MORTGAGE FORM **THIS IS A FUTURE ADVANCE MORTGAGE** FORM 500202

20050825000439000 1/3 $506.60
Shelby Cnty Judge of Probate,AL
08/25/2005 02:11:30PM FILED/CERT

The State of Alabama
SHELBY County

THIS INSTRUMENT COVERS GOODS WHICH ARE OR ARE TO BECOME FIXTURES RELATED TO THE REAL ESTATE DESCRIBED HEREIN AND IS TO BE RECORDED IN THE DEED RECORDS AND IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS OR FIXTURE FILINGS.

THIS INDENTURE, made and entered into this **18th DAY OF August, 2005** by and between, **New World Homes, INC., AN ALABAMA CORPORATION,** parties of the first part, hereinafter referred to as mortgagor, and First Federal Bank, a Federal Saving Bank, 2315 9th Street, Tuscaloosa, AL 35401 party of the second part, hereinafter referred to as mortgagee,

Witnesseth:

WHEREAS, the said is justly indebted to the party of the second part in the principal sum of *****THREE HUNDRED TWENTY-SIX THOUSAND, FOUR HUNDRED DOLLARS AND NO/100*** ($326,400.00)** as evidenced by note bearing even date herewith, payable as follows:

On demand, bearing interest as provided in said note. (This is a FUTURE ADVANCE MORTGAGE, and the said **$326,400.00** indebtedness shall be advanced by mortgagee to mortgagor in accordance with a construction loan agreement of even date herewith, the terms of which agreement are made a part of this mortgage.) In addition to the said **$326,400.00** principal amount with interest, this mortgage shall also secure any and all other additional indebtedness now or hereafter owing by mortgagor to mortgagee.

NOW, THEREFORE, the parties of the first part, in consideration of the premises, and to secure the payment of said indebtedness and the compliance with all the stipulations herein contained, have bargained and sold, and do hereby grant, bargain, sell, alien, and convey unto the party of the second part, its successors and assigns, the following described real estate, lying and being situated in the town of **Shelby County, COUNTY OF SHELBY, STATE OF ALABAMA,** to-wit:

LOT 217, according to the Survey of Final Plat of Lakewood, phase 2, as recorded in Map Book 35, page 42 in the Probate of Shelby County, Alabama.

TOGETHER WITH all building materials, equipment, fixtures and fittings of every kind or character now owned or hereafter acquired by the mortgagor for the purpose of or used or useful in connection with the improvements located or to be located on the hereinabove described real estate, whether such materials, equipment, fixtures and fittings are actually located on or adjacent to said real estate or not, and whether in storage or otherwise, wheresoever the same may be located. The personal property herein conveyed and mortgaged shall include, without limitation, all lumber and lumber products, bricks, building stones and building blocks, sand and cement, roofing material, paint, doors, windows, hardware, nails, wires and wiring, plumbing and plumbing fixtures, air-conditioning and heating equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, and in general all building material and equipment of every kind and character used or useful in connection with said improvements.

CLAYTON T. SWEENEY, ATTORNEY AT LAW

Together with all the rights, privileges, tenements, and appurtenances thereunto belonging or in any wise appertaining, including screen windows and doors, gas, steam, electric and other heating, lighting and cooking apparatus, elevators, ice boxes, plumbing and other fixtures appertaining to the said premises all of which shall be deemed realty and conveyed by this mortgage.

TO HAVE AND TO HOLD the said premises, and every part thereof unto the mortgagee, its successors and assigns forever. And the undersigned covenant with the mortgagee that the undersigned are lawfully seized in fee simple of said premises and have a good right to sell and convey the same as aforesaid; that the said premises are free of all encumbrances and the undersigned will warrant and forever defend the title to the same unto the mortgagee, its successors and assigns, against the lawful claims of all persons whomsoever.

And for the purpose of further securing the payment of said indebtedness, the undersigned hereby agree to pay all taxes, assessments, or other liens taking priority over this mortgage, when imposed legally upon said premises, and should default be made in the payment of same, or any part thereof, said mortgagee, at its option, may pay the same; and to further secure said indebtedness first above named, and every portion thereof, the undersigned agree to keep said property continuously insured in such manner and in sum companies as may be satisfactory to the mortgagee, for at least **$326,400.00** against loss by fire and **$326,400.00** against loss by tornado with loss, if any, payable to said mortgagee, as its interest may appear, and if the undersigned fail to keep said property insured as above specified, then the mortgagee may, at its option, insure said property for its insurable value against loss by fire and tornado, for its own benefit, the proceeds from such insurance, if collected to be credited on the indebtedness

secured by this mortgage, less cost of collecting same, or at the election of the mortgagee, may be used in repairing or reconstructing the premises; all amounts so expended by said mortgagee for insurance, or for the payment of taxes, assessments, or any other prior liens, shall become a debt due and at once payable, without demand upon or notice to any person to said mortgagee, additional to the indebtedness hereby specially secured, and shall be secured by the lien of this mortgage, and shall bear interest from date of payment by said mortgagee, and at the election of the mortgagee, and without notice to any person, the mortgagee may declare the entire indebtedness secured by this mortgage due and payable, and this mortgage subject to foreclosure, and same may be foreclosed, as hereinafter provided.

The undersigned agree to take good care of the premises above described, and not to commit or permit any waste thereon, and to keep the same repaired, and at all times to maintain the same in as good condition as they now are, reasonable wear and tear alone excepted.

