

6201-C

This instrument was prepared by

(Name) **First Federal Savings Bank**

(Address) **1630 4th Avenue North**

Bessemer, AL 35020

MORTGAGE

STATE OF AL

Shelby

COUNTY

Joe Rose Homebuilders, Inc., an Alabama Corporation

KNOW ALL MEN BY THESE PRESENTS: That Whereas,

(hereinafter called "Mortgagors", whether one or more) are justly indebted, to **First Federal Savings Bank**

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

One Million Three Hundred Forty Four Thousand and 00/100

Dollars (\$ **1,344,000.00**).

evidenced by Promissory note of even date herewith and payable in the manner provided in said note.

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, **Joe Rose Homebuilders, Inc., an Alabama Corporation**

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 **AL**, to-wit;

LOTS 1 THRU 5; LOTS 6 THRU 12; LOTS 32 THRU 38 AND LOTS 39 THRU 45, SUGAR HILL TOWNHOMES, AS RECORDED IN MAP BOOK 28, PAGE 115, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

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

To Have And To Hold the above granted property unto the said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, 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.

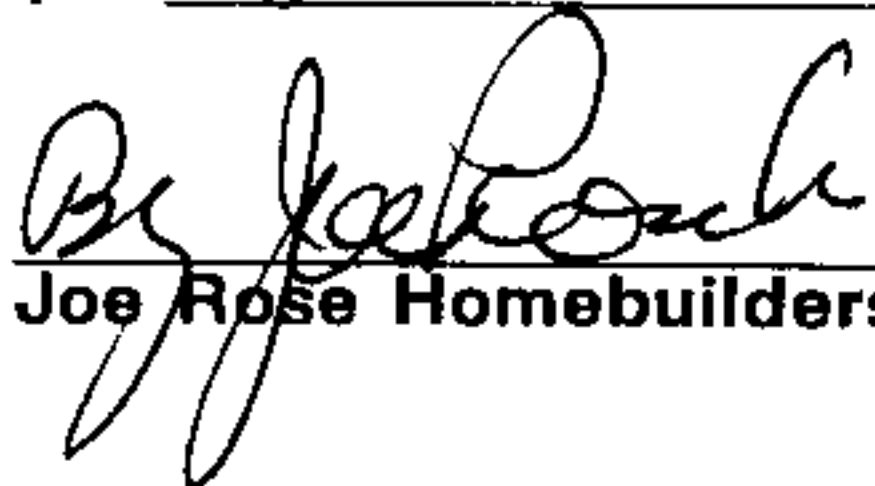
Upon condition, however, that if the said Mortgagor pays said indebtedness, and reimburses said Mortgagee or assigns for any amounts Mortgagees may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment 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.

08/17/2001-34998
08:57 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 CH 2042.00

Inst # 2001-34998

IN WITNESS WHEREOF the undersigned Joe Rose Homebuilders, Inc. ,an Alabama Corporation

have hereunto set _____ signature(s) and seal, this 9th day of August, 2001.

 (SEAL)
Joe Rose Homebuilders, Inc.

(SEAL)

(SEAL)

(SEAL)

THE STATE of ALABAMA
SHELBY **COUNTY** }

I, THE UNDERSIGNED, a Notary Public in and for said County, in said State, hereby certify that

JOE ROSE
whose name as PRESIDENT of JOE ROSE HOME BUILDER'S, INC.

_____ 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 9th day of August, 2001.

, Notary Public

COMMERCIAL ADJUSTABLE RATE RIDER (New York Prime Rate-Caps)

THIS ADJUSTABLE RATE RIDER is made this 9th day of August, 2001, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to First Federal Savings Bank (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Sugar Hill Townhomes S/D 24 Lots Alabaster, AL 35007
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.750 % which is 1.000 percent above New York Prime Rate. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of August, 2002, and on that day every 12 months thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the rate equivalent to the New York Prime Rate to which this rate is tied as last published in the preceding month of the Wall Street Journal, and the change in the rate of interest herein shall be determined and become effective as of the first day of the following month.

(C) Calculation of Changes

Before each Change Date, the note Holder will calculate my new interest rate by adding One and 000/1000 percentage points (1.000 %) to the Current Index.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) LIMITS ON INTEREST RATE CHANGES

My interest rate will never be less than _____ %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

The undersigned borrower(s) acknowledge(s) receipt of a copy of this instrument.


