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AMERICAN GENERAL FINANCIAL SERVICES

STATE OF ALABAMA

JEFFERSON COUNTY)

FIRST MORTGAGE

THIS INDENTURE made on OCTOBER 24, 2005, between ERIC GAUT AND WIFE MISTY GAUT (hereinafter, whether one or more, referred to as "Mortgagor"), and American General Financial Services of Alabama, Inc.,

WITNESSETH:

WHEREAS, the said ERIC GAUT AND WIFE MISTY GAUT (is) (are) justly indebted to Mortgagee as evidenced by a note of even date herewith in the principal amount of $ 158,102.23 together with interest and other allowable charges is $ 457,671.24, payable in monthly installments, the last of which installments shall be due and payable on NOVEMBER 01, 2035, _____ (the "Loan").

NOW, THEREFORE, the undersigned Mortgagor in consideration of the premises and to secure the payment of the Loan and compliance with all the stipulations herein contained, does hereby grant, bargain, sell and convey unto American General Financial Services of Alabama, Inc., its successors and assigns, the following described real estate, situated in SHELBY County , Alabama, to wit:

SEE EXHIBIT "A"

PROPERTY LOCATED: 99 VALLEYDALE COURT
BIRMINGHAM, ALABAMA 35244

Together with all rights, privileges, tenements and appurtenances thereunto belonging or in any wise appertaining, including, but not limited to, heating, air-conditioning, lighting, plumbing and all other fixtures appertaining to said real estate, all of which shall be deemed realty and conveyed by this Mortgage (said real estate and fixtures being hereinafter sometimes referred to as the "Property").

TO HAVE AND TO HOLD the Property, and every part thereof, unto Mortgagee, its successors and assigns forever; and Mortgagor covenants with Mortgagee that Mortgagor is lawfully seized in fee simple of the Property and has a good right to mortgage and convey the same; that the property is free of all encumbrances, except the lien of current ad valorem taxes, and such other encumbrances, if any, as are expressly set out above; and Mortgagor will warrant and forever defend the title to the same unto Mortgagee, its successors and assigns, against the lawful claims of all persons whomsoever.

To secure the Loan further, Mortgagor agrees: (a) to pay all taxes, assessments or other liens taking priority over this Mortgage, imposed legally upon the Property, and should default be made in the payment of any part thereof, Mortgagee, at its option, may pay the same; and (b) to keep the Property continuously insured in such manner and in such companies as may be satisfactory to Mortgagee, for the full insurable value thereof, with loss, if any, payable to Mortgagee, as its interest may appear. If Mortgagor fails to keep the Property so insured, Mortgagee may, at its option, so insure the Property for Mortgagee's own benefit, the proceeds from such insurance, if collected, shall be credited on the Loan, less the costs of collecting same, or, at the election of Mortgagee, may be used in repairing or reconstructing the property. All amounts so expended by Mortgagee for insurance or for the payment of taxes, assessments or any other prior liens shall become an additional debt due and at once payable to Mortgagee, without demand upon or notice to any person, shall be secured by the lien of this Mortgage, and shall bear interest from date of payment by Mortgagee, and at the election of Mortgagee, and without notice to any person, Mortgagee may declare the Loan due and payable, and this Mortgage may be foreclosed as hereinafter provided.

Mortgagor may elect to have Mortgagee maintain an escrow fund for payment of real estate taxes, assessments, insurance premiums, or other obligations that might encumber the Real Estate if not timely paid when due. If Mortgagor so elects, Mortgagor shall pay to Mortgagee on the day Monthly Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Mortgage as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Mortgagee, including, but not limited to Hazard Insurance and Flood Insurance; and (d) Mortgage Insurance premiums, if any, or any sums payable by Mortgagor to Mortgagee in lieu of the payment of Mortgage Insurance premiums. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Mortgagee may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Mortgagor, and such dues, fees and assessments shall be an Escrow Item. Mortgagor shall promptly furnish to Mortgagee all notices of amounts to be paid under this Section. Mortgagor shall pay Mortgagee the Funds for Escrow Items unless Mortgagee waives Mortgagor's obligation to pay the Funds for any or all Escrow Items. Mortgagee may waive Mortgagor's obligation to pay Mortgagee Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Mortgagor shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Mortgagee and, if Mortgagee requires, shall furnish to Mortgagee receipts evidencing such payment within

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such time period as Mortgagee may require. If Mortgagor is obligated to pay Escrow Items directly and fails to do so, Mortgagee may pay such amount and Mortgagor shall then be obligated to repay to Mortgagee any such amount. Mortgagee may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with the notice provision of this Mortgage and, upon such revocation, Mortgagor shall pay to Mortgagee all Funds, and in such amounts, that are then required under this or other applicable Sections.

