

MORTGAGE

<i>Index</i>	Mortgagor/Grantor/Borrower:	Rogelio Marquez Hernandez and Diana Patricia Grado
	Mortgagee/Grantee/Lender:	Mary Pamela Huddleston, Trustee of the Mary Pamela Huddleston Trust U/D/T 5/19/92 and Joseph D. Huddleston, Jr.
	Dated:	March 22, 2014

THIS MORTGAGE ("this Mortgage") is made and entered into this the 22nd day of March, 2014 by and between Rogelio Marquez Hernandez and Diana Patricia Grado, Husband and Wife (hereinafter the "Borrower" or "Mortgagor" or "Grantor") and Mary Pamela Huddleston, Trustee of the Mary Pamela Huddleston Trust U/D/T 5/19/92 and Joseph D. Huddleston, Jr. (hereinafter the "Lender" or "Mortgagee" or "Grantee").

Recitals

WHEREAS Borrower has requested the Lender to make a loan for which this mortgage shall be security for an initial principal amount of **\$77,700.00** (the "Loan") under that certain promissory note in that same amount, of even date herewith, in favor of the Lender and bearing an initial annual interest rate of 4% (the "Note").

WHEREAS to secure the Debt, to further secure the indebtedness under the Note and to induce the Lender to extend such credit to the Mortgagor, the Mortgagor has agreed to execute this Mortgage.

AGREEMENT

Now, Therefore, in consideration of the premises, and to secure the payment of (a) the Debt and all indebtedness of the Borrower under the Debt, or any extension or renewal thereof; (b) all interest and finance charges payable from time to time on the Debt and/or indebtedness, or any part thereof; (c) all other charges, costs and expenses now or hereafter owing by the Borrower to Lender pursuant to the Debt, or any extension or renewal thereof; (d) all other indebtedness, obligations and liabilities now or hereafter owing by the Borrower to Lender under the Debt, or any extension or renewal thereof; and (e) all advances by Lender under the terms of this Mortgage (the aggregate amount of all such items described in (a) through (e) above being hereinafter collectively called "Debt") and the compliance with all the stipulations herein contained, Mortgagor does hereby grant, bargain, sell and convey unto Lender its interests in certain real and personal property (hereinafter "Property") and the real estate being more particularly described as follows:

Lot 15 of Deer Springs Estates, Second Addition, as recorded in Map Book 5, Page 85 in the Office of the Judge of Probate in Shelby County, Alabama.

Parcel I.d. No. 14-4-17-4-002-007.000

This is a purchase money mortgage. All of the funds secured hereby were used exclusively for the purchase of the property described herein.

which currently has the address of 15 Chatham Court, Pelham, AL 35124,

Together with all the rights, privileges, tenements, appurtenances and fixtures appertaining to the



Property described on the date of this instrument, Mortgagor hereby conveying all such Property to Mortgagee by this Mortgage.

Subject To, Except and Reserving all reservations, easements, rights of way, encumbrances, exceptions, covenants, restrictions, and any and all other interests of record.

To Have and to Hold the Property unto Lender, its successors and assigns forever except as otherwise noted or excepted above. Mortgagor covenants with Lender (a) that Mortgagor is lawfully seized of the Property as such title is described above; (b) that Mortgagor has a good right to sell, convey and mortgage such title to the Property as it is described above; (c) that the Property, as such title is described above, is free of all encumbrances, *except* (i) the lien of current ad valorem taxes, (ii) the prior mortgage, if any, described above, (iii) any other encumbrances expressly set forth above, and (iv) as otherwise noted above; (d) that Mortgagor will warrant and forever defend the title to the Property as such title is described above unto Lender against the lawful claims of all persons except as otherwise herein provided.

