

State of Alabama

Jefferson County

1120  
MORTGAGE SECURING GUARANTY

This indenture is made and entered into this 8th day of September, 1988 by and between V. Connie Haydock and Wife, Ann Haydock

(hereinafter call the "Mortgagors" whether one or more), and NATIONAL BANK OF COMMERCE OF BIRMINGHAM, a national banking association (hereinafter called the "Mortgagee").

WHEREAS, Lorna Professional Building, Ltd.

(hereinafter called the "Borrower") is or

shall be justly indebted to the Mortgagee in the principal sum of Two hundred Thousand and no/100 dollars (\$ 200,000.00 ) as evidenced by that certain promissory note dated September 8, 19 88, which bears interest as provided therein, which is payable in accordance with its terms and which has a final maturity date of Dec. 1, 1989.

WHEREAS, in order to induce the Mortgagee to extend credit to the Borrower, V. Connie Haydock and Wife, Ann Haydock

(hereinafter called the

"Guarantor", whether one or more) has agreed to enter into and has entered into that certain Guaranty Agreement (hereinafter called the "Guaranty Agreement") dated September 8, 19 88, wherein the Guarantor has unconditionally guaranteed the prompt payment in full of indebtedness, liabilities and obligations now existing or hereafter arising of the Borrower to the Mortgagee; provided, however, nothing herein contained or contained in the Guaranty Agreement shall be construed as a commitment on the part of the Mortgagee to make any further or additional loans or extensions of credit to the Borrower;

WHEREAS, the Mortgagors, in order to induce the Mortgagee to extend credit to the Borrower and accept the Guaranty Agreement, have jointly and severally agreed to execute and deliver this mortgage to secure the true and faithful performance of the Guarantor's agreements and obligations under the Guaranty Agreement.

NOW, THEREFORE, in consideration of the premises, and to secure the prompt payment and true and faithful performance of all of the Guarantor's liabilities and obligations under the Guaranty Agreement, including, without limitation, the prompt payment of all indebtedness, liabilities and obligations now or hereafter owed by the Borrower to the Mortgagee that are covered by the Guaranty Agreement, and any and all extensions and renewals thereof, or of any part thereof, and all interest payable thereon and on any and all such extensions and renewals (hereinafter all the Guarantor's liabilities and obligations under the Guaranty Agreement being collectively called the "Obligations") and the compliance with all the stipulations and conditions herein contained, the Mortgagors do 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 511, according to the Survey of Riverchase Country Club, 12th Addition, as recorded in Map Book 8, Page 140, in the Office of the Judge of Probate of Shelby County, Alabama.

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 Mortgagors covenant 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, unless otherwise set forth herein, and the Mortgagors will warrant and forever defend the title to the Real Estate unto the Mortgagee, against the lawful claims of all persons.

This mortgage is subordinate to that certain mortgage from \_\_\_\_\_

to \_\_\_\_\_ and recorded in \_\_\_\_\_ Volume \_\_\_\_\_, at page \_\_\_\_\_ in the Probate Office dated \_\_\_\_\_ of \_\_\_\_\_ County, Alabama.

This mortgage is junior and subordinate to the mortgage or mortgages, if any, described hereinabove. It is specifically agreed that in the event default should be made in the payment of principal, interest or any other sums payable under the terms and provisions of any such prior mortgage, the Mortgagee shall have the right, without notice to anyone, to make good such default by paying whatever amounts may be due under the terms of any such prior mortgage so as to put the same in good standing, and any and all payments so made, together with interest thereon, shall be added to the indebtedness secured by this mortgage, and the same, with interest thereon, shall be immediately due and payable; and, in the event such amounts are not paid in full when due, at the option of the Mortgagee, this mortgage shall be subject to immediate foreclosure in all respects as provided by law and by the provisions hereof.

The Mortgagor hereby authorizes the holder of any such 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 that the Mortgagee may request from time to time.

For the purpose of further securing the Obligations, the Mortgagors agree to: (1) pay all taxes, assessments, and other non-consensual 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; subject, however, to the rights and interests of the holder or holders of prior mortgage or mortgages, if any, hereinabove described. Such insurance shall be in an amount at least equal to (a) the amount of the Obligations, plus the aggregate amount of indebtedness secured by any prior mortgage or mortgages covering the Real Estate or (b) the full insurable value of the improvements located on the Real Estate, whichever shall be less. The insurance policy must provide that it may not be cancelled without the insurer's giving at least ten-days' prior written notice of such cancellation to the Mortgagee. The Mortgagors hereby assign and pledge to the Mortgagee, as further security for the Obligations, 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 Mortgagors in and to each and every such policy, including but not limited to, all of the Mortgagors' right, title and interest in and to any premiums paid on such hazard insurance, including all rights to returned premiums; subject, however, to the rights and interests of the holder or holders of any prior mortgage or mortgages hereinabove described. If the Mortgagors fail to keep the Real Estate insured as specified above, then, at the election of the Mortgagee, this mortgage may be foreclosed as hereinafter provided; and, 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 the same), if collected, to be credited against the Obligations secured by the lien of this mortgage, 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 Mortgagors and at once payable, without demand upon or notice to the Mortgagors, 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 8% per annum.

