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CONSTRUCTION MORTGAGE  
AND SECURITY AGREEMENT

STATE OF Alabama )  
COUNTY OF Jefferson )

KNOW ALL MEN BY THESE PRESENTS: THAT WHEREAS, David F. Byers

hereinafter sometimes referred to as "Mortgagor(s)", is (are) justly indebted to City Federal Savings and Loan Association, a federally chartered savings and loan association, hereinafter sometimes referred to as "Mortgagee", in the principal sum of Eighty Eight Thousand Five Hundred and 00/100 Dollars (\$ 88,500.00), together with interest thereon as evidenced by a promissory note, dated April 28, 19 89, or any renewal notes thereof. This mortgage secures an obligation solely to acquire land and construct improvements thereon. It is a construction mortgage as defined by Section 7-9-313(1) (c) of the Alabama Code (1975) (as amended by 1984 replacement volume). This mortgage will be enforceable until it is satisfied by the Mortgagor(s).

NOW, THEREFORE, in order to secure the prompt payment of said note or said renewal notes thereof when due, with interest thereon, and the payment of any and all other sums, with interest thereon, due under said note or renewal notes or the terms and conditions hereof, and any and all other sums due to said Mortgagee on account of additional advances, indebtednesses or obligations of said Mortgagor(s), separately and severally, now existing or hereafter arising, including debts of another party or parties in favor of Mortgagee for which the undersigned (is) (are) now, or may hereafter (and before the payment in full of the mortgage debt hereinabove described) become contingently liable or obligated as maker, surety, guarantor, endorser, or otherwise, liquidated or unliquidated, the said David F. Byers as Mortgagor(s),

for and in consideration of the premises, and the sum of Five Dollars (\$5.00) to said Mortgagor(s) this day in hand paid by the said Mortgagee, the receipt and sufficiency of which is hereby acknowledged, do hereby Grant, Bargain, Sell and Convey unto City Federal Savings and Loan, its successors and assigns, the Mortgagee, the following described real estate lying and being situated in the County of Shelby State of Alabama, to wit:

Lot 15, according to the Survey of Sandpiper Trail Subdivision, Sector II, as recorded in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Al. Mineral and mining rights excepted.

\$25,000.00 of the proceeds of this loan have been applied to the purchase price of the property described herein.

TOGETHER WITH a security interest in (i) all property and fixtures now or hereafter acquired and affixed to or located on the property described herein, which to the fullest extent permitted by law shall be deemed fixtures and a part of the real property; (ii) all articles of personal property now or hereafter acquired and all materials located on or adjacent to the herein described property or whether in storage or otherwise for use in any construction being conducted thereon, and owned by Mortgagor(s); (iii) all contract rights, general intangibles, actions and rights in action now or hereafter acquired pertaining to the property herein described, including all rights to insurance proceeds; and (iv) all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing. Mortgagor(s) agree(s) to execute and deliver on demand such other instruments or documents as Mortgagee may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically. On demand, Mortgagor(s) will pay all costs and expenses of filing any documents or instruments deemed necessary by Mortgagee to establish and maintain its security interest.

TOGETHER WITH any awards hereafter made for any taking of or injury to the above described real estate through eminent domain or otherwise, including awards or damages for change of grade, and also any return premiums or other payments upon any insurance, at any time provided for the benefit of Mortgagee, all of which awards, damages, premiums and payments are hereby assigned to Mortgagee and may be collected at any time by it.

THE NOTE secured by this mortgage contains an adjustable rate feature.

TO HAVE AND TO HOLD the aforegranted premises, together with any and all improvements, rights, privileges, tenements, hereditaments and appurtenances thereunto belonging, unto the said City Federal Savings and Loan Association, Mortgagee, its successors and assigns FOREVER.

WHEREAS said Mortgagor(s) do(es) hereby covenant with the said Mortgagee, its successors and assigns, that Mortgagor(s) is (are) lawfully seized in fee of said premises; and that they are free of and from encumbrances and liens, including liens of mechanics and materialmen; and that Mortgagor(s) will warrant and forever defend the same against the lawful claims and demands of all persons.

