

This instrument was prepared by Wade H. Morton, Jr., Attorney at Law,
Post Office Box 1227, Columbiana, Alabama 35051-1227, for
MERCHANTS & PLANTERS BANK

P. O. Box 250, Montevallo, Alabama 35115 based on
Commitment by SAFECO dated May 7, 1986 through Cahaba Title, Inc.

STATE OF ALABAMA
COUNTY OF SHELBY

KNOW ALL MEN BY THESE PRESENTS: That this mortgage made and entered into on the day the same bears date by and between
SHOAL CREEK HIGHLANDS, INC., an Alabama corporation,
(hereinafter called "Mortgagors," whether one or more) and MERCHANTS & PLANTERS BANK, Montevallo, Alabama, a corporation
(hereinafter called "Mortgagee"), WITNESSETH:

Whereas, Mortgagee is a banking corporation, and this is a future advance mortgage;
and,

Whereas, Mortgagors are justly indebted to Mortgagee in the sum of Four Hundred Eighty Five Thousand
and No/100 ----- Dollars

(\$ 485,000.00), evidenced by promissory note bearing even date with this instrument, and due and payable in accordance with the
terms of said note 180 days from the date hereof and at a variable interest rate; and,

Whereas, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment
thereof, as well as any extensions or renewals of said indebtedness or any part or portion thereof; and,

Whereas, Mortgagors may be or hereafter become further indebted to Mortgagee as may be evidenced by promissory note or notes or
otherwise, and it is the intent of the parties hereto that this mortgage shall secure any and all indebtednesses of Mortgagors to Mortgagee,
whether now existing or hereafter arising, due or to become due, absolute or contingent, liquidated or unliquidated, direct or indirect, and this
mortgage is to secure not only the indebtedness evidenced by the note hereinabove specifically referred to, but any and all other debts, obliga-
tions or liabilities of Mortgagors to Mortgagee, now existing or hereafter arising, and any and all extensions or renewals of same, or any part
thereof, whether evidenced by note, open account, endorsement, guaranty, pledge or otherwise.

NOW, THEREFORE, in consideration of the premises, said Mortgagors, and all others executing this mortgage, do hereby grant, bar-
gain, sell and convey unto the Mortgagee the following described real estate, together with all improvements thereon and appurtenances
thereto, situated in Montevallo, Shelby County, State of Alabama, to wit:

See attached Exhibit "A" for legal description of real property conveyed by this
mortgage. This conveyance is subject only to Lease in regards to minerals and mining
rights, as shown by instrument recorded in Deed Book 321, at Page 993, and ratified in
Deed Book 321, at Page 996, and Misc. Book 36, at Page 61, in the Office of the Judge of
Probate of Shelby County, Alabama.

This is a purchase money mortgage and \$75,000.00 of the proceeds of this loan have
been applied on the purchase price for the above described real property conveyed to
Mortgagor simultaneously herewith, the remaining loan proceeds are to be advanced as
development of this land into Shoal Creek Highlands subdivision progresses, in accordance
with the understanding of the parties as to the debt to value ratio.

Privilege to prepay the indebtedness secured by this mortgage, in whole or in
part, is reserved to the Mortgagor without penalty, accrued interest being due and payable
only on the unpaid principal balance to the date of prepayment and thereafter interest
shall be due and payable only on the unpaid principal balance.

In the event the Mortgagee shall, by reason of overt act or omission of the
Mortgagor, or the occurrence of any event, deem itself insecure and the loan or loans
secured hereby in jeopardy, then and in such event, the Mortgagee may elect to consider
such act, omission or event an event of default hereunder and thereupon proceed to
foreclose as provided herein.

It is understood and agreed that in the event the Mortgagor herein sells, transfers
or conveys all of the real property described herein without full satisfaction and release
of this mortgage, or conveys any part of this real property without first obtaining a
release of such part from the lien of this mortgage, then the entire outstanding debt
secured by this mortgage shall become immediately due and payable and without notice to
the Mortgagor, and in the event of nonpayment, Mortgagee may proceed to foreclose as
herein provided.

As stated above, this mortgage is intended by the parties to secure and does secure
the payment of any renewal of said indebtedness, and also any and all other indebtedness
of the Mortgagor to the Mortgagee, either in existence at the time of the execution of
this mortgage or contracted after the date of the execution of this mortgage and before
full payment of the specific indebtedness hereinabove recited, provided that the total
indebtedness secured hereby shall not exceed the face amount hereof.

