

RECORD AND RETURN TO:
HOMEOWNERS MORTGAGE ENTERPRISES, INC.
2530 DEVINE STREET
COLUMBIA, SOUTH CAROLINA 29205
FINAL DOCUMENTATION DEPARTMENT

THIS INSTRUMENT WAS PREPARED BY:
HOMEOWNERS MORTGAGE ENTERPRISES, INC.
2530 DEVINE STREET
COLUMBIA, SOUTH CAROLINA 29205
FINAL DOCUMENTATION DEPARTMENT

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MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated **APRIL 16, 2007**, together with all Riders to this document.

(B) "Borrower" is

EARL T. MOORE, JR AND REBECCA F. MOORE, HUSBAND AND WIFE

Borrower is the mortgagor under this Security Instrument.

(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, Michigan 48501-2026, tel. (888) 679-MERS.

ALABAMA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT (MERS)

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Form 3001 1/01
[Signature] *RA 27*



Mike Atchison

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(D) "Lender" is
HOMEOWNERS MORTGAGE ENTERPRISES, INC.

Lender is a CORPORATION
organized and existing under the laws of THE STATE OF SOUTH CAROLINA
Lender's address is
2530 DEVINE STREET, COLUMBIA, SOUTH CAROLINA 29205

(E) "Note" means the promissory note signed by Borrower and dated APRIL 16, 2007

The Note states that Borrower owes Lender

THREE HUNDRED FIFTY THOUSAND AND 00/100- -----

Dollars (U.S. \$ 350,000.00) plus interest. Borrower has promised to pay this debt
in regular Periodic Payments and to pay the debt in full not later than MAY 01, 2038

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the
Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late
charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following
Riders are to be executed by Borrower [check box as applicable]:

- ☐ Adjustable Rate Rider ☐ Condominium Rider ☐ Second Home Rider
☐ Balloon Rider ☐ Planned Unit Development Rider ☐ Biweekly Payment Rider
☐ 1-4 Family Rider
☒ Other(s) [specify] CONSTRUCTION/PERMANENT RIDER TO SECURITY

INSTRUMENT

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations,
ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final,
non-appealable judicial opinions.

(J) "Community Association Dues, Fees, and Assessments" means all dues, fees, and assessments
and other charges that are imposed on Borrower or the Property by a condominium association,
homeowners association or similar organization.

(K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by
check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic
instrument, computer, or magnetic tape so as to order, instruct or authorize a financial institution to debit
or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller
machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse
transfers.

(L) "Escrow Items" means those items that are described in Section 3.

(M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds
paid by any third party (other than insurance proceeds paid under the coverages described in Section 5)
for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of
the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to,
the value and/or condition of the Property.

(N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default
on, the Loan.

(O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under
the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its
implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to
time, or any additional or successor legislation or regulation that governs the same subject matter. As

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used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, with power of sale, the following described property located in the **COUNTY** of **SHELBY** :

[Name of Recording Jurisdiction]

[Type of Recording Jurisdiction]

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

which currently has the address of **206 STINSON ROAD**

[Street]

COLUMBIANA

, Alabama **35051**

("Property Address"):

[City]

[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

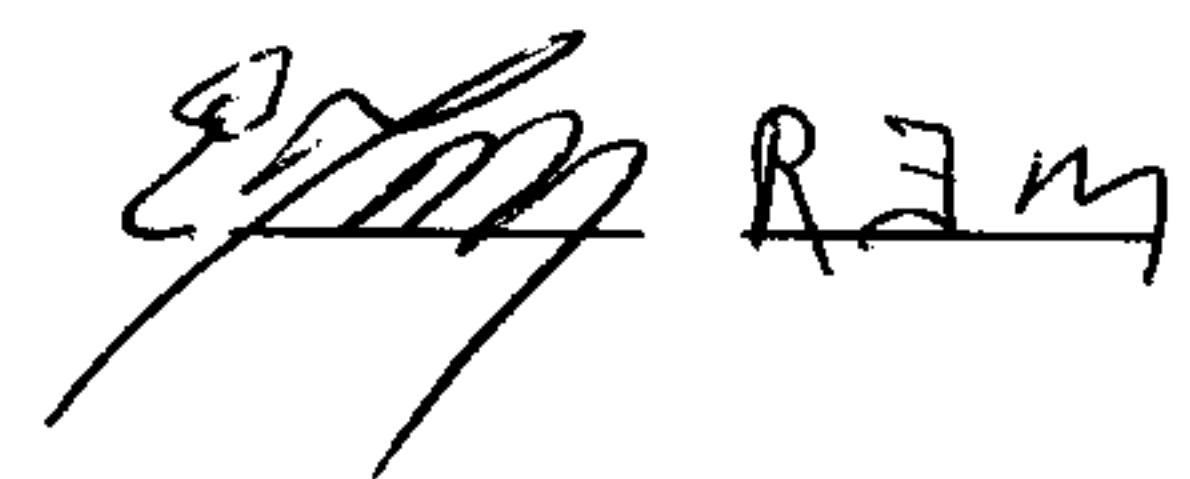
BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and



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assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

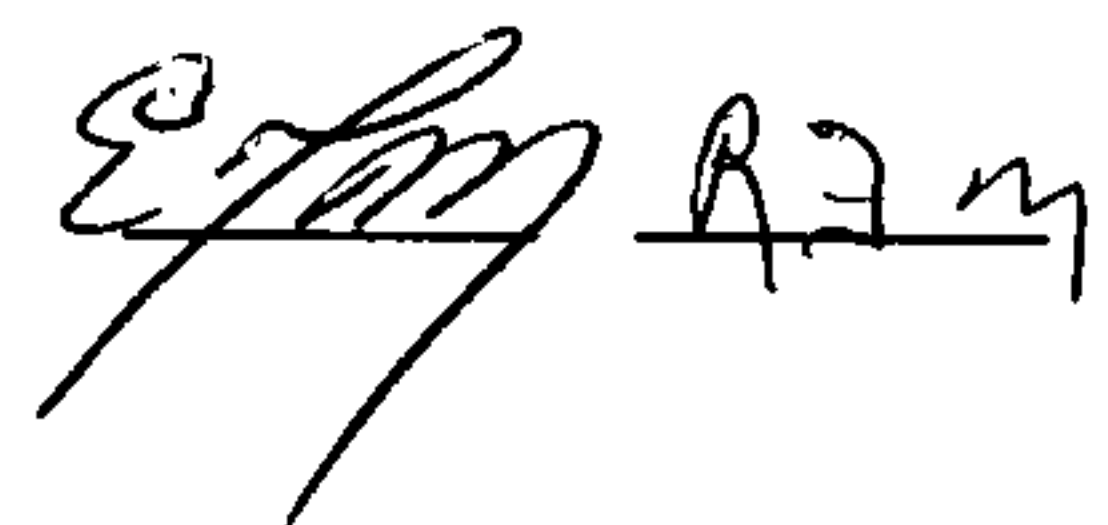
The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time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