General Provisions

Disclosure of Information. Mortgagor hereby authorizes any holder of any prior mortgage encumbering the Property to disclose to Lender the following information: (1) the amount of indebtedness secured by such mortgage; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or the indebtedness secured thereby; and (5) any other information regarding such mortgage or the indebtedness secured thereby which Lender may request from time to time. **Default On Superior Interest.** If this mortgage is subordinate to a prior mortgage, then Mortgagor expressly agrees that if there is a default in the payment of principal, interest or any other sum payable under the terms and provisions of such prior mortgage, or if any other event of default (or event which upon the giving of notice or lapse of time, or both, would constitute an event of default) should occur thereunder, Lender may, but shall not be obligated to, cure such default, without notice to anyone, by paying whatever amounts may be due, or taking whatever other actions may be required, under the terms of such prior mortgage so as to put the same in good standing. Any such payments made by Lender, shall become a part of the Debt secured hereby, payable on demand and shall bear interest from the date of expenditure until repaid at the rate set forth in the Debt. **Payment of Taxes & Liens.** For the purpose of further securing the payment of the Debt, Mortgagor agrees to pay all taxes, assessments, and other liens taking priority over this Mortgage (hereinafter jointly called "Liens"), and if default is made in the payment of the Liens, or any part thereof, then Lender, at its option, may pay the same. Any such payments shall become part of the Debt owing by Mortgagor to Lender. **Agreement To Insure.** For the purpose of further securing the payment of the Debt, Mortgagor agrees to keep the Real Estate continuously insured, in such manner and with such companies that are satisfactory to Lender, against loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsement, with loss, if any, payable to Lender, as its interest may appear; such insurance to be in an amount at least equal to the full insurable value of the improvements located on the Property unless Lender agrees in writing that such insurance may be in a lesser amount (insurance is not required on unimproved land). Subject to the rights of the holder of the prior mortgage, if any, set forth above, the original insurance policy and all replacements therefor, shall be delivered to and held by Lender until the Debt is paid in full. The insurance policy must provide that it may not be canceled without the insurer giving at least fifteen days' prior written notice of such cancellation to Lender. Subject to the rights of the holder of the prior mortgage, if any, set forth above, Mortgagor hereby assigns and pledges to Lender as further security for the payment of the Debt each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof, together with all the right, title and interest



of Mortgagor in and to each and every such policy, including but not limited to all of Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return of premiums. If Mortgagor fails to keep the Property insured as specified above, then at the election of Lender and without notice to any person, Lender may declare the entire Debt due and payable and this Mortgage subject to foreclosure, and this Mortgage may be foreclosed as hereinafter provided; and, regardless of whether Lender declares the entire Debt due and payable and this Mortgage subject to foreclosure, Lender may, but shall not be obligated to, insure the Property for its full insurable value (or for such lesser amount as Lender may wish) against such risks of loss, for its own benefit, the proceeds from such insurance (less the costs of collecting same), if collected, to be credited against the Debt, or, at the election of Lender, such proceeds may be used in repairing or reconstructing the improvements located on the Property. All amounts spent by Lender for insurance or for the payment of Liens or for the payment of any amounts under any prior mortgages shall become a debt due by Mortgagor and at once payable, without demand upon or notice to Mortgagor, and shall be included in the Debt secured by the lien of this Mortgage, and shall bear interest from date of payment by Lender until paid at the rate of interest payable from time to time under the Debt, or such lesser rate as shall be the maximum permitted by law; and if any such amount is not paid in full immediately by Mortgagor, then at the option of Lender, this Mortgage shall be in default and subject to immediate foreclosure in all respects as provided by law and by the provisions hereof. **Assignment of Rents & Profits.** Subject to the rights of the holder of the prior mortgage, if any, set forth above, Mortgagor hereby assigns and pledges to Lender the following property, rights, claims, rents, profits, issues and revenues: (a) all rents, profits, issues, and revenues of the Property (collectively, the "Rents") from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to Mortgagor, so long as Mortgagor is not in default hereunder, the right to receive and retain the Rents (b) all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property, or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, and all payments made for the voluntary sale of the Property, or any part thereof, in lieu of the exercise of the power of eminent domain. Lender is hereby authorized on behalf of, and in the name of, Mortgagor to execute and deliver valid acquittance for, and appeal from, any such judgments or awards. Lender may apply all such sums so received, or any part thereof, after the payment of all of Lender's expenses, including court costs and attorney's fees, on the Debt in such manner as Lender elects, or, at Lender's option, the entire amount or any part thereof so received may be released or may be used to rebuild, repair or restore any or all of the improvements located on the Property. **Maintenance.** Mortgagor agrees to take good care of the Property and all improvements located thereon and not to commit or permit any waste thereon, and at all times to maintain such improvements in as good condition as they now are, reasonable wear and tear excepted. **Hazardous Materials.** "Hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, *et seq.* ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, *et seq.*, or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. Mortgagor represents and warrants to Lender that: (a) during the period of Mortgagor'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, or about the Property; (b) Mortgagor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) except as previously disclosed to and



