixtures appertaining to the Real Estate, all of which shall be deemed Real Estate and conveyed by this mortgage.

To have and to hold the Real Estate unto the Mortgagee, its successors and assigns forever. The Mortgagor covenants with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the Real Estate and has a good right to sell and convey the Real Estate as aforesaid; that the Real Estate is free of all encumbrances, except as otherwise set forth herein, and the Mortgagor will warrant and forever defend the title to the Real Estate unto the Mortgagee, against the lawful claims of all persons.

This mortgage is junior and subordinate to the following mortgage:

1. Mortgage from Rayford Lyn Scarborough and wife, Sharon L. Scarborough to Collateral Investment Company dated 6-22-78 and recorded in Real Prop. Book 382, at page 592 in the Probate Office of Shelby County, Alabama.

The Mortgagor hereby authorizes the holder of any prior mortgage encumbering the Real Estate to disclose to the Mortgagee the following information: (1) the amount of indebtedness secured by such mortgage; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or the indebtedness secured thereby; and (5) any other information regarding such mortgage or the indebtedness secured thereby which the Mortgagee may request from time to time.

The Mortgagor expressly agrees that if default should be made in the payment of principal, interest or any other sum payable under the terms and provisions of the prior mortgage or mortgages listed above or any other such prior mortgage, the Mortgagee may, but shall not be obligated to, cure such default, without notice to anyone, by paying whatever amounts may be due under the terms of such prior mortgage so as to put the same in good standing; and any and all payments so made, together with interest thereon at the rate of 1-1/2% per month, shall be added to the indebtedness secured by this mortgage. Any such amount paid by Mortgagee, with interest thereon, shall be immediately due and payable; and, if such amount is not paid in full immediately by Mortgagor, then, at the option of the Mortgagee, this mortgage shall be in default and subject to immediate foreclosure in all respects as provided by law and by the provisions hereof.

For the purpose of further securing the payment of the Debt, the Mortgagor agrees to: (1) pay all taxes, assessments, and other liens taking priority over this mortgage (hereinafter jointly called "Liens"), and if default is made in the payment of the Liens, or any part thereof, the Mortgagee, at its option, may pay the same; (2) keep the Real Estate continuously insured, in such manner and with such companies as may be satisfactory to the Mortgagee, against loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsement, with loss, if any, payable to the Mortgagee, as its interest may appear; such insurance to be in an amount at least equal to the full insurable value of the improvements located on the Real Estate unless the Mortgagee agrees in writing that such insurance may be in a lesser amount. The original insurance policy and all replacements therefor, shall be delivered to and held by the Mortgagee until the Debt is paid in full. The insurance policy must provide that it may not be canceled without the insurer giving at least fifteen days prior written notice of such cancellation to the Mortgagee at the following address:

DAC Corporation of Ala. 3940 Montclair Road, Suite 307 Birmingham, Ala. 35213

Subject to the rights, if any, of the holder of any prior mortgage set forth above, the Mortgagor hereby assigns and pledges to the Mortgagee as further security for the payment of the Debt each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof, together with all the right, title and interest of the Mortgagor in and to each and every such policy, including but not limited to all of the Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return premiums. If the Mortgagor fails to keep the Real Estate insured as specified above then, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire Debt due and payable and this mortgage subject to foreclosure, and this mortgage may be foreclosed as hereinafter provided; and, regardless of whether the Mortgagee declares the entire Debt due and payable and this mortgage subject to foreclosure, the Mortgagee may, but shall not be obligated to, insure the Real Estate for its full insurable value (or for such lesser amount as the Mortgagee may wish) against such risks of loss, for its own benefit, the proceeds from such insurance (less the cost of collecting same), if collected, to be credited against the Debt, or, at the election of the Mortgagee, such proceeds may be used in repairing or reconstructing the improvements located on the Real Estate. All amounts spent by the Mortgagee for insurance or for the payment of Liens shall become a debt due by the Mortgagor and at once payable, without demand upon or notice to the Mortgagor, and shall be secured by the lien of this mortgage, and shall bear interest from date of payment by the Mortgagee until paid at the rate of 1-1/2% per month.

Subject to the rights, if any, of the holder of any prior mortgage set forth above, the Mortgagor hereby assigns and pledges to the Mortgagee as further security for the payment of the Debt the following described property, rights, claims, rents, profits, issues and revenues:

- all rents, profits, issues, and revenues of the Real Estate from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to the Mortgagor, so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, profits, issues and revenues;
- all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Real Estate, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Real Estate, or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, and all payments made for the voluntary sale of the Real Estate, or any part thereof, in lieu of the exercise of the power of eminent domain. The Mortgagee is hereby authorized on behalf of, and in the name of, the Mortgagor to execute and deliver valid acquittances for, and appeal from, any such judgments or awards. The Mortgagee may apply all such sums so received, or any part thereof, after the payment of all the Mortgagee's expenses, including court costs and attorneys' fees, on the Debt in such manner as the Mortgagee elects, or, at the Mortgagee's option, the entire amount or any part thereof so received may be released or may be used to rebuild, repair or restore any or all of the improvements located on the Real Estate.

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615 NO. 21ST STREET
BIRMINGHAM, ALABAMA 35208

Notwithstanding any other provision of this mortgage or the note evidencing the Debt, the Debt shall become immediately due and payable, at the option of the Mortgagee, upon the conveyance of the Real Estate, or any part thereof or any interest therein.

After default on the part of the Mortgagor, the Mortgagee, upon bill filed or other proper legal proceeding being commenced for the foreclosure of this mortgage, shall be entitled to the appointment by any competent court, without notice to any party, of a receiver for the rents, issues and profits of the Real Estate, with power to lease and control the Real Estate, and with such other powers as may be deemed necessary.

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Plural or singular words used herein to designate the undersigned shall be construed to refer to the maker or makers of this mortgage, whether one or more natural persons, corporations, associations, partnerships or other entities. All covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the undersigned; and every option, right and privilege herein reserved or secured to the Mortgagee shall inure to the benefit of the Mortgagee's successors and assigns.

reserved or secured to the Mortgagee shall inure to the benefit of the Mortgagee's successors and assigns.

In witness whereof the undersigned Mortgagor has (have) executed this instrument on the date first written above.

Margaret Pennington
Margaret Pennington

Rayford L. Searles
Rayford L. Searles

ACKNOWLEDGMENT FOR INDIVIDUAL(S)

I, the undersigned authority, in and for said county in said state, hereby certify that Rayford Lyn Scarbrough and wife, Cindy P. Scarbrough and joined by Sharon L. Scarbrough, an unmarried woman, whose name(s) is (are) signed to the foregoing instrument, and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

This Instrument prepared by:

Margaret Pennington

DAC Corporation of Ala.

3940 Montclair Road, Suite 307

Birmingham, Alabama 35213

STATE OF ALA. SHELBY CO.
J. C. TOLLEY, JUDGE
7-1-1968 WAS FILE

Notary Public

My commission expires:

12-29-83

1961 NOV -4 AM 9: 08

NOTARY MUST AFFIX SEAL

STATE OF ALABAMA)
_____) COUNTY)

ACKNOWLEDGMENT FOR CORPORATION

JUDGE OF PROBATE

I, the undersigned authority, in and for said county in said state, hereby certify that

whose name as

of _____, a corporation, 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 said 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 _____ day of _____

19811130000127740 Pg 2/2 .00
Shelby Cnty Judge of Probate,AL
11/30/1981 00:00:00 FILED/CERTIFIED

Notary Public

My commission expires:

Form #51

For Ala. only 1M 5/81