MORTGAGE FORM AMSOUTH

01-29804

IMAGED 10032006

20061018000517260 1/5 $78.50
Shelby Cnty Judge of Probate, AL
10/18/2006 03:21:24PM FILED/CERT

State of Alabama

SHELBY County

MORTGAGE

THIS INDENTURE is made and entered into on September 29, 2006, by and between JAMES A. SMITH, AN UNMARRIED MAN, AS TO A 1/2 INTEREST AND SARA E. HIGGINBOTHAM, AN UNMARRIED WOMAN (hereinafter called "Mortgagor," whether one or more), and AmSouth Bank (hereinafter called "Mortgagee").

WHEREAS, S & H CABINET WORKS, INC. (hereinafter called the "Borrower", whether one or more) is (are) justly indebted to the Mortgagee in the principal sum of Thirty Six Thousand Nine Hundred Fifteen AND 75/100 dollars ($ 36,915.75) as evidenced by that certain promissory note or guaranty agreement of even date herewith, which evidences an obligation with a final maturity date of October 1, 2016.

NOW, THEREFORE, in consideration of the premises, and to secure the payment of the debt evidenced by said note or guaranty agreement and any and all extensions and renewals thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such extensions and renewals and, if the Real Property is not a consumer's principal dwelling within the meaning of the Truth in Lending Act, 15 USC Sections 1601 et seq., to secure all other indebtedness, obligations and liabilities owing by the Borrower or the Mortgagor to the Mortgagee, whether now existing or hereafter incurred or arising, whether absolute or contingent, and whether incurred as maker or guarantor, (the aggregate amount of such debt and interest thereon, including any extensions and renewals and the interest thereon, is hereinafter collectively called 'Debt") and the compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the Mortgagee, the following described real estate, situated in SHELBY County, Alabama (said real estate being hereinafter called "Real Estate"):

SEE ATTACHED EXHIBIT A

THIS INSTRUMENT WAS PREPARED BY: PAMELA P TURNER

RETURN TO: AmSouth Bank
Consumer Loan Operations
PO Box 1984
Birmingham, AL 35201

Together with all the rights, privileges, tenements, appurtenances and fixtures appertaining to the Real Estate, all of which shall be deemed Real Estate and shall be conveyed by this mortgage.

TO HAVE AND TO HOLD the Real Estate unto the Mortgagee, its successors and assigns forever. The Mortgagor covenants with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the Real Estate and has a good right to sell and convey the Real Estate as aforesaid; that the Real Estate is free of all encumbrances, unless otherwise set forth above; and the Mortgagor will warrant and forever defend the title to the Real Estate unto the Mortgagee, against the lawful claims of all persons.

For the purpose of further securing the payment of the Debt, the Mortgagor agrees to: (1) pay all taxes, assessments, and other liens taking priority over this mortgage (hereinafter jointly called 'Liens'), and if default is made in the payment of the Liens, or any part thereof, the Mortgagee, at its option, may pay the same; (2) keep the Real Estate continuously insured, in such manner and with such companies as may be satisfactory to the Mortgagee, against loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsement, and against loss by such other perils as the Mortgagee may from time to time reasonably determine is prudent or is then required by applicable law, with loss, if any, payable to the Mortgagee, as its interest may appear, such insurance to be in an amount at least equal to the full insurable value of the improvements located on the Real Estate unless the Mortgagee agrees in writing that such insurance may be in a lesser amount. The original insurance policy and all replacements therefor, shall be delivered to and held by the Mortgagee until the Debt is paid in full. The original insurance policy and all replacements therefor must provide that they may not be canceled without the insurer giving at least fifteen days' prior written notice of such cancellation to the Mortgagee. In the event of foreclosure of this mortgage or other transfer of title to the Real Estate in extinguishment of indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

