

This instrument prepared by:
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Dominick, Fletcher, Yeilding,
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2121 Morris Avenue South
Birmingham, Alabama 35205

STATE OF ALABAMA)
SHELBY COUNTY)

M O R T G A G E

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the undersigned, JERRY GLENN DAVIS, and wife JUDY R. DAVIS (hereinafter called "Mortgagors") do this day become justly indebted for money loaned to them by ANNETTE D. SKINNER and SAMUEL DWIGHT DAVIS (hereinafter called the "Mortgagees"), in the sum of Seventy One Thousand Eight Hundred Ninety and 24/100 (\$71,890.24) in lawful money of the United States of America, and Mortgagors has agreed to pay the same according to the terms of a certain promissory note bearing even date herewith, payable according to the terms of said note; and

WHEREAS, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof, and of any future payments, advances or expenditures made by Mortgagees as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar (\$1.00) to the undersigned Mortgagors in hand paid by the Mortgagees, the receipt whereof is hereby acknowledged, and for the purpose of securing the prompt payment of said indebtedness as it becomes due, the said JERRY GLENN DAVIS, and wife JUDY R. DAVIS, do hereby grant, bargain, sell, and convey to the Mortgagees the following described real property situated in Shelby County, State of Alabama, to-wit:

Fractions A and B of Fractional Section 20, Township 22, Range 1 East being further described as follows: commencing at the Northeast corner of said Fractional Section 20, Township 22, Range 1 East and run in a southerly direction along the East boundary of said Fractional Section, 1320 feet to the Northeast corner of Fraction A: run thence in a westerly direction parallel with the North boundary of said Fractional Section to the North and South median line of said Fractional Section; run thence in a southerly direction along said median line to the line between the Hunstville Survey and the St. Stevens Survey, which is commonly known as the Freeman Line; run thence in an easterly direction along said line to the East boundary of said Fractional Section 20; run thence in a

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northerly direction along East boundary of said Fractional Section 20 to point of beginning, containing in all 130 acres, more or less.

LESS AND EXCEPT THE FOLLOWING:

A 3-acre parcel deeded to Jerry G. and Judy R. Davis;
A 5-acre parcel condemned by State of Alabama for State Highway 145;
A 2.82-acre parcel sold to Scott Jones, all as appears of record in the Probate Office of Shelby County, Alabama.

together with the hereditaments and appurtenances thereunto belonging, and also together with all equipment and fixtures for heating and lighting now or hereafter installed therein by the Mortgagors.

TO HAVE AND TO HOLD the same with all the rights, privileges, and appurtenances thereunto belonging or in anywise appertaining unto the said Mortgagees and assigns of the Mortgagees forever.

AND Mortgagors do covenant with Mortgagees that Mortgagors are in lawful possession of the premises and has good right to convey the same; that the premises are free from all liens, charges, encumbrances, easements and restrictions whatsoever not herein specifically mentioned; and that subject only to exceptions herein specifically mentioned, Mortgagors do warrant and will defend the title to the same unto Mortgagees against the lawful claim of all persons whomsoever.

This mortgage is made, however, subject to the following covenants, conditions and agreements:

1. Mortgagors shall pay the said indebtedness and interest thereon when due, whether in course or under any condition, covenant or agreement herein contained, together with any other indebtedness which Mortgagors may owe to Mortgagees, it being further agreed that any statement in a note or obligation that it is secured by this mortgage shall be conclusive evidence of such fact.

2. Mortgagors shall keep the premises in good condition and repair, reasonable wear and tear excepted; shall not permit nor perform any act which would in any way impair the value of the premises; shall not remove any fixture nor remove or demolish any building or improvement located on the above described land without the written consent of Mortgagees; and shall neither commit nor permit waste of the premises.

3. Mortgagors shall pay and discharge as the same become due all taxes and assessments (except income taxes of the Mortgagees) that may accrue, be levied or assessed upon the premises or any part thereof, which may be or become a lien prior to the lien of this mortgage or have priority in payment to the debt secured hereby, or upon Mortgagees' interest

therein or upon this mortgage or the indebtedness or evidence of indebtedness secured hereby, without regard to any law heretofore or hereafter enacted imposing payment of the whole or any part thereof upon the Mortgagees; upon the passage of any law imposing the payment of the whole or any part thereof upon the Mortgagees or upon the rendering by any appellate court of competent jurisdiction that the undertaking by the Mortgagors to pay such taxes is legally inoperative, then the indebtedness hereby secured without deduction shall, at the option of Mortgagees, become immediately due and payable, notwithstanding anything contained in this mortgage or any law heretofore or hereafter enacted; and Mortgagors shall not suffer or permit any such taxes or assessments on the said premises to become or remain delinquent or permit any part thereof or any interest therein to be sold for any taxes or assessments.

4. Mortgagors shall pay all debts, claims, or other charges that may become liens against the premises or any part thereof for repairs or improvements that may have been, or may hereafter be, made on the premises and shall not permit any lien or encumbrance of any kind which might become superior to the title of Mortgagees or the lien of this mortgage to accrue or remain on the premises or any part thereof.