As further security for the payment and performance of the Obligations by the Guarantor, the Mortgagors hereby assign and pledge to the Mortgagee, subject to the rights of the holder or holders of any prior mortgage hereinabove described, the following described property, rights, claims, rents, profits, issues and revenues:

1. 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 Mortgagors, so long as the Mortgagors are not in default hereunder, the right to receive and retain such rents, profits, issues and revenues;

2. 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 Mortgagors 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 indebtedness secured by the lien of this mortgage 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.

The Mortgagors agree to take good care of the Real Estate and all improvements located thereon and not to commit or permit any waste thereon, and at all times to maintain such improvements in as good condition as they now are, reasonable wear and tear excepted.

The Mortgagors agree that no delay or failure of the Mortgagee to exercise any option, or right granted hereunder shall be deemed a waiver of the Mortgagee's right to exercise such option or right, either as to any past or present default, and it is agreed that no terms or conditions contained in this mortgage may be waived, altered or changed except by a written instrument signed by the Mortgagors and signed on behalf of the Mortgagee by one of its officers.

After default on the part of the Mortgagors, 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.

Upon condition, however, that if: (1) the Guarantor's obligations with respect to new or additional indebtedness of the Borrower shall be terminated in accordance with the terms of the Guaranty Agreement, and (2) the Guarantor shall truly and faithfully comply with all the terms and provisions of the Guaranty Agreement, including, without limitation, the prompt payment and true and faithful performance of the Obligations (which Obligations include all of the Guarantor's liabilities and obligations under the Guaranty Agreement, including, without limitation, the prompt payment in full of all indebtedness, liabilities and obligations now or hereafter owed by the Borrower to the Mortgagee that are covered by the Guaranty Agreement, and all extensions and renewals thereof, and all interest thereon and on such renewals and extensions), and (3) the Guarantor shall have no further obligations or liabilities under the Guaranty Agreement, and (4) the Mortgagors shall pay and reimburse the Mortgagee for any amounts the Mortgagee has advanced in payment of any Liens or insurance premiums, and interest thereon, and fulfill all obligations under this mortgage, this conveyance shall be null and void. But if any of any covenant or agreement of the Mortgagors under this mortgage, or if default is made in the payment to the Mortgagee of any sum paid by the Mortgagee under the authority of any provision of this mortgage, or if the Guarantor shall fail to comply with the terms and provisions of the Guaranty Agreement (including, without limitation, the prompt payment and true and faithful performance of the Obligations), or if the interest of the Mortgagee in the Real Estate becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon, or if any statement of lien is filed against the Real Estate, or any part thereof, under the statutes of Alabama relating to the liens of mechanics and materialmen, or if any law is passed imposing or authorizing the imposition of any specific tax upon this mortgage or the indebtedness secured by the lien of this mortgage or permitting or authorizing the deduction of any such tax from the principal or interest on such indebtedness, or by virtue of which any tax, lien

or assessment upon the Real Estate shall be chargeable against the owner of this mortgage, or if any of the stipulations contained in this mortgage is declared invalid or inoperative by any court of competent jurisdiction, or if the Guarantor or the Mortgagors, or any of them, shall apply for or consent to the appointment of a receiver, trustee or liquidator thereof or of all or a substantial part of their assets; be adjudicated to a bankrupt or insolvent, or file a voluntary petition in bankruptcy, or admit in writing the inability to pay their debts as they come due; make a general assignment for the benefit of creditors; file a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law; file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against any of them in any bankruptcy, reorganization or insolvency proceeding; or an order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking reorganization of the Guarantor or either of the Mortgagors, or appointing a receiver, trustee or liquidator of the Guarantor or either of the Mortgagors, or of all or a substantial part of the assets of the Guarantor or either of the Mortgagors, and such order, judgment or decrees shall continue unstayed and in effect for any period of 30 consecutive days, and any such default shall not be cured or remedied within seven days following the date on which the Guarantor or Mortgagors, or any of them, shall receive notice thereof from Mortgagee; then upon the happening of any one or more of said events, at the option of the Mortgagee, this mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages; and the Mortgagee shall be authorized to take possession of the Real Estate, and, after giving at least twenty-one days' notice of the time, place and terms of sale by publication once a week for three consecutive weeks in some newspaper published in the county in which the Real Estate is located, to sell the Real Estate in front of the courthouse door of said county, at public outcry, to the highest bidder for cash, and to apply the proceeds of said sale as follows: first, to the expense of advertising, selling and conveying the Real Estate and foreclosing this mortgage, including a reasonable attorneys' fee; second, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, Liens or other encumbrances, with interest thereon; third, to the payment in full of the balance of the Obligations and any other sums secured by this mortgage; fourth, to a non-interest bearing reserve fund to be held by the Mortgagee as security for all Obligations that are not then due and payable; and, fifth, the balance, if any, to be paid to the party or parties appearing of record to be the owner of the Real Estate at the time of the sale, after deducting the cost of ascertaining who is such owner. The Mortgagors agree that the Mortgagee may bid at any sale had under the terms of this mortgage and may purchase the Real Estate if the highest bidder therefor. At the foreclosure sale the Real Estate may be offered for sale and sold as a whole without first offering it in any other manner or it may be offered for sale and sold in any other manner the Mortgagee may elect.