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

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender



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subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security

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Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this

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Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

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(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

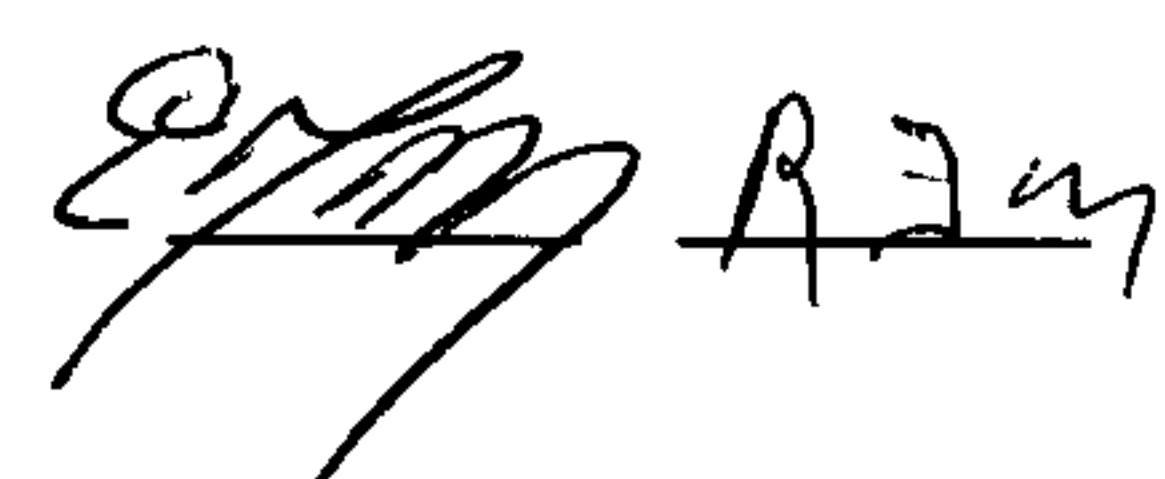
In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's



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interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

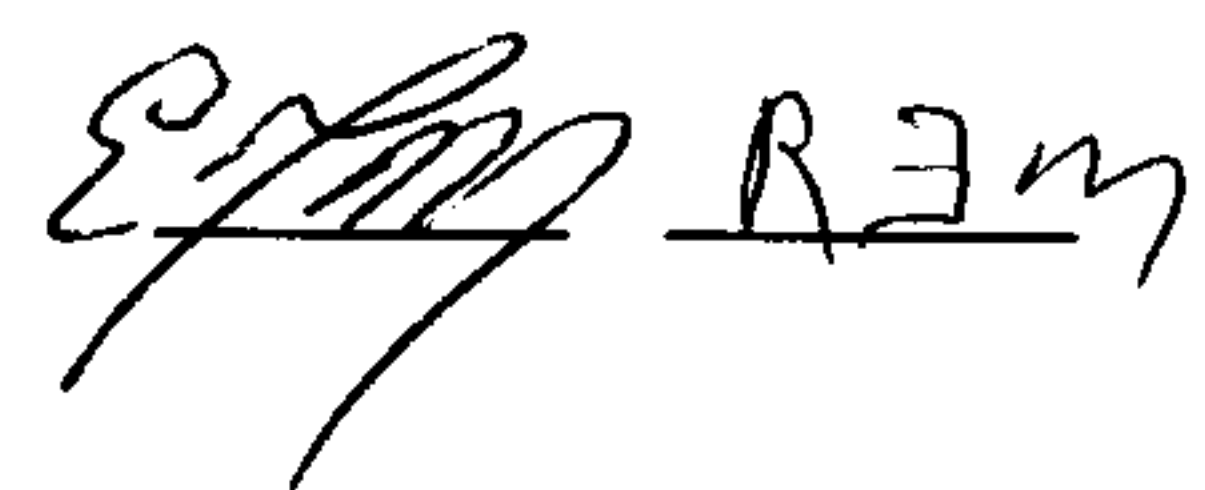
13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed

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to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for

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the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

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Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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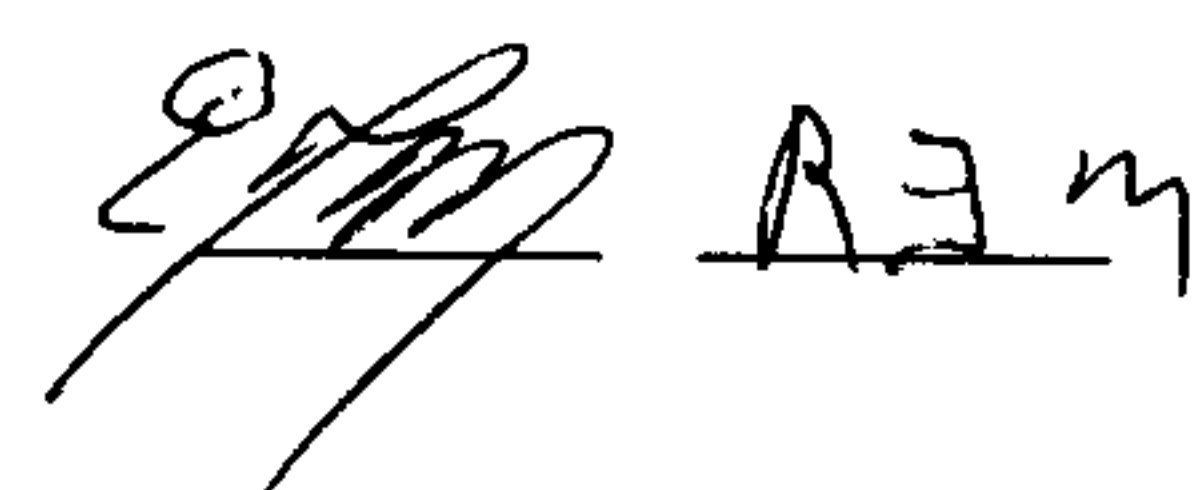
NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in _____ County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property.

