



1311

This instrument prepared by  
Walter Fletcher  
2121 Highland Ave., So.  
Birmingham, Alabama 35205

MORTGAGE

STATE OF ALABAMA )

KNOW ALL MEN BY THESE PRESENTS:

JEFFERSON COUNTY )

THIS MORTGAGE is made this 9<sup>th</sup> day of July, 1986, between TED B. WATTS and W. MILTON STRICKLAND, both married, whose mailing address is 5151-B Atlanta Highway, Montgomery, Alabama 36109 ("Mortgagor") and GUARANTY FEDERAL SAVINGS & LOAN ASSOCIATION, whose mailing address is 2030 1st Avenue North, Birmingham, Alabama 35203 ("Mortgagee").

That, Mortgagor is justly indebted to Mortgagee in the sum of Seven Hundred Fifty Thousand and no/100 Dollars (\$750,000.00) in lawful money of the United States, and has agreed to pay the same, with interest thereon, according to the terms of that one certain promissory note in the original principal amount of \$750,000.00 (hereinafter referred to as the "Note"), bearing interest at the rate specified therein with final payment being due on August 1, 1996, unless sooner called, the Note, by reference, being made a part hereof. Mortgagor covenants and agrees that Mortgagor's failure to pay the Note in accordance with its terms shall be deemed a default under this Mortgage, thereby entitling the Mortgagee to the remedies provided herein upon the happening of an event of default hereunder;

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This instrument is made and intended to secure the payment of the indebtedness of Mortgagor to Mortgagee evidenced by the Note in accordance with the terms thereof, together with any and all other indebtedness now owing or which may hereafter be owing by Mortgagor to Mortgagee, however incurred, including advances by Mortgagee or any transferee of Mortgagee for the purpose of paying taxes or premiums on insurance on the Premises or to repair, maintain or improve the Premises (as hereinafter defined, whether or not Mortgagor is at that time the owner of the Premises) and all renewal or renewals and extension or extensions of the Note or other indebtedness, either in whole or in part (all of which are sometimes hereinafter collectively referred to as "Secured Indebtedness").

That Mortgagor in consideration of Ten and no/100 Dollars (\$10.00) in hand paid, the receipt whereof is hereby acknowledged, and the debt herein mentioned, has granted, bargained, sold, conveyed and confirmed, and by these presents does grant, bargain, sell, convey and confirm unto Mortgagee (whether one or more), and to its successors and assigns, the real property described on Exhibit "A" attached hereto and, made a part hereof for all purposes, together with all of Mortgagor's interest in machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all eleva-

*Walter Fletcher*

tors, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Mortgage; and all of the foregoing, together with said property are herein referred to as the "Premises".

TO HAVE AND TO HOLD the Mortgaged property unto the Mortgagee, its successors and assigns, subject to the terms and conditions herein.

1. PURPOSE OF CONVEYANCE: This Conveyance is made to further secure payment of all amounts with interest thereon becoming due and payable to the Mortgagee under the Note or this Mortgage, including (but not limited to) any extension, renewal or re-amortization of said debt, any increase or addition thereto and any future debt owing by Mortgagor to the Mortgagee, it being contemplated that Mortgagor may become further obligated to Mortgagee in the future and that Mortgagor may make further advances to Mortgagee that will be secured by this Mortgage, the payment thereof being secured or intended to be secured hereby and to further secure performance and discharge of each and every promise, obligation, covenant and agreement of Mortgagor contained in the Note, this Mortgage or any other instrument executed by Mortgagor pertaining to said debt or the security therefor.

2. ADDITIONAL SECURITY: As additional security for the payment of said debt, Mortgagor hereby transfers and assigns unto the Mortgagee:

(a) All judgments, awards of damages and settlements hereinafter made resulting from condemnation proceedings or the taking of all or any part of the Premises under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets. The Mortgagee is hereby authorized, but shall not be required, on behalf and in the name of Mortgagor, to execute and deliver acquittances for, and to appeal from, any such judgment or awards. The Mortgagee may apply all such sums or any part thereof so received, after the payment of all expenses, including costs and attorney's fees, on the debt in such manner as the Mortgagee elects;

(b) All bonuses, rents and royalties accrued or to accrue under all oil, gas or mineral leases, now existing or which may hereafter come into existence. Mortgagor directs payment of the same to the Mortgagee, at the option of the Mortgagee and upon written demand of the Mortgagee therefor, to be applied to the

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debt until paid, whether due or not, and either before or after any default under the terms of this Mortgage or the Note.

