

MORTGAGE SECURITY AGREEMENT

Location: Shelby County, Alabama

Date: September 26, 2019

This Mortgage Security Agreement is made on this day by and between **Matthew Naum James and Amy Kent James, husband and wife** (hereinafter collectively referred to as the "Borrower") and **Terrence F James, Thomas Mark James and Thomas Mark James as Trustee of the Peter Naum James Trust** (hereinafter collectively referred to as the "Lender").

The Borrower shall pay when due the principal of the debt evidenced by the Note executed in conjunction with this Mortgage dated September 26, 2019 in the amount of Eighty Seven Thousand Dollars (\$87,000.00) with a Maturity Date of October 1, 2024.

1. SECURITY INTEREST GRANT. The Borrower, in consideration of his liabilities, as hereinafter defined, hereby agrees to all of the terms of this Agreement and further hereby specifically grants the Lender a continuing mortgage security interest in the real estate collateral shown below including the proceeds thereof and proceeds of hazard insurance and eminent domain or condemnation awards involving the collateral, and including the products of the collateral or accessions to such collateral, to secure the payment of all loans, advances, and extensions of credit from the Lender to the Borrower, including all renewals and extensions thereof and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between the Lender and the Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise. The grant of security interest herein shall apply to all obligations, whether they arise hereunder, under any other mortgage, security agreement, note, lease, instrument, contract, document or other similar writing heretofore, now or hereafter executed by the Borrower to the Lender, including oral agreements and obligations arising by operation of law. The foregoing obligations shall be hereafter collectively called the "Liabilities" and shall also include all interest, cost, expenses, and attorney fees accruing to or incurred by the Lender in collecting the Liabilities or in the protection, maintenance, or liquidation of the Collateral.

2. DESCRIPTION OF COLLATERAL. The "Collateral" covered by this Agreement is the real property located at 270 Camelia Street Harpersville, AL 35078 and all of the Borrower's property described below which the Borrower now owns:

See Attached Exhibit A

3. WARRANTIES. The Borrower warrants the following: It has free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest, and the Borrower will defend same to the Lender against the claims and demands of all persons; the Borrower will fully cooperate in placing or maintaining Lender's lien or security interest; all of the Collateral is located in the State of the Borrower's address unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; the Borrower will not remove or change the location of any Collateral without the Lender's prior written consent; the Borrower will not use the Collateral or permit it to be used for any unlawful purpose; the Borrower will not conduct business under any name other than his own name, nor change, nor organize business entity to assign this Mortgage, except upon the prior written approval of the Lender, in which event the Borrower agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Borrower's expense, before such change occurs; the Borrower will keep all records of account, documents, evidence of title, and all other documentation regarding his business and the Collateral at the specified address **ADDRESS** unless notice thereof is given to the Lender at least ten (10) days prior to the change of the address for the keeping of such records; the Borrower will, at all times, maintain the Collateral in good condition

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and repair and will not sell or remove the same except as to inventory in the ordinary course of business; the Borrower has the power to enter into this Agreement; the execution of this Agreement will not create any breach of any agreement to which the Borrower is or may become a party; all financial information and statements delivered by the Borrower to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Borrower since he last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Borrower which may result in any material adverse change in the Borrower's financial condition or which might materially affect any of the Borrower's assets; and the Borrower has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Borrower is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

4. INSURANCE. The Borrower agrees that he will, at his own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee, or, alternatively, if requested by the Lender, the mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive towards the payment of the Liabilities, whether or not due, in such order as the Lender may at its sole discretion determine. The Borrower agrees to maintain, at his own expense, public liability and property damage insurance upon all his other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies or other evidence of such policies and evidence of the payments of the premiums thereon. If the Borrower, at any time, fails to obtain or to maintain any of the insurance required in this section or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Borrower's property. All costs incurred by the Lender, including reasonable attorney fees, court costs, expenses, and other charges relating thereto, shall become a part of the Liabilities and shall be payable on demand.

5. TAXES, LIENS, ETC. The Borrower agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Borrower's business. If the Borrower fails to pay same, the Lender, at its sole discretion, may pay such charges on behalf of the Borrower; and all sums so dispensed by the Lender, including reasonable attorney fees, court costs, expenses, and other charges relating thereto, shall become a part of the Liabilities and shall be payable on demand.

6. INFORMATION AND REPORTING. The Borrower agrees to supply to the Lender such financial and other information concerning his affairs and the status of any of his assets as the Lender, from time to time, may reasonably request. The Borrower further agrees to permit the Lender, its employees, and agents to have access to the Collateral for the purpose of inspecting it, together with all of the Borrower's other physical assets, if any, and to permit the Lender, from time to time, to verify accounts as well as to inspect, copy, and examine the books, records, and files of the Borrower.

