

WHEN RECORDED MAIL TO:

Regions Bank
225 West College Street
Columbiana, AL 35051

Inst # 2000-09766

03/28/2000
03/28/2000-09766
AM CERTIFIED
COUNTY JUDGE'S SIGNATURE
\$1.00
CJ

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE



CONSTRUCTION MORTGAGE
THIS IS A FUTURE ADVANCE MORTGAGE

THIS MORTGAGE IS between **KENNETH M GRAVES, A MARRIED MAN**, whose address is **121 KING JAMES CT, ALABASTER, AL 35007-9197** (referred to below as "Grantor"); and **Regions Bank**, whose address is **225 West College Street, Columbiana, AL 35051** (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in **SHELBY County, State of Alabama** (the "Real Property"):

PARCEL 1 AND 11; SEE ATTACHED EXHIBIT FOR LEGAL DESCRIPTION

THE REAL PROPERTY DESCRIBED ABOVE DOES NOT CONSTITUTE THE HOMESTEAD OF THE GRANTOR.

The Real Property or its address is commonly known as **400 HILLWOOD PARK S, ALABASTER, AL 35007-9197**.
The Real Property tax identification number is **14-4-19-4-000-003-033 14-4-15-4-000-001-0001**

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Grantor. The word "Grantor" means **KENNETH M GRAVES**. The Grantor is the mortgagor under this Mortgage.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations, and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means **Regions Bank**, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated **March 23, 2000**, in the original principal amount of **\$625,000.00** from Grantor to Lender, together with all renewals, extensions of, modifications of, refinancings of, consolidations of and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default or until Lender exercises its right to collect Rents as provided for in the Assignment of Rents form executed by Grantor in connection with the Property, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L.

No. 89-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property, shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not constitute or create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the properties. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, ore, or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay for all costs and expenses in connection with the work. Lender, at its option, may disburse loan proceeds under such terms and conditions as Lender may deem necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare or threaten to declare and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, use or interest therein, whether legal, beneficial or equitable, whether voluntary or involuntary, whether by outright sale, deed, installment sale, contract, leasehold contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, or Grantor, however, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Alabama law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, or shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall enter into the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall be bound by all such final charges under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental officials to deliver to Lender, upon request, a statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, claimant's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire and theft with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements to the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgage clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance for the full unpaid principal balance of the loan and any prior liens on the property securing the loan up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any casualty loss to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the indebtedness, payment of any lien attaching to the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed

Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender or Grantor, but not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with the regular payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be paid as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of all such expenses and the rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled in the event of default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it may be entitled to in the future.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description, any fire insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage; and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor shall forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor shall be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as may be requested from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly deliver to Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor shall be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall deliver to Lender all documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred by Lender in perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or filing of this Mortgage.

Taxes. The following shall constitute taxes to which this mortgage is subject: (a) any tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (b) any tax upon Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (c) any tax or charge of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted, amended, or the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either: (a) pays the tax before it becomes delinquent; or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute, deliver, and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) for which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney in fact are a part of this Mortgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, any and all documents, cause to be filed, recorded, refilled or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, and other statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary, by Lender's exercise of its rights under this section, Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby authorizes Lender as Grantor's attorney in fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness, including whatever interest is due and secured by this Mortgage, when due, and otherwise performs all the obligations imposed upon Grantor under the Note, this Mortgage, and the Related Documents, and executes and delivers to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of the indebtedness, then the evidencing Lender's security interest in the Real and the Personal Property. Grantor will pay, as provided by applicable law, a reasonable termination fee as determined by Lender from time to time.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage.

Default on Indebtedness. Failure of Grantor to make any payment when due on the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by applicable law to make any payment for taxes or insurance, or

any other payment necessary to prevent filing of certificate of discharge in any court.

Compliance Default. Failure of Grantor to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.

