

STATE OF ALABAMA )  
SHELBY COUNTY )

LINE OF CREDIT AND SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: That whereas

Estate of Ralph Hugh Gentry, Jr.,

has become justly indebted to MIKE ACTON, an individual resident of the state of Alabama, whose address is 1557 County Road 84, Calera, Alabama, 35040 (the "Lender"), in an amount not to exceed THIRTY FIVE THOUSAND AND NO/100 DOLLARS (\$35,000.00), together with interest thereon, as evidenced by one or more promissory notes, guaranties or other documents delivered to, or letters of credit issued by, Lender;

WHEREAS, Borrower's obligation to repay the aggregate unpaid amount of advances made under this Agreement and interest thereon shall be evidenced by one line of credit note (together with any extensions and renewals of the original line of credit note, and any amendment thereto and any note taken in substitution therefore, herein called the "Note") payable to Lender upon demand after sale of property (see attached legal description Exhibit A) but in any event not later than May 30, 2004. All borrowings, repayments, and reborrowings under the line of credit must be noted by Lender on Lender's records of account. Lender shall be required to keep copies of all receipts for advertising costs, survey costs, and other costs associated with the sale of the subject property for presentment to Borrower.

WHEREAS, each advance hereunder shall bear interest on the unpaid principal balance from the date advanced until the date repaid at 5% per annum.

WHEREAS, Borrower requests Lender to finance Borrower's sale of property (legal description attached as Exhibit A), and Lender agrees on the terms and conditions herein stated to make funds available to Borrower through May 30, 2004 for use by Borrower solely in financing the sale of said property.

WHEREAS, at Mortgagee's request Borrower will review renewal of this Agreement for additional specific periods. Any such renewal shall be granted at the sole discretion of Lender and shall be secured by and entitled to the benefits of this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to secure the payment of said indebtedness and any renewal or extensions thereof and any other indebtedness now or hereafter owed by any of the above-named to Lender, whether such indebtedness is primary or secondary, direct or indirect, contingent or absolute, matured or un-matured, joint or several, or otherwise secured or not, and to secure compliance with all of the covenants and stipulations hereinafter contained,

**Estate of Ralph Hugh Gentry, Jr.**

(whether one or more, the "Borrower") does hereby assign, transfer, and set over to Lender a security interest in the real property situated in Shelby County, State of Alabama, that is described as:

SEE EXHIBIT "A"

Together with all rents and other revenues thereof and all rights, privileges, easements, tenements, interests, improvements and appurtenances thereunto belonging or in any wise appertaining, including any after-acquired title and easements (collectively the "Property"), also together with all rights, title and interests now or hereafter owned by Borrower in and to all buildings and improvements, windows, doors, heating, lighting, ventilating, air conditioning, refrigerating and cooking apparatus, elevators, plumbing, sprinkling systems, detection devices and other equipment and fixtures now or hereafter attached or appertaining to the Property (collectively, the "Improvements").

The security interest herein granted secures the performance of all obligations of Lender under this Agreement and under the Note to help facilitate a quick and easy sale of the subject property and the security interest herein granted also secures the performance of all obligations of Borrower under this Agreement and under the Note and all obligations, liabilities, and indebtedness of Borrower to Lender of any kind regarding the marketing and sale of the subject property.

And for the purpose of further securing the payment of said indebtedness Borrower warrants, covenants and agrees with Lender, its successors and assigns as follows:

1. Borrower is lawfully seized in fee simple and possessed of a one-half interest in the Subject Property under the Last Will and Testament of Ralph Hugh Gentry, Jr. and has a good right to convey the same as aforesaid. The Subject Property is free and clear of all encumbrances, easements, and restrictions not herein specifically mentioned. The Subject Property is encumbered by two prior mortgages, (See Attached Exhibit B), and this security interest will be junior to said prior mortgages. Borrower will warrant and forever defend the title to the Subject Property against the claims of all persons whomsoever.

2. Borrower or Borrower's estate shall pay all taxes and assessments, as well as all other liens or mortgages taking priority over this Line of Credit and Security Agreement with the monies loaned to Borrower by Lender.