5. Mortgagors shall provide, maintain, and deliver to Mortgagees policies of fire and such other insurance as Mortgagees may from time to time require in companies, form, and amounts satisfactory to Mortgagees upon the leasehold improvements and contents now or hereafter situated on the mortgage premises, and shall assign and deliver to Mortgagees with satisfactory mortgage clauses all insurance policies of any kind or in any amount now or hereafter issued upon the premises. Mortgagors shall continue said insurance in force throughout the life of this mortgage. Mortgagors shall give immediate notice in writing to Mortgagees of any loss or damage to the premises caused by any casualty. Full power is hereby conferred on Mortgagees to settle any compromise claims under all policies and to demand, receive, and receipt for all monies becoming payable thereunder and to assign absolutely all policies to any endorsee of the note or to the grantee of the premises in the event of the foreclosure of this mortgage or other transfer of title to the premises in extinguishment of the indebtedness secured hereby. In the event of loss under any of the policies of insurance herein referred to, the proceeds of such policy shall be paid by the insurer to Mortgagees which, at its sole and absolute discretion, shall apply the same, wholly or partially, after deducting all costs of collection, including a reasonable attorney's fee, either as a payment on account of the indebtedness secured hereby, whether or not then due or payable, or toward the alteration, reconstruction, repair, or restoration of the mortgaged premises, either to the portion thereof by which said loss was sustained or any other portion thereof. In the event of foreclosure, Mortgagors' interest in said insurance policies shall automatically pass to the purchaser at foreclosure.

6. If Mortgagors fail to insure the premises, or to pay and furnish receipts for all taxes and assessments, or to pay debts, claims or other charges for repairs and improvements, or to keep the premises in good condition and repair, all as provided herein, Mortgagees may at its option procure such insurance, pay such taxes and assessments, redeem the property from any tax sale, procure such receipts, or enter upon the premises and make such repairs as it may deem necessary; and Mortgagors shall immediately pay to Mortgagees all sums which it shall have so

paid, together with interest at the rate of fifteen percent (15%) per annum from the date the same was paid, and for payment thereof, this mortgage shall stand as security in like manner and effect as for the payment of the indebtedness referred to above; but the failure of Mortgagees to procure such insurance, to pay such taxes and assessments, to redeem the property from any tax sale, or to make repairs shall in no way render Mortgagees liable to Mortgagors. If Mortgagees shall elect to advance insurance premiums, taxes or assessments, or redeem from tax sale, the receipt of the insurance company or of the proper tax official shall be conclusive evidence of the amount, validity and the fact of payment thereof.

7. Mortgagors shall immediately pay to Mortgagees all sums, including costs, expenses and reasonable agent's or attorney's fees which it may expend or become obligated to pay in any proceedings, legal or otherwise, to prevent the commission of waste; to establish or sustain the lien of this mortgage or its priority, or to defend against liens, claims, rights, estates, easements or restrictions, asserting priority to this mortgage; in payment, settlement, discharge or release of any asserted lien, claim, right, easement or restriction made upon advice of competent counsel that the same is superior to the lien of this mortgage; or to recover any sums hereby secured, together with interest on all such sums at the rate of fifteen percent (15%) per annum until paid; and for payment of such sums and interest, this mortgage shall stand as security in like manner and effect as for the payment of the said indebtedness.

8. If default shall be made in the payment of the indebtedness secured hereby or any part thereof in accordance with the terms thereof, or in the performance of any covenant, condition, or agreement of this mortgage, then the whole indebtedness hereby secured with all interest thereon, and all other amounts secured hereby shall, at the option of the Mortgagees, become immediately due and payable and this mortgage subject to foreclosure; and Mortgagees shall have the right and is hereby authorized to enter upon and take possession of the premises, and after or without taking possession, to sell the same before the Courthouse door in the county where the above-described real estate is located, at public outcry for cash, after having given notice of the time, place and terms of sale by publication once a week for three successive weeks prior to said sale in some newspaper published in said county, and, upon payment of the purchase money, Mortgagees or any person conducting said sale for Mortgagees is authorized and empowered to execute to the purchaser at said sale a deed to the property so purchased. Mortgagees may bid at said sale and purchase said property, or any part thereof, if the highest bidder therefor.

9. The proceeds of said sale shall be applied: First, to the expenses of advertising and selling, including reasonable attorney's fees; second, to the repayment of any money, with interest thereon, which Mortgagees may have paid, or become liable to pay, or which it may then be necessary to pay, for taxes, assessments, insurance or other charges, liens or debts as hereinabove provided; third, to the payment and satisfaction of the indebtedness hereby specially secured with interest to date of sale; and, fourth, the balance, if any, shall be paid to the party or parties appearing of record to be the owner of the premises at the time of the sale after deducting any expense of ascertaining who is such owner. If this mortgage be foreclosed in

Chancery, reasonable attorney's fees for foreclosing the same shall be paid out of the proceeds of the sale.

10. Mortgagors waive all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this mortgage, and Mortgagors waive the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the premises be set off against any part of the indebtedness secured hereby.

11. After foreclosure of this mortgage, Mortgagors and all holding under it shall become and be conclusively presumed to be tenants at will of the purchaser at the foreclosure sale.

