


This Instrument Prepared By:
LAURIE BOSTON SHARP,
Attorney at Law, LLC
P.O. Box 567
Alabaster, Alabama 35007

MORTGAGE


20060609000273930 1/6 \$2620.55
Shelby Cnty Judge of Probate, AL
06/09/2006 10:58:43AM FILED/CERT

State of Alabama)
)
County of Shelby)

This indenture, made this 5th day of JUNE, 2006, between **CARTER HOMEBUILDERS, INC.**, hereinafter collectively called "Mortgagor," and **SERVISFIRST BANK**, hereinafter collectively called "Mortgagee".

Witnesseth:

Whereas, Mortgagor is justly indebted to Mortgagee in the sum of **ONE MILLION SEVEN HUNDRED TWENTY-NINE THOUSAND SIX HUNDRED EIGHTY-FOUR and 20/100 DOLLARS (\$1,729,684.20)** in lawful money of the United States, and has agreed to pay the same, with monthly interest only thereon until after the maturity date and a maturity date of June 4, 2007, according to the terms of a certain note (the "Note") given by Mortgagor to Mortgagee, bearing even date herewith;

Now, Therefore, in consideration of the premises and the sum hereinabove set forth, Mortgagor has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto Mortgagee property situated in Shelby County, Alabama, more particularly described as follows:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN

Together with all buildings, structures and other improvements now or hereafter located on the property hereinbefore described, or any part and parcel thereof; and

Together with all rights, title and interest of Mortgagor in and to the minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter on said property or under or above the same or any part or parcel thereof; and

Together with all and singular the tenements, hereditaments, easements, riparian and littoral rights, and appurtenances thereunto belonging or in any wise appertaining, whether now owned or hereafter acquired by Mortgagor, and including all rights of ingress and egress to and from adjoining property (whether such rights now exist or subsequently arise) together with the reversion or reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, claim and demand whatsoever of Mortgagor of, in and to the same and of, in and to every part and parcel thereof; and

Together with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to taking of, or decrease in the value of, the premises, to the extent of all amounts which may be secured by this mortgage at the date of receipt of any such award or payment by Mortgagee and of the reasonable attorney's fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. All the foregoing encumbered by this Mortgage being collectively referred to herein as the "Premises."

To have and to hold the Premises hereby granted to the use, benefit and behoof of the Mortgagee, forever.

Conditioned, however, that if Mortgagor shall pay or cause to be paid to Mortgagee, at its location at

Birmingham, Alabama, or at such other place **ONE MILLION SEVEN HUNDRED TWENTY-NINE THOUSAND SIX HUNDRED EIGHTY-FOUR and 20/100 DOLLARS (\$1,729,684.20)** which may hereafter be designated by Mortgagee, its or their successors or assigns, the principal sum by June 4, 2007, then these presents shall be void, otherwise to remain in full force and effect.

It is understood and agreed that the Note may be prepaid at any time without penalty.

Mortgagor warrants that Mortgagor has good, absolute and marketable title to the Premises, and is lawfully seized and possessed of the Premises and every part thereof, and has the right and authority to mortgage and give security upon all Premises; that the Premises are unencumbered except as may be herein expressly provided; and that Mortgagor will forever warrant and defend the title to the Premises unto Mortgagee against the claims of all persons whomsoever.

And Mortgagor Further Covenants and Agrees With Mortgagee as follows:

1. Mortgagor shall pay to Mortgagee the Secured Indebtedness as in the Note and this mortgage provided. The Secured Indebtedness shall bear interest as provided in the note.
2. Mortgagor shall pay, when due and payable, (a) all taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against the Premises, this instrument or the Secured Indebtedness or any interest of the Mortgagee in the Premises or the obligations secured hereby;
3. Upon the occurrence of any one of the following events (herein called an "Event of Default"):
 - (i) should Mortgagor fail to pay the note by June 4, 2007;
 - (ii) should any claim of priority to this mortgage by title, lien or otherwise be asserted in any legal, administrative or equitable proceeding;
 - (iii) should Mortgagor make any assignment for the benefit of creditors, or should a receiver, liquidator or trustee of Mortgagor or of any of Mortgagor's property be appointed, or should any petition for the bankruptcy, reorganization or arrangement of Mortgagor, pursuant to the Federal Bankruptcy Act or any similar statute, be filed, or should Mortgagor be adjudicated a bankrupt or insolvent, or should Mortgagor if a corporation, be liquidated or dissolved or its charter expire or be revoked, or, if a partnership or business association, be dissolved or partitioned, or, if a trust, be terminated or expire;
 - (iv) should Mortgagor fail to keep, observe, perform, carry out and execute in every particular the covenants, agreements, obligations and conditions set out in this mortgage, or in the Note, or in any other instrument securing this loan or related thereto;
 - (v) should foreclosure proceedings (whether judicial or otherwise) be instituted on any mortgage or any junior lien of any kind secured by any portion of the Premises;