3. Borrower shall take good care of the Subject Property and shall not commit or permit any waste thereon or thereof, and shall keep the same repaired and at all times shall maintain the same in as good condition as it now is, reasonable wear and tear alone excepted. If Borrower fails to make repairs to the Subject Property, Lender, in its sole discretion, may make such repairs at Borrower's expense. Lender, its agents and employees, may enter the Subject Property at any reasonable time for the purpose of inspecting or repairing any portion of the Subject Property. Any such inspection or repair shall be for Lender's benefit only. Borrower hereby assigns and grants to Lender a lien upon any and all proceeds received by Borrower as a result of defects, structural or otherwise, in the Improvements.

4. No delay or failure of Lender to exercise any option to declare the maturity of any indebtedness secured by this Line of Credit and Security Agreement shall be a waiver of the right to exercise such option, either as to past or present defaults on the part of Borrower, and the procurement of insurance or payment of taxes or other liens or assessments or obligations by Lender shall not be a waiver of the right to accelerate the maturity of the indebtedness hereby secured by reason of the failure of Borrower to procure such insurance or to pay such taxes, liens, assessments or obligations, it being agreed by Borrower that no terms or conditions contained in this Line of Credit and Security Agreement can be waived, altered, or changed except as evidenced in writing signed by Lender and Borrower.

5. All indebtedness hereby secured shall be paid and discharged as it shall become due and payable, whether now existing or hereafter incurred.

6. If all or any part of the Subject Property or any interest therein is sold, assigned, transferred or conveyed by Borrower without Lender's prior written consent, then in any such event Lender may condition its consent to any transfer of possession of, or an interest in, the Subject Property upon (i) the transferee's agreeing to pay a greater rate of interest on all or any part of the indebtedness secured hereby or to adjust the payment schedule of all or any part of the indebtedness secured hereby, (ii) Lender's approval of the creditworthiness of the transferee, and (iii) the transferee's payment to Lender of a reasonable transfer or assumption fee, and payment of all recording fees and mortgage taxes.

7. All the covenants and agreements of Borrower herein contained shall extend to and bind its or their heirs, executors, administrators, successors and assigns, and such covenants and agreements and all options, rights, privileges and powers herein given, granted or secured to Lender shall inure to the benefit of the successors or assigns of Lender. The provisions of this Line of Credit and Security Agreement and any documents evidencing the indebtedness secured

hereby are severable, and the invalidity or unenforceability of any provision of this Line of Credit and Security Agreement or of any of said documents shall not affect the validity and enforceability of the other provisions of this Line of Credit and Security Agreement or of said documents. The remedies provided to Lender herein are cumulative with the rights and remedies of Lender at law and in equity, and such rights and remedies may be exercised concurrently or consecutively. Time is of the essence with respect to every covenant contained in this Line of Credit and Security Agreement.

UPON CONDITION, HOWEVER, that if any and all indebtedness hereby secured (which in addition to the principal sum set forth above with interest thereon shall include renewals and extensions thereof and all future advances, payment of taxes and insurance, the satisfaction of prior encumbrances, and any other indebtedness owed to Lender before the satisfaction of this Line of Credit and Security Agreement) is fully paid as it shall become due and payable, and Borrower does and performs all covenants and stipulations by it or them herein agreed to be done according to the tenor and effect hereof, then and in that event only, this conveyance and the security interest herein granted shall be and become null and void.

SHOULD DEFAULT be made in the payment of any indebtedness hereby secured or any renewals or extensions thereof or any part thereof, or should any interest thereon remain unpaid at maturity, or should default be made in the repayment of any sum expended by Lender under the authority of any of the provisions of this Line of Credit and Security Agreement, or should the interest of Lender in the Subject Property become endangered by reason of the enforcement of any lien or encumbrance thereon, or should any law, either federal or state, be passed imposing or authorizing the imposition of a specific tax upon this Line of Credit and Security Agreement or the indebtedness hereby secured, or permitting or authorizing the deduction of any such tax from the principal or interest secured by this Line of Credit and Security Agreement or by virtue of which any tax or assessment upon the Subject Property shall be charged against the owner of this Line of Credit and Security Agreement, or should at any time any of the stipulations and covenants contained in this Line of Credit and Security Agreement or in any documents evidencing the indebtedness secured hereby be declared invalid or unenforceable by any court of competent jurisdiction, or should Borrower fail to do and perform any other act or thing herein required or agreed to be done, THEN in any of said events the whole of the indebtedness 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 Line of Credit and Security Agreement subject to foreclosure at the option of Lender, notice of the exercise of such option must be made to Borrower three months before the date of said exercise of such option, and Lender shall have the right to enter upon and take possession of the Property and Improvements and six months after