The Mortgagor hereby assigns and pledges to the Mortgagee, as further security for the payment of the Debt, each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof, together with all the right, title and interest of the Mortgagor in and to each and every such policy, including but not limited to all of the Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return premiums. If the Mortgagor fails to keep the Real Estate insured as specified above then, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire Debt due and payable and this mortgage subject to foreclosure, and this mortgage may be foreclosed as hereinafter provided; and regardless of whether the Mortgagee declares the entire Debt due and payable and this mortgage subject to foreclosure, the Mortgagee may, but shall not be obligated to, insure the Real Estate for its full insurable value (or for such lesser amount as the Mortgagee may wish) against such risks of loss, for its own benefit, the proceeds from such insurance (less cost of collecting same), if collected, to be credited against the Debt, or, at the election of the Mortgagee, such proceeds may be used in repairing or reconstructing the improvements located on the Real Estate. All amounts spent by the Mortgagee for insurance or for the payment of Liens shall become a debt due by the Mortgagor to the Mortgagee and at once payable, without demand upon or notice to the Mortgagor, and shall be secured by the lien of this mortgage, and shall bear interest from date of payment by the Mortgagee until paid at the rate provided in the promissory note or notes referred to herein above.

As further security for the payment of the Debt, the Mortgagor hereby assigns and pledges to the Mortgagee the following described property, rights, claims, rents, profits, issues and revenues:

1. all rents, profits, issues, and revenues of the Real Estate from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to the Mortgagor, so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, profits, issues and revenues;
2. all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Real Estate, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Real Estate, or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, and all payments made for the voluntary sale of the Real Estate, or any part thereof, in lieu of the exercise of the power of eminent domain. The Mortgagee is hereby authorized on behalf of, and in the name of, the Mortgagor to execute and deliver valid acquittances for, and appeal from, any such judgments or awards. The Mortgagee may apply all such sums so received, or any part thereof, after the payment of all the Mortgagee's expenses in connection with any proceeding or transaction described in this subparagraph 2, including court costs and attorneys' fees, on the Debt in such manner as the Mortgagee elects, or, at the Mortgagee's option, the entire amount or any part thereof, so received may be released or may be used to rebuild, repair or restore any or all of the improvements located on the Real Estate.

(Complete if applicable) This mortgage is junior and subordinate to the following mortgage or mortgages;

Date_____, Recorded in_____ Book_____, Page_____, _____ County, Alabama.

Date_____, Recorded in_____ Book_____, Page_____, _____ County, Alabama.

The Mortgagor hereby authorizes the holder of a prior mortgage encumbering the Real Estate, if any, to disclose to the Mortgagee the following information: (1) the amount of indebtedness secured by such mortgage; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or the indebtedness secured thereby; and (5) any other information regarding such mortgage or the indebtedness secured thereby which the Mortgagee may request from time to time.

If this mortgage is subordinate to a prior mortgage, the Mortgagor expressly agrees that if default should be made in the payment of principal interest or any other sum payable under the terms and provisions of such prior mortgage, or if any other event of default (or event which upon the giving of notice or lapse of time, or both, would constitute an event of default) should occur thereunder, the Mortgagee may, but shall not be obligated to, cure such default, without notice to anyone, by paying whatever amounts may be due, or taking whatever other actions may be required under the terms of such prior mortgage so as to put the same in good standing.