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Shelby Cnty Judge of Probate, AL
05/04/2007 10:46:35AM FILED/CERT

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

BORROWERS:

Earl T. Moore, Jr (Seal)
EARL T. MOORE, JR - Borrower

Rebecca F. Moore (Seal)
REBECCA F. MOORE - Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

WITNESSES:

____ - Witness ____ - Witness

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Shelby Cnty Judge of Probate, AL
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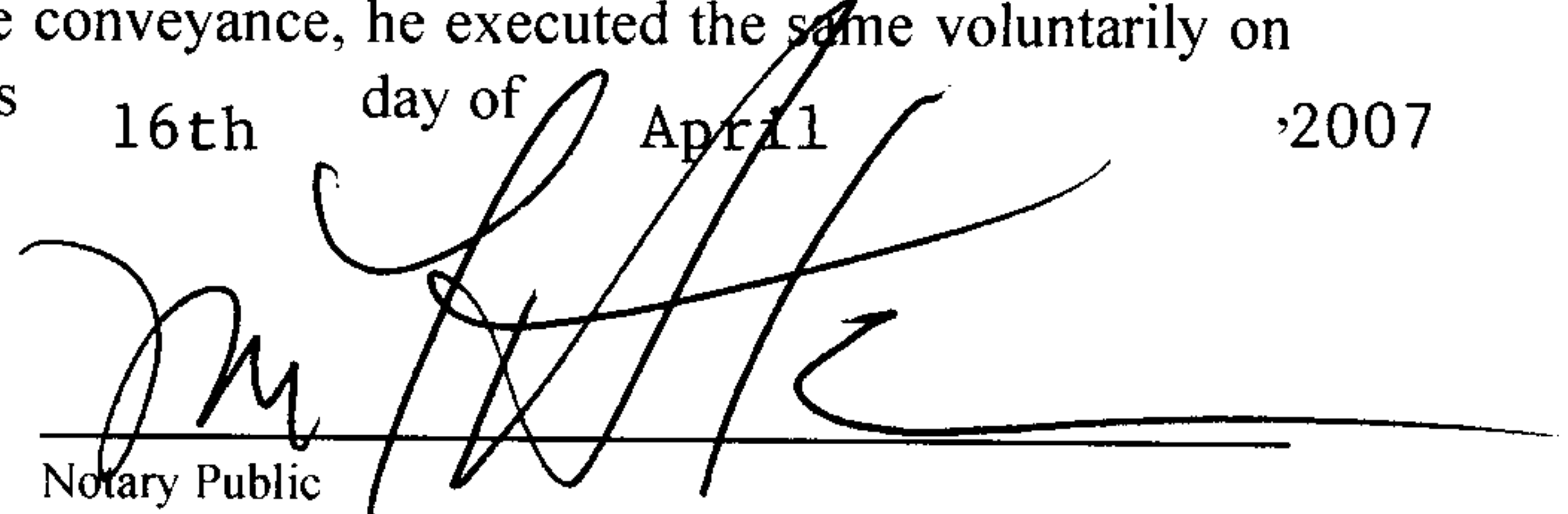
The State of ALABAMA, SHELBY County

I MICHAEL T. ATCHISON
hereby certify that

EARL T. MOORE, JR. AND REBECCA F. MOORE

whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me
on this day that, being informed of the contents of the conveyance, he executed the same voluntarily on
the day the same bears date. Given under my hand this 16th day of April 2007
A.D.