taking such possession to sell the same before the County Court House door considered the front or main door to the County Court House in the county or division of the county where the Property, or any substantial part of the 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 successive weeks prior to said sale in some newspaper published in said county; and upon the payment of the purchase price, Lender, or owner of the indebtedness and this Line of Credit and Security Agreement, or auctioneer at said sale, is authorized to execute to the purchaser for and in the name of Borrower a good and sufficient deed to the Property and Improvements, or any part thereof, sold.

Upon the occurrence of any event that would subject this Line of Credit and Security Agreement to foreclosure, Lender shall have the rights and remedies of a secured party after default by its debtor under the Alabama Uniform Commercial Code.

Lender shall apply the proceeds of any sale or sales under this Line of Credit and Security Agreement as follows:

First, to the expense of advertising, selling and conveying (including a reasonable attorney's fee incurred by Lender in connection therewith or in connection with any proceeding whatsoever, whether bankruptcy or otherwise, seeking to enjoin or stay the foreclosure of this Line of Credit and Security Agreement, or otherwise challenging the right of Lender to foreclose this Line of Credit and Security Agreement);

Second, to the payment of any amounts that may have been expended or that may be appropriate to expend in paying taxes, assessments, and other liens and mortgages, and in making repairs to the Subject Property or any portion thereof, together with interest thereon;

Third, to the payment of the indebtedness hereby secured and late charges and interest thereon in such order as Lender may elect, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the date of sale; and

Fourth, the balance, if any, to be paid over to Borrower or to whomever then appears of record to be the owner of any of Borrower's interest in the Subject Property, including without limitation, any subordinate lienholder. Lender may bid and become the purchaser of the Subject Property at any foreclosure sale hereunder.

IN WITNESS WHEREOF, Borrower has hereunto set her hand and seal, and has caused this Line of Credit and Security Agreement to be executed, this 7<sup>th</sup> day of May, 2003.

Borrower:

Estate of Ralph Hugh Gentry, Jr.

By Pamela M. Gentry  
PAMELA M. GENTRY  
Its Personal Representative

#### ACKNOWLEDGMENT

STATE OF ALABAMA )  
JEFFERSON COUNTY )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Pamela M. Gentry, as Personal Representative for the Estate of Ralph Hugh Gentry, Jr., is signed to the foregoing, 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 7<sup>th</sup> day of May, 2003.

Glenn E. Estess, Jr.  
Notary Public  
My commission expires: 12/9/2005

This document was prepared by:  
GLENN E. ESTESS, JR. ESQ.  
JULIE L. BONNER, ESQ.  
Spain & Gillon, L.L.C.  
2117 2nd Ave. North  
The Zinszer Building  
Birmingham, Alabama 35203

