

IN THE CIRCUIT COURT FOR  
SHELBY COUNTY, ALABAMA

ROBERT NEIL HONEA and SHIRLEY ANN )  
HONEA, )  
Plaintiffs, )

v. )

JOHN WILLIAMSON, )  
Defendant - Third-Party Plaintiff )

v. )

JOHN D. FORD, LINDA F. FORD, DONALD )  
W. BAUGH, SONDRBA BAUGH and )  
MUTUAL SAVINGS CREDIT UNION, )  
Third-Party Defendants )

ROBERT NEIL HONEA and SHIRLEY ANN )  
HONEA, )  
Third-Party Plaintiffs, )

v. )

JOHN D. FORD, LINDA F. FORD, DONALD )  
W. BAUGH, and SONDRBA BAUGH, )  
Third-Party Defendants. )

Civil Action No. CV-93-411-NJ

Inst # 1999-07627

CONSOLIDATION, EXTENSION AND NOVATION AGREEMENT

BY ORDER in this case dated April 17, 1998, recorded as Instrument No. 1998-20109, Probate Office of Shelby County, Alabama, the Court assigned two mortgages (the "Central Bank mortgages") executed by Donald W. Baugh and wife, Sondra Baugh, as Mortgagors, to Central Bank, as Mortgagee, recorded in Book 304, Page 974, *et seq.*, and Book 330, Page 670, *et seq.*, respectively, in said Probate Office, to Mutual Savings Credit Union and Robert Neil Honea and wife, Shirley Ann Honea, and awarded an equitable lien to the Honeas (Mutual Savings and the Honeas are referred to as the "Holders") to the property *sub judice*, being described as follows:

Lot 1, in Block 8, Indian Springs Ranch, as recorded in Map Book 4, Page 29, in the Probate Office of Shelby County, Alabama.

The Order also provided that the mortgage held by John Williamson, recorded as Instrument No. 1992-09076, said records, extended only to an undivided one-half interest in and to the property (owned by John D. Ford).

The Central Bank mortgages and equitable lien were foreclosed on such undivided interest in the property (owned by John D. Ford) on December 15, 1998, and such property was bid in by the Holders jointly. As a result, the mortgage executed by the Honeas to Mutual Savings on April 29, 1992, recorded as Instrument No. 1997-08322 (the "Mortgage") remains a first mortgage upon an undivided one-half interest in and to the property, and the Holders own the remaining one-half interest by virtue of their purchase at the foreclosure sale. The promissory note executed by the Honeas to Mutual Savings on April 29, 1992 (secured by the Mortgage), the Mortgage, and all other documents executed in connection with such loan, are referred to as the "Loan Documents".

The purpose of this agreement is to vest title to all of the property in the Honeas, subject to the Mortgage held by Mutual Savings.

Accordingly, the title and interests of the undersigned in and to the property are consolidated into the title and interests evidenced by the Mortgage, so that the Honeas own the property as tenants in common with each other, subject to the Mortgage upon the property held by Mutual Savings. To such end, the Honeas mortgage, grant, bargain, and convey the property to Mutual Savings, as mortgagee, subject to the terms of the Mortgage, and Mutual Savings likewise grants, bargains, sells and conveys to the Honeas such title and interest as Mutual Savings obtained in the property at such foreclosure sale, without warranty, subject to the terms of the Mortgage. Without limiting the foregoing, the lien of the Mortgage is extended to the entirety of the property, and is ratified and confirmed as a first mortgage lien upon such property, enforceable according to its terms; the Loan Documents are ratified, and confirmed, enforceable according to their terms; and

the parties agree to novation of the Loan Documents with respect to the entirety of the property.

In case of any redemption from the foreclosure sale, the indebtedness evidenced by the Central Bank mortgages and the equitable lien is allocated as follows: first, to Mutual Savings, to the extent of the debt evidenced by the Loan Documents; and second, to the Honeas, to the extent of the remainder of such indebtedness.

Robert Neil Honea [SEAL]  
Robert Neil Honea

Shirley Ann Honea [SEAL]  
Shirley Ann Honea

MUTUAL SAVINGS CREDIT UNION

By: Kenneth Mishalanie [SEAL]  
Name: KENNETH MISHALANIE  
Its: Controller

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Robert Neil Honea and Shirley Ann Honea, 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 said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 11 day of February, 1999.

Shelley J. Marshall  
Notary Public

My Commission Expires: 8-11-2001

Inst # 1999-07627

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that KEN MISHALANIE, whose name as Controller of Mutual Savings Credit Union, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal this 11 day of February, 1999.

Shelley J. Marshall  
Notary Public

My Commission Expires: 8-11-2001