#4536160-4

CONSTRUCTION LOAN MORTGAGE

STATE OF ALABAMA 1443

COUNTY OF Shelby

KNOW ALL MEN BY THESE PRESENTS that Bill's Contracting Service, Inc.

hereinafter called the Mortgagor, for and in consideration of Seventy seven thousand two hundred fifty and n0/100 --

Dollars ($ 77,250.00) to it in hand paid by the ALTUS BANK, A FEDERAL SAVINGS BANK, a corporation, hereinafter referred to as the Mortgagee, the receipt of which is hereby acknowledged, and in order to secure the payment of any other liability or liabilities of the Mortgagor to the Mortgagee, whether now existing or hereafter incurred, and any other sums which may be hereinafter advanced to the Mortgagor as hereinafter provided, does by these presents GRANT, BARGAIN, SELL and CONVEY unto the said Mortgagee that certain property situated in the County of Shelby, State of Alabama, described as follows, to-wit:

DESCRIPTION OF PROPERTY:

Lot 78, according to the survey of Dearing Downs, 6th Addition, Phase 1, as recorded in Map Book 10, page 78, in the Probate Office of Shelby County, Alabama, situated in the town of Helena, Shelby County, Alabama.

Mortgagees address is: P.O. BOX 16267
Mobile, AL. 36616

*Interest shall float with the prime rate of Altus Bank, A Federal Savings Bank, plus 1% to be adjusted on the first day of each month.

BOOK 210 PAGE 128

ATTACHED FIXTURES INCLUDED — TOGETHER WITH ALL AND SINGULAR the rights, privileges, tenements, easements and appurtenances thereunto belonging or in anywise appertaining, and all built-in furniture, equipment, fixtures, whether in single units or centrally controlled, used to supply heat, gas, air-conditioning, refrigeration or ventilation, water heaters and all other fixtures now attached to the buildings or hereafter installed therein, all of which shall be deemed between the parties hereto an accession to the freehold and a part of the realty covered by this mortgage.

TO HAVE AND TO HOLD the same unto the said Mortgagee, its sucessors or assigns, forever.

GENERAL TERMS OF PAYMENT — PROVIDED ALWAYS, and these presents are upon the express condition, that if the Mortgagor shall well and truly pay to the Mortgagee the sum of Seventy seven thousand two hundred fifty and no/100 dollars with interest thereon at the rate of *Float with Altus Bank prime + 1% (* %) per annum, by the payment of interest monthly during the term of the loan, the first of said payments of interest being due and payable on the 1st day of December, 19 88 and one of said payments of interest being due and payable at the expiration of each successive month thereafter during the term of the loan; each of said installments to be in the amount of the interest accrued upon the principal amount or amounts released to the Mortgagor, computed from the date of each such release, if more than one; the principal, together with all unpaid interest accrued thereon to be due and payable on the 18th day of April 1989; all according to the tenor and effect of that certain promissory note of even date herewith payable by the Mortgagor to the Mortgagee at its offices in the City of Mobile, Alabama, or at such other place as may be designated by the Mortgagee, and shall pay such other or further sums as may become due for additional advances made to the Mortgagor, or for its benefit, by the Mortgagee, by virtue hereof, according to the terms of repayment agreed upon, together with interest thereon, and all charges and penalties which may accrue hereunder; shall pay any installment of insurance or taxes which may be required, and shall perform all other covenants and agreements herein contained, then and in that event these presents shall be void; otherwise to remain in full force.

Alt[redacted] Mtg. Corp. [redacted] [redacted]

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WARRANTY OF TITLE — The Mortgagor hereby covenants with the Mortgagee that it is seized in fee of the aforegranted premises, that it is free from all encumbrances except those to which this mortgage is specifically made subject, following the description of said premises; that it has quiet and peaceable possession thereof and a good right to sell and convey the same, and hereby warrants and will forever defend the title to said property unto the Mortgagee, and unto any purchaser at any sale under the powers of sale herein contained, against the lawful claims of all persons whomsoever, except those claiming under or by virtue of the matters to which this mortgage is specifically made subject.

PROVISIONS BINDING ON SUCCESSORS IN TITLE — Whereever there is a reference in this mortgage, its covenants and agreements, to any of the parties hereto, the same shall be construed to mean as well the successors or assigns (either voluntarily by act of the parties or involuntarily by operation of law) of the same.