The Mortgagors agree to pay all costs, including reasonable attorneys' fees, incurred by the Mortgagee in collecting or securing or attempting to collect or secure the Obligations, or any part thereof, or in defending or attempting to defend the priority of this mortgage against any lien or encumbrance on the Real Estate, unless this mortgage is herein expressly made subject to any such lien or encumbrance; and/or all costs incurred in the foreclosure of this mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction; provided, however, if this mortgage is governed by section 5-19-10, Code of Alabama 1975, attorneys' fees collectible from the Mortgagors (including reasonable attorneys' fees incurred in foreclosing this mortgage) shall be limited to 15% of the Obligations at the time of default and referral to an attorney not a salaried employee of the Mortgagee, and no attorneys' fees shall be collected unless the original principal balance or original amount financed exceeds \$300. The full amount of such costs incurred by the Mortgagee shall be secured by this mortgage. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. In the event of a sale hereunder, the Mortgagee, or its assigns, or auctioneer, shall execute to the purchaser, for and in the name of the Mortgagors, a good and sufficient deed to the Real Estate.

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.

"Notwithstanding anything to the contrary contained in this Mortgage, the aggregate amount secured hereby shall not exceed the lesser of (a) the aggregate amount of principal, interest and charges then outstanding under the promissory not described above and (b) \$50,000.00. Nothing contained in this paragraph shall in anyway limit the personal liability of the Mortgagor(s) for the obligations under the terms of the Guaranty Agreement."

Ann Haydock is executing this Mortgage Instrument to convey her interest in the within described property to the within Named Mortgagee to the extent stated herein.

Vincent Conrad Haydock and V. Connie Haydock are one and the same persons.

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

X Vincent Conrad Haydock  
V. Connie Haydock  
X Ann Haydock  
Ann Haydock

This instrument prepared by:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

### ACKNOWLEDGEMENT FOR PARTNERSHIP

State of Alabama

County

I, the undersigned authority, a Notary Public, in and for said county in said state, hereby certify that \_\_\_\_\_

whose name(s) as (general) (limited) \_\_\_\_\_ partner(s) of \_\_\_\_\_ (general) (limited) \_\_\_\_\_ a (n) \_\_\_\_\_

partnership, and 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) (she) (they), as such \_\_\_\_\_ partner(s), and with full authority, executed the same voluntarily for and as the act of said partnership.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

AFFIX NOTARIAL SEAL

Notary Public

My commission expires: \_\_\_\_\_

### ACKNOWLEDGMENT FOR INDIVIDUAL(S)

State of Alabama

Jefferson County

I, the undersigned authority, in and for said county in said state, hereby certify that Vincent Conrad Haydock  
and Wife, Ann Haydock

\_\_\_\_\_, 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)(she)(they) executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 8th day of September, 19 88

AFFIX NOTARIAL SEAL

Jennifer E. Smith  
Notary Public  
My commission expires: August 04, 1991

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

88 SEP 16 AM 9:25

### ACKNOWLEDGMENT FOR CORPORATION

State of Alabama

County

JUDGE OF PROBATE

I, the undersigned authority, in and for said county in said state, hereby certify that \_\_\_\_\_ 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)(she), 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 \_\_\_\_\_, 19 \_\_\_\_\_

AFFIX NOTARIAL SEAL

Notary Public

My commission expires: \_\_\_\_\_

RETURN TO: National Bank of Commerce of Birmingham, P.O. Box 10686, Birmingham, Alabama 35202  
Attention: Loan Department