

This instrument was prepared by

(Name) Newman, Sexton, LeBrun & Jones

3021 Lorna Rd.

(Address) Birmingham, Al. 35216

MORTGAGE- STEWART TITLE OF BIRMINGHAM, INC., Birmingham, Alabama

STATE OF ALABAMA

COUNTY Shelby

KNOW ALL MEN BY THESE PRESENTS: That Whereas,

Robert M. Staples, a married man

(hereinafter called "Mortgagors", whether one or more) are justly indebted, to

George Ignatin, a ~~married man~~

(hereinafter called "Mortgagee", whether one or more), in the sum

of One hundred thirty-six thousand and no/100

(\$ 136,000.00, evidenced by a real estate note which was executed 1996-37248

Inst # 1996-37248 simultaneously herewith

11/08/1996-37248
11:00 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MEL 220.00

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,

Robert M. Staples, a married man

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 for legal description incorporated herein for all purposes.

Subject to: All easements, restrictions and rights of way of record.

Mortgagor is a married man, however, this is not the homestead of the Mortgagor or his spouse.

Reference is herein made to the Construction Allonge to Note and Security Deed which are attached hereto and incorporated herein for all purposes.

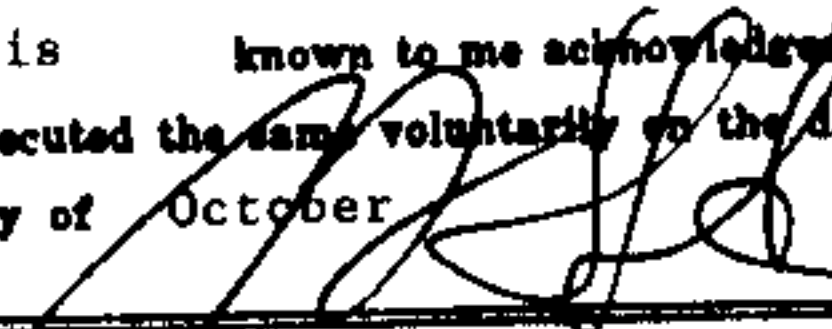
Said property is warranted free from all incumbrances and against any adverse claims, except as stated above.

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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 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 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 Robert M. Staples, a married man
have hereunto set his signature and seal, this 29 day of October, 19 96
 (SEAL)
ROBERT M. STAPLES (SEAL)
(SEAL)
(SEAL)

THE STATE of Alabama }
Jefferson COUNTY }
I, the undersigned, a Notary Public in and for said County, in said State,
hereby certify that Robert M. Staples, a married man
whose name 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 the conveyance he executed the same voluntarily on the day the same bears date.
Given under my hand and official seal this 29 day of October, 19 96
 Notary Public.

THE STATE of }
COUNTY }
I, a Notary Public in and for said County, in said State,
hereby certify that
whose name as of
a 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 day of, 19
Notary Public

Return to:

TO

MORTGAGE DEED

This form furnished by

STEWART TITLE OF BIRMINGHAM, INC.
SUITE 950, FARLEY BUILDING
1929 NORTH 3RD AVENUE
BIRMINGHAM, ALABAMA 35203
(205) 324-6583

CONSTRUCTION ALLONGE TO NOTE & SECURITY DEED

THIS ALLONGE, made as of October 29, 1996, by the undersigned (hereafter "Borrower"), is to be attached to and made part of that certain Note and Security Deed dated the same date, made by borrower to George Ignatin (hereafter "Lender") in the principal amount of \$136,000.00 (the "Note") which is secured as therein set forth.

NOW THEREFORE, BORROWER acknowledges that the loan made by Lender to Borrower is for the purpose of construction pursuant to a Construction Loan Agreement between Lender and Borrower, and during the construction term the Borrower shall pay interest at the rate stipulated in the Note only upon those amounts advanced by Lender to Borrower. Said interest shall be due and payable out of the funds disbursed out of subsequent disbursements.

Borrower further agrees that when all construction funds have been disbursed by Lender, and Borrower occupies the secured property, and by the end of the construction phase which shall be no later December 19, 2021. Borrower shall execute a modification of the Note and Security Deed to reflect:

(Please initial by each item)

- _____ 1. ~~A new interest rate~~
 _____ 2. A new initial monthly payment date
 _____ 3. A new final maturity date
 _____ 4. A new monthly payment based on the new interest
 rate
 _____ 5. Other _____

MODIFICATION to a permanent loan shall be at terms determined by Lender based on the current market rates at time of modification. If interest rates for fixed rate loans exceed the level where the Borrower may not qualify as determined solely by Lender, then Borrower may be required to refinance the loan with a new Note and Security Deed for a permanent loan program the Borrower will qualify for with all costs paid by Borrower.

BORROWER acknowledges that any change in Borrowers financial condition prior to completion may prevent qualification and the modification of the Note to a permanent loan, Any change in financial condition shall be immediately conveyed in writing to Lender prior to modification. In the event, for any reason, Borrower does not qualify for a permanent loan, this note shall be at the option of Lender, be due and payable immediately.

UPON the execution and delivery of the modification, the Borrowers obligations under this Allonge and Construction Agreement shall be deemed satisfied, with the Allonge and Construction Agreement becoming null and void. Failure to execute and deliver to Lender the Modification shall cause all sums due under the Note to become immediately due and payable.

BORROWER agrees that a default by Borrower under the terms of said construction Loan Agreement shall constitute a default under the Note and Security Deed which is security for the Note.

IN WITNESS WHERE OF, Borrower has caused this Allonge to be duly executed as of the date first above set forth.

BORROWER

Robert M. Staples

BORROWER

EXHIBIT A

Commence at a point where the south line of the SE 1/4 of the NE 1/4 of Section 35, Township 20 South, Range 3 West, Shelby County, Alabama crosses the westerly right of way line of the L & N Railroad Right of Way and run thence northeasterly along said right of way line a distance of 126.09 feet to the point of beginning of the property being described; thence continue along last described course along said right of way line a distance of 67.59 feet to a point; thence turn 102 degrees 49 minutes 08 seconds left and run westerly a distance of 158.45 feet to a point; thence turn 77 degrees 10 minutes 52 seconds left and run southwesterly a distance of 67.59 feet to a point; thence turn 102 degrees 49 minutes 08 seconds left and run easterly a distance of 158.45 feet to the point of beginning.

ms

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