WHEN RECORDED MAIL TO:

AmSouth Benk Attn: Leure Benks P.O. Box 830721 Birmingham, AL 35283

大下 建行生的 雅林中山

事ののないましたといまというであっているない

Inst # 1999-31776

07/29/1999-31776 12:57 PM CERTIFIED SHELBY COUNTY JUNCE OF PROPATE 007 NVS 136.00

SPACE ABOVE THIS LINE IS FOR RECORDER S USE ONLY

## **MORTGAGE**

THIS MORTGAGE IS DATED MAY 19, 1999, between JOHN E WATKINS and TRACEY B WATKINS. HUSBAND AND WIFE, whose address is 3377 CAHABA RIVER ESTATES, HOOVER, AL 35244 (referred to below as "Grantor"); and AmSouth Bank, whose address is #1 Independence Plaze, Homewood, AL 35209 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bergains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in SHELBY County, State of Alabama (the "Real Property"):

## SEE EXHIBIT "A" ATTACHED HERETO AND MADE APART THEREOF

The Real Property or its address is commonly known as 3377 CAHABA RIVER ESTATES, HOOVER, AL 35244

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property and Rents in addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined a transfer Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar accounts shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar accounts shall have the United States of America.

Credit Agreement. The words "Credit Agreement" mean the revolving line of credit agreement dated May 19, 1999, between Lender and ... Grantor With a credit limit of \$75,000.00, together with all renewals of, extensions of, modifications of, refinemings of consolidations of, and substitutions for the Credit Agreement.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described below in the Existing Indebtedness section of this Mortgage.

Grantor. The word "Grantor" means JOHN E WATKINS and TRACEY B WATKINS. The Grantor is the mortgagor under this Mortgagor

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and a connection with the indebtedness.

improvements. The word "improvements" meens and includes without limitation all existing and future improvements. Lamburgs structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

indebtedness. The word "Indebtedness" means all principal and interest payable under the Credit Agreement and any animals expended a substanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor animals and Mortgage and any and all other present or future, direct or contingent liabilities or indebtedness of any person who signs the Credit Agreement to the Lender of any nature whatsoever, whether classified as secured or unascured, except that the word "Indebtedness" shall not include any debt subject to the disclosure requirements of the Federal Truth-In-Lending Act if, at the time such debt is incurred, any legally required disclosure of the lien afforded hereby with respect to such debt shall not have been made. Specifically, without limitation, this Mortgage secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement, the liten of this Mortgage shall not exceed at any one time \$75,000.00.

Lender. The word "Lender" means AmSouth Bank, its successors and assigns. The Lender is the mortgagee under this Mortgage

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments in a security interest provisions relating to the Personal Property and Rents.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the Count of Mortgage and his

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, include agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments agreements, whether now or hereafter existing, executed in connection with the Indebtedness

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY (SOME) TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by the Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and in the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs replacements at a maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release has used to this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and (lability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986. Protein 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986.

A PRIVATE IN

## **MORTGAGE**

(Continued)

No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum, and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property: (b) Grantor has no knowledge of the master of believe that there has been, except as previously disclosed to and acknowledged by Lender in writing and the control of the co manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or anti-tier. Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or main with any ending a contract of relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender or writing and in the control of the control o tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture is to the the first hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be a reducted a applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws ingulations in the contraction of t described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspects to an above. expense, as Lander may deem appropriate to determine compliance of the Property with this section of the Containents tests made by Lender shall be for Lender's purposes only and shall not be construed to preate ally test and the construed to preate all the construed to the construent to the co Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantur's doing bade and investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any father of the against Lender for Indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws or 1 - 1 agrees to indemnify and hold harmless Lender against any and all claims, losses, habilities, damages, penalties, and expenses  $\phi^* e^* = e^{-4\pi}$ may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any one generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the cooper or the provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the model to be satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of this Mortgage and shall not be affected by Lender's acquisition of the lien of the li whether by foreclosure or otherwise.

Nulsance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit or suffer any office or a second the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not term an an income party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written Lender.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements substant to the Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith at a first Lender in writing prior to doing so and so long as in Lender's sole opinion, Lender's interests in the Property includes a sole opinion. may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender to protect center of others.