My commission expires: 10/16/08


Notary Public

Fannie Mae/Freddie Mac UNIFORM INSTRUMENT 1/01

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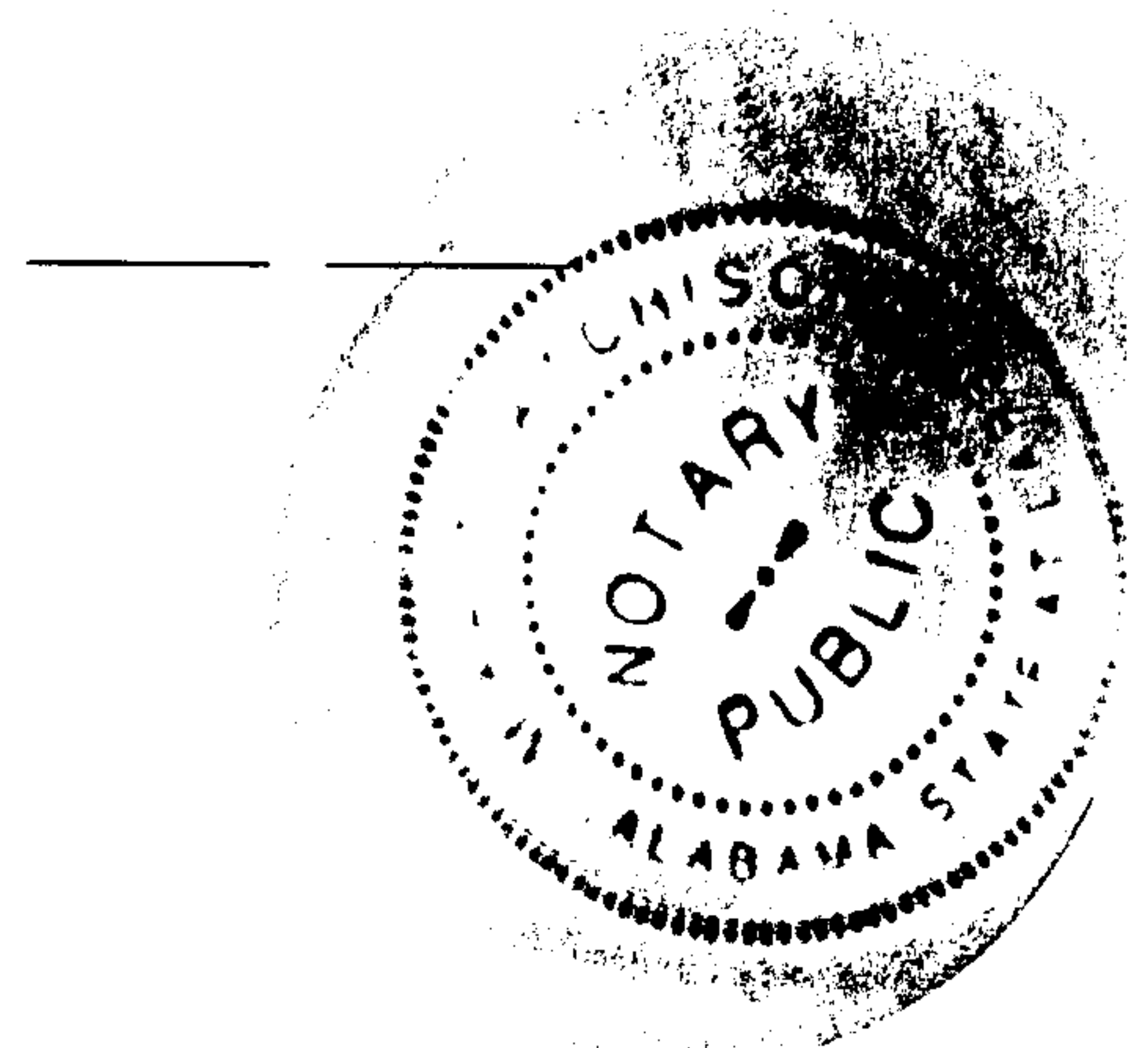


EXHIBIT A


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Shelby Cnty Judge of Probate, AL
05/04/2007 10:46:35AM FILED/CERT

Commence at the NW corner of the NE $\frac{1}{4}$ of SW $\frac{1}{4}$, being the POINT OF BEGINNING; thence S 00 degrees 02 minutes 47 seconds W, a distance of 330.43 feet; thence S 89 degrees 00 minutes 08 seconds E, a distance of 1330.44 feet; thence N 00 degrees 01 minutes 41 seconds W, a distance of 329.64 feet; thence N 88 degrees 58 minutes 05 seconds W, a distance of 1330.02 feet to the POINT OF BEGINNING, lying in Section 19, Township 21 South, Range 1 East, Shelby County, Alabama.

ALSO AND INCLUDING a 20' Ingress/Egress and Utility Easement lying 10' either side of and parallel to the following described centerline:

Commence at the NW corner of above said SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; thence South 00 degrees 00 minutes 42 seconds East, a distance of 1,321.70 feet; thence South 00 degrees 02 minutes 47 seconds West, a distance of 330.43 feet; thence South 89 degrees 00 minutes 08 seconds East, a distance of 192.50 feet; thence North 02 degrees 58 minutes 03 seconds West, a distance of 5.85 feet to the POINT OF BEGINNING OF SAID CENTERLINE; thence North 31 degrees 46 minutes 11 seconds East, a distance of 106.02 feet; thence North 24 degrees 55 minutes 51 seconds East, a distance of 290.15 feet; thence North 08 degrees 17 minutes 35 seconds East, a distance of 74.25 feet; thence North 05 degrees 46 minutes 11 seconds West, a distance of 92.28 feet; thence North 06 degrees 10 minutes 32 seconds East, a distance of 53.10 feet; thence North 25 degrees 51 minutes 35 seconds East, a distance of 126.05 feet; thence North 35 degrees 36 minutes 51 seconds East, a distance of 115.43 feet; thence North 18 degrees 13 minutes 40 seconds East, a distance of 116.42 feet; thence North 30 degrees 59 minutes 10 seconds East, a distance of 102.11 feet to the POINT OF ENDING OF SAID CENTERLINE.

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Shelby Cnty Judge of Probate, AL
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MIN # 100036100007006434

CONSTRUCTION/PERMANENT LOAN RIDER TO MORTGAGE

THIS RIDER is executed to be effective as **APRIL 16, 2007**, is attached to and made a part of the note and mortgage dated of even date in the principal amount of **\$350,000.00** note and payment terms during the Construction Phase (defined below) are set forth below. To the extent the terms of this Rider are inconsistent with the terms of the Note, the terms of this Rider shall control during the Construction Phase.

1. **LOAN.** Pursuant to the terms of a Construction Loan Agreement between the Lender and the Borrower (the "Construction Loan Agreement") and in accordance with the Lender's commitment letter to Borrower (the "Commitment"), Lender has agreed to advance funds to Borrower to finance the construction of improvements consisting of a residential home and amenities (the "Residence") on certain real property of Borrower (the "Property") and to finance or refinance the purchase of this Property. The Residence and Property secure the Borrower's obligations under the Note pursuant to a Mortgage as of the same date as the Note given by Borrower to Lender (the "Security Instrument"). All advances pursuant to the Construction Loan Agreement and evidenced by the Note shall be made in accordance with the terms and conditions set forth in the Construction Loan Agreement, which is incorporated herein by reference. The construction of the Residence shall be completed and all other Conditions of Conversion to Permanent Phase (defined below) shall be satisfied by Borrower on or before **04/30/08** (the "Conversion Date").

2. **INTEREST.** During the period of time commencing on the date of the Note and ending on the Conversion Date (the "Construction Phase"), interest shall accrue on the outstanding principal balance of the Note from the date of each advance at an annual rate equal to **6.75%**. During the period of time commencing on the Conversion Date and ending on the Maturity Date of the Note (the "Permanent Phase"), interest shall accrue on the outstanding principal balance of the Note at the rate set forth in the Note, or any modification thereof, computing on the day of receipt by Lender of the final inspection report of the Residence from the appraiser. During the Construction Phase, interest on the Note shall accrue and be calculated on a 365-day annual basis that computes a daily amount of interest, then multiplies such amount by the actual number of days in each interest calculation period.

