The Peoples Bank & Trust Company

MORTGAGE

STATE OF ALABAMA :

COUNTY OF Shelby :

WHEREAS, Arthur Thomas Vernon and wife Emily P. Vernon

is/are justly indebted to THE PEOPLES BANK AND TRUST COMPANY, as Mortgagee, whose address is 310 Broad Street, P. O. Box 799, Selma, Alabama 36701, in the sum of One Hundred Sixty Thousand and no/100 Dollars ($ 160,000.00), as evidenced by a promissory note or notes of even date herewith, payable to the order of the Mortgagee according to the terms of said note or notes (or as evidenced by such other obligations as may be set forth herein)

☐ NOTICE: IF THIS BOX IS CHECKED, THIS MORTGAGE SECURES A NOTE THAT CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE MAY RESULT IN HIGHER PAYMENTS, A LARGER FINAL PAYMENT, OR AN ADJUSTMENT OF THE MATURITY DATE. DECREASES IN THE INTEREST RATE MAY RESULT IN LOWER PAYMENTS, A SMALLER FINAL PAYMENT OR AN ADJUSTMENT OF THE MATURITY DATE. DEFERRAL OF INTEREST OBLIGATIONS UNDER THE NOTE MAY CAUSE THIS MORTGAGE TO SECURE SUMS OF PRINCIPAL AND INTEREST IN EXCESS OF THE ORIGINAL PRINCIPAL AMOUNT OF THE NOTE.

NOW, THEREFORE, THE PREMISES CONSIDERED, and in order to secure (a) the payment of the debt as evidenced by the aforesaid note or notes and any renewals or extensions thereof or any other obligations described herein, (b) the interest payable thereon, (c) all future advances of debts described herein, and all other debts which the Mortgagor may owe or hereafter make and contract with Mortgagee during the life of this Mortgage, (the aggregate amount of such items described in (a) through (c) above is sometimes referred to in this Mortgage collectively as the "Debt"), and the compliance with all the stipulations hereinafter contained,

the undersigned, Arthur Thomas Vernon and wife Emily P. Vernon

as Mortgagor, whether one or more, does hereby grant, bargain, sell and convey unto said Mortgagee, its successors and assigns, the following described real estate situated in Shelby County, Alabama, to-wit:

Lot 36, according to the Amended Record Plat of Greystone Farms, English Turn Sector, Phase 1, as recorded in Map Book 19, Page 142, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

This Instrument was prepared by:

Inst. # 1999-02438

01/19/1999-02438
02:11 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 CRH 258.50

together with all mineral, oil and gas rights and profits, water rights, crops and timber at any time growing upon the Property, and all other rights, privileges, easements, tenements, interests, improvements and appurtenances thereunto belonging or in anywise appertaining, including any after-acquired title and easements and all rights, title and interest now or hereafter owned by Mortgagor in and to all buildings and improvements, and all equipment and fixtures now or hereafter attached or appertaining to said real estate, all of which shall be deemed to be real property and conveyed by this Mortgage, and all of which real and personal property are sometimes referred to in this Mortgage as the "Property".

TO HAVE AND TO HOLD the said Property unto the Mortgagee, its successors and assigns forever.

Mortgagor covenants with Mortgagee that Mortgagor is lawfully seized in fee of the said Property, that it is free of all encumbrances, except as may be provided herein, that Mortgagor has a good right to sell and convey same to Mortgagee, and that Mortgagor will warrant and defend said Property to Mortgagee forever against the lawful claims and demands of all persons

As further security for the payment of the Debt, the Mortgagor hereby assigns and pledges to the Mortgagee the following:

(a) all rents, profits, issues, and revenues of the Property 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,

(b) all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Property, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property, or any part thereof, or to any rights appurtenant thereto, and all payments for the voluntary sale of the Property, 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 parties further covenant and agree as follows:

1. Mortgagor shall assess said Property for taxation and pay when due all taxes, liens, judgments or assessments assessed against said Property.

2. Mortgagor shall keep the improvements now existing or hereafter erected on the Property continuously insured against loss by fire, vandalism, and malicious mischief (with standard extended coverage endorsement) and any other hazards for which Mortgagee requires insurance. If the Property is now or shall in the future become located in a designated "flood prone" area pursuant to the Flood Disaster Protection Act, the Mortgagor shall obtain flood insurance and shall comply with the National Flood Insurance Program. The loss, if any, on all insurance policies required herein shall be payable to the Mortgagee as its interest may appear. This insurance shall be maintained in an amount at least equal to the full insurable value of the improvements located on the Property. The insurance companies providing the insurance shall be with such companies as may be satisfactory to the Mortgagee.