As used in this mortgage, the term 'Hazardous Substances' shall mean and include, without limitation, any asbestos, urea formaldehyde foam insulation, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related or unrelated substances or materials defined, regulated, controlled, limited or prohibited in any local, state or federal law, rule or regulation, whether now or hereafter in effect and as may be amended from time to time, pertaining to environmental regulations, contamination, clean-up or disclosure, including, without limitation the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, and the rules and regulations of the Occupational Safety and Health Administration pertaining to occupational exposure to asbestos. The Mortgagor covenants, warrants and represents and shall be deemed to continually covenant, warrant and represent during the term of this mortgage that, except as has been heretofore disclosed in writing to the Mortgagee with specific reference to this paragraph, (a) there are not now and shall not in the future be any Hazardous Substances on or under the Real Estate or in the improvements on the Real Estate, and no Hazardous Substances have been or will be stored upon or utilized in operations on the Real Estate or utilized in the construction of the improvements on the Real Estate, (b) there are no underground storage tanks, whether in use or not in use, located in, on or under any part of the Real Estate, (c) there are no pending claims or threats of claims by private or governmental or administrative authorities relating to Hazardous Substances, environmental Impairment, conditions, or regulatory requirements with respect to the Real Property, (d) the Real Estate and its use fully complies with all applicable building and zoning codes and other land use regulations, any applicable environmental laws or regulations, and any other applicable laws or regulations, (e) no part of the Real Estate has been artificially filled, and (f) Mortgagor shall give immediate oral and written notice to Mortgagee of its receipt of any notice of a violation of any law, rule or regulation covered by this paragraph, or of any notice of any other claim relating to Hazardous Substances or the environmental condition of the Real Estate, or of its discovery of any matter which would make the representations, warranties and/or covenants herein false or misleading in any respect. Mortgagor represents, warrants and covenants that, with respect to any release of a Hazardous Substance on or under the Real Estate or any contiguous property, the Mortgagor will: (a) cooperate fully, assist and provide access to persons who are authorized by the appropriate governmental agency to conduct response and cleanup activities at the Real Estate; (b) comply with any land use controls or restrictions established or relied on in connection with the response action at a facility and not impede the effectiveness or integrity of any institutional control employed at the facility in connection with the response action; (c) exercise approriate care in reponse to any such release, which shall include without limitation, taking reasonable steps to stop the release and prevent future releases, notifying appropriate governmental agencies of the situation and erecting and maintaining signs or fences to prevent or limit human, environmental or natural resource exposure to Hazardous Substances; and (d) comply with all information requests from the appropriate governmental agencies.

Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense incurred by Mortgagee on account of (i) the violation of any representation, warranty or covenant set forth in the preceding paragraph, (ii) Mortgagor's failure to perform any obligations of the preceding paragraph, (iii) Mortgagor's or the Real Estate's failure to fully comply with all environmental laws, rules and regulations, or with all occupational health and safety laws, rules and regulations, or (iv) any other matter related to environmental conditions or Hazardous Substances on, under or affecting the Real Estate. This indemnification shall survive the closing of the loan secured by this mortgage, payment of the Debt, the exercise of any right or remedy under this mortgage or any other document evidencing or securing such loan, any subsequent sale or transfer of the Real Estate, and all similar or related events or occurrences.

The Mortgagor hereby waives and relinquishes any and all rights the Mortgagor may now or hereafter have to any notice, notification or information from the Mortgagee, other than or different from such as specifically are provided for in this mortgage (including in this waiver and relinquishment, without limitation, notification of the Note Maker's financial condition, the status of the Note, or the fact of any renewal(s) or extension(s) of the Note).

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Mortgagee may, at Mortgagee's discretion, inspect the Mortgaged Property, or have the Mortgaged Property inspected by Mortgagee's servants, employees, agents or independent contractors, at any time and Mortgagor shall pay all costs incurred by Mortgagee in executing any such inspection.

The Mortgagor agrees to take good care of the Real Estate and all improvements located thereon and not to commit or permit any waste thereon and at all times to maintain such improvements in as good condition as they now are, reasonable wear and tear excepted.

Notwithstanding any other provision of this mortgage or the note or notes evidencing the Debt, the Debt 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.

The Mortgagor agrees that no delay or failure of the Mortgagee to exercise any option to declare the Debt due and payable shall be deemed a waiver of the Mortgagee's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in the mortgage may be waived, altered or changed except by a written instrument signed by the Mortgagor and signed on behalf of the Mortgagee by one of its officers.