7. DEFAULT. The occurrence of any of the following events shall constitute a default of this Agreement:

(a) The non-payment, when due, of any amount payable on any of the Liabilities or any extension or renewal thereof;

(b) The failure to perform any agreement of the Borrower contained herein or in any other agreement the Borrower may have with the Lender;

(c) The publication of any statement, representation, or warranty, whether written or oral, by the Borrower to the Lender, which at any time is untrue in any respect as of the date made;

(d) The condition that any Obligor (which term, as used herein, shall mean the Borrower and each party primarily or secondarily liable on any of the Liabilities) becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's creditors, or conveys substantially all of his assets, or in the event of any proceedings instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay

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debts as they mature (failure to pay being conclusive evidence of inability to pay), or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor;

(e) The entry of any judgment against any Obligor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral;

(f) The death of any Obligor who is a natural person;

(g) The dissolution, merger, and consolidation or transfer of a substantial part of the property of any Obligor, which is a corporation or partnership;

(h) In the event that any part of the Collateral materially declines in value in excess of normal wear, tear, and depreciation; or

(i) The Lender feels insecure for any reasonable reason.

If permitted by law, the Borrower waives any otherwise required notice of: presentment; demand; acceleration; and intent to accelerate.

8. REMEDY. The Borrower agrees that, whenever a default exists, all Liabilities may (notwithstanding any provisions thereof), at the sole option and discretion of the Lender, and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by this Security Agreement until return is demanded in writing by the Borrower. The Borrower agrees, in the case of default, to assemble, at his own expense, all Collateral at a convenient place acceptable to the Lender and to pay all costs of the Lender in connection with the collecting of the Liabilities and enforcement of any rights hereunder, including reasonable attorney fees and legal expenses, and including participation in Bankruptcy proceedings; and to pay all of the expense of locating the Collateral, as well as the expense of any repairs for any realty or other property to which any of the Collateral may have been affixed or made a part. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent postage prepaid, by regular mail, to the Borrower at least seven (7) days before such disposition, and addressed to the Borrower either at ADDRESS or at any other agreed upon address. If the proceeds from a sale of Collateral are insufficient to extinguish the Liabilities of the Borrower hereunder, the Borrower shall be liable for any deficiency. The Lender shall, in the event of any default, have the right to peacefully take any of the Collateral. The Borrower waives any right it may have, in such instance, to a judicial hearing prior to such retaking. In the event of a default, the Borrower expressly authorizes the Lender to offset any debts of the Lender to the Borrower against the Liabilities, including, but not limited to, any checking or savings account, certificate of deposit, savings receipt, or the like.

9. ENVIRONMENTAL LAWS. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense whatsoever, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any State or Federal law or regulation.

10. MISCELLANEOUS. Time is of the essence of this Agreement. If permitted by law, Lender is authorized to file a financing statement to perfect its security interest in the Collateral signed only by the Lender. Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by the Borrower to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Borrower shall not constitute a waiver of subsequent default. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or any other laws now existing or hereafter enacted. The Borrower specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with this Agreement, any ambiguities between this Agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be

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necessary to eliminate any such ambiguity. Borrower releases Lender from any liability which might otherwise exist for an act or omission of Lender related to the collection of any debt secured by this Agreement or the disposal of any Collateral, except for Lender's willful misconduct.

11. HEADINGS. The headings preceding the substantive text in this Agreement are for the Borrower's general convenience in identifying the subject matter but have no limiting impact on the text which follows any particular heading.


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This Agreement has been delivered in the State of Alabama and shall be construed in accordance with its laws. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or the invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of the Borrower.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute one Agreement to be effective as of the date of execution of this Agreement.

IN WITNESS WHEREOF, the parties hereto, or their duly authorized representatives, have caused this Security Agreement to be dated, executed and delivered as of the day and year first above written.