All insurance policies and renewals shall be acceptable to Mortgagee and shall include a standard mortgage clause. Mortgagor shall pay the premiums on said policies as the same shall become due and said policies shall be delivered to Mortgagee. All such policies shall provide that they may not be cancelled unless the carrier gives at least fifteen (15) days prior written notice of such cancellation to the Mortgagee. In the event of loss or damage, Mortgagor shall give prompt notice in writing to the Mortgagee. Mortgagee may make proof of loss if such proof is not made promptly by Mortgagor. The proceeds of such insurance shall be paid to Mortgagee, which is hereby granted full power to settle and compromise claims under all policies, to endorse in the name of Mortgagor any check or draft representing the proceeds of any such insurance, and to demand, receive and give receipt for all sums becoming due thereunder. Said insurance proceeds, if collected, may be credited on the Debt secured by this Mortgage, less costs of collection, or may be used in repairing or reconstructing the improvements on the mortgaged Property, at Mortgagee's election. No crediting of insurance proceeds to the secured Debt and no application of the insurance proceeds to repairing or reconstructing improvements on the Property shall extend or postpone the due date of any installment payments of the Debt hereby secured or reduce the amount of such installments

If the Mortgagor fails to keep the Property insured as specified above, the Mortgagee may, but shall not be obligated to, insure the property for its full insurance value (or for such lesser amount as the Mortgagee may wish) against such risks of loss, for its own benefit.

3. Mortgagor shall properly care for the Property and all improvements thereon and not commit waste, nor remove, or damage timber, minerals or improvements located on the Property. Mortgagor will keep the Property repaired and maintain the same in as good condition as it now is, reasonable wear and tear excepted.

4. If Mortgagor defaults in any of the provisions of Paragraphs 1, 2, or 3 hereof, then Mortgagee may (but shall not be obligated to) pay such taxes, liens, judgments, or assessments, obtain and pay for such insurance, or advance such attorneys' fees, expenses and costs, and Mortgagor agrees to immediately pay Mortgagee all amounts so advanced.

5. If the validity of this Mortgage or the Mortgagor's title to any of the Property is questioned in any manner or if any part of such Property is not properly described herein, Mortgagee may investigate and take such action as Mortgagee considers necessary or desirable for the protection of Mortgagee's interest, including the employment of an attorney or other expert assistance, and Mortgagor agrees to immediately reimburse Mortgagee for any costs incurred by Mortgagee as a result of such investigation or action taken.

6. All defaulted payments and all sums advanced and expenses incurred by Mortgagee, as provided for herein, shall be a debt due by Mortgagor to Mortgagee and shall, from the date due, bear interest at the rate provided for in the note or notes secured by this Mortgage, (or if more than one rate is provided for, then the highest rate).

7. Mortgagee may at any time, without notice, release any of the Property described herein, grant extensions or deferments of time of payment of the Debt secured hereby, or any part thereof, or release from liability any one or more parties who are or may become liable for the payment of said Debt, without affecting the priority of this lien or the personal liability of the Mortgagor or any other party liable or who may become liable for the Debt secured by this instrument.

8. The failure or delay of Mortgagee to exercise any option or election or to take any action under any term or covenant herein expressed shall not be deemed a waiver of the right to exercise such option or election or to take such action at any time. No terms or conditions of this Mortgage can be waived, altered or changed except as evidenced in writing signed by Mortgagee.

9. Any Mortgagor who is obligated to pay the Debt hereby secured will pay and discharge said Debt and any renewals or extensions thereof, and all other debts which may become owing to Mortgagee during the life of this Mortgage together with interest thereon, promptly, time being of the essence of this Mortgage obligation.

10. Mortgagor shall permit the Mortgagee or Mortgagee's representatives to examine and inspect the Property at any reasonable time. Mortgagee shall make reasonable efforts to give Mortgagor prior notice of any such inspection

11. Mortgagor shall not sell or transfer title to the Property, nor deliver possession to other parties under any contract of sale or lease whereby a future sale of the Property is contemplated, without the written consent of the Mortgagee. It is further understood that the interest rate charged herein is personal to the Mortgagor in conjunction with the Mortgagor's use of the Property, and in the event the Mortgagee should grant its written approval for a sale, the Mortgagee may modify the interest rate to be charged hereunder to such legal rate as it may deem appropriate, and may charge a reasonable transfer or assumption fee.