After default on the part of the Mortgagor, the Mortgagee, upon bill filed or other proper legal proceeding being commenced for the foreclosure of this mortgage, shall be entitled to the appointment by any competent court, without notice to any party, of a receiver for the rents, issues and profits of the Real Estate, with power to lease and control the Real Estate, and with such other powers as may be deemed necessary.

UPON CONDITION, HOWEVER, that if the Mortgagor pays the Debt (which Debt includes the indebtedness evidenced by the promissory note or guaranty agreement referred to hereinbefore and any and all extensions and renewals thereof and all interest on said indebtedness and on any and all such extensions and renewals and, if the Real Property is not a consumer's principal dwelling within the meaning of the Truth in Lending Act. 15 USC Sections 1601 et seq., all other indebtedness, obligations and liabilities owing by the Borrower or the Mortgagor to the Mortgagee, whether now existing or hereafter incurred or arising, whether absolute or contingent, and whether incurred as maker or guarantor) and reimburses the Mortgagee for any amounts the Mortgagee has paid in payment of Liens or insurance premiums, and interest thereon, and fulfills all of its obligations under this mortgage, this conveyance shall be null and void. But if: (1) any warranty or representation made in this mortgage is breached or proves false in any material respect; (2) default is made in the due performance of a covenant or agreement of the Mortgagor under this mortgage; (3) default is made in the payment to the Mortgagee of any sum paid by the Mortgagee under the authority of any provision of this mortgage; (4) the Debt, or any part thereof, remains unpaid at maturity, whether by acceleration or otherwise; (5) any installment of principal or interest due on the Debt, or any deposit for taxes and assessments or Insurance premiums due hereunder, or any other sums to be paid by the Mortgagor hereunder or under any other instrument securing the Debt is not paid, as and when due and payable, or, if a grace period is provided, within such applicable grace period; (6) the interest of the Mortgagee in the Real Estate becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon; (7) any statement of lien is filed against the Real Estate, or any part thereof, under the statutes of Alabama relating to the liens of mechanics and materialmen (without regard to the existence or nonexistence of the debt or the lien on which such statement is based); (8) any law is passed imposing or authorizing the imposition of any specific tax upon this mortgage or the Debt or permitting or authorizing the deduction of any such tax from the principal or interest of the Debt, or by virtue of which any tax, lien or assessment upon the Real Estate shall be chargeable against the owner of this mortgage; (9) any of the stipulations contained in this mortgage is declared invalid or inoperative by any court of competent jurisdiction; (10) any Mortgagor or Borrower (a) shall apply for or consent to the appointment of a receiver, trustee or liquidator thereof or of the Real Estate or of all or a substantial part of such party's assets, (b) be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, (c) fail or admit in writing such party's inability generally, to pay such party's debts as they come due, (d) make a general assignment for the benefit of creditors, (e) file a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law, or (f) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against such party in any bankruptcy, reorganization or insolvency proceedings; or (11) an order for relief or other judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of any Mortgagor or Borrower or appointing a receiver, trustee or liquidator of any Mortgagor or Borrower or of the Real Estate or of all or a substantial part of the assets of any Mortgagor or Borrower; then, upon the happening of any one or more of said events, at the option of the Mortgagee, the unpaid balance of the Debt shall at once become due and payable and this mortgage shall 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 Real Estate and, after giving at least twenty-one days' notice of the time, place and terms of sale by publication once a week for three consecutive weeks in some newspaper published in the county in which the Real Estate is located, to sell the Real Estate in front of the courthouse door of said county, at public outcry, to the highest bidder for cash, and to apply the proceeds of said sale as follows: first, to the expense of advertising, selling and conveying the Real Estate and foreclosing this mortgage, including a reasonable attorneys' fee; second, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, Liens or other encumbrances, with interest thereon; third, to the payment in full of the balance of the Debt 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 paid to the party or parties appearing of record to be the owner of the Real Estate at the time of sale, after deducting the cost of ascertaining who is such owner. The Mortgagor agrees that the Mortgagee may bid at any sale had under the terms of this mortgage and may purchase the Real Estate if the highest bidder therefor. At the foreclosure sale the Real Estate may be offered for sale and sold as a whole without first offering it in any other manner or it may be offered for sale and sold in any other manner the Mortgagee may elect.