acknowledged by Lender in writing, (i) neither Mortgagor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Mortgagor authorizes Lender and its agents to enter upon the Property to make such inspections and tests as Lender may deem appropriate to determine compliance of the Property with this section of this Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Mortgagor or to any other person. Mortgagor's representations and warranties contained herein are based on Mortgagor's due diligence in investigating the Property for hazardous waste. Mortgagor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Mortgagor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of this Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Mortgagor's ownership or interest in the Property, whether or not the same was or should have been known to Mortgagor. The provisions of this section of this Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction of this Mortgage and reconveyance of the Property and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise. **Due on Sale.** Notwithstanding any other provision of this Mortgage or the Debt, Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest therein; whether legal or equitable; whether 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 any other method of conveyance of real estate interest. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Alabama law. **Entry.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Mortgagor notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property. **Notices.** Except for any notice required under applicable law to be given in another manner, any notice under this Mortgage (a) may be given to Mortgagor by delivering such notice to Mortgagor (or any one of them if more than one) or by mailing such notice by first class mail addressed to Mortgagor at any address on Lender's records or at such other address as Mortgagor shall designate by notice to Lender as provided herein and (b) shall be given to Lender by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Mortgagor as provided herein. Any notice under this Mortgage shall be deemed to have been given to the Borrower or Mortgagor when given in the manner designated herein. **No Waiver.** Mortgagor agrees that no delay or failure of Lender to exercise any option to declare the Debt due and payable shall be deemed a waiver of Lender's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in this Mortgage may be waived, altered or changed except by a written instrument signed by Mortgagor and signed on behalf of Lender by one of its officers. **Defeasance.** UPON CONDITION, however, that if: (a) the Debt is paid in full (which Debt includes (i) the Debt and all indebtedness of the Borrower under the Debt, or any extension or renewal thereof; (ii) all interest and finance charges payable from time to time on the Debt and/or indebtedness, or any part thereof; (iii) all other charges, costs and expenses now or hereafter owing by the Borrower to Lender under the Debt, or any extension or renewal thereof; (iv) all other indebtedness, obligations and liabilities now or hereafter owing by the Borrower to Lender under the Debt, or any extension or renewal thereof; and (v) all advances by Lender under the terms of this Mortgage); (b) Lender is reimbursed for any amounts Lender has paid in payment of

liens or insurance premiums or any prior mortgages, and interest thereon; (c) Mortgagor fulfills all of Mortgagor's obligations under this Mortgage; (d) the Debt is paid in full and Lender has no obligation to extend any further credit to Borrower thereunder; and (e) Lender has executed an appropriate written instrument in satisfaction of this Mortgage; this conveyance shall be null and void.

Default & Power of Sale. If, however, (1) Borrower fails to make any payment on the Debt when due and said failure shall continue unremedied for a period of three [3] business days following delivery of written notice of such failure to make payment from Lender to Mortgagor; (2) any warranty or representation made in this Mortgage or the Debt is breached or proves false in any material respect; (3) default is made in the due performance of any covenant or agreement of Mortgagor under this Mortgage or with respect to the Debt; (4) Mortgagor defaults in the payment to Lender of any sum paid by Lender under the authority of any provision of this Mortgage; (5) the Debt, or any part thereof, or any other indebtedness, obligation or liability of Mortgagor to Lender remains unpaid at maturity; (6) the interest of Lender in the Property becomes endangered by reason of the enforcement of any prior Lien or encumbrance thereon; (7) any statement of lien is filed against the Property, or any part thereof, under the statutes of Alabama relating to the liens of mechanics and materialmen (without regard to the existence or non-existence of the debt or the lien on which such statement is based); (8) any law is passed imposing or authorizing the imposition of any specific tax upon this Mortgage or the Debt or permitting or authorizing the deduction of any such tax from the principal or interest of the Debt, or by virtue of which any tax, lien or assessment upon the Property shall be chargeable against the owner of this Mortgage; (9) any stipulation contained in this Mortgage is declared invalid or inoperative by any court of competent jurisdiction; (10) Mortgagor, any guarantor of the Debt or any of them (a) shall apply for or consent to the appointment of a receiver, trustee or liquidator thereof or of the Property or of all or a substantial part of Mortgagor's or guarantor's assets, (b) be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, (c) fail, or admit in writing Mortgagor's or guarantor's inability generally to pay Mortgagor's or guarantor's debts as they come due, (d) make a general assignment for the benefit of creditors, (e) file a petition or an answer seeking reorganization or an arrangement with creditors on taking advantage of any insolvency law, or (f) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against any Mortgagor or guarantor in any bankruptcy, reorganization or insolvency proceedings; (11) an order for relief or other judgment or decree shall be entered by a court of competent jurisdiction, approving a petition seeking liquidation or reorganization of Mortgagor, any guarantor or appointing a receiver, trustee or liquidator of Mortgagor or guarantor or of the Property or of all or a substantial part of the assets of any Mortgagor or guarantor; or (12) any other default occurs under the Debt, *then* an event of default shall have occurred hereunder. **Remedies Cumulative.** Upon the occurrence of an event of default hereunder, then Lender at its option may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law: (1) Lender may declare the unpaid balance of the Debt immediately due and payable. (2) With respect to all or any part of the personal property, if any, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the State of Alabama. (3) Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Debt; the receiver may serve without bond if permitted by law and 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. (4) Lender may obtain a judicial decree foreclosing Mortgagor's interest in all or any part of the Property. (5) Lender may take possession of the Property and, with or without taking such possession, after giving notice of the time, place and terms of sale, together with a description of the Property to be sold, by publication once a week for three [3] successive weeks in some newspaper published in the county or counties in which the Property to be sold is located, to sell the Property