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3. **PAYMENTS.** During the Construction Phase, Borrower shall make monthly payments of all accrued interest on the first day of each month beginning on the first day of the first month following the first advance under the Note. In the event the Conversion Date is on a day other than the last day of a month, Borrower also shall make a payment of all accrued interest on the Conversion Date. If all of the Conditions of Conversion to Permanent Phase set forth in Section 4 below are not satisfied by Borrower on or before the Conversion Date, this Note shall mature, and become immediately due and payable in full.

4. **CONDITIONS OF CONVERSION TO PERMANENT PHASE.** If all of the Conditions of Conversion to Permanent Phase are satisfied by Borrower on or before the Conversion Date, then effective as of the Conversion Date, the interest rate, monthly payments and maturity date shall convert to the terms set forth in the Note, unless the rate changes as set forth in Section 5 below. All items to be provided by Borrower to Lender under the Conditions of Conversion to Permanent Phase shall be at the sole cost and expense of Borrower.

The Conditions of Conversion to Permanent Phase (collectively the "Conditions of Conversion"), all of which must be completed to the satisfaction of Lender in its sole discretion, are as follows:

- (a) As of the Conversion Date, Borrower shall not be in default, and no event shall have occurred which with the passage of time or the giving of notice or both would constitute a default under the Note, Commitment, the Construction Loan Agreement, the Security Instrument, or any other instrument securing or guaranteeing the Note.
- (b) Lender shall have received evidence satisfactory to Lender that the Residence has been completed lien free in accordance with the plans and specifications previously submitted to and approved by Lender and in accordance with all applicable laws and regulations and any applicable restrictive covenants and setback requirements. Such evidence may, at Lender's option, include written certification by the general contractor and the project architect and/or inspector that the improvements have been completed in accordance with the Plans and Specifications and in accordance with all applicable laws and regulations, including without limitation applicable zoning requirements, building costs, laws and regulations governing utilities, and laws and regulations governing wetlands and environmental matters.
- (c) Borrower shall have provided to Lender a certificate of occupancy for the Residence issued by the applicable governmental authorities.
- (d) Borrower shall have provided to Lender evidence that all construction costs for the Residence and the Property have been paid.
- (e) Lender shall have received an as-built survey satisfactory to Lender and sufficient to cause the title insurance company to delete all survey exceptions from the title insurance policy provided to Lender.
- (f) Borrower shall have caused title to the Property to be updated and shall have provided to Lender a title insurance endorsement, in form and content satisfactory to Lender, insuring the full amount advanced, changing the date of the policy to the date of the last advance, deleting any exception for mechanics' or materialmen's liens, deleting all survey exceptions, insuring against any encroachment of any portion of the Improvements into any easements or rights-of-way or onto property other than the Property, and providing such other coverage as Lender may require.

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- (g) Borrower shall have provided to Lender a fully-paid permanent all-risk hazard insurance policy and, if applicable, a fully-paid flood insurance policy, in accordance with the terms of the Security Instrument.
- (h) Borrower shall have provided to Lender evidence of payment of ad valorem real property taxes, or such other taxes or assessments which may attach and become a lien against the Residence and the Property, if such taxes and assessments become due and payable prior to the Conversion Date.
- (i) All escrow deposits required by the Security Instrument shall have been made by Borrower to Lender, and Borrower shall have paid to Lender any fees, discounts, or other sums due by Borrower to Lender, including any interim interest that may accrue from the Conversion Date to the last day of the month.
- (j) Borrower shall have paid all necessary premiums, if applicable, for private mortgage insurance required by Lender.
- (k) Borrower shall, if requested by Lender, furnish evidence of compliance with the septic tank permit or a sewer tap receipt and well/water installation approval.
- (l) Borrower shall have provided to Lender evidence of termite treatment or a soil treatment guaranty.
- (m) Borrower shall have complied with all other applicable provisions of the Commitment and the Construction Loan Agreement.
- (n) If the interest rate is adjusted, or any other terms of the Note or other loan documents are changed or modified, Borrower shall have executed a modification agreement, in form and content acceptable to Lender, which is title insured in accordance with the provisions of Section 4(f) above and which is recorded, if necessary.

5. EXTENSION OF CONVERSION DATE. If all Conditions of Conversion have not been satisfied by Borrower as required in Section 4 above, Lender may, at Lender's sole option and discretion declare a default and pursue all remedies available to Lender or unilaterally extend the Conversion Date to a date which is not later than thirty days (30) days after the date specified as the Conversion Date in Section 1 of this Rider. As a condition to Lender's consent to extend the Conversion Date, Lender may renegotiate any provision of the Note, including but not limited to, increasing or decreasing the interest rate and increasing or decreasing the amount of discount points and other loan fees. Nothing contained herein shall be construed as an agreement or obligation by Lender to extend the Conversion Date in the event all Conditions of Conversion have not been fully satisfied by Borrower within the time required.

6. WAIVERS. Notwithstanding any other provision in the Note, Security Instrument, Construction Loan Agreement, Commitment or any other documents or instruments related to the Note, prior to the Conversion Date, Borrower (i) waives all notices, demand, presentments for payment, notices of nonpayment, notices of intention to accelerate the maturity, notices of acceleration, notices of dishonor, protest and diligence in collecting or bringing suit under the Note, and (ii) agrees to all extensions, renewals, partial payments, release or substitution of all or any part of the security for the Note or the release of any parties liable under the Note.

