RECORDATION REQUESTED BY:

20070425000189960 1/9 $372.50
Shelby Cnty Judge of Probate,AL
04/25/2007 08:32:46AM FILED/CERT

WHEN RECORDED MAIL TO:

Stock Building Supply
Construction Lending Division
PO Box 91147
Raleigh, NC 27675

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

CONSTRUCTION MORTGAGE

THIS IS A FUTURE ADVANCE MORTGAGE

THIS MORTGAGE dated April 16, 2007, is made and executed between CRESCENT CITY HOMES, INC., ar Alabama Corporation, whose address is 6280 HIGHWAY 13, HELENA, AL 35080 (referred to below as "Grantor" and Stock Loan Services, LLC, whose address is 8020 Arco Corporate Drive, Raleigh, NC 27617 (referred t below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings mprovements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (includin stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitatio all minerals, oil, gas, geothermal and similar matters, **(the "Real Property") located in SHELBY County, State of Alabama:**

See EXHIBIT A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein

The Real Property or its address is commonly known as LOT 21 HONEYSUCKLE, HELENA, AL 35080.

THE REAL PROPERTY DESCRIBED ABOVE DOES NOT CONSTITUTE THE HOMESTEAD OF THE GRANTOR.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rent from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Grantor whether or not th advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified i the Note, all future amounts Lender in its discretion may loan to Grantor, together with all interest thereon.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY NTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF GRANTOR'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN GRANTOR AND LENDER OF EVEN DATE HEREWITH. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of Alabama.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2 use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, an maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership o the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardou Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there ha been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of an kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neithe Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose o or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Granto authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deer

appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall b for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any othe person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property fo Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in th event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmles Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain c suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposa release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or shoul have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall surviv the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender' acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or t the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any othe party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's pric written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior writte consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender t replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to atten to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafte in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the American With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during an proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender' sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to thos acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve th Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complet construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or suc earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender wi disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by thi Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such othe documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Rea Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficia or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deec easehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest i or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) o the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall no be exercised by Lender if such exercise is prohibited by federal law or by Alabama law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, wate charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or fo services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal t the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxe and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over th obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other securit satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accru as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any advers judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished i the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and sha authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments agains the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, o any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of th work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Granto can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

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Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements o a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid applicatio of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintai comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insured in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, busines interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may b reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation tha coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing an disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing tha coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Rea Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Propert is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing th loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintai such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair c replacement exceeds $5000. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether o not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply th proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. I Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds fo the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disburse within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pa any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principa balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantc as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report o each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) th property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiratio date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash valu replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Granto fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pa when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf ma (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining an preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under th Note, or the maximum rate permitted by law, whichever is less, from the date incurred or paid by Lender to the date of repayment by Grantor All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balanc of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of an applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at th Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies t which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all lien and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinio issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority t execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property agains the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lende under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, bu Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, an Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit suc participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage sha survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time a Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly tak such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, bu Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Granto will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time t permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding c purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied t the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of a reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

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MPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and tak whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender fc all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including withou limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or an part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct fror payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or th holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made b Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have th same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided belov unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Lien section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part o this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, an Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender' security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at an time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financin statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantc shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property nc affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within thre (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interes granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of thi Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of thi Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause t be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, o rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens an security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred i connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name c Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for th purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sol opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise perform all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of thi Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and th Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, c any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage c in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any othe agreement between Lender and Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under thi Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or become false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of an collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencemen of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing th

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Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event c Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of th creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lende monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being a adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is nc remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or othe obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation part of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes o disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but sha not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manne satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment o performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, ma exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediatel due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured part under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, includin amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of thi right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents ar collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in paymen thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender i response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for th demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with th power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from th Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve witho bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Propert exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. Lender shall be authorized to take possession of the Property and, with or without taking such possession, after givin notice of the time, place and terms of sale, together with a description of the Property to be sold, by publication once a week for three (3 successive weeks in some newspaper published in the county or counties in which the Real Property to be sold is located, to sell th Property (or such part or parts thereof as Lender may from time to time elect to sell) in front of the front or main door of the courthouse o the county in which the Property to be sold, or a substantial and material part thereof, is located, at public outcry, to the highest bidder fo cash. If there is Real Property to be sold under this Mortgage in more than one county, publication shall be made in all counties where th Real Property to be sold is located. If no newspaper is published in any county in which any Real Property to be sold is located, the notic shall be published in a newspaper published in an adjoining county for three (3) successive weeks. The sale shall be held between th hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale under this Mortgage. Lender may bid a any sale had under the terms of this Mortgage and may purchase the Property if the highest bidder therefore. Grantor hereby waives an and all rights to have the Property marshalled. In exercising Lender's rights and remedies, Lender shall be free to sell all or any part of th Property together or separately, in one sale or by separate sales.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness du to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwis becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or th purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate th Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshallec In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or b separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the tim after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notic given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction witl any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to mak expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affec Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit o restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability c Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against an

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other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled t recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action i involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any tim for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bea interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosur reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay an court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall b given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), whe deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified o registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure fror the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that th purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor' current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor i deemed to be notice given to all Grantors.

