



20050629000322420 1/4 \$170.00
Shelby Cnty Judge of Probate, AL
06/29/2005 09:42:28AM FILED/CERT

\$100,000.00

June 26, 2004
Birmingham, Alabama

**PROMISSORY NOTE
and
ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned, jointly and severally, if more than one (herein, along with any other maker, endorser, surety or guarantor hereof, shall be called "Borrower"), promises to pay to the order of Archie and Rosa Norris whose address being 6429 C R 39, Chelsea, Alabama, 35043. (hereinafter along with its successors and assigns called "Lender"), at Lender's address or at such other place as Lender may from time to time designate, without grace and in lawful money of the United States of America, the principal sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00) together with interest and charges thereon (hereinafter "Obligation"), all as evidenced by the records of Lender.

I. INTEREST:

Borrower agrees to pay interest on the unpaid principal Obligation, in accordance with the terms hereof.

Interest on the unpaid principal Obligation shall be computed from the date hereof at a per annum rate equal to **8.50%** per annum.

Interest from date on the outstanding unpaid principal balance shall be computed on the basis of a 365 day year by multiplying the product of the principal amount outstanding and the applicable rate by the actual amount of days elapsed and dividing by 365.

II. INTEREST ONLY PAYMENTS:

The Borrower promises and agrees to pay interest as follows:

- A. Accrued interest shall be payable monthly on the first day of each month with the first such payment being due on the first day of **August, 2004** and on the first day of each month thereafter.
- B. Sixty (60) consecutive monthly interest payments of **\$708.33**, with the first such payments being due and payable on the first day of the month and the remaining payments due on the first day of each month thereafter; followed by
- C. One (1) final payment due on the date that is five years from the beginning of this Note of **\$100,000.00**

Maturity Date: Any provisions of this Note to the contrary notwithstanding, all outstanding and unpaid principal indebtedness evidenced hereby, plus accrued interest,

shall be due and payable five (5) years following the Payment Commencement Date, which shall be the maturity date of this Note.

Payment Commencement Date: As used herein the Payment Commencement date shall be **August 1, 2004**.

Late Charges for Overdue Payments: Any scheduled payment of interest in default ten (10) days or more will be subject to a late charge of five percent (5.0%) of such scheduled payment. The late charge shall not be less than \$0.50, nor exceed \$100 for any late payment, except that such limitation shall be inapplicable if this Note is secured by real property. The late charge shall be charged only once for any late payment.

Prepayment: The Borrower reserves the right, privilege, and option to prepay the principal indebtedness evidenced by this Note, or any part thereof, at any time without penalty, and interest shall cease to accrue on the amount or amounts of principal so prepaid.

III. SECURITY:

This Note and the Obligations are secured in part by a Personal Guaranty, dated this date and delivered to Lender by Borrower, (hereinafter along with this Note, "Loan Documents"). The Borrower hereby grants and conveys to Lender a One Hundred (100%) percent security interest in all those items of inventory, furniture and fixtures located at the shop known as Horse Junction located at Chelsea Corners Shopping Center, Chelsea, Alabama and described on Exhibit "A" attached hereto and incorporated herein by this reference. The above-mentioned items are or will be owned by Borrower and are not subject to any security interest except that created by this agreement, or to any liens or encumbrances, and Borrower will defend the items against the claims and demands of all persons. This Security Agreement grants to Lender a first and prior lien to secure the payment of the obligations listed above, and extensions and renewals thereof.

IV. EVENTS OF DEFAULT AND DEFAULT:

The occurrence of any of the following events shall constitute an Event of Default hereunder, time being of the essence, entitling Lender, at Lender's option, and without further notice to the Borrower, to declare the entire Obligation (principal plus accrued interest and charges) immediately due and payable at once and in full with interest to date:

1. Borrower's failure to pay when due or to perform or comply with any of the (i) obligations or provisions under this Note and any renewals, modifications, refinancing and extensions thereof, (ii) obligations or provisions under any Loan Document, or (iii) other obligations and indebtedness of Borrower to Lender now existing or hereafter incurred or arising, direct or indirect, and however incurred or any part thereof; or

2. In the event Borrower shall (i) die, (ii) become insolvent, (iii) make an assignment for the benefit of Borrower's creditors, (iv) call a meeting of Borrower's creditors, or (v) fail to meet Borrower's obligations as they mature.
3. In the event that there shall be filed by or against Borrower (i) a Petition for Relief under the Bankruptcy Code, (ii) an application in court for a trustee or receiver of or for any part of Borrower's property, (iii) a judgment against Borrower, or (iv) a writ of garnishment or attachment in suit or action against any of the assets of Borrower.

Failure of the Lender to declare such indebtedness to be due and payable in the Event of a Default shall not constitute a waiver of the right later to declare the entire indebtedness to be at once due and payable.

V. PURPOSE OF LOAN:

This Note evidences a loan to be used by Borrower for the purposes of starting a retail operation, and Borrower agrees to use the proceeds of this loan for only those purposes. Notwithstanding the foregoing, the Borrower hereby represents and warrants to Lender that the money which is the subject of the credit transaction is not for personal, family, household or agricultural purposes within the meaning of the Federal Truth-in-Lending Act or Regulation Z of the Federal Reserve Board issued pursuant thereto, and that said extension of credit is for business or commercial purposes (other than agricultural purposes).

VI. WAIVERS, COST OF COLLECTION. MISCELLANEOUS:

The Borrower hereby agrees to pay all costs of collecting or attempting to collect this Note and the Obligation, including court cost, expenses of collection, and including a reasonable attorney's fee, if the same be collected by an attorney consulted with reference to suit or otherwise.

The Borrower and all sureties, endorser and guarantors of this Note, to the extent not prohibited by applicable law or regulation, hereby jointly and severally, (a) waives as to this debt or any renewal, modification, extension or refinancing thereof all rights of exemption under the Constitution or laws of Alabama or any other state as to real or personal property; (b) waives demand, presentment, notice of non-payment, protest, notice of protest, notice of dishonor, all other notice, suit against any party, diligence in collection of this note, the release of any party primarily or secondarily liable thereon or any collateral pledged as security, and all other requirements necessary to hold Borrower liable hereunder; and (c) agree and consent to any one of more extensions or postponements of time of payment of this Note or any other indulgences with respect hereto, without notice thereof to any of them, and without release of liability as to any Borrower or any of them.

The Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid against the Lender; unless in writing and signed by the Lender. All rights and remedies hereunder and under any statute or rule of law shall be cumulative and may be exercised successively or

concurrently. This note shall be governed by and construed in accordance with the laws of the State of Alabama.

Singular or plural words used herein shall be taken to refer to the undersigned, whether one or more than one and this Note shall bind each of the undersigned, jointly and severally.

If any provision of this Note is or becomes invalid or unenforceable, the remaining provisions shall not be affected thereby.

Any change or modification to this Note must be in writing and signed by both Lender and Borrower.


VII. EXECUTION:

This note has been executed by the Borrower without condition that anyone else should sign or become bound hereunder and without any other conditions whatever being made. The provisions hereof are binding on the successors and assigns of the Borrower and shall inure to the benefit of the Lender and its successors and assigns, and every subsequent holder of this Note. Borrower acknowledges receipt of a completed copy hereof, and of any other instrument executed by Borrower before this transaction is consummated.


IN WITNESS WHEREOF, we have caused this note to be executed, sealed and delivered in Birmingham, Alabama on the day and year first above written.

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

Rick and Kim Amberson



Rick Amberson



Kim Amberson