3. FIRST MORTGAGE LIEN: This Mortgage is executed as a first lien encumbrance upon the Premises for the purpose of securing the Secured Indebtedness. The proceeds of the Note, to the extent that same are utilized to take up any outstanding liens against the Premises, or any portion thereof, have been advanced by the Mortgagee at Mortgagor's request and upon Mortgagor's representation that such amounts are due and are secured by valid liens against the Premises. The Mortgagee shall be subrogated to any and all rights, superior titles, liens, and equities owned or claimed by any owner or holder of any outstanding liens and debts, however remote, regardless of whether said liens or debts are acquired by the Mortgagee by assignment or are released by the holder thereof upon payment.

4. COVENANTS OF MORTGAGOR: Mortgagor further covenants and agrees:

(a) That Mortgagor will pay the principal of and interest on the Note in accordance with the terms thereof. That Mortgagor is seized of the Premises and is entitled to convey the same; that Mortgagor will make such further assurance of title as may be necessary to fully confirm to Mortgagee the title to the Premises. Upon any failure of Mortgagor to do so, the Mortgagee may make, execute and record any and all such instruments, certificates and documents, for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of Mortgagor so to do.

(b) That all awnings, door and window screens, storm window screens, storm windows and doors, cabinets, rugs, carpeting, linoleum, stoves, shades, blinds, oil and other fuel-burning systems and equipment, water heaters, radiator covers, and all plumbing, heating, lighting, ventilating, cooling, air-conditioning and refrigerating apparatus and equipment, and such goods and chattels and personal property as are ever furnished by landlords in letting or operating an unfurnished building, or which are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry or in other manner, and all additions thereto and replacements thereof, and such built-in equipment as shown by plans and specifications, are and shall be deemed to be fixtures and accessions to the Premises, being hereby agreed to be immovables and a part of the realty as between the parties hereto, and shall be deemed to be a part and portion of the Premises.

(c) That Mortgagor will pay (prior to delinquency) all taxes and assessments levied or assessed upon the Premises, or the interest created therein by this Mortgage and exhibit the receipts therefor to the Mortgagee (unless such payments are made

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by the Mortgagee, as hereinafter provided), and will defend the title and possession of the premises to the end that this Mortgage shall be and remain a valid lien on the Premises until the debt is paid. That Mortgagor will pay all attorney's fees and expenses which may be incurred by the Mortgagee in enforcing the terms of the Note and this Mortgage or in any suit which the Mortgagee may become a party where this Mortgage or the Premises is in any manner involved, and all expenses incurred in presenting a claim against the estate of a decedent or a bankrupt. Notwithstanding anything to the contrary in this paragraph, Mortgagor shall have the right to contest, at its expense, any of the taxes and assessments levied or assessed upon the Premises but only in the event Mortgagor shall provide adequate security, whether by bonds or otherwise, for the benefit of the person entitled to receive payment of such taxes, liens, assessments and other charges. Such security shall be deemed adequate if it legally supersedes the right of the creditor to foreclose on the Premises or discharges the claim as a lien against the Premises.

(d) That Mortgagor will deliver to Mortgagee as soon as practicable, but in any event within one hundred twenty (120) days after the close of each operating year of Mortgagor, a statement of condition or balance sheet of Mortgagor as of the end of each operating year, all certified as to accuracy by Mortgagor, or, at the option of Mortgagee, by an independent certified public accountant reasonably acceptable to Mortgagee, and an annual operating statement showing in reasonable detail all income and expenses of Mortgagor with respect to the operation of the Premises prepared by Mortgagor and, at the option of Mortgagee, certified as to accuracy by an independent certified public accountant reasonably acceptable to Mortgagee.