CROSS DEFAULT/COLLATERALIZATION. The Note and other obligations secured by the Mortgage, Deed of Trust or Security Agreemen "Security Instrument") is or may also be secured by other security instruments. Any default under any instrument or agreement delivered t evidence or secure the Indebtedness, or executed in conjunction therewith, or in any of the Related Documents, shall be deemed an act c default by Borrower hereunder, entitling Lender to all remedies granted it upon default hereunder. Any act of default by Borrower under th Security Instrument shall be deemed an act of default by Borrower under any other instrument or agreement evidencing or given to secure th debt secured hereby, or executed in conjunction therewith, entitling Lender to all remedies granted it upon default thereunder.

CONSTRUCTION LIEN RIGHTS. Neither the grant of any Mortgage, Deed of Trust or Security Agreement ("Security Instrument") nor anything contained in the Security Instrument, nor Related Documents, shall impair, in any way, Lender's right to record a construction lien on all or an part of the Property.

REPLACEMENT OF NOTE. Upon receipt of evidence reasonably satisfactory to Grantor or Mortgagor of the loss, theft, destruction or mutilatio of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Granto or Mortgagor or, in the case of any such mutilation, upon surrender of the Note, Grantor or Mortgagor shall sign in lieu thereof a new note dated the date to which interest has been paid on the lost, stolen, destroyed or mutilated Note and otherwise of like tenor, with appropriat variations.

RIGHT OF REDEMPTION. Upon the institution of foreclosure proceedings by Lender, Borrower shall assign to Lender its right of redemption.

OBLIGATORY ADVANCE. Upon satisfaction of all conditions in this Mortgage, Deed of Trust or Security Instrument and all Related Document and provided Borrower is not otherwise in Default under the terms of the Mortgage, Deed of Trust or Security Instrument and Relate Documents, then Lender shall be obligated to advance the entire amount of the Note to the Borrower, with such advances made pursuant to th Lenders standard disbursement guidelines as the improvements on the Property are completed .

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties a to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing an signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail a Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connectio with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define th provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, th laws of the State of Alabama without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State o Alabama.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of SHELBY County State of Alabama.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writin and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or an other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise t demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealin between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any futur transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instanc shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may b granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to an circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be s modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceabilit of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

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Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at an time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be bindin upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person othe than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtednes by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by an party against any other party.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the Stat of Alabama as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specificall stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and term used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwis defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CRESCENT CITY HOMES, INC. and includes all co-signers and co-makers signing the Note and a their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinance relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments an Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq. the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, o regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of defau section of this Mortgage.

Grantor. The word "Grantor" means CRESCENT CITY HOMES, INC..

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, includin without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment whe improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardou Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials o waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleur and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on th Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note o Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note c Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender t enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Mortgage, together with a interest thereon.

Lender. The word "Lender" means Stock Loan Services, LLC, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated April 16, 2007, **in the original principal amount of $225,000.00** fron Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions fo the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafte owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, a replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insuranc proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmenta agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived fron the Property.

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GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

THIS MORTGAGE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS MORTGAGE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GRANTOR:

CRESCENT CITY HOMES, INC.

By: _____ (Seal)
SEAN DASSAU, President of CRESCENT CITY HOMES, INC.

This Mortgage prepared by:

Name: JONATHAN WILLIAMS, CSR
Address: 8020 Arco Corporate Drive
City, State, ZIP: Raleigh, NC 27617

CORPORATE ACKNOWLEDGMENT

STATE OF AL)
) SS
COUNTY OF SHELBY)

, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **SEAN DASSAU, President of CRESCENT CITY HOMES, INC.**, a corporation, is signed to the foregoing Mortgage and who is known to me, acknowledged before me on this day that being informed of the contents of said Mortgage, he or she, 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 17 day of APRIL, 20 07.

_____
Notary Public

My commission expires 08-29-10

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Exhibit A

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Commence at the SE corner of the SE ¼ of the NE ¼ of Section 26, Township 20 South, Range 4 West; thence run North 01°38'05" East along the East line of said ¼ - ¼ for 512.00 feet; thence run North 67°21'19" West for 717.19 feet to the Intersection of the Southerly right of way line of County Road 13 and the Easterly right of way of Honeysuckle Road, said point being the Point of Beginning; thence run North 77°20'05" East along the Southerly right of way line of said County Road 13 for 163.25 feet; thence run South 01°38'24" West for 170.76 feet to the Northeasterly right of way of said Honeysuckle Road; thence run North 68°58'50" West along said right of way with the following calls following said right of way for 72.11 feet to the point of beginning of a curve to the right having a central angle of 46°44'50" and a radius of 125.00 feet; thence run along the arc of said curve for 101.99 feet to the end of said curve; thence run North 22°14'00" West for 42.83 feet to the Point of Beginning.

& SHOCKLEY
ORNEYS AT LAW
PELHAM PARKWAY
ALABAMA 35124