(or such part or parts thereof as Lender may from time to time elect to sell) at the front or main door of the courthouse of the county in which the Property to be sold, or a substantial and material part thereof, is located, at public outcry, to the highest bidder for cash. If there is Property to be sold under this Mortgage in more than one county, publication shall be made in all counties where the Property to be sold is located, and if no newspaper is published in any county in which any Property to be sold is located, the notice shall be published in a newspaper published in an adjoining county for three (3) successive weeks. The sale shall be held during the legal hours of sale for the jurisdiction in which the property is located on the day designated for the exercise of the power of sale under this Mortgage. Lender may bid at any sale had under the terms of this Mortgage and may purchase the Property if Lender is the highest bidder therefor. Lender shall apply the proceeds of any such sale as follows: *first*, to the expense of advertising, selling and conveying the Property and foreclosing this Mortgage, including reasonable attorneys' fees; *second*, to the payment in full of the balance of the Debt in whatever order and amounts 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 day of sale; *third*, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, satisfying liens, any prior mortgages or other encumbrances related to the Property, with interest thereon; and, *fourth*, the balance, if any, to be paid to the party or parties appearing of record to be the owner of the Property at the time of the sale, after deducting the costs of ascertaining who is such owner. Mortgagor hereby waives any and all rights to have the property marshaled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. In the event of a sale hereunder, Lender, or the owner of the Debt and mortgage, or auctioneer, shall execute to the purchaser, for and in the name of Mortgagor, a deed to the Property. (6) Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity. **Notice of Sale.** Lender shall give Mortgagor reasonable notice of the time and place of any public sale of the Property or any personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. **Recovery of Expenses & Costs.** Whether or not any court action is involved, all expenses incurred by Lender that, in Lender's opinion, are necessary at any time for the protection of Lender's interest, required under applicable laws or regulations or necessary in the enforcement of its rights and remedies hereunder, shall become a part of the Debt secured hereby, payable on demand and shall bear interest from the date of expenditure until repaid at the rate set forth in the Debt. Expenses covered by this paragraph include, without limitation, Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), foreclosure sales, appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisals, environmental site assessment reports and title insurance, all to the extent permitted by applicable law. Mortgagor will also pay any court costs, in addition to all other sums provided by law. If this Mortgage is subject to Section 5-19-10, Code of Alabama 1975, as amended, any payment of attorneys' fees by Mortgagor provided for in this Mortgage shall not exceed 15% of the unpaid indebtedness after default and referral to an attorney who is not a salaried employee of Lender.

MORTGAGOR HEREBY RELEASES AND WAIVES ALL RIGHTS AND BENEFITS OF THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF ALABAMA AS TO ALL DEBT SECURED BY THIS MORTGAGE.

Gender & Numerosity. Plural or singular words used herein to designate Mortgagor shall be construed to refer to the maker or makers of the Debt and this Mortgage, respectively, whether one or more. **No Merger.**



There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender. **Joint & Several Liability.** All obligations of Mortgagor under this Mortgage shall be joint and several, and all references to Mortgagor shall mean each and every Mortgagor. This means that each of the persons signing below is responsible for all obligations in this Mortgage. **Invalidity & Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending 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. **Binding Effect.** Subject to the limitations stated in this Mortgage on transfer of Mortgagor'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 than Mortgagor, then Lender, without notice to Mortgagor, may deal with Mortgagor's successors with reference to this Mortgage and the Debt by way of forbearance or extension without releasing Mortgagor from the obligations of this Mortgage or liability under the Debt. **Time is Of The Essence.** Time is of the essence in the performance of this Mortgage. **No Waiver.** 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 the Party's 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 Mortgagor, shall constitute a waiver of any of Lender's rights or any of Mortgagor'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 a continuing consent to subsequent instances where such consent is required.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed by its duly authorized officer on the date of the acknowledgment of the Mortgagor's signature below.

Rogelio Marquez H (seal)
Rogelio Marquez Hernandez

Diana Patricia Grado (seal)
Diana Patricia Grado

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Rogelio Marquez Hernandez and Diana Patricia Grado, whose names are signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the date set forth below.

Given under my hand and official seal on March 22, 2014.

William E. [Signature]
Notary Public
My Commission Expires: 15 Aug 2017


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Shelby Cnty Judge of Probate, AL
10/14/2014 02:00:02 PM FILED/CERT