(e) That Mortgagor will keep all insurable Premises insured for the protection of the Mortgagee against loss by fire, hazards included within the term "extended coverage" including flood (if the Premises are located in an identified "flood hazard area", in which flood insurance has been made available, pursuant to the National Flood Insurance Act of 1968), and such other hazards as Mortgagee may require, in such manner, in such amounts, and by such companies as the Mortgagee may approve, and keep the policies therefor, properly endorsed on deposit with the Mortgagee. If renewal policies are not delivered to the Mortgagee fifteen (15) days before the expiration of the existing policy or policies, with evidence of premiums paid, the Mortgagee may, but is not obligated to, obtain the required insurance on behalf of Mortgagor (or insurance in favor of the Mortgagee alone) and pay the premiums thereon. Mortgagor hereby assigns to Mortgagee all right and interest in all such policies of insurance and authorizes the Mortgagee to collect for, adjust or compromise any losses under any insurance policy on the Premises, and loss proceeds

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(less expense of collection) shall, at the Mortgagee's option, be applied on the debt, whether due or not, or to the restoration of the Premises, or be released to Mortgagor, but such application or release shall not cure or waive any default; provided, however, if less than fifty percent (50%) of the improvements constituting a portion of the Mortgaged Premises are damaged or destroyed and said destruction or damage can be repaired and such improvements can be restored to their condition immediately prior to the damage or destruction within one hundred twenty (120) days of the date of destruction or damage thereto, Mortgagor shall be entitled to receive proceeds for such repair and restoration. Mortgagee shall have no obligation to pay interest on any insurance proceeds held by it. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Premises in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Mortgagor in and to all policies of insurance required hereunder shall inure to the benefit of and pass to Mortgagor's successor in interest or to the purchaser of grantee of the Premises.

(f) That Mortgagor will not commit or permit any waste on the Premises and will keep the buildings, sidewalks, parking lots, fences and all other improvements now or hereafter erected on the Premises in sound condition and in good repair and will neither do nor permit to be done anything to the Premises that may impair the value thereof and the Mortgagee shall have the right of entry upon the Premises at all reasonable times for the purpose of inspecting the same.

5. ESCROW DEPOSITS: Mortgagor will pay with and in addition to the monthly payments of principal and interest payable under the terms of the Note, on the same day as the principal and interest installments are due and payable, a sum equal to one-twelfth of the estimated annual taxes, hazard insurance premiums and assessments, if any, next due on the Premises. If the amount so paid is not sufficient to pay such ad valorem taxes, hazard insurance premiums and assessments when due, then Mortgagor will deposit immediately with the Mortgagee an amount sufficient to pay such ad valorem taxes, hazard insurance premiums, and assessments. If there is a default under any of the provisions of this Mortgage resulting in a sale of the Premises or foreclosure, or if the Mortgagee acquires the Premises otherwise after default, the Mortgagee may, but shall not be obligated to, apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining of the funds accumulated under this provision as a credit against the amount then remaining unpaid under the Note. No interest shall accrue or be allowed on any payments made under the provisions of this paragraph. If the amount so paid is in excess of the amount needed to pay such taxes, hazard insurance premiums and assessments in any calendar year, Mortgagee may, but shall not be obligated to, apply such excess to the next maturing installments of principal and interest. All deposits made pursuant to this paragraph shall



be held by the Mortgagee as additional security for the payment of the debt described herein and shall not be assigned, attached or otherwise alienated except when transferred by Mortgagor to a new owner of the Premises concurrently with a bona fide sale of the Premises.

6. ASSIGNMENT/BANKRUPTCY BY MORTGAGOR: If Mortgagor makes an assignment for the benefit of creditors, or if a receiver is appointed for any part of the Premises, or if Mortgagor is adjudicated a bankrupt, or if Mortgagor institutes any proceeding under the Federal Bankruptcy Laws of the United States, or similar laws of any state in which Mortgagor is domiciled, then on the happening of any one of these events ("Event of Default"), the whole of the Secured Indebtedness shall immediately become due and payable at the option of the Mortgagee, and the Mortgagee may proceed with foreclosure as herein provided.