Then and thereupon Mortgagee may immediately do any one or more of the following, time expressly being made of the essence herein:

- (i) declare the note and the whole indebtedness secured by this mortgage, including all payments for taxes, assessments, liens, costs, expenses and attorney's fees herein specified, to be due and collectible at once, by foreclosure or otherwise;
- (ii) sell the said property hereby conveyed at auction for cash, at the County Courthouse door

in the County in which the property is located, first having given notice thereof for three (3) weeks by publication in any newspaper then published in said County, and execute proper conveyance to the purchaser and out of the proceeds of said sale the Mortgagee shall first pay all expenses incident thereto, together with a reasonable attorney's fee, then retain enough to pay said note and the balance, if any, pay over to the Mortgagor.

In the event of such sale, the said Mortgagee, its successors, assigns, agents, or attorneys are hereby authorized and empowered to purchase said property the same as if they were strangers to the conveyance, and the auctioneer or person making the sale is hereby empowered and directed to make and execute a deed to the purchaser in the name of the Mortgagor.

It is hereby agreed that the said Mortgagee, or his successor or substitute, may sell said mortgaged property either as a whole, or in lots or parcels as may seem expedient to the Mortgagee (all rights to a marshaling of the assets of Mortgagor, including the property hereinabove described, being expressly and specifically waived herein by Mortgagor, on behalf of itself, its heirs, assigns and legal representatives) and after said sale as aforesaid, said Mortgagee, or his successor or substitute, shall make, execute and deliver to the purchaser or purchasers thereof, good and sufficient deed or deeds to the property so sold in fee simple, and shall receive the proceeds of said sale and out of same shall make application thereof as herein before provided, whether said property be sold as a whole or in lots or parcels. It is further specifically agreed that should the said Mortgagee, his successor or substitute, elect to sell said property in lots or parcels separately, in any such event the effect and validity of this instrument shall remain in full force and effect as to the remaining unsold portion or portions of said property, and the said Mortgagee, his successor or substitutes, shall have the right to exercise his privileges and powers under this instrument to advertise or readvertise any remaining unsold lots or parcels of said property on any subsequent sale date from time to time until the property herein mortgaged has all been sold, or until the entire indebtedness secured hereby is fully paid.

4. Mortgagor, for himself and family, hereby waives and renounces all homestead exemption rights provided for by the Constitution and Laws of the United States or the State of Alabama in and to the Premises as against the collection of the Secured Indebtedness, or any part thereof; and Mortgagor agrees that where, by the terms of the conveyance or the Note secured hereby, a day is named or a time fixed for the payment of any sum of money or the performance of any agreement, the time stated enters into the consideration and is of the essence of the whole contract.

5. Mortgagor shall keep the premises free from all prior liens and, upon demand of Mortgagee, pay and procure release of any lien which in any way may impair the security of this mortgage.

6. Mortgagee shall have the right from time to time to sue for any sum required to be paid under the terms of this mortgage, as the same become due when the sale of lots are closed, and without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against the Mortgagor, including an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

7. The rights of Mortgagee, granted and arising under the clauses and covenants contained in this mortgage, the Note, or any other instrument securing this loan, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which Mortgagee may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages, and preservation of security as provided at law. No act of Mortgagee shall be construed as an election to proceed under any one provision herein or under the Note to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

8. Every provision for notice and demand or request shall be deemed fulfilled by written notice and demand or request personally served on one or more of the persons who shall at the time hold the record title to the Premises, or on their heirs or successors, or mailed by depositing it in any post office station or letter box enclosed in a postpaid envelope (a) addressed to such person or persons, or their heirs or successors, at his, their or its address last known to Mortgagee.

9. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing. Mortgagee may, at any time and from time to time, either before or after the maturity of the note, and without notice or consent: (a) release any person liable for payment of all or any part of the indebtedness or for performance of any obligation; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation or subordinating, modifying otherwise dealing with the lien or charge hereof; (c) exercise or refrain from exercising or waive any right Mortgagee may have; (d) accept additional security of any kind; or (e) release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

10. Mortgagor hereby agrees to indemnify and hold harmless from all loss, cost, damage, claim and expense incurred by Mortgagee on account of (i) Mortgagor's or the Premises's failure to fully comply with all environmental laws, rules and regulations, or with all occupational health and safety laws, rules and regulations, or (ii) any other matter related to environmental conditions on, under or affecting the Premises. This indemnification shall survive the closing of the Loan, payment of the Loan, the exercise of any right or remedy under any Loan Document, any subsequent sale or transfer of the Premises, and all similar or related events or occurrences.