Matthew Naum James, Borrower

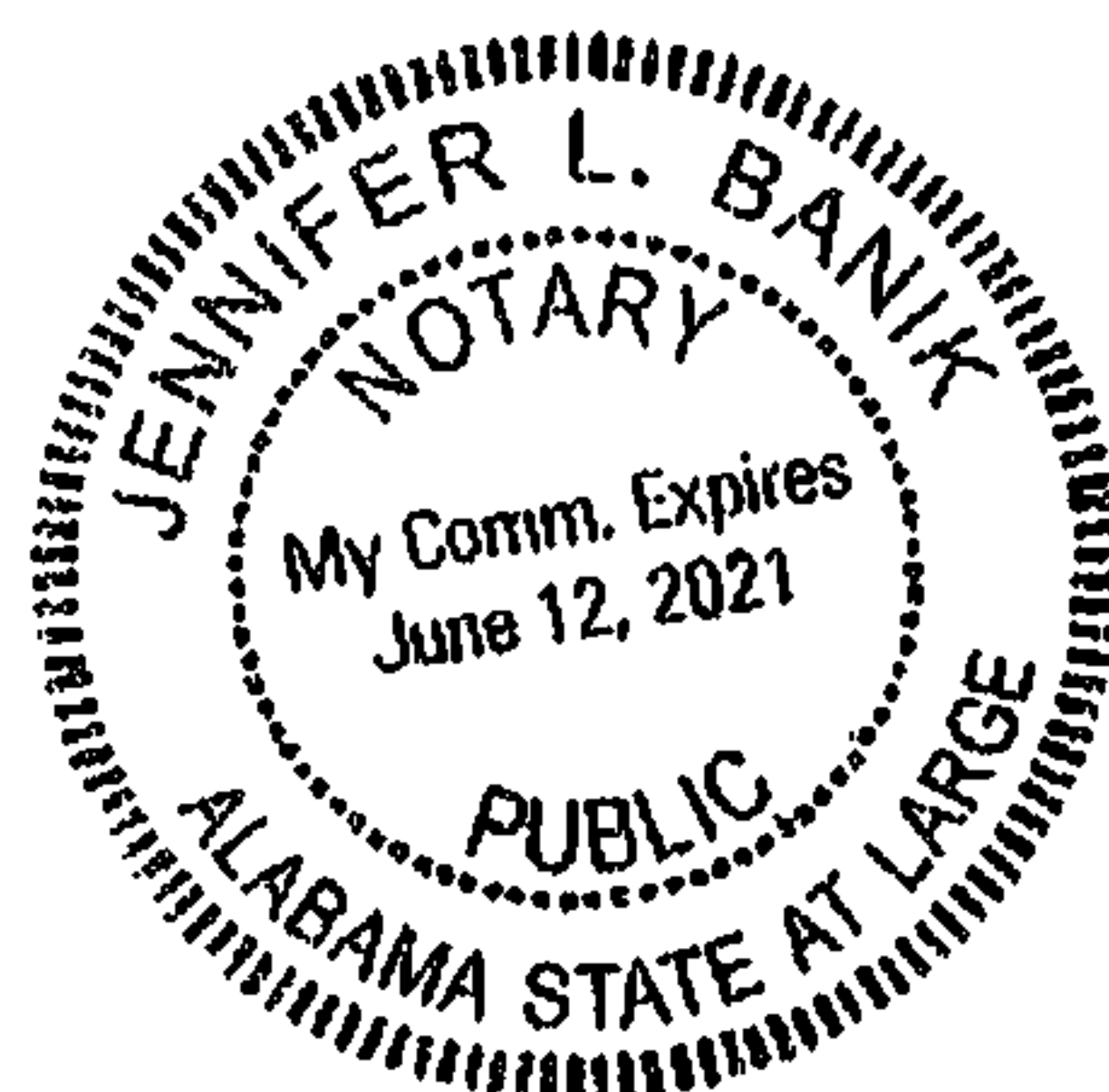

Amy Kent James, Borrower

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, do hereby certify that Matthew Naum James and Amy Kent James, whose names are signed to the foregoing instrument, and who are known by me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and office seal this the 26 day of September, 2019.