7. ACCELERATION; POWER OF SALE: If Mortgagor shall well and truly pay, or cause to be paid, the Note, and other debt that may be owing, and does keep and perform each and every covenant, condition, and stipulation herein and in the Note contained, then these presents shall become null and void; otherwise to be and remain in full force and effect. If there is a default in any payment, or part thereof, under the Note, or if Mortgagor shall fail to keep or perform any of the covenants, conditions or stipulations herein (all of which shall be "Events of Default" hereunder), then the Note, together with all other sums secured hereby shall, at the option of the Mortgagee, become at once due and payable without demand or notice other than that demand or notice provided for in this paragraph, and Mortgagee may declare the entire Secured Indebtedness immediately due, payable and collectible, without notice to Mortgagor, regardless of maturity, time being of the essence of this mortgage, and, in that event, the entire Secured Indebtedness shall become immediately due, payable and collectible; and thereupon Mortgagee may sell and dispose of the Premises at public auction, at the usual place for conducting sales at the courthouse in the county where the Premises or any part thereof may be located, to the highest bidder for cash, after first advertising the time, terms and place of such sale by publishing a notice thereof once a week for three consecutive weeks in some newspaper published in Jefferson County, Alabama, all other notice being hereby waived by Mortgagor; and Mortgagee may thereupon execute and deliver to the purchaser at said sale a sufficient conveyance of the Premises, which conveyance may contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends, and said recitals shall be presumptive evidence that all preliminary acts prerequisite to said sale and deed were in all things duly complied with; and Mortgagee, its agents, representatives, successors or assigns, may bid and purchase at such sale; and Mortgagor hereby constitutes and appoints Mortgagee or its assigns, agent and attorney-in-fact to make such recitals, sale and conveyance, and all of the acts of such attorney-in-fact are hereby ratified, and Mortgagor agrees that such recitals shall be binding and conclusive upon Mortgagor. Mortgagor covenants and agrees that the proceeds of sale shall be applied in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited

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to, reasonable attorneys' fees and costs of title evidence; (b) to all sums secured by this note; (c) excess, if any, to the person or persons legally entitled thereto.

In case of any sale under this mortgage by virtue of the exercise of the power herein granted, or pursuant to any order in any judicial proceedings or otherwise, at the election of Mortgagee the Premises or any part thereof may be sold in one parcel and as an entirety, or in such parcels, manner or order as Mortgagee in its sole discretion may elect, and one or more exercises of the powers herein granted shall not extinguish or exhaust the power unless the entire Premises are sold or the Secured Indebtedness paid in full.

8. RELETTING ON DEFAULT: The Mortgagee, without notice, may take possession of the Premises upon default of Mortgagor under the terms of this Mortgage, the Note, or any other instrument securing the Secured Indebtedness and may rent the same for the account of Mortgagor, deduct from the rents all expenses and apply the remainder to the debt. It is expressly agreed that in such an event Mortgagee is hereby appointed and constituted Mortgagor's agent and attorney-in-fact to collect such rentals by any appropriate proceedings, and Mortgagee is authorized to pay a rental or real estate agent six percent (6%) commission. The net amount of rent so collected shall be applied towards the Secured Indebtedness.

9. RIGHT TO RECEIVER: The Mortgagee shall have the additional right, upon the commencement of any action to enforce the lien herein given, to have appointed by the court in which said action is instituted a receiver to take possession of the Premises and collect the said rents, issue, and profits arising from the Premises. This provision is a right created by this contract and is cumulative of, and is not to affect in any way, the right of the Mortgagee to the appointment of a receiver given the Mortgagee by law.

10. LATE CHARGE: At the option of the Mortgagee, Mortgagor will pay a "late charge" not exceeding five percent (5%) of any installment due under the Note not paid on the due date thereof for each and every date that such installment is not paid after the due date thereof, to cover the extra expenses involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the debt secured hereby, unless such proceeds are sufficient to discharge the entire debt and all expenses secured hereby.

11. EMINENT DOMAIN: If a part of the premises shall be damaged or taken for public use under or by reason of the power of eminent domain, Mortgagee shall have the right to receive and collect all damages awarded by such condemnation proceeding and apply the same on the indebtedness secured hereby in such manner and in such order of payment as it shall determine, less costs and expenses incurred in connection therewith.