It being expressly understood and agreed by the parties that at any time subsequent
to approval and recordation in the Office of the Judge of Probate of Shelby County of the
map or plat of Shoal Creek Highlands subdivision, and prior to full payment of the indebtedness
secured by this mortgage, the Mortgagee will release from the lien of this mortgage any
lot or lots of Shoal Creek Highlands subdivision selected by the Mortgagor upon the follow-
ing specified cash payment to the Mortgagee:

(A) Each of the Lots #1-#32, inclusive, of Sector Two of Shoal Creek Highlands
subdivision upon payment of \$15,000.00; and,

(B) Concerning the Lots #1-#18, inclusive, of Sector One of Shoal Creek Highlands
subdivision, upon the following payments: (i) \$10,500.00 each for the first three (3) lots
sold, (ii) \$11,000.00 each for the next four (4) lots sold, (iii) \$11,500.00 each for the
next four (4) lots sold, (iv) \$12,000.00 each for the next four (4) lots sold, and (v)
\$12,500.00 each for the final three (3) lots sold. Provided, however, that in the event
all eighteen (18) of said lots are sold on or before December 31, 1986, and such sales
are closed on or before December 31, 1986, then and in that event all eighteen (18) such
lots will be released upon cash payment of \$190,000.00 received by Mortgagee on or before
December 31, 1986.

Said real estate is warranted free from all encumbrances and Mortgagors warrant the same 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 and any other indebtedness or indebtednesses secured by this mortgage, 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 and any other indebtedness or indebtednesses secured by this mortgage, 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 any other indebtedness or indebtednesses secured by this mortgage, 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 Mortgagors pay said promissory note and any renewals or extensions thereof, and pay all other indebtedness or indebtednesses secured by this mortgage, as hereinabove generally referred to, and if said Mortgagors reimburse said Mortgagee or assigns for any amounts Mortgagee 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 evidenced by said promissory note or any other indebtedness or indebtednesses 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 encumbrance 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 encumbrances, 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 Mortgagors 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 by Court action, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF, the undersigned Mortgagors Shoal Creek Highlands, Inc., an Alabama corporation, has caused this conveyance instrument to be executed for and as its act by Laura Lou Roberts, its President, with its full authority, and attested by Donald N. Guthrie, its Secretary, both of whom have hereunto set their signatures this 19th day of May, 1986.

ATTEST:

BY: Donald N. Guthrie
Donald N. Guthrie, Its Secretary

SHOAL CREEK HIGHLANDS, INC.
BY: Laura Lou Roberts (SEAL)
Laura Lou Roberts, Its President (SEAL)
(SEAL)

THE STATE of

COUNTY

I, the undersigned
hereby certify that

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

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 Evelyn B. Felkins
hereby certify that Laura Lou Roberts

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

whose name as President of Shoal Creek Highlands, Inc., an Alabama corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me, on this day that, being informed of the contents of such conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand and official seal, this the 19th day of May, 1986.

Evelyn B. Felkins, Notary Public
Notary Public, Alabama State At Large
My Commission Expires January 23, 1989

Return to:

MERCHANTS & PLANTERS BANK

P. O. Box 250

Montevallo, Alabama 35115

MORTGAGE

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

That portion of the North $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 22, Township 22 South, Range 3 West, Shelby County, Alabama, described as follows: Beginning at the Northwest corner of said Section 22, go South 1 deg. 29 min. East along the West boundary of said Section 22 for 460.27 feet; thence North 89 deg. 41 min. East for 1,100 feet; thence South 39 deg. 13 min. East for 784.95 feet to the centerline of Shoal Creek; thence up the center of Shoal Creek as follows: To North 2 deg. 15 min. East for 64.10 feet; thence North 34 deg. 28 min. East for 51.97 feet; thence North 40 deg. 32 min. East for 105.31 feet; thence North 60 deg. 16 min. East for 174.81 feet; thence North 18 deg. 10 min. East for 279.76 feet; thence North 4 deg. 06 min. East for 333.57 feet; thence North 4 deg. 56 min. West for 187.44 feet to a point where the center of Shoal Creek intersects the North boundary of said Section 22; thence North 89 deg. 56 min. West along said North boundary 1,955.09 feet to the point of beginning, containing 26.6 acres, more or less.

SIGNED FOR IDENTIFICATION:

SHOAL CREEK HIGHLANDS, INC.

BY: Lauren Lee Roberts
Its President

BOOK 072 PAGE 638

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1986 MAY 19 PM 3:36

Thomas A. Landon, Jr.
JUDGE OF PROBATE

1. Deed Tax	\$	_____
2. Mtg. Tax		<u>127.50</u>
3. Recording Fee		<u>7.50</u>
4. Indexing Fee		<u>1.00</u>
TOTAL		<u>136.00</u>