PROCEDURE ON DEFAULT — Upon failure on the part of the Mortgagor to pay any installment of principal or interest as hereinabove set forth, or any other sums which may become due hereunder, according to the terms agreed upon, or to keep and perform any of the covenants or agreements herein contained, the Mortgagee is hereby authorized and empowered to sell said property at public outcry, at the front door of the County Courthouse of Columbiana, Alabama, for cash, to the highest bidder, after first giving thirty days notice of the time and place of sale, by publishing such notice once a week for three consecutive weeks in any newspaper published in the County of Shelby Alabama, and the Mortgagee, at any sale hereunder, may bid for and purchase said property the same as a stranger hereto, and the auctioneer making the sale is hereby authorized to execute proper conveyance of the property to the purchaser. The proceeds of said sale shall apply first to the payment of the cost of said sale, including a reasonable attorney's fee; second, to the payment of any amounts which may be due the Mortgagee hereunder, if sufficient, or credited on the amount due the Mortgagee hereunder, if insufficient, and in the event that there should be a balance after the payment of the expenses of said sale and the amount due the Mortgagee, the same shall be paid to the Mortgagor, its successors or assigns.

SECURES OTHER LIABILITIES — It is expressly understood and agreed that this mortgage shall secure the payment of any other liability or liabilities of the Mortgagor to the Mortgagee, whether now existing or hereafter incurred, and any further sums which may be hereafter advanced by the Mortgagee to the Mortgagor, or its successor, according to the terms of repayment agreed upon, as effectually as if said amounts had been advanced or liability incurred before or at the time of the execution of these presents.

BOOK 210 PAGE 129

THE MORTGAGOR HEREBY COVENANTS WITH THE MORTGAGEE AS FOLLOWS:

FIRST: PAYMENTS — To pay promptly all and singular all installments of principal and interest as hereinabove set forth, and all other sums in accordance with the covenants and agreements herein contained. The Mortgagor recognizes that time is of the essence of this contract, and failure on the part of the Mortgagor to pay said installments of principal and interest, or any other sums which may become due hereunder, or to keep and perform any of the covenants and agreements herein contained, for a period of thirty days, shall vest in the Mortgagee the right, at its option, to declare all of the remainder of said debt due and payable at once.

SECOND: DUTY TO PAY TAXES AND KEEP CLEAR OF ALL ENCUMBRANCES — To pay all and singular the taxes and other encumbrances of every nature on said property and to furnish Mortgagee with evidence of such payment satisfactory to it before the same shall become delinquent; to keep the buildings and other improvements on said premises in good repair; not to commit, permit or suffer any impairment or deterioration of the property or any part thereof; not to erect or permit to be erected any new buildings on the premises herein mortgaged, or to add to or permit to be added to any of the existing improvements thereon, except with the written consent of the Mortgagee, and as contemplated by Construction Loan Agreement of even date herewith; and in the event of any violation or attempt to violate this stipulation all sums secured hereunder shall immediately become due and collectible, at the option of the Mortgagee.

THIRD: INSURANCE AND PROTECTION OF PROPERTY — To keep all buildings and improvements now or hereafter erected on said property insured against loss or damage by fire or other hazard, and against loss or damage by flood, if required by the Flood Disaster Protection Act of 1973 and the regulations issued pursuant thereto, in the amount of the mortgage indebtedness or the maximum limit of coverage, whichever is lesser, payable to the Mortgagee as its interest may appear, by policies of insurance acceptable to and deposited with the Mortgagee, issued by a company satisfactory to the Mortgagee, and not to permit any condition to occur which would impair such insurance coverage.

FOURTH: COMPLETION OF NEW CONSTRUCTION — The Mortgagor agrees to complete the improvements on the property mortgaged, in accordance with the plans and specifications furnished to the Mortgagee, or as the same may be altered or modified with the written consent and approval of the Mortgagee, and to fully perform all of the terms and conditions of that certain Construction Loan Agreement entered into by the Mortgagor and the Mortgagee on even date herewith, which said Construction Loan Agreement is incorporated herein and made a part hereof as fully as if herein set forth, within the time specified; and failure to do so shall constitute a default in the conditions of this mortgage and all sums secured hereby shall immediately become due and payable at the option of the Mortgagee.

FIFTH: COST OF FORECLOSURE — If the Mortgagee, upon the happening of any default hereunder, should foreclose this mortgage, either by sale under the powers herein contained or by court proceedings, or otherwise resort to litigation for the recovery of the sums secured hereby, or employ an attorney to collect said sums or to protect its interest hereunder, the Mortgagor will pay all reasonable costs, expenses and attorney's fees thus incurred and said costs, expenses and attorney's fees and any other sum or sums due to Mortgagee by virtue of any of the covenants or liens herein contained, may be included in any judgment or decree rendered in said litigation.

SIXTH: ADDITIONAL LIEN FOR EXPENSE INCURRED IN PRESERVATION OF PROPERTY — Failure on the part of the Mortgagor to keep and perform any of the covenants or agreements herein contained shall vest in the Mortgagee the right, at its option, to perform the same, and any money expended in this behalf shall be charged to the Mortgagor, and payable on demand, and be secured by an additional lien on said property and bear interest at the highest rate of interest allowed by law, until paid.