Duty to Protect. Granter agrees neither to abandon nor leave unattended the Property - Grantar shat do at a tree of the acts set forth above in this section, which from the character and use of the Property are reasonably necessary to this to the section. Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all states of the first option. the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property of the first of the sale property of the first of the sale property of the first of the sale property of the sale "sale or transfer" means the conveyance of Real Property or any right, title or interest therein, whether legal december to be a second or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest therein, whether legal decembers in the conveyance of Real Property or any right, title or interest the conveyance of Real Property or any right, title or interest the conveyance of the co voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender of Succession of the succession of the case may be an interest of the case may be a case m exercise is prohibited by federal law or by Alabama law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part. Final Mark and

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, present in the control of the control of taxes. charges and sewer service charges levied against or on account of the Property, and shall pay when due all a arms for a control of the Property, and shall pay when due all a arms for a control of the Property. services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens flaving profits. the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, except for the taxes in 2000 to referred to below, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faction as a first of the fir obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises of is liked as a remail if the lien Grantor shall within tifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filenge secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond in other surerity satisfactory to Lender in an emount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could are now at a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse sudgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the times or an environment of the authorize the appropriate governmental official to deliver to Lender at any time a written statement of the forms and a residence the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is imministed any very lender at least fifteen (15) days before any work is imministed any lender at least fifteen (15) days before any work is imministed any lender at least fifteen (15) days before any work is imministed any lender at least fifteen (15) days before any work is imministed any lender at least fifteen (15) days before any work is imministed any lender at least fifteen (15) days before any work is imministed. any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other her could be exceed to exceed to work, services, or materials. Grantor will upon request of Landar furnish to Landar advance assurances satisfied as a contract of the first order. can and will pay the cost of such improvements

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a martial than for the area.

Maintenance of Insurance. Grantor shall produce and maintain policies of fire insurance with standard extended coverage endorsements. a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to arount approval. of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each maintain containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include a endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or definite for the first of the other person. Should the Real Property at any time become located in an area designated by the Oire 10000 to 1000000 Mañagement Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood insurance to the first and the principal balance of the loan, up to the maximum policy limits set under the National Flood Insurance Programs of as a minimum policy limits set under the National Flood Insurance Programs of as a minimum policy limits are under the National Flood Insurance Programs of as a minimum policy limits are under the National Flood Insurance Programs of as a minimum policy limits. Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may "last promptly before the property." Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired. Lender and all the tenders are all the casualty. apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restorated in the in-Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damage to the Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reiniburse of a size the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have on a been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any ishall be applied. to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

Unexpired Insurance at Sale. Any unexpired insurance shall mure to the benefit of, and pass to, the purchaser of the Property operation

THE RESERVE THE PARTY OF THE PA

• .

this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property

Compliance with Existing Indebtedness. During the period in which any Existing Indebtedness described below is in effect compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the instrument evidencing such Existing Indebtedness shall constitute compliance with the instrument provisions under this Mortgage, to the extent compliance with the terms of this Mortgage would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Mortgage for division of profeeds of the soply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, including any obligation to maintain Existing Indebtedness in good standing as required below, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deams appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Credit Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the credit line and be apportioned among and be payable with any installment payments to become due during either in the term of any applicable insurance policy or (ii) the remaining term of the Credit Agreement, or (c) be treated as a balloon payment which will be due and payable at the addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any so is sold by a remedies to which Lender may be entitled on account of the default. Any so is sold by a remedies to which Lender may be entitled on account of the default. Any so is sold by a remedies to which Lender may be entitled on account of the default. construed as curing the default so as to bar Lender from any remedy that it otherwise would have had

WARRANTY; DEPENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple free and or in the and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section has a section of the Existing Indebtedness section insurance policy, title report, or final title opinion issued in favor of, and accepted by Lender in connect in with the file. Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lander shall be antitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with the existent state in the ordinances, and regulations of governmental authorities.