The undersigned agree that no delay or failure of the mortgagee to exercise any option to declare the maturity of any debt secured by this mortgage shall be taken or deemed as a waiver of its right to exercise such option, or to declare such forfeiture, either as to any past or present default, and it is further agreed that no terms or conditions contained in this mortgage can be waived, altered or changed except as evidenced in writing, signed by the undersigned, and by the mortgagee, by an officer thereof.

After any default on the part of the mortgagor, the mortgagee shall, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this mortgage, be entitled, as a matter of right, to the appointment by any competent court or tribunal, without notice to any party, of a receiver of the rents, issues and profits of said premises, which power to lease and control the said premises, and with such other powers as may be deemed necessary.

UPON CONDITION, HOWEVER, That if the mortgagor pays said note and any renewals or extensions thereof, and all other indebtedness secured by this mortgage, and reimburses said mortgagee for any amount it may have expended in payment of taxes and insurance or other liens, and interest thereon, and shall do and perform all other acts and things herein agreed to be done, this conveyance to be null and void; but should default be made in the payment of any sum expended by the said mortgagee under the authority of any of the provisions of this mortgage, or should said indebtedness hereby secured, and any renewals or extensions thereof, or any part thereof, or any interest thereon, remain unpaid at maturity, or should the interest of said mortgagee in said property become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, or should any law, either Federal or State, be passed imposing or authorizing the imposition of any specific tax upon this mortgage or the debt hereby secured, or permitting or authorizing the deduction of any such tax from the principal or interest secured by this mortgage, or by virtue of which any tax or assessment upon the mortgaged premises shall be chargeable against the owner of said mortgage, or should at any time any of the stipulations contained in this mortgage be declared invalid or inoperative by any court of competent jurisdiction, then, in any one of said events, the whole of the indebtedness hereby secured, or any portion or part of same as may not at said date have been paid, with interest thereon, shall at once become due and payable at the option of said mortgagee, and this mortgage be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages; and the mortgagee shall be authorized to take possession of the premises hereby conveyed, and after giving notice by publication once a week for three consecutive weeks, of the time, place and terms of sale, by publication in some newspaper published in the County wherein said property is located, to sell the same in front of the Courthouse door of the County wherein said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of said 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 may then be necessary to expend, in paying insurance, taxes and other encumbrances, with interest thereon; third, to the payment in full of the principal indebtedness and interest thereon, 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 those who may be entitled to such balance under federal or state laws. Upon any default set forth herein, Mortgagee shall also be entitled to exercise any remedy contained herein or in any other loan document.

And the undersigned further agree that said mortgagee, its successors, or assigns, may bid at any sale had under the terms of this mortgage, and purchase said property, if the highest bidder therefor; and the undersigned further agree to pay a reasonable attorney's fee to said mortgagee, its successors or assigns, for the foreclosure of this mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction, said fee to be a part of the debt hereby secured, and the purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money.

In the event of a sale hereunder, the mortgagee, or owner of the debt and mortgage, or auctioneer, shall execute to the purchaser for and in the name of the undersigned a good and sufficient deed to the property sold.

The undersigned agree that the debt hereby secured shall at once become due and payable and this mortgage subject to foreclosure as herein provided, at the option of the holder hereof, when and if any statement of lien is filed under the statutes of Alabama relating to the liens of mechanics and materialmen, without regard to form and contents of such statement, and without regard to the existence or non-existence of the debt, or any part thereof, or of the lien, on which such statement is based.

The occurrence of any of the following events shall also constitute an event of default under this Mortgage: the dissolution, liquidation, or merger of Mortgagor, Guarantor, or any loan party; the death or incapacitation of Mortgagor or Guarantor; the filing of bankruptcy or written admission of inability to pay debts by Mortgagor or

Guarantor. In the event of such default, Mortgagee shall be entitled to exercise any remedy contained herein or in any other loan document.

Plural or singular words used herein to designate the undersigned, the parties of the first part, shall be construed to refer to the maker or makers of this mortgage, whether one or more persons, or a corporation; and all covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the undersigned, and every option, right and privilege herein reserved or secured to the mortgagee, shall inure to the benefit of its successors and assigns.

Mortgagee is advancing the said indebtedness of **$326,400.00** which is secured hereby to mortgagor in accordance with a construction loan agreement of even date herewith, the terms of which agreement are incorporated as a part hereof. In the event of default in the terms of said agreement, or any other contract or agreement between mortgagor and mortgagee, such default shall be an event of default entitling the mortgagee herein to foreclose this mortgage or exercise any remedy provided herein.

IN TESTIMONY WHEREOF, the undersigned have hereunto set their hands and seals, on this day and year first above written.

NEW WORLD HOMES, INC.

20050825000439000 3/3 $506.60
Shelby Cnty Judge of Probate, AL
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By: Charles Crauswell
Charles Crauswell
ITS: PRESIDENT

(STATE OF ALABAMA)
(SHELBY COUNTY)

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that CHARLES CRAUSWELL, whose name as PRESIDENT of NEW WORLD HOMES, INC., an Alabama Corporation, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily and as act of said Corporation, this the 18th day of August, 2005.

Given under my hand and official seal, this **18th DAY OF AUGUST, 2005.**

Notary Public

Commission Expires: 6-5-2007

Prepared By:
Tiffany Williams-Harris
First Federal Mortgage
5346 Stadium Trace Parkway, Ste 100
Hoover, Al 35244