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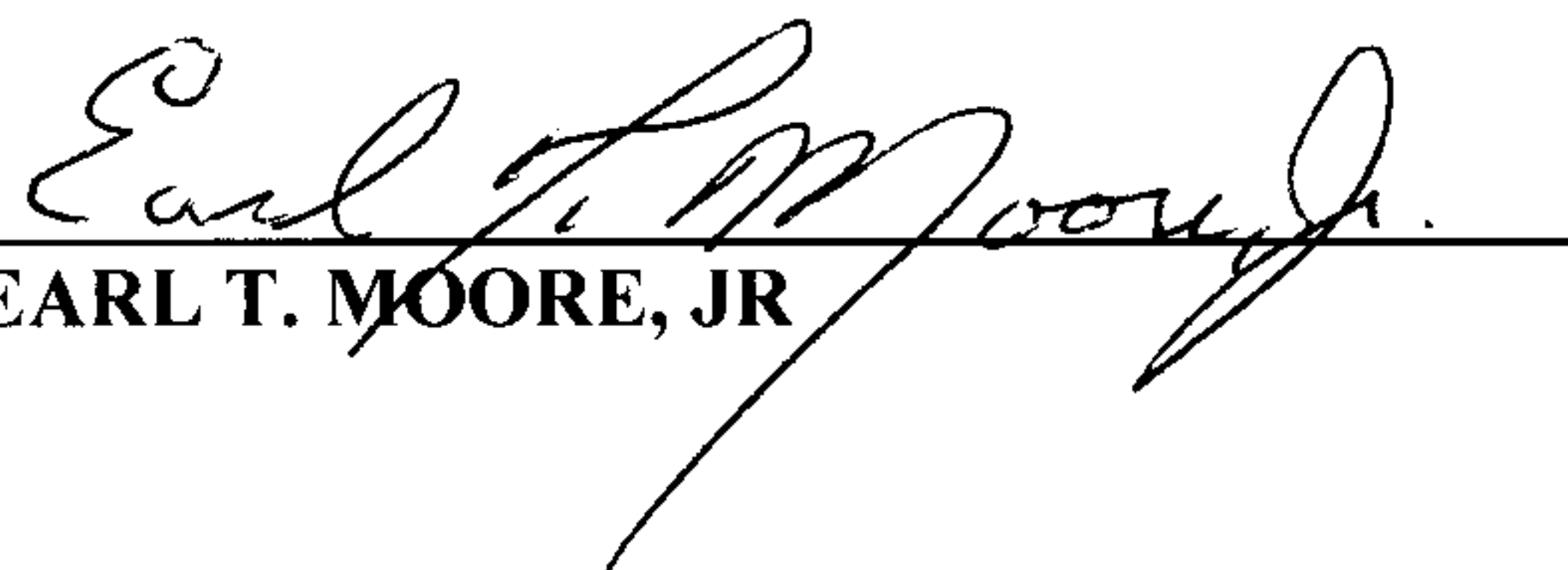
7. **FURTHER ASSURANCES.** Borrower, at Lender's request, will execute any documents which Lender deems necessary or appropriate to properly evidence any changes to the Note or any other documents related to the Note. Borrower's failure to execute such documents reflecting any such changes shall constitute an event of default under the Note, Security Instrument, the Construction Loan Agreement, and any other documents related to the Note.

8. **OTHER DOCUMENTS AND DEFAULTS.** In addition to the protection to the Lender under the Note, the Security Instrument protects the Lender from possible losses which might result from a default by Borrower, and the Construction Loan Agreement controls the disbursement by the Lender of the principal sum of the Note. A default under the Security Instrument or the Construction Loan Agreement will constitute a default under the Note and a default under the Note will constitute a default under the Security Instrument and the Construction Loan Agreement. Upon the occurrence of any default under the Note, the Security Instrument or the Construction Loan Agreement, Lender may declare the then unpaid principal balance and all accrued interest under the Note immediately due and payable without notice and pursue any other remedies available to Lender under the Note and any documents related to the Note, at law or in equity. The failure of the Lender to accelerate the Note in the event of any such default shall not constitute a waiver on the part of Lender of the right to exercise such right of acceleration at any other time.

9. **SALE TO THIRD PARTIES.** In the event the Note and the Security Instrument securing the Note are sold and assigned in whole or in part to any investor or other lender during the Construction Phase all rights of Lender shall pass on to such investor or other lender as if they were the original Lender. In the event the Note and the Security Instrument securing the Note are sold and assigned in whole or in part to any investor, including but not limited to, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Corporation or other governmental agency, after the Conversion Date, then in such event, this Rider shall be null and void as of the date of such sale and assignment and such investor shall be deemed a holder in due course for all purposes.

10. **TERMS.** Except as amended or supplemented by this Rider, the terms and provisions of the Note shall remain unchanged and in full force and effect.

Executed as of the same date of the Note and Security Instrument to which this Rider is attached.


EARL T. MOORE, JR


REBECCA F. MOORE

CONSTRUCTION LOAN AGREEMENT

20070504000208140 22/23 \$602.00
Shelby Cnty Judge of Probate, AL
05/04/2007 10:46:35AM FILED/CERT

The undersigned expressly covenant with **Homeowners Mortgage Enterprises, Inc.**, hereinafter referred to as **Lender**, and agree in consideration of the granting of a loan to **EARL T. MOORE, JR AND REBECCA F. MOORE**

to be secured by property and improvements described as **206 STINSON ROAD COLUMBIANA, ALABAMA 35051** ; titled in the name of the Borrower and/or

Owner(s) of an interest in the property who will not sign the Note, but will sign the Mortgage (collectively referred to as **Owner** hereafter); to have a structure built or improvements added by the undersigned **Contractor**; to the following:

1. To immediately furnish Lender with an approved and acceptable contract duly executed by the owner and contractor, showing the entire agreement between the owner and the contractor relative to the construction of the proposed building or addition and the cost thereof, said cost to be a **Maximum Guaranteed Contract Price** to include materials, labor, and any Contractor's fee and is guaranteed to be and not to exceed **\$ 518,376.00**
2. To immediately furnish Lender a full set of detailed plans (minimum requirements: floor plan drawn to scale showing all center to center measurements; and front and side elevations) and a complete set of specifications to include the description of materials, the cost breakdown and any allowances, and the location of the property. Said plans and specifications are to be a part of the contract and are to be signed by the owner and contractor.
3. Owner agrees: A) to execute and deliver a note and mortgage in the amount of the approved construction loan and such other loan and security documents as Lender may require, in form and content acceptable to Lender; B) to provide a title opinion or mortgagee title insurance, if required, acceptable to Lender with no exceptions, except as may be approved by Lender other than real property taxes not yet due and payable; C) to provide hazard insurance/builders risk (completed value form, fire, vandalism, malicious mischief, theft and extended coverage required) in an amount which is the greater of the loan amount or 100% of the insurable value of the security property with a company acceptable to Lender and contains the standard mortgagee loss payable clause in favor of Lender, its successors and/or assigns, as their interest may appear; D) to provide flood insurance if any portion of the improvements are located in a Special Federal Flood Area; E) to obtain when requested by Lender the approval of Lender's attorneys on all legal matters pertaining to the loan; and F) not to place any additional mortgages or liens on the security property without the prior written approval of Lender.
4. Contractor acknowledges and certifies that he will maintain at all times Workmen's Compensation Insurance and public liability coverage in a sum acceptable to Lender. Should the Contractor decline in writing to accept this responsibility the Owner understands and agrees such responsibility will immediately become his.
5. To furnish a survey: to be completed prior to the first draw or disbursement of construction funds and after the foundation of the building is complete. If requested by lender a second survey to be completed prior to the last draw or disbursement of construction funds and after all improvements have been completed, to include all driveways, sidewalks, out-buildings, etc., if applicable. The surveys are to be in the name of the mortgagor (as it appears on the deed and mortgage) and will not require an exception on the title opinion or title insurance policy if required; they must show no encroachments or violations unacceptable to Lender; they must be prepared and certified by a certified land surveyor and include all items required for a mortgage survey to include, but not be limited to: A) the dimensions of the security property; B) the location of all easements of record affecting the security property, specifying the holder of each such easement and the pertinent recordation information; C) any and all building restrictions and/or setback lines; D) means of ingress and egress; E) the location of well and septic tank, if applicable; F) the location of the nearest public road; and G) contain the Flood Zone Statement.
6. To cause commencement of construction within 30 days after loan closing and continue to erect and complete without delay the building: A) free from all mechanic's liens or other claims affecting the security property; B) in compliance with the building restrictions and ordinances; C) within the boundaries of the security property, and not to encroach on any easement, right-of-way, or lands of others; D) in accordance with the plans and specifications and contract submitted to Lender, further, no changes will be made to the plans, specifications, or contract without written consent of Lender and submitted to Lender in the form of a change order.
7. To not use the construction loan proceeds for any purpose other than for: A) the payment of loan costs, labor, materials, subcontractors; B) purchase of or the satisfaction of existing liens on the security property (those liens of record as of this date); C) such other uses and purposes in and for the construction of or addition to the building; and that there will be no unpaid bills after the proceeds of the construction loan have been received in full.
8. The initial draw or disbursement of construction funds will not be made until all loan documents have been executed, delivered and recorded and Lender has received: A) all items specified in Paragraph 3 herein, together with building and utility permits (to include septic tank permit, when applicable); B) the "foundation" survey (this may be waived when the first draw is applied to the purchase of or the satisfaction of an existing lien on the lot only); C) such other documents that Lender may reasonably require (to include proof of an acceptable water supply, such as a well, when applicable); D) the inspection report shows the dwelling to be substantially "in the dry" and the percentage complete is equal to or greater than 25%. **Furthermore, all equity funds of the Owner (the contract price plus closing costs less the loan amount) must have been paid to the Contractor and evidence of the same provided to Lender, and appropriate lien waivers executed. The owner is required to 1) provide copies of cancelled checks made payable to the contractor, or 2) disburse the equity funds at our office where lien waivers may be executed by the contractor for all of the equity funds disbursed. These funds must come from the same source as indicated on the loan application under the "Source of Downpayment and Settlement Charges" section.** If the home is a Modular: Contractor understands that disbursements can be made only for work in place and not for the materials on site. Specifically, no disbursement can be made until the modular units are in place and attached to the permanent foundation. At that time, an inspection will be required and funds will be disbursed based on a percentage of the completion method.
9. Subsequent disbursements will not be made until an inspection by Lender's representative reveals a percentage of completion satisfactory to Lender. A fee of **\$ 950.00** has been charged to cover the costs of administering the loan (Lender fee of \$450 plus applicable inspection fees) and **5** inspections. Inspection and draw request in excess of this number will require an additional fee of **\$ 100.00** for each such request plus a \$25.00 service charge for issuance of the requested draw. Lender may require a minimum 5 day notice prior to disbursement of construction funds. Without prior written approval by Lender, no more than one draw request may be made during any one month. **Lender will retain and not disburse 10% of the total cost to construct the building only (for this purpose the cost or value of the lot or land is excluded) prior to final draw or disbursement of construction funds. Furthermore, for those loans that exceed 80% of the total cost of the house and lot or the appraised value, whichever is less, total disbursements can never exceed this 80% amount until the final draw.**
10. That Lender or its representative is making its inspections for Lender's information and for protection of its interest as mortgagee only. In so doing, Lender assumes no responsibility to the Owner or Contractor and makes no warranty to either the Owner or Contractor as to construction of the building
11. The final draw or disbursement of construction funds will not be done until: A) the building and all improvements are 100% complete, the improvements to include driveways, landscaping, painting, etc., **even if these items are to be completed by someone other than the Contractor and are not part of the contract**; B) a Certificate of Completion has been issued by the appropriate party; C) a Certificate of Occupancy has been issued by the appropriate agency or municipality; D) the "completed" survey and applicable title insurance riders have been received; E) a "soil treatment" letter issued by a certified pest inspector has been received; F) all lien waivers stating all outstanding bills have been or will be paid are executed; G) any loan modification agreements or such other documents necessary to complete the loan package have been executed; and H) affidavits approving the building and releasing Lender from any further claims in connection therewith have been executed by all parties.
12. Disbursement checks will be made payable to the Owner and Contractor except when a specific draw, other than the final draw, is requested in writing by the Owner or Contractor to be made payable to the other party only. In all cases, the final draw will be made payable to the Owner and Contractor.