12. Mortgagor will pay or reimburse Mortgagee for all expenses, including attorneys' fees for the preparation and recording of this Mortgage and such other expenses as may be required by the Mortgagee in connection with the closing of the transaction on which the Debt and this Mortgage are based. Mortgagor shall also pay all lawful costs, charges and expenses, including attorneys' fees, incurred by the said Mortgagee by reason of any proceedings in Court, or otherwise, necessary to enforce the covenants and agreements made herein.

13. If default shall be made in the payment of the Debt secured hereby, or in the performance of any of the terms or conditions of this Mortgage or if the Mortgagor shall abandon the Property, the Mortgagee shall be entitled to enter upon, take possession and manage the Property and collect the rent, income and profits from the Property, either with or without the appointment of a receiver (to which appointment Mortgagor hereby consents), and Mortgagee may notify the lessees or other payors thereof to make payment directly to Mortgagee. Any rents, income and profits collected by Mortgagee prior to foreclosure of this Mortgage, less the costs of collecting the same, including any real estate or property management commissions and attorneys' fees incurred, shall be credited first to advances made by Mortgagee and the interest thereon, then to interest due on the Debt hereby secured, and the remainder, if any, shall be applied toward the payment of the principal sum of the Debt hereby secured.

14. Except as may be otherwise modified by specific agreement in writing and signed by the Mortgagee, the provisions of this Paragraph shall apply. Mortgagor hereby covenants, warrants and represents that to the best knowledge of Mortgagor, the Property has never been used nor will the Property be used while this Mortgage remains in effect to generate, manufacture, refine, transport, treat, store, handle, discharge or dispose of any hazardous or toxic substance (hereinafter referred to as "Hazardous Substances") as defined under any applicable local, state or federal law, ordinance, rule or regulation, including, without limitation, the definition of "Hazardous Substances", as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601, et seq) and that no such Hazardous Substances have been released on the Property. To the best knowledge of Mortgagor, there are no Hazardous Substances or underground storage tanks (whether in use or not) presently stored or located on the Property and no part of the Property is contaminated by any Hazardous Substances. Mortgagor has not received any notice from any governmental agency or private party with respect to such contamination. Mortgagor further covenants not to use or suffer the use of the Property in any manner other than in full compliance with all applicable federal, state or local environmental laws and regulations regulating the discharge and/or storage of solid, liquid or gaseous waste, or other Hazardous Substances into the environment. The Mortgagor shall promptly notify Mortgagee, orally and in writing, as soon as it knows of or suspects that any Hazardous Substances have been released or that there is any threatened release on the Property or if Mortgagor receives notice of a violation of any law or regulation covered by this Paragraph 14. Mortgagor hereby agrees to indemnify Mortgagee from and against all loss, damage, liability and expense, including, without limitation, fines, impositions of any kind, assessments, attorneys' fees which Mortgagee may sustain as a result of the incorrectness of the foregoing representations and warranties and/or the present or future existence of Hazardous Substances or any release thereof in

or on the Property, regardless of the source thereof. In the event of a violation of the covenants and warranties contained in this Paragraph, Mortgagee may, at its sole discretion, either declare a default under the terms of this Mortgage or require Mortgagor to take such actions as may be necessary to correct such violation and rectify all adverse consequences of such violation. Mortgagee, or its authorized agents, may, but shall not be obligated to, enter upon the Property to make such inspections and tests as Mortgagee may consider appropriate to determine that the Property is in compliance with the covenants contained in this Paragraph. Any such inspections or tests made by Mortgagee shall not be construed to create any responsibility or liability on the part of Mortgagee to Mortgagor or any other party. This indemnification shall survive repayment of the Debt or any other obligation of Mortgagor described herein and satisfaction of this Mortgage of record.

15. Each covenant and agreement herein contained shall inure to the benefit of and bind the respective heirs, executors, administrators, successors and assigns of Mortgagee and Mortgagor.

16. To the extent permitted by law, Mortgagor waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future to homestead or other property exemptions in the Property.

17. The provisions of this Mortgage and any note or notes or other obligations secured hereby are severable, and the invalidity or unenforceability of any provision of this Mortgage or of any such note or notes shall not affect the validity and enforceability of the other provisions of this Mortgage or of such note or obligation. The remedies provided to Mortgagee herein are cumulative with the rights and remedies of Mortgagee at law and in equity, and such rights and remedies may be exercised concurrently or consecutively. This Mortgage shall also be considered a security agreement as to any Property described herein.

