

This instrument was prepared by:

Charles D. Stewart, Jr. Esq.  
4898 Valleydale Road  
Suite A-2  
Birmingham, Alabama 35242

## **MORTGAGE**

This Mortgage dated January 30, 2015 is made and executed between Justin and Heather Bailey, husband and wife, (referred to below as "Borrowers") and James R. Killingsworth (referred to below as "Lender").

Whereas, Borrowers agree, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof.

NOW THEREFORE, in consideration of the premises, Borrowers do hereby grant, bargain, sell, and convey unto Lender the following described real estate, situated in Shelby County, Alabama to-wit:

**LOT 2 ACCORDING TO THE SURVEY OF PINEY WOODS, A RURAL  
SUBDIVISION, AS RECORDED IN MAP BOOK 42, PAGE 20, IN THE  
PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.**

Said property is warranted to be free from any encumbrances and against any adverse claims, except as stated above.

TO HAVE AND TO HOLD the above granted property unto the said Lender, Lender's successor, heirs, and assigns forever, and for the purpose of further securing the payment of said indebtedness, the undersigned Borrowers agree to the following terms and conditions:

**1. PAYMENT OF PRINCIPAL, INTEREST AND LATE CHARGES.**

Borrower shall pay when due the principal and/or interest on the debt of \$40,000.00 as evidenced by the Note bearing the same date and any late charges due under the Note. Payments are deemed received by Lender when received at the location designated in the Note by Lender.

**2. TAXES; LIENS.** Borrowers shall pay all taxes, assessments, charges, fines and impositions attributable to the property which can attain priority over this Security Instrument. If property taxes increase on the property during the term of this Mortgage, Borrower will be responsible for paying the difference in said increase.

**3. PROPERTY INSURANCE.** Borrowers are solely responsible for maintaining insurance on dwelling and property for as long as Mortgage is in effect.

Borrowers are solely responsible for maintaining insurance on any personal property contained on real property.

**4. PRESERVATION AND MAINTENANCE OF PROPERTY.**

Borrowers shall not destroy, damage or impair the property, allow the property to deteriorate or commit waste on the Property. Borrowers shall maintain the Property in marketable condition and preserve its' value. Borrowers shall promptly comply with all laws, ordinances, and regulations, including environmental, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property.

**5. OCCUPYING/USE OF PROPERTY.** Borrowers shall occupy and or use said property in its current use or subsequently construct a dwelling.

**6. EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

**A. Payment Default.** Borrowers fail to make any payment when due under the indebtedness.

**B. Default on Other Payments.** Failure of Borrowers within the time required by this Mortgage to make any other payment necessary to prevent filing of or to effect discharge of any lien.

**C. Other Defaults.** Borrowers fail to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the related documents or to comply with or to perform any terms, obligations, covenants or conditions contained in any other Related Documents which reflect an agreement between Lender and Borrowers.

**D. False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrowers or on Borrowers' behalf, or any other guarantor, endorser, surety, or accommodation party, under this Mortgage or the related documents in connection with the obtaining of the indebtedness evidenced by the Note or any security document directly or indirectly securing repayment of the Note is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**E. Default in Favor of Third Parties.** Should Borrowers default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrowers' property or Borrowers' ability to repay the indebtedness or Borrowers' ability to perform their obligations under this Mortgage or any related documents.

**F. Breach of Other Agreement.** Any breach by Borrowers under the terms of any other agreement between Borrowers and Lender, including Note,



that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrowers to Lender, whether existing now or later.

**G. Adverse Change.** A material adverse change occurs in Borrowers' financial condition, or Lender reasonably believes the prospect of payment or performance of the indebtedness is impaired.

**7. RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise the following remedies, in addition to any other rights or remedies provided by law:

**A. Accelerate Payment.** In the event of default by the Borrowers, Lender shall give notice to Borrowers prior to acceleration following Borrowers' breach of any covenant or agreement in this Security Instrument. This notice shall specify the following: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrowers, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform the Borrowers of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrowers to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale, the removal of personal property (which includes mobile homes) and any other remedies permitted by Applicable Law.

**B. Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date expenditure until repaid. Expenses covered by this paragraph include, without limitation, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services, the cost searching records, obtaining title reports, surveyors' reports and appraisal fees and title insurance.

**C. Notices.** Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrowers agree to keep Lender informed at all times of Borrowers' current address.

**BORROWERS ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE AND AGREE TO ITS' TERMS.**

**THIS MORTGAGE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS MORTGAGE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.**

BY SIGNING BELOW, Borrowers acknowledge, accept and agree to the terms covenants and provisions contained in this Mortgage.