CITY FEDERAL SAVINGS & LOAN ASSOCIATION  
2030 - 2nd AVENUE, NORTH  
BIRMINGHAM, ALABAMA 35203

WHEREAS said Mortgagor(s) hereby agree(s) and understand(s) that if all or any part of the real estate herein conveyed or an interest therein is sold or transferred by Mortgagor(s) without the prior written consent of Mortgagee, Mortgagee may, at its option, declare all sums secured by this Mortgage to be immediately due and payable.

BUT, THIS CONVEYANCE IS MADE UPON THE FOLLOWING CONDITIONS NEVERTHELESS, that is to say: If Mortgagor(s) shall well and truly pay, or cause to be paid, the note, or any renewal thereof, above described, and interest thereon, when due, together with all other indebtedness owed by Mortgagor(s) to said Mortgagee, then this conveyance shall become null and void; otherwise, it remains in full force and effect. But, should Mortgagor(s) fail to pay said note or renewal note at its maturity, any other indebtedness of Mortgagor(s) to Mortgagee or any installment thereof, now owing or that may be hereafter incurred before payment of the debt evidenced by the said note executed simultaneously with (this) (these) Mortgagor(s), breach any term of the Construction Loan Agreement of even date hereunder, then all of said indebtednesses shall become due and payable at once.

Whereupon the said Mortgagee, its successors and assigns, agents or attorneys, are hereby authorized and empowered to sell the said property hereby conveyed at auction or cash at the Courthouse door, in the County of Shelby, State of Alabama, first having given notice thereof for three weeks by publication once a week in any newspaper then published in said County, and to make, execute, and deliver proper conveyance to the purchaser; and, out of the proceeds of said sale the Mortgagee shall first pay all expenses incident thereto, together with a reasonable attorney's fee, then retain enough to pay said note and interest thereon and all other outstanding indebtedness or indebtednesses then owing to said Mortgagee, and the balance, if any, pay over to the undersigned. In the event the proceeds from said sale are insufficient to pay said indebtedness or indebtednesses and the expenses of said sale, Mortgagor(s) agree(s) to pay the balance forthwith. In the event of such sale, the said Mortgagee, its successors and assigns, agents, and attorneys are hereby authorized and empowered to purchase the said property, the same as if they were strangers to this conveyance; and, the auctioneer or person making the sale is hereby empowered and directed to make, execute and deliver a deed to the purchaser in the name(s) of Mortgagor(s).

It is also agreed that, in case the Mortgagee herein, its successors or assigns, see fit to foreclose this mortgage in a court having jurisdiction thereof, Mortgagor(s) will pay a reasonable attorney's fee therefor, which fee shall be and constitute a part of the debt hereby secured.

Mortgagor(s) further represent(s) and declare(s) to said Mortgagee that the title to said real estate is in Mortgagor(s) own right, and that the representations herein made as to title and encumbrances are so made with the intent and for the purpose of procuring this loan.

Mortgagor(s) further specifically waive(s) all exemptions which Mortgagor(s) (has) (have), or to which Mortgagor(s) may be entitled under the Constitution and laws of the State of Alabama in regard to the collection of the indebtedness hereby secured.

It is also agreed that, so long as any of the indebtedness or indebtednesses secured hereby remain unpaid, Mortgagor(s) will neither permit nor commit waste on said mortgaged premises, and will maintain said premises and the improvements thereon in good condition, and will pay all charges that may become liens upon said premises (either land or improvements, or both), and will not permit any lien which might take precedence over the lien of this mortgage to accrue and remain on said premises, or any part thereof, or on the improvements thereon. Mortgagor(s) further agree(s) that failure to keep and maintain said premises in a condition satisfactory to the Mortgagee, or failure to discharge such liens promptly, or the commission of waste, or failure to prevent waste as determined by Mortgagee, shall constitute default under the terms hereof, and shall accelerate the payment of all of the indebtedness or indebtednesses hereby secured, and shall entitle the Mortgagee, at its option, to foreclose this mortgage, the same as if default had been made in payment of the indebtedness or indebtednesses hereby secured.

