

## SECURITY AGREEMENT

### PREAMBLE--GRANT OF SECURITY INTEREST

Jay Shirley, herein called "Borrower", hereby grants to MPR & Associates / Randall A. Moore, herein called "Secured Party", a security interest in any and all of the Collateral, herein called "Collateral", described below in this agreement on the following terms and conditions:

### ATTACHMENT AND OBLIGATION SECURED

The security interest hereby created shall attach immediately upon execution of this agreement by Borrower, and shall secure the payment, according to its terms, of the monies indicated pursuant to the Contract of Sale executed on the same day herewith.

### DESCRIPTION OF COLLATERAL

The Collateral covered by this Agreement and in which a secured interest is hereby granted and transferred to Secured Party is as follows:

- a. Boat: Europort II SLG Serial # T 1068875
- b. Trailer: EzyRide Vin # EZROU1K10 3054

### SECURED INTEREST IN PROCEEDS

Borrower also hereby grants and transfers to Secured Party the security interest in any and all proceeds, as defined in Section 9-306 of the Uniform Commercial Code, or in the statutes of Alabama, whichever shall apply, of the Collateral or of any part thereof. Provided, however, nothing in this paragraph shall constitute, or be deemed to constitute, grant of authority to Borrower, to sell, lease, or otherwise dispose of or encumber the Collateral, or any part of the Collateral, without the prior written consent of the Secured Party, except within the normal course of business of Borrower.

### WARRANTIES BY BORROWER

Borrower hereby represents and warrants to Secured Party that except for the security interest created by this agreement, Borrower is the full, legal, and equitable owner of the Collateral and no other person or entity has any right, title, interest or claim in the Collateral or in any part of the Collateral.

## REPAIR OF COLLATERAL

Borrower shall maintain the Collateral, and each part of the Collateral, in good order and repair at Borrower's own cost and expense and shall never use the Collateral, or any part of the Collateral, in a manner resulting, or likely to result, in waste or unreasonable deterioration of the Collateral.

## INSURANCE

Until final termination of this Security Agreement, Borrower, at Borrower's own expense, shall keep the Collateral, and all parts of the Collateral, insured for the full amount secured by this Agreement against damage or loss resulting from any and all risks to which it might foreseeably be exposed and risks designated by Secured Party. Each such policy of insurance shall be issued by an insurance company acceptable to Secured Party and shall provide for the loss payable under it being paid to both Borrower and Secured Party as their interests may appear. A duplicate copy of each such policy shall be delivered by Borrower to Secured Party.

## DISPOSAL OF COLLATERAL

Borrower shall keep the Collateral separate and identifiable from other property owned by Borrower or located on the same premises as Collateral and Borrower shall not, without the prior written consent of Secured Party, sell, lease, or otherwise dispose of any portion of the Collateral until all amounts secured by the security interest created by this Agreement have been fully and finally paid.

## INSPECTION RIGHTS

Secured Party, either in person or by agent, shall have the right at any and all reasonable times and at reasonable intervals to enter the premises where the Collateral is located and inspect the Collateral.

## PAYMENT BY SECURED PARTY

Secured Party may at his or her option, but may not be required to, pay on behalf of Borrower, and on the account of Borrower any taxes, assessments, liens, insurance premiums, repair costs, or maintenance costs that pursuant to the terms of this Agreement should have been but were not paid by Borrower. Secured Party shall also have the right, at his or her option, to enter the premises where the Collateral or any part of the Collateral is located, and cause to be performed as agent

and on the account of Borrower any such acts as he or she may deem necessary for the proper repair or maintenance of the Collateral or any part of the Collateral. Any monies expended or expenses incurred by Secured Party under this paragraph shall also be secured by the security interest created by this Agreement and shall be due and payable by Borrower to Secured Party, together with interest at the highest rate allowed by law, on demand.

#### ASSIGNMENT BY SELLER

Secured Party may assign his or her rights under this Agreement and the security interest created by this Agreement. Should Secured Party assign his or her rights under this Agreement or the security interest created by this Agreement, Secured Party's assignee shall be entitled, on written notice of the assignment being given by Secured Party to Borrower, to all performance required of Borrower by this Agreement and all payments and monies secured by this Agreement.