# ***FIRST AMERICAN TITLE INSURANCE COMPANY***

## **COMMITMENT**

### **SCHEDULE C LEGAL DESCRIPTION**

20030509000291020 Pg 7/7 81.50  
Shelby Cnty Judge of Probate, AL  
05/09/2003 16:01:00 FILED/CERTIFIED

Issuing Office File No.: T-64110

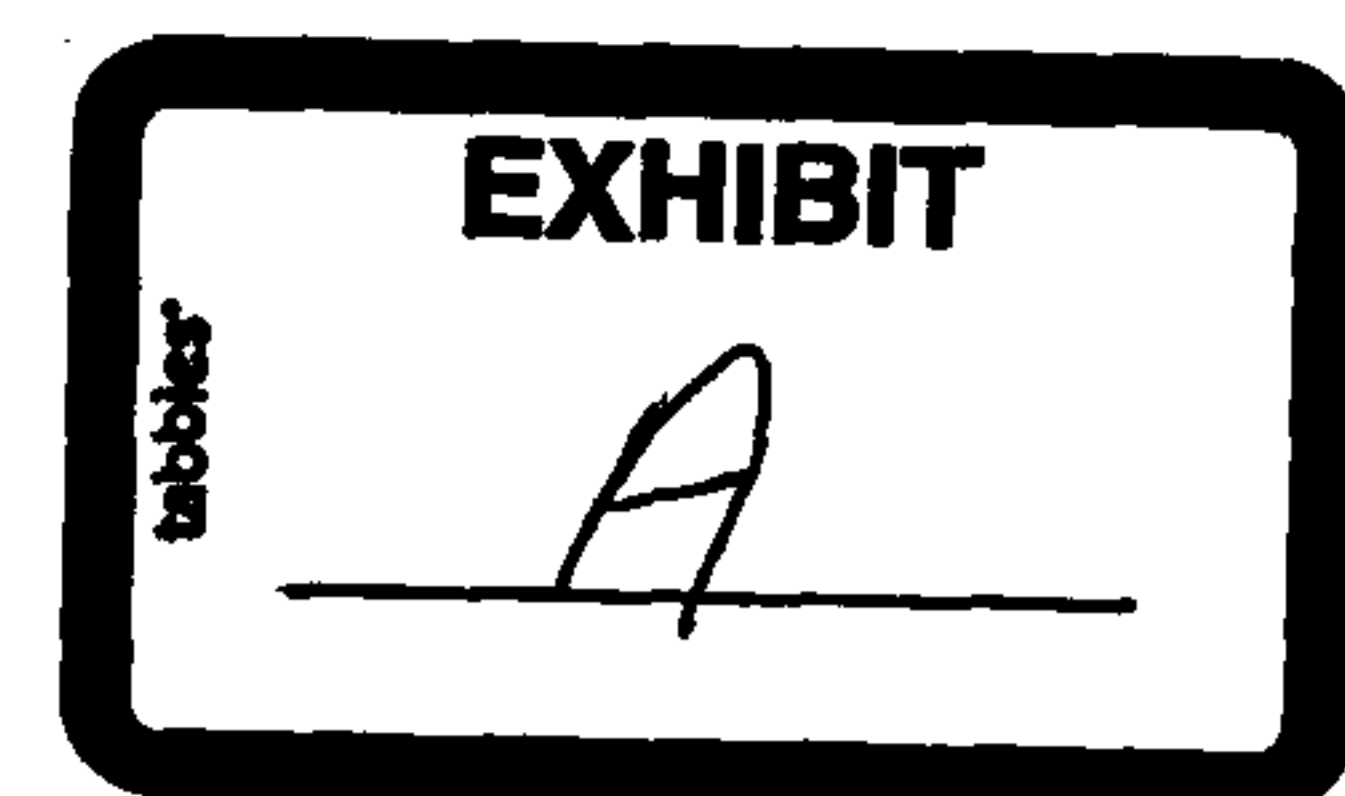
All of the Southwest Quarter of the Northeast One Fourth (1/4) and all of the Northwest Quarter of the Southwest Quarter and all of the Northeast Quarter of the Southwest One Fourth (1/4) and all the Northwest One Quarter (1/4) of the Southeast One Quarter (1/4) lying South of the Atlantic Coast Line Railroad. Situated in Section 30, Township 20, Range 2 West Shelby County, Alabama and Less and Except road right of the Shelby County Highway 11 known as the Simmsville Road.

#### LESS AND EXCEPT:

A parcel of land situated in the Northwest Quarter of Southwest Quarter of Section 30, Township 20 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

That part of the Northwest Quarter of Southwest Quarter of Section 30, Township 20 South, Range 2 West and lies Southwesterly of Atlantic Coast Line Railroad and Northwesterly of Shelby County Highway 11 as follows: Begin at the Southwest corner of the Northwest Quarter-Southwest Quarter of Section 30, Township 20 South, Range 2 West and run North along West line of said Quarter-Quarter Section for a distance of 880 feet more or less to the Southwesterly right of way of Atlantic Coast Line Railroad; thence run Southeasterly along Southwesterly right of way for a distance of 920 feet more or less to intersection with the Northwesterly of right of way of Shelby County Highway Number 11; thence run Southwesterly along said road right of way for a distance of 594 feet more or less to intersection with the South line of Northwest Quarter of Southwest Quarter of said section; thence run West along South line for a distance of 496 feet more or less to the point of beginning, in the Probate Office of Shelby County, Alabama.

Situated in Shelby County, Alabama.



*Line of Credit and Security Agr.  
Line of Credit Note*