12. Any promise made by Mortgagors herein to pay money may be enforced by a suit at law, and the security of this mortgage shall not be waived thereby, and, as to such debts, the Mortgagors waive all rights of exemption under the law and agrees to pay a reasonable attorney's fee for the collection thereof.

13. No delay or failure of Mortgagees to exercise any option herein given or reserved shall constitute a waiver of such option or estop Mortgagees from afterwards exercising same or any other option at any time; and the payment or contracting to pay by Mortgagees of anything Mortgagors have herein agreed to pay shall not constitute a waiver of the default of Mortgagors in failing to make said payments and shall not estop Mortgagees from foreclosing this mortgage on account of such failure of Mortgagors.

14. If Mortgagors shall well and truly pay and discharge the indebtedness hereby secured as it shall become due and payable (and all other indebtedness of Mortgagors to Mortgagees now in existence or hereinafter contracted or arising, joint or severally, contingent or absolute, direct or indirect, liquidated or unliquidated), and any and all renewals and extensions thereof, and shall do and perform all acts and agreements to be done and performed by Mortgagors under the terms and provisions of this mortgage, then this conveyance shall be and become null and void, and Mortgagees shall satisfy this mortgage at the expense of Mortgagors.

15. The term "Mortgagors," wherever used herein, shall mean the party or parties executing this mortgage, jointly and severally, and all the covenants, conditions and agreements hereof shall bind their respective heirs, executors, administrators, successors and assigns and shall inure to the benefit of and be available to the successors and assigns of Mortgagees. The rights, option, powers and remedies herein provided shall be cumulative and no one or more of them shall be exclusive of the other or others, or of any right or remedy now or hereafter given or allowed by law.

16. It is agreed that all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to Mortgagees, who may apply the same to payment of the installments last due under said note,

and Mortgagees is hereby authorized in the name of Mortgagors to execute and deliver valid acquittances thereof and to appeal from any such award.

17. If all or any part of the property, or any interest therein, is sold or transferred by Mortgagors without Mortgagees' prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagees may, at Mortgagees' option, declare all the sums secured by this mortgage to be immediately due and payable. Mortgagees shall have waived such option to accelerate if, prior to the sale or transfer, Mortgagees and the person to whom the property is to be sold or transferred reach agreement, in writing, that the credit of such person is satisfactory to Mortgagees and that the interest payable on the sums secured by this mortgage shall be at such rate as Mortgagees shall request.

If Mortgagees exercises such option to accelerate, Mortgagees shall mail Mortgagors notice of acceleration. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Mortgagors may pay the sums declared due. If Mortgagors fail to pay such sums prior to the expiration of such period, Mortgagees may, without further notice or demand on Mortgagors, invoke any acceleration remedies.

18. As further security for payment of the indebtedness and performance of the obligations, covenants and agreements secured hereby, Mortgagors hereby assign to Mortgagees, its successors and assigns, all leases and contracts already in existence and to be created in the future, together with all rents and payments to become due under existing or future leases and, upon an event of default as provided herein, confers on Mortgagees herein the exclusive power, to be used or not in its sole discretion, to act as agent, or to appoint a third person to act as agent for Mortgagors, with power to take possession of, and collect all rents, payments, issues and profits arising from the mortgaged premises and apply such rents, payments, issues and profits, at the option of Mortgagees, to the payment of the mortgage debt, interest, insurance, taxes, cost of maintenance and operation, repairs, and other expenses similar to the foregoing, in such order of priority as Mortgagees may in its sole discretion determine, and to turn any balance remaining over to Mortgagors; but such collection of rents, payments, issues, and profits shall not operate as an affirmation of any tenant or lease in the event the title to the property should be acquired by Mortgagees or by any other purchaser at a foreclosure sale.

In exercising any of the powers contained in this paragraph, Mortgagees may also, upon an event of default as aforesaid, take possession of, and for these purposes use, any and all personal property contained in the mortgaged premises and useful in the operation thereof. The right to enter and take possession of said property, to manage and operate the same, and to collect the rents, payments, issues and profits thereof, may be exercised concurrently with or independently of any other right or remedy hereunder or afforded by law. Mortgagees shall be liable to account only for such rents, payments, issues and profits actually received by Mortgagees.

In event of default, Mortgagors will immediately take all steps necessary in order to secure to the Mortgagees the rights granted by this paragraph 18, and in the event that any rents, payments, issues and profits are received by the Mortgagors, the Mortgagors will immediately pay over to Mortgagees all such rents, payments, issues and profits so received.

IN WITNESS WHEREOF, the Mortgagors herein have executed this instrument on the 12th day of September, 2001.

Jerry G. Davis (SEAL)
JERRY GLENN DAVIS

Judy R. Davis (SEAL)
JUDY R. DAVIS

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Jerry Glenn Davis whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 12th day of September, 2001.

Douglas S. Mikrotz
Notary Public
My Commission Expires 5/10/03

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Judy R. Davis whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 12 day of September,
2001.

Douglas L. McWhorter
Notary Public
My Commission Expires 5/10/02

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