The Mortgagor agrees to pay all costs, including reasonable attorneys' fees, incurred by the Mortgagee in collecting or securing or attempting to collect or secure the Debt, or any part thereof, or in defending or attempting to defend the priority of this mortgage against any lien or encumbrance on the Real Estate, unless this mortgage is herein expressly made subject to any such lien or encumbrance; and/or all costs incurred in 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. The full amount of such costs incurred by the Mortgagee shall be a part of the Debt and shall be secured by this mortgage. 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 the owner of the Debt and mortgage, or auctioneer, shall execute to the purchaser, for and in the name of the Mortgagor, a statutory warranty deed to the Real Estate.

The Mortgagor agrees to pay all costs and expenses associated with the release or satisfaction of this mortgage.

Plural or singular words used herein to designate the undersigned shall be construed to refer to the maker or makers of this mortgage, whether one or more natural persons, corporations, associations, partnerships or other entities. 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 the Mortgagee's successors and assigns.

In witness whereof, the undersigned Mortgagor has (have) executed this instrument on the date first written above.

X _____ (SEAL) X Sara E. Higginbotham (SEAL)
SARA E. HIGGINBOTHAM

X _____ (SEAL) X James A. Smith (SEAL)
JAMES A. SMITH

X _____ (SEAL) X _____ (SEAL)

X _____ (SEAL) X _____ (SEAL)

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IMAGED 10032006

Acknowledgment for Individual

(Individual, Individual (with spouse), Individual (with other), Proprietorship)

STATE OF ALABAMA)

Shelby COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Sara E. Higginbotham / James H. Smith, whose name(s) is (are) signed to the foregoing instrument, and who is (are) known to me, acknowledged before me this day that, being informed of the contents of the instrument, he/she/they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 29 day of Sept, 2006.

Notary Public

My Commission Expires: MY COMMISSION EXPIRES FEBRUARY 18, 2009

AFFIX SEAL

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MORTGAGE DEED

TO

STATE OF ALABAMA

_____ County

Office of the Judge of Probate

I hereby certify that the within mortgage was filed in this office for record on the _____ day of _____, _____ at _____ o'clock _____M., and was duly recorded in Volume _____ of Mortgages, at page _____, and examined.

Judge of Probate

form M0360100
rev 7/2004

APPL # 20062400958281 AL

Bank:_____ Obligor #:_____

S & H CABINET

IMAGED 10032006

Legal Description

A parcel of land located in the NE1/4 of the SE1/4 of Section 1, Township 20 South, Range 3 West, more particularly described as follows:

Commence at the SW corner of the NE1/4 of the SE1/4 of Section 1, Township 20 South, Range 3 West; thence in a northerly direction along the Westerly line of said 1/4-1/4 section, a distance of 523.48 feet; thence 123 degrees 58 minutes right, in a southeasterly direction, a distance of 107.92 feet; thence 95 degrees 42 minutes 30 seconds left, in a northeasterly direction a distance of 350.87 feet; thence 90 degrees right, in a southeasterly direction, a distance of 60.0 feet to the point of beginning; thence continue along last described course, a distance of 100.0 feet; thence 90 degrees left, in a northeasterly direction, a distance of 327.06 feet; thence 94 degrees 55 minutes 30 seconds left, in a northwesterly direction a distance of 100.37 feet; thence 85 degrees 04 minutes 30 seconds left, in a southwesterly direction, a distance of 318.44 feet to the Point of Beginning.

Less and Except all of that certain property conveyed to Shelby Industrial Fabricators, Inc., a corporation, as recorded in Book 309, Page 821 in the Probate Office of Shelby County, Alabama.

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