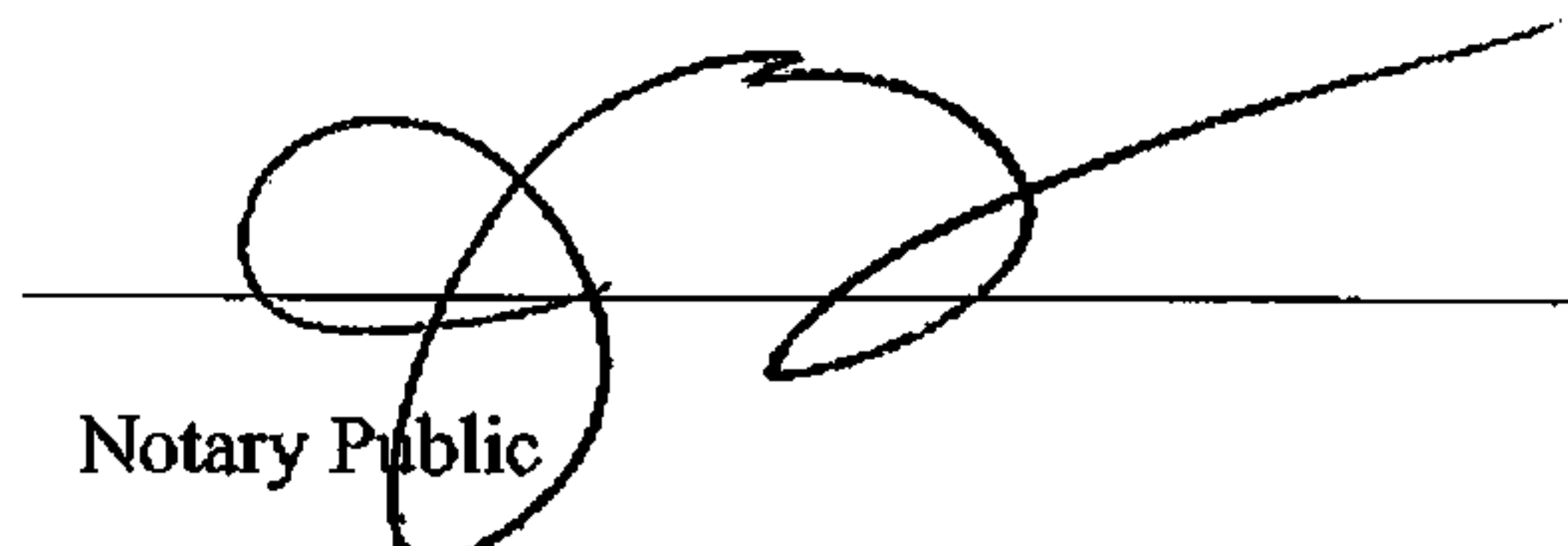

Notary Public
My commission expires: _____

Exhibit A

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 28, TOWNSHIP 19 SOUTH, RANGE 2 EAST, SHELBY COUNTY, ALABAMA, WITH A BACK SITE ALONG THE SOUTH BOUNDARY OF SECTION 27, TURN AN ANGLE OF 22 DEGREES 38 MINUTES TO THE RIGHT AND PROCEED NORTH 60 DEGREES 30 MINUTES WEST FOR A DISTANCE OF 373.5 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF THE GLAZE GERRY ROAD; THENCE TURN AN ANGLE OF 44 DEGREES 15 MINUTES TO THE LEFT AND PROCEED SOUTH 66 DEGREES 51 MINUTES WEST ALONG THE SOUTHERLY BOUNDARY OF SAID ROAD FOR A DISTANCE OF 48.5 FEET TO THE INTERSECTION WITH A 30 FOOT STREET; THENCE TURN AN ANGLE OF 90 DEGREES 54 MINUTES TO THE LEFT AND PROCEED SOUTHEASTERLY ALONG THE NORTHEASTERLY BOUNDARY OF SAID STREET FOR A DISTANCE OF 560.8 FEET, MORE OR LESS TO THE EAST BOUNDARY OF SECTION 33 OF SAID TOWNSHIP AND RANGE; THENCE PROCEED NORTH ALONG THE EAST BOUNDARY OF SAID SECTION 33 FOR A DISTANCE OF 255.69 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED LAND IS LOCATED IN THE SE 1/4 OF THE SE 1/4 OF SECTION 28 AND NE 1/4 OF THE NE 1/4 OF SECTION 33 TOWNSHIP 19 SOUTH, RANGE 2 EAST, SHELBY COUNTY, ALABAMA.

ALSO: COMMENCING AT THE NORTHWEST CORNER OF SECTION 34 TOWNSHIP 19 SOUTH RANGE 2 EAST, THENCE NORTH 87 DEGREES 54 MINUTES 11 SECONDS EAST, A DISTANCE OF 182.11 FEET, THENCE SOUTH 33 DEGREES 22 MINUTES 18 SECONDS WEST A DISTANCE OF 313.50 FEET; THENCE NORTH 2 DEGREES 08 MINUTES 29 SECONDS WEST A DISTANCE OF 255.33 FEET TO THE POINT OF BEGINNING.



Filed and Recorded
Official Public Records
Judge of Probate, Shelby County Alabama, County
Clerk
Shelby County, AL
10/14/2019 03:48:54 PM
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20191014000378840

Allen S. Bayl