Default in Favor of Third Parties. Should Grantor default under any loan, extension or credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Note or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mortgage, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Mortgage or any of the Related Documents fail to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest in the collateral) for any reason.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout or liquidation or any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Foreclosure, Forfeiture, etc. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing or hereinafter.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disavows the validity of the guaranty under any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Lender to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereon in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subsection either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property, place the Property in mortgage or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receiver and against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment of such a receiver shall disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. Lender shall be authorized to take possession of the Property, with or without taking such possession, after giving notice of the time, place and terms of sale, together with a description of the Property to be sold, by publication once a week for three (3) successive weeks in some newspaper published in the county or counties in which the Real Property to be sold is located, to sell the Property (or such part or parts thereof as Lender may from time to time designate) at the front or main door of the courthouse of the county in which the Property to be sold, or a substantial and material part thereof is located, at public outcry, to the highest bidder for cash. If there is Real Property to be sold under this Mortgage, the notice of sale and publication shall be made in all counties where the Real Property to be sold is located. If no newspaper is published in any county in which Real Property to be sold is located, the notice shall be published in a newspaper published in an adjoining county for three (3) consecutive weeks. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale under this Mortgage. Lender may bid at any sale had under the terms of this Mortgage and may purchase the Property at the highest bidder therefor. Grantor hereby waives any and all rights to have the Property marshaled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the time provided above or Lender otherwise becomes entitled to possession of the Property upon default, Grantor shall be deemed a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either continue to occupy the Property for the use of the Property, or vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Lender shall have the right and all right to have the property marshaled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale and to purchase the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Property may be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

Waiver, Election of Remedies. A waiver by any party of its rights under this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with the terms of this Mortgage. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy available at law or in equity. Lender may at any time or from time to time declare a default and exercise its remedies under this Mortgage.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorney's fees and costs on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Note. The expenses included in this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorney's fees and costs, including any automatic stay or injunction, appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports, surveys' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law. Grantor agrees to pay attorneys' fees to Lender in connection with closing, amending or modifying the loan. In addition, if this Mortgage is subject to Section 5-9-1 of the Uniform Consumer Credit Code as amended, any attorneys' fees provided for in this Mortgage shall not exceed 15% of the unpaid debt after payment and referral to an attorney who is not a salaried employee of the Lender.

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving to the other parties, specifying that the purpose of the notice is to change the party's address. All notices shall be given priority from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of the Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions apply to this Mortgage.

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Alabama. Subject to the provisions on arbitration, this Mortgage shall be governed by and construed in accordance with the laws of the State of Alabama.

Arbitration. Lender and Grantor agree that all disputes, claims and controversies between them, whether individual, joint, or class in nature, arising from this Mortgage or otherwise, including without limitation disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association, upon request of either party. This agreement to arbitrate shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order, involving a power of sale under any deed of trust or mortgage, obtaining a writ of attachment or imposition of a receiver, or exercising any rights relating to enforcement, possession, taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided that the arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Mortgage shall preclude any party from seeking or seeking relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines, in addition to any law otherwise applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the arbitration, interpretation, and enforcement of this arbitration provision.

Caption Headings. Caption headings in this Mortgage are for convenience only and are not to be used to interpret or define the provisions of this Mortgage.

Merger. There shall be no merger of the interest or estate in this property with any other interest or estate in the property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the bounds of its validity or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Mortgage or any Related Documents, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's interest as set forth in this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of the obligations of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Alabama as to all indebtedness secured by this Mortgage.

Waivers and Consents. Lender shall not be deemed to have waived any of its rights or obligations under the Related Documents unless such waiver is in writing and signed by Lender. Lender's failure to exercise any right shall operate as a waiver of such right or any other right. A waiver by Lender of any right or obligation shall not constitute a waiver of a previous or the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required by this Mortgage, such consent shall not be constituted by Lender in any instance shall not constitute continuing consent to subsequent transactions unless such consent is specifically stated by Lender in any instance.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE AND GRANTOR AGREES TO ITS TERMS

THIS MORTGAGE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS MORTGAGE SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW

CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE ENTIRE MORTGAGE BEFORE SIGNING IT

GRANTOR:


KENNETH M. GRAVES

This Mortgage prepared by:

Name: DOROTHY S. RICE
Address: 2964 PELHAM PARKWAY
City, State, ZIP: PELHAM, AL 35124

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Alabama
COUNTY OF Shelby

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that KENNETH M GRAYES whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Mortgage, he or she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 23 day of March, 2000
Anthony S. Rice
Notary Public

My commission expires NOVEMBER 17, 2004

NOTE TO PROBATE JUDGE

This Mortgage secures open-end or revolving indebtedness with residential real property or interests; therefore, under Section 40-22-2(1)(b), Code of Alabama 1975, as amended, the mortgage filing privilege tax on this Mortgage should not exceed \$.15 for each \$100 (or fraction thereof) of the credit limit of \$ provided for herein, which is the maximum principal indebtedness to be secured by this Mortgage at any one time.

Regions Bank

By: _____
its _____

EXHIBIT "A"

PARCEL I:

Commence at the SE corner of Section 19, Township 20 South, Range 2 West being a locally accepted Concrete Monument; thence North $89^{\circ}07'23''$ West along the South line of said $\frac{1}{4}$ - $\frac{1}{4}$ Section for a distance of 1365.48 feet to the SW corner of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section being a locally accepted Concrete Monument; thence North $00^{\circ}40'54''$ East for a distance of 786.76 feet to the Southeasterly right of way line of Shelby County Highway 11 (80-foot ROW); thence North $38^{\circ}31'19''$ East along said right of way for a distance of 349.22 feet to the point of beginning; thence continue along the last described course and along said right of way for a distance of 173.25 feet; thence leaving said right of way South $76^{\circ}00'48''$ East a distance of 11.85 feet; thence South $23^{\circ}47'33''$ West for a distance of 266.07 feet to a point on a curve to the right having a central angle of $9^{\circ}57'29''$ and a radius of 60.00 feet, said curve subtended by a chord bearing North $14^{\circ}12'47''$ East and a chord distance of 10.41 feet; thence along the arc of said curve for a distance of 10.43 feet to the point of a reverse curve having a central angle of $54^{\circ}51'52''$ and a radius of 110.37 feet, said curve subtended by a chord bearing North $8^{\circ}15'25''$ West and a chord distance of 101.75 feet; thence along the arc of said curve for a distance of 105.75 feet to the point of beginning.

PARCEL II:

Commence at the SE corner of Section 19, Township 20 South, Range 2 West; thence North $0^{\circ}33'20''$ East and along the East line of said $\frac{1}{4}$ - $\frac{1}{4}$ Section a distance of 492.30 feet; thence North $70^{\circ}49'59''$ West a distance of 828.03 feet to the point of beginning; thence North $19^{\circ}01'26''$ East a distance of 29.91 feet; thence South $70^{\circ}48'54''$ East a distance of 69.37 feet; thence North $14^{\circ}49'12''$ East a distance of 127.84 feet; thence North $70^{\circ}50'54''$ West a distance of 424.06 feet; thence South $23^{\circ}47'33''$ West for a distance of 266.07 feet to a point on a curve to the left having a central angle of $80^{\circ}04'18''$ and a radius of 60.00 feet and subtended by a chord which bears South $30^{\circ}42'39''$ East and a chord distance of 77.44 feet; thence along said curve 84.12 feet to the end of said curve; thence South $70^{\circ}48'16''$ East a distance of 190.74 feet to the beginning of a curve to the left having a central angle of $42^{\circ}50'00''$ a radius of 25.0 feet and subtended by a chord which bears North $87^{\circ}30'13''$ East a chord distance of 18.26 feet; thence along said curve 18.69 feet to the end of aforesaid curve and the beginning of a reversed curve to the right having a central angle of $145^{\circ}55'11''$, a radius of 50 feet and subtended by a chord which bears South $40^{\circ}37'12''$ East a chord distance of 95.61 feet; thence along said curve 127.34 feet to the end of said curve; thence South $70^{\circ}49'59''$ East a distance of 51.49 feet to the point of beginning.

All situated in Shelby County, Alabama.

Inst # 2000-09766

03/28/2000-09766
08:30 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
007 CJ1 961.00