13. Lender or its representative has the right to enter and inspect the building at reasonable times and to inspect and copy all Owner or Contractor books and records pertaining thereto. Furthermore, the undersigned agree to furnish, when requested, an itemization of expenditures to date, items due and payable, and items necessary for completion, and to support same with receipted bills, affidavits, lien waivers, and other satisfactory evidence of payment.

14. This Construction Loan Agreement, together with the Note and Mortgage and other security instruments, constitute the loan documents. In the event of a default of the undersigned in any terms, conditions, covenants, warranties or representations made herein or under any other loan document; or **should the undersigned fail to complete the building or addition as outlined in paragraph 11 herein and satisfy all requirements thereof, within 12 months of the loan closing, this period begins the day of loan closing and concludes on the same calendar day the number of months specified above after the loan closing**; or should there be a discontinuance of all work thereon for a space of more than 3 weeks without good cause shown; Lender is hereby authorized to take possession of the security property, complete the building or addition under construction thereon, without incurring liability to the undersigned, and/or may also immediately institute foreclosure proceedings thereunder, whether or not there has been a default in payment of the Note.

15. Due to the nature of construction loans and the time required to complete construction or additions, time constraints and loan pricing can be critical. For this reason **Lender reserves the right, at Lender's option, to extend the number of months specified in paragraph 14 herein. In so doing, Lender will require A) an extension fee equal to .5 % of the loan amount for each 30 day period or portion thereof, that the construction period is extended; or B) a modification up of the Note interest rate not to exceed N/A basis points; whichever Lender may choose.**

16. That all expenses for appraisals, credit reports, title examination, insurance policies, and other costs incurred with the application will be paid by the Borrower whether or not the loan has been made.

17. That Owner has accepted, and hereby accepts the sole responsibility for the selection of his own Contractor and contractors of materials, supplies and equipment to be used in the construction, and that Lender assumes no responsibility for the completion of said building or addition, according to contract, plans and specifications. **Should the proceeds of the loan be insufficient to complete the building or addition, in accordance with the contract, plans and specifications and any agreed upon and approved extras, the Owner certifies that he has sufficient funds available and agrees to furnish such funds as may be necessary to complete the building or addition in accordance with the contract, plans and specifications, and the agreed upon and approved extras.**

18. Interest will be computed monthly based on the actual number of days outstanding for all funds disbursed. For this computation, the funds will be considered outstanding on the date the funds become available to be picked up, whether or not the funds are transferred or not. Interest will be billed at the end of each month for that month and will be considered late on the 16th day of the month following that month for which the interest is billed. A late charge of \$ N/A or 5 % of the payment due will be added on that day.

19. Owner shall permit Lender to erect one sign on the property during the construction phase referring to Lender as providing the Construction financing.

20. That Lender may refuse to proceed with this loan, to include the refusal to disburse additional construction funds if: A) there is a breach of any warranty, agreement, or condition herein; B) the loan is in default; C) Lender has been put on "notice" of any mechanic's liens or potential liens; and D) any interest payment is not paid and is considered late.

21. In the event of a default Owner shall pay the costs, expenses and reasonable attorneys' fees incurred by Lender, in connection with any collection and/or foreclosure proceeding.

22. In the event of the death of the Owner, Lender may, in case the construction is continued, under the terms of this Agreement continue to make disbursements to the Owner's Executors, Administrators, or legal representatives, and all sums so disbursed shall be deemed disbursements under this Agreement, as if made to the Borrower/Owner in his lifetime and shall be fully secured by the mortgage.

23. Any controversy or dispute arising out of this agreement or a breach thereof shall be determined and governed under the laws of the state in which the property is located.

24. That construction on the building or addition: A) has not commenced; or; B) was begun on 04/16/07 and all accounts for labor performed and materials furnished therefore have been fully paid or will be paid from the first draw or disbursement of construction funds from this loan.

25. **That Lender is not now and will not at any time in the future act as agent for the undersigned, and that Lender bears no responsibility for the completion of the building and/or addition, or any faulty construction thereof, but that said responsibility shall be solely between the Owner and Contractor in accordance with their written agreement.**

26. Contractor agrees that any rights that may have accrued or may accrue by virtue of any agreement or contract with the Owner in connection with the said property and improvements are hereby subordinated to the mortgage of Lender.

27. Nothing contained in this Agreement shall obligate any Owner who does not sign the Note further than to bind such Owner's right, title, and interest in the mortgaged property and on default hereunder no deficiency or other personal judgment shall be demanded or entered against such owner; but extension of time for payment or performance under this Agreement, and modification of any term or condition of this Agreement, or other accommodations granted by Lender to Borrower at any time, without the consent of such Owner, shall not release, in any manner, the liability of such Owner insofar as such Owner's interest in the property is concerned. Lender shall not be required to commence proceedings or refuse to grant time extensions for payment or otherwise modify the terms of this Agreement or Note by reason of demand of any such Owner or Owner's successors in interest.

28. Owner and Contractor are aware that Lender may assign or transfer any or all rights Lender has in the loan, to include this agreement; and Owner and Contractor agree that on the occurrence of such transfer or assignment all conditions, terms, and/or warranties of this agreement shall pass to, and remain binding with the transferee or assignee of the loan.

29. It is further understood and agreed that no other living units may be on the subject property at the time of the final draw. If it is the intent of the borrowers to occupy a manufactured home during the construction of their new home all parties understand that this manufactured home and all hook ups for power, water, sewer, etc. for same must be removed prior to the final draw. It is further understood that failure to do so will result in the loan being in default, and all remedies allowed the lender including, but not restricted to, foreclosure may result.

THIS IS NOT A COMMITMENT OR LOAN APPROVAL. OWNER AND CONTRACTOR ARE AWARE THAT THIS AGREEMENT WILL TAKE EFFECT WHEN AND IF THE LOAN IS APPROVED AND CLOSSES.

IN WITNESS WHEREOF, this agreement is executed this _____ day of _____ in the year _____.

WITNESS

Earl T. Moore, Jr.
Rebecca A. Moore 4-16-07
BORROWER(S) DATE

WITNESS

OWNER(S)

WITNESS

CONTRACTOR

DATE