Borrower **Joe Rose Homebuilders, Inc.** (Seal)

Borrower (Seal)


Borrower (Seal)

RIDER TO MORTGAGE AND NOTE

THIS RIDER, dated this 9th day of August, 2001, is incorporated into and shall be deemed to amend and supplement the Mortgage and Note of even date herewith given by the undersigned, Joe Rose Homebuilders, Inc., the Borrower(s), and First Federal Savings Bank (formerly First Federal Savings and Loan Association of Bessemer), the Lender, as follows:

- 1. Expenditures by Lender, Indebtedness to Lender. It is expressly understood and agreed that the Mortgage and Note will secure any future indebtedness of the Borrower to Lender regardless of the amount and source. The Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property, including, but not limited to paying: any sum secured by a lien which has priority over this Security Instrument, liens, satisfaction of sewer assessments, satisfaction of municipal assessments, expenses for court appearances, subpoenas witness fees, reasonable attorney's fees, taxes, insurance, credit life insurance, disability insurance, mortgage insurance, flood insurance, title updates, appraisals, bankruptcy and lien searches, advertising, certified mail charges, postage, foreclosure expenses, travel, repairs, demolition, blasting, storage of personal property left on the subject property after abandonment or foreclosure, mowing of grass, cleaning of the premises, changing of locks, locksmith charges, defending the title rights and priority of the mortgage, charges for appraisal fees and credit reports for refinances, refinance charges, and any other item or expense Lender may pay or advance in connection with this Mortgage. Any of the foregoing and any check returned on Borrower's account together with the insufficient check charge, late charges and any expense incidental thereto, and any accrued interest remaining unpaid at the end of a month when same is due shall become additional debt of Borrower secured by this Security Instrument and shall bear interest at the Note rate in effect from the date of disbursement, accrual or the date of charge back as the case may be.
- 2. Late Payments. If any monthly payment is not received by Lender or the Holder of the Note and Mortgage on or before the 15th day of the month in which such payment was due unpaid interest, late payment charges, and any other amounts unpaid, continue to accumulate to be paid from the proceeds of subsequent payments, but shall not be added to the principal balance. The principal balance together with interest thereon at the applicable Note rate may be increased at any time in accordance with the terms of this Rider and of Paragraph 7 of the Mortgage executed simultaneously herewith.
- 3. Lender in Possession. Upon acceleration under Paragraph 21 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the cost of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.
- 4. The invalidity of any provisions of the Note, Mortgage or this Rider shall not affect the validity of other provisions.

BY SIGNING BELOW, Borrower(s) accepts and agrees to the terms and covenants contained in this Rider.

 (SEAL)
Joe Rose Homebuilders, Inc.
____ (SEAL)

**FIRST FEDERAL SAVINGS BANK
CONSTRUCTION LOAN RIDER**

This Construction Loan Rider is made this 9th day of August, 2001 and is incorporated into and shall be deemed to amend and supplement the Mortgage from the undersigned (the "Borrower") to **First Federal Savings Bank** (the "Lender") of even date herewith by the following respects:

A. Open-End Provision

The Mortgage shall secure any loan advances made by the Lender after this Mortgage is delivered for record to the extent that the total unpaid indebtedness, exclusive of interest thereon, does not exceed the maximum amount of unpaid loan indebtedness which may be outstanding at any time, which is \$ 1,344,000.00. In addition, the Mortgage shall also secure advances made to protect the security as provided in Paragraph 23 of the Mortgage.

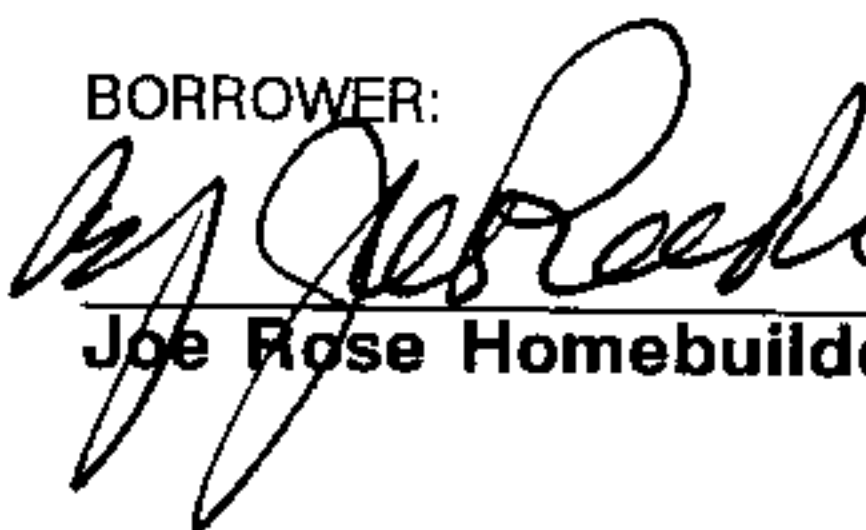
B. Loan Agreement

The Mortgage is given to secure repayment of advances made pursuant to a construction loan agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement") and the Borrower agrees that the advances secured hereby may be paid out by the Lender as provided in the Loan Agreement. Until complete disbursement of proceeds to be advanced under the Loan Agreement, the Borrower will abide by all of the terms of the Loan Agreement. Rider shall be void upon the sale of the loan in whole or in part.

C. Construction Mortgage

The construction period shall run for three hundred sixty-five days.

BORROWER:



Joe Rose Homebuilders, Inc.

Inst. # 2001-34998

08/17/2001-34998
08:37 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 CH 2042.00