

This instrument was prepared by

(Name) Dale Corley  
(Address) 2100 16th Avenue South  
Birmingham, AL 35205

Form 1-1-22 Rev. 1-66

MORTGAGE—LAWYERS TITLE INSURANCE CORPORATION, Birmingham, Alabama

STATE OF ALABAMA  
COUNTY SHELBY

934  
KNOW ALL MEN BY THESE PRESENTS: That Whereas,

Nichols and Hill Construction Company, a Partnership  
(hereinafter called "Mortgagors", whether one or more) are justly indebted, to

National Heritage Mortgage Corporation

(hereinafter called "Mortgagee", whether one or more), in the sum  
of Three hundred thousand and 00/100-----Dollars  
(\$ 300,000.00 ), evidenced by a promissory note in the amount of \$50,000.00 dated March 15,  
1985, payable within twenty four (24) months from date, with pre-payment rights and  
provisions, and further pursuant to an agreement for two hundred and fifty thousand  
dollars (\$250,000.00) of the sums due hereunder, of even date.

And Whereas, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt  
payment thereof.

NOW THEREFORE, in consideration of the premises, said Mortgagors,

Nichols and Hill Construction Company, a Partnership

and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described  
real estate, situated in Shelby County, State of Alabama, to-wit:

See attached Exhibit "A".

SUBORDINATION AGREEMENT:

The Mortgagee herein agrees to subordinate any lot described on Exhibit "A" hereto,  
to a construction lender, so long as said construction loan amount is as mutually  
agreed upon by the Mortgagor and Mortgagee; further, if any sums are due under the  
fifty-thousand (\$50,000.00) note from the Mortgagor to the Mortgagee, its successors,  
assigns or transferees, then the sum of \$1750.00 per lot, plus interest thereon shall  
be required as a condition to subordination.

RELEASE PROVISIONS:

After subordination for construction purposes, the Mortgagor shall pay the Mortgagee  
\$5000.00 per unit for a partial release of this mortgage, at closing for each  
townhouse lot (unit) secured by this mortgage, all of said releases to be as  
described in that certain agreement, dated March 15, 1985.

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Jach A

Said property is warranted free from all incumbrances and against any adverse claims, except as stated above.

To Have And To Hold the above granted property unto the said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agrees to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, the said Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, first above named undersigned agrees to keep the improvements on said real estate insured against loss or damage by fire, lightning and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to the Mortgagee, with loss, if any, payable to said Mortgagee; as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if undersigned fail to keep said property insured as above specified, or fail to deliver said insurance policies to said Mortgagee, then the said Mortgagee, or assigns, may at Mortgagee's option insure said property for said sum, for Mortgagee's own benefit, the policy if collected, to be credited on said indebtedness, less cost of collecting same; all amounts so expended by said Mortgagee for taxes, assessments or insurance, shall become a debt to said Mortgagee or assigns, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest from date of payment by said Mortgagee, or assigns, and be at once due and payable.

Upon condition, however, that if the said Mortgagor pays said indebtedness, and reimburses said Mortgagee or assigns for any amounts Mortgagees may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by the said Mortgagee or assigns, or should said indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, or should the interest of said Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or incumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events, the whole of said indebtedness hereby secured shall at once become due and payable, and this mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the said Mortgagee, agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving twenty-one days' notice, by publishing once a week for three consecutive weeks, the time, place and terms of sale, by publication in some newspaper published in said County and State, sell the same in lots or parcels or en masse as Mortgagee, agents or assigns deem best, in front of the Court House door of said County, (or the division thereof) where said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of the sale: First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or other incumbrances, with interest thereon; Third, to the payment of said indebtedness in full, 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; and Fourth, the balance, if any, to be turned over to the said Mortgagor and undersigned further agree that said Mortgagee, agents or assigns may bid at said sale and purchase said property, if the highest bidder therefor; and undersigned further agree to pay a reasonable attorney's fee to said Mortgagee or assigns, for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF the undersigned

have hereunto set their signatures and seal, this 15th day of March, 19 85

NICHOLS AND HILL CONSTRUCTION COMPANY (SEAL)  
a Partnership

by:

William D. Nichols, a partner

by:

William R. Hill, Jr., a partner

THE STATE of

COUNTY

, a Notary Public in and for said County, in said State,

I, hereby certify that

whose name signed to the foregoing conveyance, and who known to me acknowledged before me on this day, that being informed of the contents of the conveyance executed the same voluntarily on the day the same bears date. Given under my hand and official seal this day of 19 Notary Public.

THE STATE of ALABAMA

SHELBY

COUNTY

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that William D. Nichols and William R. Hill, Jr.

whose names as sole partners of Nichols and Hill Construction Company, a partnership are known to me, acknowledged before me, on this day that they as such and with full authority, executed the same voluntarily for and as the act of said partnership.

Given under my hand and official seal, this the 15th day of March

Notary Public

Return to:

TO

MORTGAGE DEED

THIS FORM FROM  
Lawyers Title Insurance Corporation  
Title Guaranty Division  
TITLE INSURANCE - ABSTRACTS

Birmingham, Alabama

Exhibit A

The legal description of the 50 townhouse lots are as follows:

Lots 1 through 7, both inclusive, in Block 4, according to a Resurvey of Block of a Resurvey of Breckenridge Park, as recorded in Map Book 9, Page 150, in Probate Office of Shelby County, Alabama.

All of Block 3, except Lots 13 through 18, both inclusive, and all of Block 5,

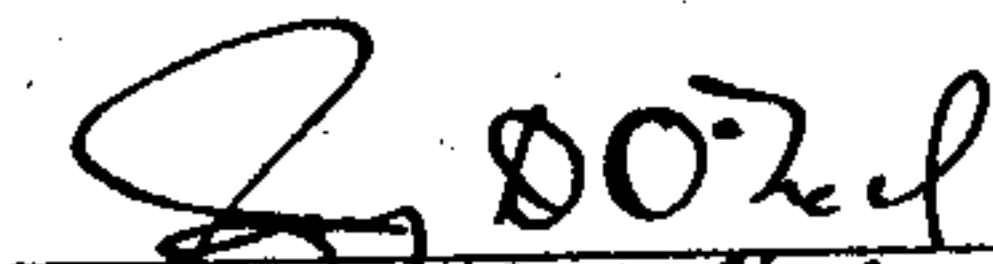
According to a resurvey of Breckenridge Park as recorded in Map Book 9, Page 110, Shelby County, Alabama.

We hereby acknowledge on March 31, 1986 that the legal description referred to in the agreement dated December 18, 1984 is as above.

Nichols and Hills Construction Company

  
By its General Partner

National Heritage Mortgage Corporation

  
By its President Chairman of the Board

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STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1986 MAY 15 AM 8:34

Thomas P. Shivers, Jr.  
JUDGE OF PROBATE

1. Deed Tax	\$ 450.00
2. Mtg. Tax	7.50
3. Recording Fee	1.00
4. Indexing Fee	
TOTAL	458.50