Mortgagor(s) further agree(s) throughout the life of this mortgage to keep the improvements on the mortgaged premises insured, at (his) (her) (their) own expense, against fire, windstorm, and such other hazards, and in such companies and in such amounts as the Mortgagee may deem appropriate. Each such policy shall contain an endorsement or rider designating the said City Federal Savings and Loan Association, its successors and assigns, as Mortgagee, as its interest may appear. Mortgagor(s) further agree(s) that at Mortgagee's request all such policies shall be delivered to and kept by said Mortgagee throughout the life of this mortgage.

Mortgagor(s) further agree(s) to promptly purchase a flood insurance policy acceptable to Mortgagee if the above described property is at any time included within an area identified by the Secretary of Housing and Urban Development as having special flood or mudslide hazards for which the sale of insurance has been made available under the National Flood Insurance Act of 1968. Such policy shall insure Mortgagee to the extent of its interest and shall be promptly delivered to Mortgagee at his request.

Mortgagor(s) hereby assign(s) to Mortgagee all proceeds from any insurance policies, and Mortgagee is hereby authorized and empowered in its reasonable discretion, to adjust or compromise any loss under any insurance policies on the mortgaged property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses

directly to Mortgagee alone, and not to Mortgagor(s) and Mortgagee jointly. After deducting from such insurance proceeds any expenses incurred by Mortgagee in the collection or handling of such funds, Mortgagee may apply the net proceeds, at its option either toward restoring the Improvements or as a credit on any portion of the indebtedness and other sums secured hereby, whether then matured or to mature in the future, or, at the option of Mortgagee, such sums either wholly or in part may be paid over to Mortgagor(s) to be used to repair such Improvements or to build new improvements in their place or for any other purpose or object satisfactory to Mortgagee, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. If Mortgagee elects to restore the Improvements, any balance of such monies after restoration shall either be applied toward the reduction of indebtedness and other sums secured hereby or shall be paid to Mortgagor(s). Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

Mortgagor(s) further agree(s) to pay all taxes and assessments, general or special, levied upon the mortgaged premises, before the same shall become delinquent.

Failure to insure said property and pay the premiums on such insurance before the same become delinquent, as well as failure to pay all such taxes and assessments before the same become delinquent, shall constitute default in the terms of this mortgage; and, in such event the Mortgagee may, at its option and without notice, pay such delinquent insurance premiums, taxes, or assessments, add same to the principal of the mortgage indebtedness, declare the mortgage in default, and proceed at its option to foreclose the same just as if default had been made in payment of the indebtedness or indebtednesses hereby secured.

No failure of Mortgagee to exercise any option herein given to declare the maturity of, the debt hereby secured shall be taken or construed as a waiver of its right to exercise such option or to declare such maturity by reason of any past, present or future default on the part of the Mortgagor(s), and the procurement of insurance or the payment of taxes or other liens, debts or charges by Mortgagee shall not be taken or construed as a waiver of its right to declare the maturity of the indebtedness hereby secured by reason of the failure of Mortgagor(s) to procure such insurance or to pay such taxes, debts, liens or charges.

IN TESTIMONY WHEREOF, said Mortgagor(s)(has) (have) hereunto set their hands and seals or has caused this instrument to be executed in its name and attested to by the undersigned authorized officers and its seal affixed hereto, on this the 28th day of April, 19 89.

(L.S.)

(L.S.)

BY: David F. Byers

(L.S.)

(L.S.)

ATTEST:

By

As its

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

89 MAY -2 AM 9:59

Thomas A. Snowden, Jr.  
JUDGE OF PROBATE

1. Dead Tax 6  
2. Mig Tax 132.25  
3. Recording Fee 7.50  
4. Indexing Fee 2.00  
TOTAL 142.25

STATE OF Alabama )  
COUNTY OF Jefferson )

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that David F. Byers

whose name(s) is signed to the foregoing conveyance, and who is known to me, acknowledged before me that, being informed of the contents of the conveyance he executed the same voluntarily and as his act on the day the same bears date and furthermore that he appoints City Federal Savings and Loan Association his true and lawful Attorney in Fact upon the occurrence of an event listed in provision 8 of this agreement.

GIVEN under my hand and seal of office this the 28th day of April, 19 89.

This instrument was prepared by

Shirley Carson

of City Federal Savings & Loan Association  
8020 Second Avenue, No., Birmingham, Ala.

Jean P. Dickens  
Notary Public

My Commission Expires: 1-18-90