11. The words "Mortgagor" and "Mortgagee" whenever used herein shall include all individuals, corporations (and if a corporation, its officers, employees or agents) and any and all other persons or entities, and the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and all those holding under either of them, and the pronouns used herein shall include when appropriate, either gender and both singular and plural, and the word "Note" shall also include one or more notes and the grammatical construction of sentences shall conform thereto.

12. If any provision of this Mortgage, the Note, or any other instrument securing this loan, shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the application of the provision to other persons, entities or circumstances, nor any other instrument referred to hereinabove shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

13. This mortgage is executed and delivered in, and its terms and provisions are to be governed by, the laws of the State of Alabama.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

In Witness Whereof, the Mortgagor has caused this instrument to be executed as of the day and year first above written.

SIGNATURES APPEAR ON THE NEXT PAGE

CARTER HOMEBUILDERS, INC.

By: _____

Kerry Carter
Its: President

STATE OF ALABAMA)

COUNTY OF SHELBY)

I, the undersigned, Notary Public in and for said County in said State, hereby certify that **Kerry Carter**, whose as President of **Carter Homebuilders, Inc.**, an Alabama corporation, 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 the instrument, he, in such capacity and with full authority, executed the same voluntarily, individually, and for and as the act of said corporation.

Given under my hand this the 5th day of June, 2006.

Notary Public

My commission expires: 5-13-2008

[NOTARIAL SEAL]

Exhibit A

20060609000273930 6/6 \$2620.55
Shelby Cnty Judge of Probate, AL
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A parcel of land situated in the South $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$, Section 6 and the South $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 5 that lies West of Highway No. 12, Township 22 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Northeast corner of Section 6, Township 22 South, Range 2 West, Shelby County, Alabama, and run Westerly along the North line of said Section 6, a distance of 2693.22 feet to the Northwest corner of the Northeast $\frac{1}{4}$, Section 6: thence turn an angle of 93 degrees 35 minutes 39 seconds to the left and run in a Southerly direction along the East line of said Northeast $\frac{1}{4}$ of Section 6, a distance of 664.54 feet to a point being a steel rebar, and the Southwest corner of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 6 and the point of beginning of the herein described parcel; thence run in a Easterly direction along the North line of said parcel, having a bearing of South 87 degrees 22 minutes 46 seconds East, a distance of 2607.57 feet to a point being a capped steel rebar, said point also being the intersection of the North – South section line, said section line being the East line of Section 6 and the West line of Section 5, Township 22 South, Range 2 West, Shelby County, Alabama; thence South 87 degrees 38 minutes 37 seconds East, a distance of 562.96 feet to a point being a capped steel rebar, marked 9049, on the Westerly right of way of Shelby County Highway No. 12; thence run in a Southerly direction along the arc of a curve to the left, having a radius of 1991.51 feet and a chord bearing of South 3 degrees 30 minutes 12 seconds West, a distance of 330.87 feet to a point of tangency; thence South 3 degrees 44 seconds 59 seconds East, along the said Westerly right of way line of Shelby County Highway No. 12, a distance of 329.18 feet to a point being a capped steel rebar; thence run in a Westerly direction along the South line of said parcel, having a bearing of North 87 degrees 29 minutes 56 seconds West, a distance of 527.98 feet to a point being a 1 inch open steel pipe, said point also being the intersection of the North – South section line; said section line being the East line of Section 6 and the West line of Section 5, Township 22 South, Range 2 West, Shelby County, Alabama; thence continue in a Westerly direction along the South line of said parcel, having a bearing of North 87 degrees 33 minutes 24 seconds West, a distance of 1590.14 feet to a point being a capped steel rebar; thence North 86 degrees 59 minutes 01 seconds West, a distance of 543.81 feet to a point being a $\frac{3}{4}$ inch steel rebar; thence South 87 degrees 49 minutes 52 seconds West, a distance of 526.95 feet to a point being a capped steel rebar; thence North 87 degrees 37 minutes 39 seconds West, a distance of 56.89 feet to a point being a steel rebar, said point also being the intersection of the North – South middle section line (1/2 mile line) of said Section 6; thence run in a Northerly direction along said North – South middle section line having a bearing of North 3 degrees 31 minutes 34 seconds West, a distance of 664.31 feet to the point of beginning.

Situated in Shelby County, Alabama.