**BORROWER:**

Justin Bailey 12.30.15  
Justin Bailey Date

Witness

Heather Bailey 12.30.15  
Heather Bailey Date

Witness

STATE OF ALABAMA )  
COUNTY OF SHELBY )

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that, Justin and Heather Bailey, 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.

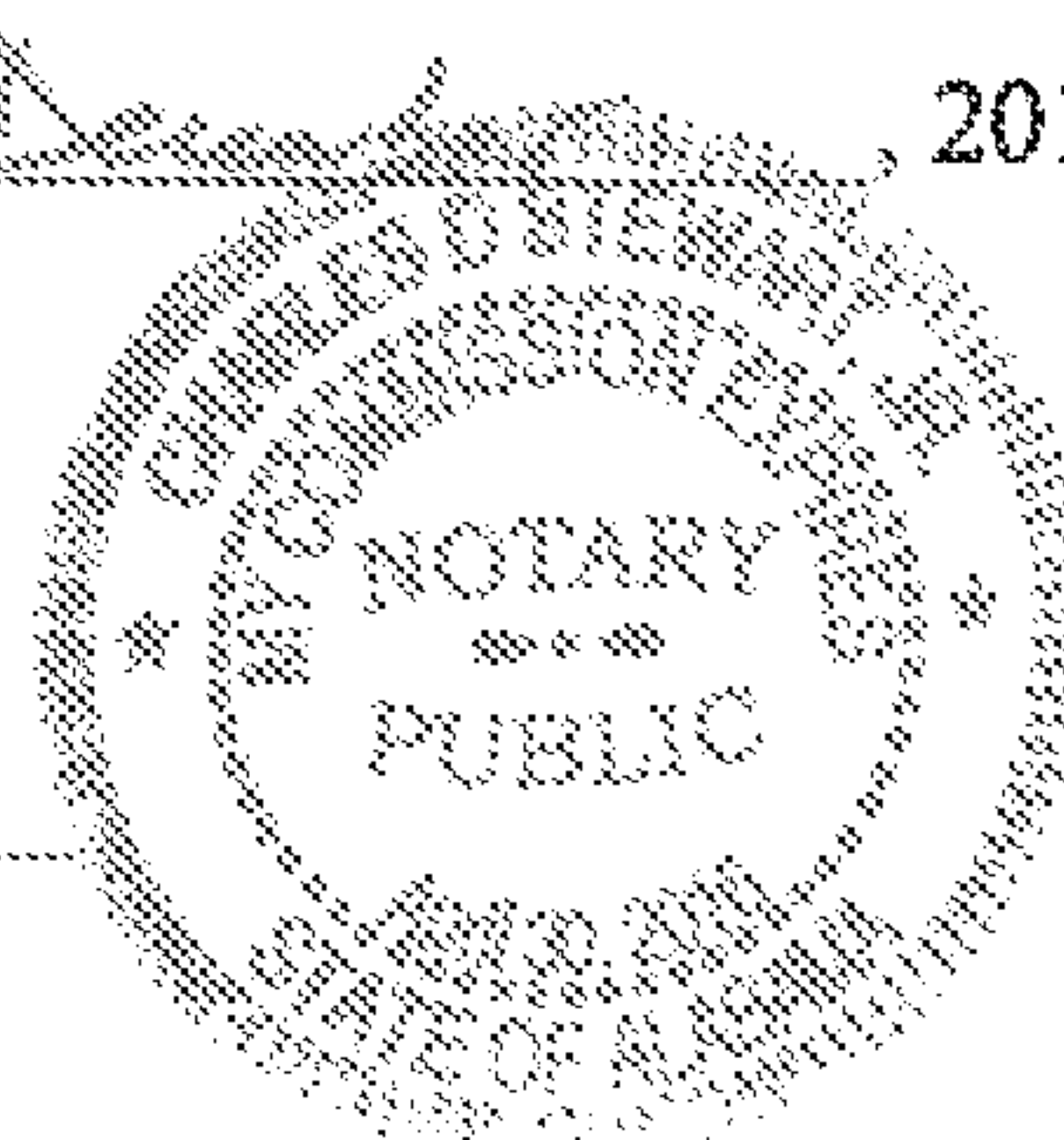
Given under my hand and official seal this 30th day of December, 2015.

Notary Public

My commission expires: 12-30-16



Filed and Recorded  
Official Public Records  
Judge James W. Fuhrmeister, Probate Judge,  
County Clerk  
Shelby County, AL  
01/04/2016 08:16:25 AM 4  
\$83.00 JESSICA  
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Justin Bailey