12. INSPECTIONS: Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Premises for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

13. MORTGAGEE'S ACTIONS TO PRESERVE PREMISES: The Mortgagee may, at the Mortgagee's option, without demand or notice and without waiver of any right, pay or discharge any lien or claim upon the Premises or pay any delinquent tax or assessment, and, upon such payment the Mortgagee shall be subrogated respectively to the rights of the holder of such lien or claim or to the rights of the taxing authority; the Mortgagee may advance any unpaid insurance premiums, and whenever Mortgagor has failed properly to maintain the improvements, the Mortgagee may make repairs necessary for the proper preservation of the security and add the cost of such repairs to the principal amount of the loan. Mortgagor agrees to pay to the Mortgagee, upon demand, any and all disbursements made under the provisions of this Mortgage, together with interest thereon at the rate which the principal of the Note shall bear after default from the respective dates of such disbursements, and all such disbursements shall become a part of the debt, payable at the same place specified in the Note, and shall be secured by this Mortgage.

14. DEALINGS WITH SUCCESSORS IN INTEREST: In the event the ownership of the Premises, or any part thereof, becomes vested in a person other than Mortgagor, the Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to said debt in the same manner as with Mortgagor without in any way violating or discharging Mortgagor's liability hereunder or upon the debt. No sale of the Premises and no forbearance on the part of the Mortgagee and no extension of the time for the payment of the debt hereby secured, given by the Mortgagee, shall operate to release, modify, change or affect the original liability of Mortgagor either in whole or in part.

15. RELEASES: The Mortgagee, without notice, may release any part of the Premises, or any person liable for the debt, without in any way affecting the lien hereof upon any part of the Premises not expressly released or the liability of any person not expressly released, and may agree with any party obligated on the debt, or having any interest in the Premises, to extend the time for payment of any part or all of the debt. Such agreement shall not in any way release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in the Premises which is subject to this Mortgage.

16. NON-WAIVER: Acceptance by the Mortgagee of any payment in an amount less than the amount then due on said debt shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be a default. At any time thereafter, and until the entire amount then due on said debt has been paid, the Mortgagee shall

be entitled to exercise all rights conferred upon it in this instrument upon the occurrence of a default.

17. ESTOPPEL CERTIFICATES: Within ten (10) days of written request by Mortgagee, Mortgagor shall notify, by a writing duly acknowledged, to the Mortgagee or to any proposed assignee of this Mortgage as specified by Mortgagee, the amount of principal and interest then owing on the Note and whether any offsets or defenses exist against the debt secured hereby.

18. CHANGE IN TAXATION OF DEBTS: In the event of the passage after the date of this instrument of any law, order, rule or regulation in any manner changing or modifying the laws now in force governing the taxation of debts secured by deeds to secure debt or in the manner of collecting taxes so as to affect adversely the Mortgagee, the Mortgagor shall immediately pay such tax, and, if not paid, the whole sums secured by this instrument with interest thereon, at the option of the Mortgagee, shall immediately become due, payable and collectible without notice to any party.

19. SALE OR TRANSFER OF PROPERTY: Without the prior express written approval of Mortgagee, Mortgagor shall not sell, convey, transfer, master lease, assign or otherwise alienate or dispose in any manner whatsoever the Premises, or any part thereof, or any interest therein, nor shall Mortgagor, if Mortgagor be other than an individual, transfer, convey, assign or otherwise alienate any interest in Mortgagor. Mortgagor hereby covenants and agrees that the approval of Mortgagee to any of the foregoing may be expressly conditioned upon an increase in the rate of interest provided for in the Note and the imposition of a fee by the Mortgagee in connection with any of the foregoing. Failure of Mortgagor to obtain the prior written approval of Mortgagee as aforesaid shall constitute an event of default hereunder and shall entitle Mortgagee to avail itself of the remedies herein provided for an event of default hereunder. The consent by Mortgagee to one such sale, transfer, etc., shall not be deemed a consent to any other subsequent sale, transfer, etc.