Mortgagee may, at any time, collect and hold Funds in an amount (a) sufficient to permit Mortgagee to apply the Funds at the time specified under the federal Real Estate Settlement Procedures Act and implementing regulations (collectively, "RESPA") and (b) not to exceed the maximum amount a Mortgagee can require under RESPA. Mortgagee shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity or in any Federal Home Loan Bank. Mortgagee shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Mortgagee shall not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Mortgagee pays Mortgagor interest on the Funds and Applicable Law permits Mortgagee to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and Mortgagee can agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Mortgagee shall account to Mortgagor for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Mortgagee the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Mortgagee the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

Mortgagor agrees to take good care of the Property, not to commit or permit any waste thereon, to keep the same repaired, and at all times to maintain the same in as good condition as the same now is, reasonable wear and tear excepted.

Notwithstanding any other provision of this Mortgage or the Note or Notes evidencing the Loan, the Loan shall become immediately due and payable at the option of the Mortgagee, upon the conveyance of the Real Estate, or any part thereof or any interest therein.

Mortgagor agrees that no delay or failure of Mortgagee to exercise any option to declare the maturity of any debt secured hereby shall be deemed a waiver of its right to exercise such option or 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 in writing, signed by Mortgagor and by an executive officer of Mortgagee.

After any default hereunder, Mortgagee shall, upon bill filed or other property legal proceeding being commended for the foreclosure of this Mortgage, be entitled, as 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 the Property, with power to lease and control the Property, and with such other powers as may be deemed necessary.

UPON CONDITION, HOWEVER, that if Mortgagor pays the Loan and any renewals or extensions thereof, and all other indebtedness secured hereby, and reimburses Mortgagee for any amount it may have expended in payment of taxes and insurance or other liens, and interest thereon, and shall do all other acts herein agreed to be done, this conveyance shall be null and void; but should default be made in the payment of any sum expended by Mortgagee under the authority of any of the provisions hereof, or should the Loan, or any renewals or extensions thereof, or any part thereof, or any interest thereon, remain unpaid at maturity, by acceleration or otherwise, or should the interest of Mortgagee in the Property become endangered by reason of the enforcement of any prior lien or encumbrance thereon so as to endanger the Loan, or should any law, either federal or state, be passed imposing or authorizing the imposition of any specific tax upon this Mortgage or the Loan, or permitting or authorizing the deduction of any such tax from the principal or interest of the Loan, or by virtue of which any tax or assessment upon the Property shall be chargeable against the owner of this Mortgage, then, in any one of said events, all indebtedness hereby secured, or such portion thereof as may not at said date have been paid, with interest thereon, shall at once become due and payable at the option of the Mortgagee, and this Mortgage may be foreclosed as now provided by law in case of past due mortgages; and Mortgagee shall be authorized to take possession of the Property, and after giving twenty-one days notice by publication once a week for three consecutive weeks of the time, place and the terms of sale, in some newspaper published in the county wherein the Property is located, to sell the same in front of the Courthouse door of such County, 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 such attorney's fee as may be permitted under the terms of the Note evidencing the Loan; 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 Loan and earned interest thereon, whether or not the same shall have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale and any unearned interest shall be returned to Mortgagor; and fourth, the balance, if any, to be turned over to Mortgagor.

Mortgagor further agrees that Mortgagee, its successors or assigns, may bid at any sale had under the terms of this Mortgage and purchase the Property, if the highest bidder therefor; 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, Mortgagee, or the owner of the Loan and this Mortgage, or the auctioneer, shall execute to the purchaser for and in the name of Mortgagor a good and sufficient deed to the Property.

Mortgagor waives all right of homestead exemption in the property and relinquishes all rights of courtesy and dower in this Property.

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

Each of the undersigned hereby acknowledges receipt of a completed duplicate copy of this Mortgage.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand and seal on the day and year first above written.

CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.

WITNESSES:

_____

_____

_____ (SEAL)
ERIC GAUT

_____ (SEAL)
MISTY GAUT

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STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that ERIC GAUT AND WIFE MISTY GAUT whose name(s) (is) (are) signed to the foregoing conveyance, and who (is) (are) known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, (he) (she) (they) executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this 24TH day of OCTOBER 2005.

Tammy M. Nickles
Notary Public

(AFFIX SEAL)

This instrument was prepared by:
TAMMY M. NICKLES

EXHIBIT "A"

PARCEL I:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 19 SOUTH, RANGE 2 WEST; THENCE FROM THE EAST OF SAID QUARTER-QUARTER, TURN AN ANGLE TO THE LEFT OF 44 DEGREES 09 MINUTES AND RUN IN A NORTHWESTERLY DIRECTION A DISTANCE OF 974 FEET TO THE POINT OF BEGINNING; THENCE TURN AN ANGLE THE LEFT OF 91 DEGREES 00 MINUTES AND RUN IN A SOUTHWESTERLY DIRECTION A DISTANCE OF 218.81 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 91 DEGREES 21 MINUTES AND RUN IN A NORTHWESTERLY DIRECTION A DISTANCE OF 381.70 FEET; THENCE TURN AN ANGLE TO THE RUGHT OF 49 DEGREES 15 MINUTES 24 SECONDS AND RUN IN A NORTHERLY DIRECTION A DISTANCE OF 99.61 FEET; THENCE TURN AN ANGLE TO THE LEFT OF 48 DEGREES 56 MINUTES 06 SECONDS AND RUN IN A NORTHWESTERLY DIRECTION A DISTANCE OF 207.93