EXISTING INDESTEDNESS. The following provisions concerning existing indebtedness (the "Existing Indebtedness" are a part of the office of the second of the

Existing Lien. The lien of this Mortgage securing the Indebtedness may be secondary and interior to an existing lien. Control of the covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness in . default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

No Modification. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust or other security authority which has priority over this Mortgage by which that agreement is modified, amended, extended, or renewed without the prior Arriva consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior

written consent of Lander. CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation. Lender may at its election require that all or any portion of the net proceeds of the award be appear ? the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award of the award shall mean the award of the award shall mean the award of th reasonable costs, expenses, and attorneys' fees incurred by Lender in connections with the conferences.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in whiting the condemnation is filed, Grantor shall promptly notify Lender in whiting the condemnation is filed. such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in suiti pic service. Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own, home, and that I is will deliver or cause to be delivered to Lander such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental AUTHORITIES.

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take fees and charges are a part of this Mortgage: whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

'Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the continuous holder of the Credit Agreement; and (d) a specific tax on all or any portion of the Indebtedness or on payments of principal Action of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion of the Indebtedness or on payments of principal Action (d) as specific tax on all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all or any portion (d) as specific tax or all o

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event structure. same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an it are it are it. as provided below unless Grantor either. (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above. Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender

SECURITY AGREEMENT; FRIANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other this Mortgage. personal property, and Lander shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested to Lander to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mort page " " real property records, Lender may, at any time and without further authorization from Grantor, file area sted accorded to a fire and a state of the control reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred as a financing statement. continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonal. convenient to Grantor and Lander and make it available to Lander within three (3) days after receipt of written demand from conder-

Addresses. The melling addresses of Grantor (debtor) and Lender (secured party), from which information concerning the secured party). granted by this Mortgage may be obtained leach as required by the Uniform Commercial Code), are as stated on the first page of the

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances and attorney in fact are a part of the following provisions relating to further assurances. Mortgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete perfect continue, or preserve (a) the obligations of Grantor under the Credit Agreement, this Mortgage, and the Related Documents and the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired to act of prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses to proconnection with the metters referred to in this paragraph.

Attorney in-Fact. If Grantor falls to do any of the things referred to in the preceding paragraph. Lender may do so locally and Grantor and et Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney in the first transfer and et Grantor's expense. purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable in Lengter comopinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all advances secured by this Mortgage when the

terminates the credit line account by notifying Lender as provided in the Credit Agreement, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay. if permitted by applicable law, any reasonable termination fee as determined by Lander from time to time.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Micropage of Grantor commits fraud or makes a material misrepresentation at any time in connection with the credit are a continued to the continue of the c example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. The crack of the condition of th meet the repayment terms of the credit line account. (c) Grantor's action or inaction adversely affects the collateraction in the or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance. Addison the collateral. dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a line of the dwelling. without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter Leinber at 100 cm. exercise any one or more of the following rights and remedies, in addition to any other rights or remedies an ivalest to any

Accelerate indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness, immediates, due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Maintain to the amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedbess, and apply the net proceeds, over and above Lender's costs, against the Indebtedbess, and apply the net proceeds, over and above Lender's costs, against the Indebtedbess, and apply the net proceeds, over and above Lender's costs, against the Indebtedbess, and apply the net proceeds, over and above Lender's costs, against the Indebtedbess, and apply the net proceeds, over and above Lender's costs. right, Lander may require any tenant or other user of the Property to make payments of rent or use fees tire to the entire to the collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorneyin fact to endone instruments release to endone thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by to act to the collect the proceeds. response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any property in demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Propert, the modern and the Property of the Property o power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the term in the collect the term is the collect the term in the collect the term is the collect the term in the collect the term is the collect the collect the term is the collect Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver has being a bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. Lender shall be authorized to take possession of the Property and, with or without taking such possession after a connotice of the time, place and terms of sale, together with a description of the Property to be sold, by publication, or see a sold of the sold, by publication, or see a sold of the sold successive weeks in some newspaper published in the country or counties in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the country or countries in which the Real Property to the head in the countries in the countries in which the Real Property to the head in the countries Property (or such part or parts thereof as Lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell) in front of the front area included or of the lender may from time to time elect to sell). the county in which the Property to be sold, or a substantial and material part thereof, is located at authors may be to be cash. If there is Real Property to be sold under this Mortgage in more than one county, publication state to a sile Real Property to be sold is located. If no newspaper is published in any county in which any Real Property to be sold is located. shall be published in a newspaper published in an adjoining county for three (3) successive weeks. The sale shall be 10 in the sale shall be sale shall be published in a newspaper published in an adjoining county for three (3) successive weeks. The sale shall be 10 in t hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of Sale linder the 12 rtudge any sale had under the terms of this Mortgage and may purchase the Property if the highest before there's in a man had a and all rights to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to select the control of the cont Property together or separately, in one sale or by separate sales.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness. June to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a fenant at sufferance of century of purchaser of the Property and shall, at Lender's option, either (a) pay a reasonable rental for the use of the Property