18. The term "Mortgagor" shall denote the singular and/or plural, the masculine and/or feminine, and natural persons, corporations, associations, partnerships or other entities, whenever the context so requires or admits. If more than one party is named as Mortgagor, the obligation of each hereunder shall be deemed to be joint and several.

NOW, if Mortgagor shall pay the Debt and keep and perform all of the agreements and conditions of this instrument, including without limitation the payment of all future advances, extensions, new loans, and all other indebtedness of the Mortgagor to the Mortgagee, then this instrument shall become null and void, and the Mortgagee shall release or satisfy this Mortgage. Mortgagor shall pay any recordation costs incurred to record such release or satisfaction.

But if: (i) the Mortgagor fails to pay when due the Debt hereby secured or otherwise is in default under the terms of any notes or other agreements pertaining to the Debt hereby secured; or (ii) should Mortgagor fail to perform any of the agreements herein contained; or (iii) should Mortgagor become insolvent, become a debtor in any voluntary or involuntary bankruptcy or receivership proceedings; or (iv) any warranty or representation made herein is breached or proves false in any material respect; then upon the happening of any one or more of said events, the whole of the Debt hereby secured, or any portion or part thereof which may at said date not have been paid, with interest thereon, shall at once become due and payable and this Mortgage subject to foreclosure at the option of Mortgagee, notice of the exercise of such option being hereby expressly waived by Mortgagor, and Mortgagee shall have the right to sell the mortgaged Property before the Courthouse door of the County (or the division thereof) where said Property, or any substantial part of said Property is located, at public outcry for cash, after first giving notice of the time, place and terms of such sale by publication once a week for three consecutive weeks prior to said sale in some newspaper published in said County, and upon the payment of the purchase price, Mortgagee or the auctioneer at said sale is authorized to execute to the purchaser for and in the name of Mortgagor a good and sufficient deed to the Property sold. The Mortgagor shall apply the proceeds of said sale or sales under this Mortgage as follows: First, to the expenses of advertising, selling and conveying, including a reasonable attorneys' fee (including attorneys' fees incurred by Mortgagee in connection with any proceeding seeking to enjoin the foreclosure of this Mortgage or otherwise challenging the right of Mortgagee to foreclose this Mortgage); second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes, assessments, and other liens and mortgages, and in making repairs, with interest thereon; third, to the payment of the Debt hereby secured and interest thereon in such order as Mortgagee may elect, whether such debts shall or shall not have fully matured at the date of said sale; and fourth, the balance, if any, to be paid to Mortgagor or any party or parties entitled thereto. At the foreclosure sale, the Property may be sold by Mortgagee as a whole or in separate tracts or in any other manner as Mortgagee may elect. Mortgagor waives any requirement that the Property be sold in separate tracts.

WITNESS the signature of Mortgagor this 15th day of January, 19 99.

Arthur Thomas Vernon
Arthur Thomas Vernon

Emily P. Vernon
Emily P. Vernon

STATE OF ALABAMA

Jefferson COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that

Arthur Thomas Vernon and wife Emily P. Vernon

whose name(s) are signed to the foregoing Mortgage, and who are known to me, acknowledged before me on this day that, being informed of the contents of the within Mortgage they executed the same voluntarily on the day the same bears date.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 15th day of January, 19 99

(SEAL)

Notary Public Walter Fletcher

My Commission Expires: 5/25/2001

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 15th day of January, 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to ~~Collateral Mortgage, Ltd., an Alabama Limited Partnership~~

The Peoples Bank and Trust Company

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

5138 English Turn, Birmingham, Alabama 35242

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

*See Below (the "Declaration").

The Property is a part of a planned unit development known as

Greystone Farms

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Arthur Thomas Vernon _______________ (Seal)
Arthur Thomas Vernon -Borrower

Emily P. Vernon _______________ (Seal)
Emily P. Vernon -Borrower

_______________ (Seal)
-Borrower

_______________ (Seal)
-Borrower

*Restrictions, covenants & conditions recorded as Inst. #1995-16401; 1st Amendment recorded as Inst. #1996-1432; 2nd Amendment recorded as Inst. #1996-21440; 3rd Amendment recorded as Inst. #1997-2587; and 4th Amendment recorded as Inst. #1998-10062, and 5th Amendment recorded in Inst. #1998-30335, in Probate Office of Shelby County, Alabama.

Inst # 1999-02438

01/13/1999-02438
02:11 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 CRH 258.50