FEET TO IT'S INTERSECTION WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF VALLEY DALE ROAD; THENCE TURN AN ANGLE TO THE RIGHT OF 65 DEGREES 14 MINUTES 45 SECONDS AND RUN IN A NORTHEASTERLY DIRECTION ALONG THE SOUTHEASTERLY RIGHT-OF-WAY OF VALLEY DALE ROAD A DISTANCE OF 22.02 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 65 DEGREES 14 MINUTES 45 SECONDS AND RUN IN A SOUTHEASTERLY DIRECTION A DISTANCE OF 207.81 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 48 DEGREES 56 MINUTES 06 SECONDS AND RUN IN A SOUTHERLY DIRECTION A DISTANCE OF 99.53 FEET; THENCE TURN AN ANGLE TO THE LEFT OF 49 DEGREES 15 MINTUES 24 SECONDS AND RUN IN A SOUTHEASTERLY DIRECTION A DISTANCE OF 222.73 FEET; THENCE TURN AN ANGLE TO THE LEFT OF 91 DEGREES 21 MINUTES AND RUN IN A NORTHEASTERLY DIRECTION A DISTANCE OF 197.89 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 91 DEGREES 00 MINUTES AND RUN IN A SOUTHEASTERLY DIRECTION A DISTANCE OF 149.31 FEET TO THE POINT OF BEGINNING. SITUATED IN SHELBY COUNTY, ALABAMA.

PARCEL II

COMMENCE AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 19 SOUTH, RANGE 2 WEST; THENCE FROM THE EAST LINE OF SAID QUARTER-QUARTER TURN IN AN ANGLE TO THE LEFT OF 44 DEGREES 09 MINUTES AND RUN IN A NORTHWESTERLY DIRECTION A DISTANCE OF 1148.31 FEET; THENCE TURN IN AN ANGLE TO THE LEFT 91 DEGREES 00 MINUTES AND RUN IN A SOUTHWESTERLY DIRECTION FOR A DISTANCE OF 218.74 FEET; THENCE TURN IN AN ANGLE TO THE LEFT OF 88 DEGREES 39 MINUTES AND RUN IN A SOUTHEASTERLY DIRECTION FOR A DISTANCE OF 36.33 FEET TO THE POINT OF BEGINNING. FROM THE POINT OF BEGINNING, THUS OBTAINED CONTINUE ALONG LAST DESCRIBED COURSE FOR A DISTANCE OF 40 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 105 DEGREES 00 MINUTES AND RUN IN A SOUTHWESTERLY DIRECTION FOR A DISTANCE OF 10 FEET; THENCE TURN AN ANGLE TO THE RIGHT OF 89 DEGREES 27 MINUTES AND RUN IN A NORTHWESTERLY DIRECTION FOR A DISTANCE OF 38.60 FEET TO THE POINT OF BEGINNING.

PARCEL III

COMMENCE AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER SECTION 16, TOWNSHIP 19 SOUTH, RANGE 2 WEST; THENCE FROM THE EAST LINE OF SAID QUATER-QUARTER, TURN AN ANGLE TO THE LEFT OF 44 DEGREES 09 MINUTES AND RUN IN A NORTHWESTERLY DIRECTION A DISTANCE OF 1148.31 FEET TO THE POINT OF BEGINNING; FROM THE POINT OF BEGINNING THUS OBTAINED THENCE TURN AN ANGLE TO THE LEFT OF 91 DEGREES, AND RUN IN A SOUTHWESTERLY DIRECTION OF A DISTANCE OF 197.47 FEET; THENCE TURN AND ANGLE TO THE LEFT OF 88 DEGREES 39 MINTUES AND RUN IN A SOUTHEASTERLY DIRECTION FOR A DISTANCE OF 25.01 FEET; THENCE TURN AN ANGLE TO THE LEFT OF 91 DEGREES 21 MINUTES AND RUN IN A NORTHEASTERLY DIRECTION FOR A DISTANCE OF 197.89 FEET; THENCE TURN AN ANGLE TO THE LEFT OF 89 DEGREES AND RUN IN A NORTHWESTERLY DIRECTION FOR A DISTANCE OF 25 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE PORTION OF THE PROPERTY DESCRIBED IN THE RIGHT-OF-WAY DEED FOR PUBLIC ROAD IN INSTRUMENT #2001-4554 RECORDED IN THE PROBATE COURT OF SHELBY COUNTY, ALABAMA.

SUBJECT TO ALL RESTRICTIONS, RESERVATIONS, RIGHTS, EASEMENTS, RIGHTS-OF-WAY, PROVISIONS, COVENANTS, TERMS, CONDITIONS AND BUILDING SET-BACK LINES OF RECORD.

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