Property immediately upon the demand of Lender Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the Credit Agreement or as make the control of the control of the Credit Agreement or as make the control of the contr

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property in the control of the property. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Property together or separately in the control of the Control separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the hersonacing price. after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean given at least ten (10) days before the time of the sale or disposition.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of a prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise to the control of the cont under this Mortgage.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage Lender state for a 1997. recover such sum as the court may adjudge reasonable as attorneys; fees at trial and on any appeal. Whether are in the court may adjudge reasonable as attorneys; fees at trial and on any appeal. Whether are in the court may adjudge reasonable as attorneys; fees at trial and on any appeal. involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time to the professional control of the co the enforcement of its rights shall become a part of the indebtedness payable on demand and about the indebtedness expenditure until repaid at the rate provided for in the Credit Agreement. Expenses covered by this paragraph in the first control of the con however subject to any limits under applicable law. Lender's attorneys' fees and Lender's legal expenses the many in the contraction of the contra including attorneys' fees for bankruptcy proceedings fineluding efforts to modify or vacatious, and materials, any anticipated post-judgment collection services, the cost of searching records, obtaining title deports and adding to surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs in addition to all other sums provided by law. Grantor agrees to pay attorneys' fees to Lender in connection with closing, aniending in modifying the loan. In addition, if this Mortgage is subject to Section 5-19-10, Code of Alabama 1975, as amended, any attorneys feet. provided for in this Mortgage shall not exceed 15% of the unpaid debt after default and referral to an attorney who is not a salaried

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default in 1 is a notice of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law and stratible of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law and stratible of sale). actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when denoted when demote the the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown hear the beginning Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other reinter. that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of all your contents. priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage in in notice ficing to agrees to keep Lender informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties a to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in Article in signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Alabama. This Mortgage shall be governed by and construed in accordance with the laws of the State of Alabama.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret in section to be used to be

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or instanting the king and in the

time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Multiple Parties. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Mortgage.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any other persons or circumstances. If feasible, circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, circumstances are persons or circumstances. If feasible, circumstances are provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other upon and inure to the benefit of the parties, their successors with reference to this Mortgage and the Indebtedness than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage or liability under the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Walver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Alabama as to all indebtedness secured by this Mortgage.

Weivers and Consents. Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice waiver of such right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

ARBITRATION. Any controversy, claim, dispute or issue related to or arising from (A) the interpretation, negotiation, execution, assignment, administration, repayment, modification, or extension of this document or the loan (B) any charge or cost incurred under this document or the loan (C) the collection of any amounts due under this document or any assignment thereof (D) any alleged tort related to or arising out of this document or the loan or (E) any breach of any provision of this document, shall be settled by arbitration in accordance with the Commercial Arbitration flules of the American Arbitration Association (the "AAA Rules"). Any disagreement as to whether a particular dispute or claim is subject to arbitration under this paragraph shall be decided by arbitration in accordance with the provisions of this paragraph. Commencement of litigation by any person entitled to demand arbitration under this paragraph shall not waive any right that person has to demand arbitration with respect to any counterclaim or other claim that may be made against that person, whather in, relating to, or arising out of such litigation, or otherwise. The Expedited Procedures of the AAA Rules shall apply in any dispute where the aggregate of all claims and the aggregate of all counterclaims each is in an amount less than \$50,000. Judgement upon any award rendered by any arbitrator in any such arbitration may be entered in any Court having jurisdiction thereof. Any demand for arbitration under this document shall be made no later than the date when any judicial action upon the same matter would be barred under any applicable statue of limitations. Any dispute as to whether the statue of limitations bars the arbitration of such matter shall be decided by arbitration in accordance with the provisions of this paragraph. The locale of any arbitration proceedings under this document shall be in the county where the document was executed or such other location as is mutually acceptable to all parties. This document evidences a "transaction involving commerce" under the Federal Arbitration Act. WITH RESPECT TO DISPUTES SUBMITTED TO ARBITRATION, ALL RIGHTS TO A TRIAL BY JURY ARE HEREBY EXPRESSLY WAIVED.