20. RIGHT TO CURE: Notwithstanding anything to the contrary contained herein or in the Note, there shall be no default under and pursuant to this Mortgage or the Note unless Mortgagor's failure to comply with the provisions hereunder or thereunder is not cured within fifteen (15) days following written notice thereof by Mortgagee to Mortgagor with respect to monetary defaults and within thirty (30) days following written notice thereof by Mortgagee to Mortgagor with respect to nonmonetary defaults.

21. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT: This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as a part of the Premises which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in said items. Mortgagor agrees that Mortgagee may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified

above as part of the Premises. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Mortgagee may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement contained in this Mortgage, including the covenants to pay when due all sums secured by this Instrument, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the remedies provided in this Instrument as to such items. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified above as part of the Premises separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's remedies under the Uniform Commercial Code or of the remedies provided in this Instrument.

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22. NOTICES: Whenever any notice or demand is required or permitted hereunder, such notice or demand must be in writing. Any notice, demand, payment or document required or permitted to be delivered hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the party who is to receive it at the address which such party has theretofore specified by written notice delivered in accordance herewith. Until changed in accordance herewith, the addresses set forth on Page 1 hereof are specified as the addresses for Mortgagor and Mortgagee for receiving notices, demands, payments and documents.

23. COSTS OF COLLECTION: Mortgagor will pay all reasonable attorney's fees and expenses which may be incurred by Mortgagee in enforcing the terms of the Note and this Mortgage, or in any suit to which the Mortgagee may become a party where the Mortgage or the Premises are in any manner involved and all expenses incurred in presenting a claim against the estate of a decedent or a bankrupt and will also pay any attorney's fees and expenses reasonably incurred in connection with the assignment to Mortgagee of any leases subsequently entered into by Mortgagor which are required to be assigned to Mortgagee as additional collateral to secure payment of the indebtedness herein secured as well as any and all such fees and expenses reasonably incurred prior to full and final payment of such indebtedness relating to future advances, transfer of title to the premises and similar matters not otherwise provided for herein. In addition to the foregoing, Mortgagor hereby reaffirms those provisions of the Note pertaining to at-

torneys' fees and costs incurred by Mortgagee as a result of a default in the payment of the Note.

24. WAIVER OF RIGHTS: Except as expressly provided herein, Mortgagor waives demand, presentment, notice of nonpayment or dishonor, notice of intent to accelerate, notice of acceleration, diligence in collecting, grace, notice and protest.

25. SINGULAR INCLUDES THE PLURAL: Whenever used the singular number shall include the plural, the plural the singular, the use of any gender shall include all genders. The words "Mortgagor" and "Mortgagee" shall include their executors, administrators, successors and assigns.

26. HEADINGS FOR CONVENIENCE ONLY: The headings used in this Mortgage are inserted solely for convenience of reference and are not to be used in construing this Mortgage or any provision thereof.

27. APPLICABLE LAW: In the event the enforceability or validity of any provision of the Note, of this Mortgage or of any other document evidencing or securing the indebtedness represented by the Note is challenged or questioned, such provision shall be governed by, and shall be construed in accordance with, whichever applicable federal or Alabama law would uphold or would enforce such challenged or questioned provision.

IN WITNESS WHEREOF, Mortgagor has executed this mortgage as of the day and year above written.

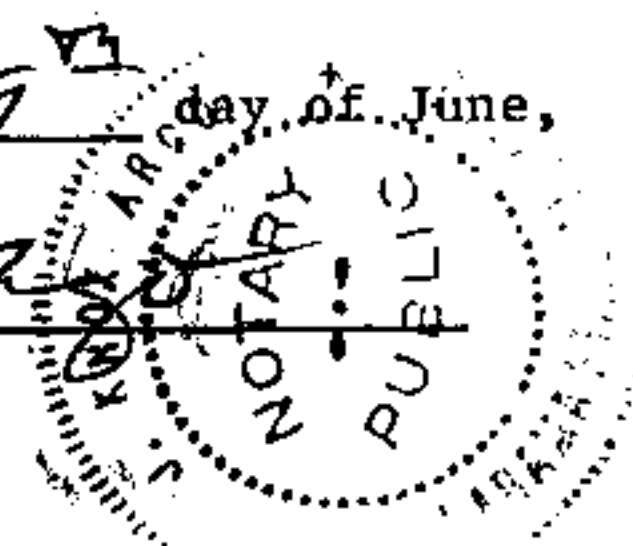
Ted B. Watts  
Ted B. Watts  
W. Milton Strickland  
W. Milton Strickland