SEVENTH: RIGHTS OF MORTGAGEE IN EVENT OF DEFAULT — The rents, issues and profits of all and every part of the property here conveyed are specifically pledged to the payment of the indebtedness hereby secured, and all obligations which may accrue under the terms of this instrument. Upon the maturity of the indebtedness hereby secured, either by lapse of time or by reason of any default as herein provided, or if at any time it becomes necessary to protect the lien of this conveyance, the Mortgagee, or any owner or holder of the note secured hereby shall have the right, but shall not be obligated, to forthwith enter into and upon the property hereinbefore described and take possession thereof, and rent the same, and collect and apply the rents, issues and profits thereon upon the indebtedness secured hereby, or may, if it is so desired, have a receiver appointed by any court of competent jurisdiction to collect and impound the said rents, issues and profits, and after paying the expense of such receivership, apply the balance thereof to the payment of any indebtedness secured hereby.

EIGHTH: USE OF PROCEEDS OF LOAN — The Mortgagor covenants that the proceeds of the loan and any additional advances secured by these presents shall be expended for the purposes for which the loan is made, i. e., the completion of the construction in conformity with Construction Loan Agreement of even date herewith, and plans and specifications heretofore submitted by the Mortgagor to the Mortgagee, in strict accordance with the same, and to that end it is agreed that the Mortgagee shall have the right to retain the proceeds of this loan as trustee for Mortgagor and shall not be required to make disbursement thereof, or any part thereof, except in such manner and upon such evidence as may be deemed necessary by it to insure that said funds will be so used.

NINTH: EFFECT OF SECOND MORTGAGE — If foreclosure proceedings of any second mortgage or junior lien of any kind should be instituted, the Mortgagee may, at its option, immediately declare all unpaid installments or other sums secured hereby due and collectible. If litigation should arise over the title to or possession of said property Mortgagee may prosecute or defend said litigation, either in the Mortgagee's name or in the name of the Mortgagor, the reasonable expense thereof to be charged to the Mortgagor and be secured by this mortgage as a part of the principal debt.

TENTH: FAILURE TO EXERCISE OPTION NOT WAIVER OF RIGHT — Failure on the part of the Mortgagee to exercise any of the options herein contained shall not constitute a waiver of the right to exercise the same at any other time, and no extension of the time of payment of any of said installments or any other sum due the Mortgagee by virtue of the covenants and agreements herein contained shall operate to release, discharge, modify or affect the original liability of the Mortgagor, either in whole or in part.

ELEVENTH: RELATIONSHIP IN EVENT OF FORECLOSURE — The Mortgagor further covenants that in the event this mortgage is foreclosed under the powers of sale herein contained, then, and in that event, the relationship of Mortgagor and Mortgagee shall automatically, on the tenth day after said foreclosure sale, be changed to that of landlord and tenant holding over, and no further action by the Mortgagor or Mortgagee shall be necessary in the premises to effect this change, provided that this shall not be construed to extend the right of Mortgagor to redeem in event of failure to surrender possession on demand.

TWELFTH: SUBJECT TO REGULATIONS OF FEDERAL HOME LOAN BANK BOARD — The Mortgagor takes notice that under the charter of the Altus Bank,A Federal Savings Bank all borrowers from the Bank are held to be members thereof and shall have one vote at shareholders' meetings, and hereby accepts and agrees to abide by and conform to the rules and regulations of the Federal Home Loan Bank Board, the charter and by-laws of the Altus Bank A Federal Savings Bank, and the rules and regulations of its Board of Directors now in force or which may hereafter become effective.

IN WITNESS WHEREOF the Mortgagor has caused these presents to be executed in its corporate name, and its corporate seal to be affixed hereto, by its duly authorized officers, on this 18th day of October, 19 88.

(SEAL)

ATTEST:

Bill's Contracting Service, Inc.

By William D. Murray President

Secretary

BOOK 210 PAGE 130

STATE OF ALA. SHELBY
I CERTIFY THIS
INSTRUMENT WAS FILED
88 OCT 21 AM 10: 24
JUDGE OF PROBATE

1. Deed Tax $
2. Mtg. Tax 115.95
3. Recording Fee 7.50
4. Indexing Fee 1.00
TOTAL 124.45

STATE OF ALABAMA

COUNTY OF Shelby

I, the undersigned Notary Public in and for said State and County, hereby certify that William D. Murray and , whose names as President and respectively, of ~~Bill's Contracting Service, Inc.~~ a corporation, are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal on this the 18th day of October, 19 88.

NOTARY PUBLIC, Shelby COUNTY, ALABAMA

[redacted] [redacted] My Comm [redacted] 03/23/92