Notwithstanding the preceding paragraph or the exercise of arbitration rights under this document, each party may (1) foreclose against any real or personal property collateral by the exercise of the power of sale under any applicable mortgage, deed of trust or security agreement or under applicable law; (2) exercise any self help remedies such as set off or repossession; or (3) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment, or appointment of a receiver from a court having jurisdiction, before, during or after the remedies such as replevin, injunctive relief, attachment, or appointment of a receiver from a court having jurisdiction, before, during or after the remedies such as replevin, injunctive relief, attachment, or appointment of a receiver from a court having jurisdiction, before, during or after the remedies of any arbitration proceedings. This arbitration provision shall not be interpreted to require that any such remedies be stayed, abated or otherwise suspended pending any arbitration or request for arbitration. The exercise of a remedy shall not waive the right of either party to resort to arbitration.

DEFENSE COSTS. In addition to the costs and expenses I have agreed to pay above, I will pay all costs and expenses incurred by Lender arising out of or relating to any steps or actions Lender takes to defend any unsuccessful claim, allegation or counterclaim I may make against Lender Such costs and expenses shall include, without limitation, attorneys' fees and costs.

TERM OF CREDIT AGREEMENT. Unless sooner terminated according to the provisions thereof, the Credit Agreement shall terminate and expire 20 years from the date of this Mortgage.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

CAUTION -- IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

This Mortgage prepared by:

Name: RENEA HICKS
Address: P.O. Box 830721
City, State, ZIP: Birmingham, AL 35283

INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that JOHN E WATKINS and TRACEY B WATKINS, 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 Mortgage, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this \_\_\_\_\_

My commission expires

\_\_\_\_ 04

Lipson

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.

MY COMMISSION EXPIRES: Aug. 14, 1999.

BONDED THRU NOTARY PUBLIC UNDERWRITERS.

AmSouth Bank

#1 Independence Plaza

Birmingham, AL 35209

Code of Alabama 1975, as amended, the mortgage filing privilege tax on this Mortgage should not exceed \$.15 for each \$100 (or fraction thereof) of the credit limit of \$75,000.00 provided for herein, which is the maximum principal indebtedness to be secured by this Mortgage at any one time.

mSouth Bank.

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 5.25 (c) 1999 CFt ProServices, Inc. All rights reserved. [AL-G03 EY358040.LN L1.0VL]

•

nst # 1999-31776

Beginning at the Southwest corner of Lot 13, of Park Place, as recorded in Map Book 15, page 47, in the Office of the Judge of Probate of Shelby County, Alabama, and run thence Southerly along the Hast line of Warrior Drive a distance of 160.99 feet to a point on the North margin of Shelby County Highway No. 26 (aka Kent Dairy Road); thence turn 89°28'58" left and run Easterly along said margin of said Highway No. 26 a distance of 159.47 feet to a point; thence turn 92°33'33" left and run Northerly a distance of 155.74 feet to a point; thence turn 90°24'25" left and run Westerly a distance of 46.07 feet to a point; thence turn 92°28'54" right and run Northerly a distance of 7.76 feet to a point marking the Southeast corner of same said Lot 13 of same said Park Place subdivision; thence turn 89°30'02" left and run Westerly a distance of 108.00 feet to the point of beginning, being situated in Shelby County, Alabama.

Also being known as Lot 1, Park Place Commercial Lots.

,-