STATE OF ALABAMA )  
~~JEFFERSON~~ COUNTY )  
MONTGOMERY

I, the undersigned, a Notary Public in and for said <sup>state at large</sup> ~~County~~, in said State, hereby certify that Ted B. Watts and W. Milton Strickland, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 9<sup>th</sup> day of June, 1986.

[Signature]  
Notary Public



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EXHIBIT "A"

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED  
1986 JUL 17 AM 8:36

PARCEL I:

Commence at the N.W. corner of the N.W. 1/4 of the N.E. 1/4 of Section 5, Township 19S, Range 1W, Shelby County, Alabama and run thence Easterly along the North line of said quarter-quarter a distance of 333.60' to a point, thence turn an angle of 22°-00' to the right and run a distance of 100.0' to the point of beginning of the property being described, thence continue along last described course a distance of 524.0' to a point, thence turn an angle of 95°-25'-58" to the right and run Southwesterly a distance of 275.98' to a point, thence turn an angle of 84°-34'-02" to the right and run Northwesterly a distance of 262.0' to a point, thence turn an angle of 95°-25'-58" to the right and run Northerly a distance of 15.0' to a point, thence turn an angle of 95°-25'-58" to the left and run Northwesterly a distance of 262.0' to a point, thence turn an angle of 95°-25'-58" to the right and run Northeasterly a distance of 260.98' to the point of beginning.

PARCEL II:

NON-EXCLUSIVE EASEMENT

Commence at the N.W. corner of the N.W. 1/4 of the N.E. 1/4 of Section 5, Township 19 South, Range 1 West, Shelby County, Alabama, and run thence Easterly along the North line of said quarter quarter a distance of 333.60 feet to a point. Thence turn an angle of 22 degrees 00 minutes 00 seconds right and run a distance of 100.0 feet to a point, said point being the northwesterly corner of the said 3.215 acre parcel. Thence turn an angle of 95 degrees 25 minutes 58 seconds right and run Southwesterly a distance of 260.98 feet to the Southwesterly corner of said same parcel. Thence turn an angle of 95 degrees 25 minutes 58 seconds left and run a distance of 12.50 feet to the centerline point of beginning of the easement being described, said easement being 25.0 feet in width, 12.50 feet each side of centerline; thence turn an angle of 95 degrees 25 minutes 58 seconds right and run Southwesterly along said centerline of said proposed easement a distance of 83.54 feet to a point. Thence turn an angle of 14 degrees 44 minutes 02 seconds right and run southwestelry along centerline of same said proposed easement a distance of 170.95 feet to P.C. (Point of curvature) of a curve to the right having a central angle of 29 degrees 18 minutes 00 seconds and a radius on centerline of 115.0 feet; thence continue along the arc of said curve on the centerline of same an arc distance of 58.81 feet to the P.T. (Point of Tangency); thence continue last described course along tangent of said curve a distance of 7.07 feet to the centerline intersection of the Robert Smith property line and the beginning of a 15.0 foot wide strip of land awarded to Robert Smith by Court decree as access to Highway 280, said centerline of easement being 7.50 feet each line of said 15.0 foot strip; thence continue along last described course a distance of 13.71 feet to the intersection of centerline of easement with the East right of way line of U.S. 280 Highway and the end of easement.

THIS PROPERTY IS NOT NOW AND NEVER HAS BEEN THE HOMESTEAD OF MORTGAGORS OR THEIR SPOUSES.

Ted B. Watts  
Ted B. Watts  
W. Milton Strickland  
W. Milton Strickland

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED  
1986 JUL 17 AM 8:36

My Tax, 125.00  
Rec 30.00  
Jud 1.00  
1156.00

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