#### DEFAULT

Should Borrower fail to perform any provision of this Agreement to be performed on his or her part, or should Borrower fail to pay any obligation secured by this Agreement or the security interest created by this Agreement as it becomes due, then Borrower shall be in default of this Agreement. In such event, Secured Party shall have all the rights and remedies afforded a secured party by the chapter on "Default" of Division 9 of the Uniform Commercial Code or any applicable laws in Alabama and may, in connection therewith, also:

- a. Enter on Borrower's premises to assemble and take possession of the Collateral;
- b. Require Borrower to assemble the Collateral and make its possession available to Secured Party at a place designated by Secured Party that is reasonably convenient to both Borrower and Secured Party;
- c. Enter Borrower's premises, render the Collateral, if equipment, unusable and dispose of it in any manner appropriate either as provided by the Uniform Commercial Code or applicable laws of Alabama; or
- d. Apply the proceeds received from the sale or other disposition of the Collateral on default of Borrower to the payment of reasonable attorneys' fees and legal expenses incurred by Secured Party as a result of Borrower's default.



## WAIVER

Neither the acceptance of any partial or delinquent payment by Secured Party nor Secured Party's failure to exercise any of its rights or remedies on default by Borrower shall be a waiver of the default, a modification of this Agreement or Borrower's obligations under this Agreement, or a waiver of any subsequent default by Borrower.

## NOTICES

Except as otherwise expressly provided in this Agreement or by law, any and all notices or other communication required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto, Borrower or Secured Party, by the other party to this Agreement, shall be in writing and shall be deemed duly served, given, delivered, and received when personally delivered to the party to whom it is directed, or in lieu of such personal delivery, when deposited in the United States mail, first-class postage prepaid, addressed to Secured Party at P.O. Box 100804, 505 Conway Ln, Irondale, Alabama 35210 or to Borrower at Shelby County Jail, Columbiana, AL 35051. Either party, Borrower or Secured Party, may change his or her address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided in this paragraph.

## TIME OF ESSENCE

Time is hereby expressly declared to be of the essence of this agreement.

## BINDING ON HEIRS AND ASSIGNS

This agreement and each of its provisions shall be binding on the heirs, executors, administrators, successors, and assigns of each of the parties hereto. Nothing contained in this paragraph, however, shall be deemed a consent to the sale, assignment, or transfer of the Collateral or his or her obligations under this Agreement by Borrower.

## SOLE AND ONLY AGREEMENT

This instrument constitutes the sole and only agreement between the parties respecting the Collateral or the security interest in the Collateral created by this Agreement. This instrument correctly sets forth the rights, duties, and obligations of each party to the other party with respect to the Collateral and the security interest hereby created in the Collateral as of this date. Any prior agreements, promises, renegotiations, or representations concerning the subject matter of this Agreement not expressly set forth

hereinabove are no longer of any force and effect.

### ATTORNEYS' FEES

In the event that litigation is commenced to enforce any of the terms of this agreement, the prevailing party in the litigation (whether by court or arbitration) shall be entitled to the costs thereof, including reasonable attorneys' fees.

This agreement is to be interpreted pursuant to the laws of Alabama.

EXECUTED this 18<sup>th</sup> Jan day of 1992, 1992  
at Columbiana, AL, in Alabama.

BORROWER

Jay Shirley  
Jay Shirley

SECURED PARTY

Randall A. Moore

MPR & Associates / Randall A. Moore

Shelby County

Alabama

On Aug 12, 1992, before me,  
Helen M. BAKER a notary public for Alabama,  
personally appeared Jay Shirley, known to me or proved to  
me to be the person whose name is subscribed to the  
within document and acknowledged to me that he or she  
executed the same.

(seal)

Helen M. Baker  
Notary Public for  
Alabama

1-18-95

Inst # 1992-17024

08/14/1992-17024  
09:40 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE  
005 MCD 16.50