

re-recorded to  
This document is being ~~re-recorded to~~  
correctly file the mortgage in the Shelby  
County Probate Office.



20120816000900430 1/28  
Bk: LR201216 Pg:13615  
Jefferson County, Alabama  
I certify this instrument filed on  
08/16/2012 01:04:20 PM MTG  
Judge of Probate- Alan L. King

WHEN RECORDED, MAIL TO:  
National Bank of Commerce  
1919 Cahaba Road  
Birmingham, ALABAMA 35223

This instrument was prepared by:  
National Bank of Commerce  
PO Box 381748  
Birmingham, ALABAMA 35238  
205-313-8100



20120911000343750 1/28 \$460.50  
Shelby Cnty Judge of Probate, AL  
09/11/2012 11:07:40 AM FILED/CERT

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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 **August 15, 2012**, together with all Riders to this document.

(B) "Borrower" is **Joseph J Josephson and Kim S Josephson, husband and wife**. Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is **National Bank of Commerce**, organized and existing under the laws of **The United States**. Lender's address is **PO Box 381748, Birmingham, ALABAMA 35238**. Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated **August 15, 2012**. The Note states that Borrower owes Lender **TWO HUNDRED FORTY-FIVE THOUSAND AND NO/100 Dollars (U.S. \$245,000.00)** plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **September 1, 2043**.

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

(F) "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.

(G) "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]:

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Adjustable Rate Rider  | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider   | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> VA Rider          |
| <input type="checkbox"/> 1-4 Family Rider  | <input type="checkbox"/> Biweekly Payment Rider         |  |
| <input checked="" type="checkbox"/> Other (Specify) <b>CONSTRUCTION/PERMANENT LOAN AGREEMENT</b> |   |  |

(H) "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.

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



(J) **“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.

(K) **“Escrow Items”** means those items that are described in Section 3.

(L) **“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.

(M) **“Mortgage Insurance”** means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) **“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.

(O) **“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 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.

(P) **“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 Lender, with power of sale, the following described property located in the County of **Shelby**:

**See attached Exhibit "A"**

Parcel ID Number: **14-3-07-1-002-012**

which currently has the address of: **Lot 12 A, Emerald Lake Drive  
Pelham, ALABAMA 35124**

(“Property Address”):

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 COVENANTS that Borrower is lawfully seised 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.

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.

*[Handwritten Signature]*





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 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,

*[Handwritten signature]*





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 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

*[Handwritten initials]*





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 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 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

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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:

**(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 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.

*[Handwritten signatures]*

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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 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.

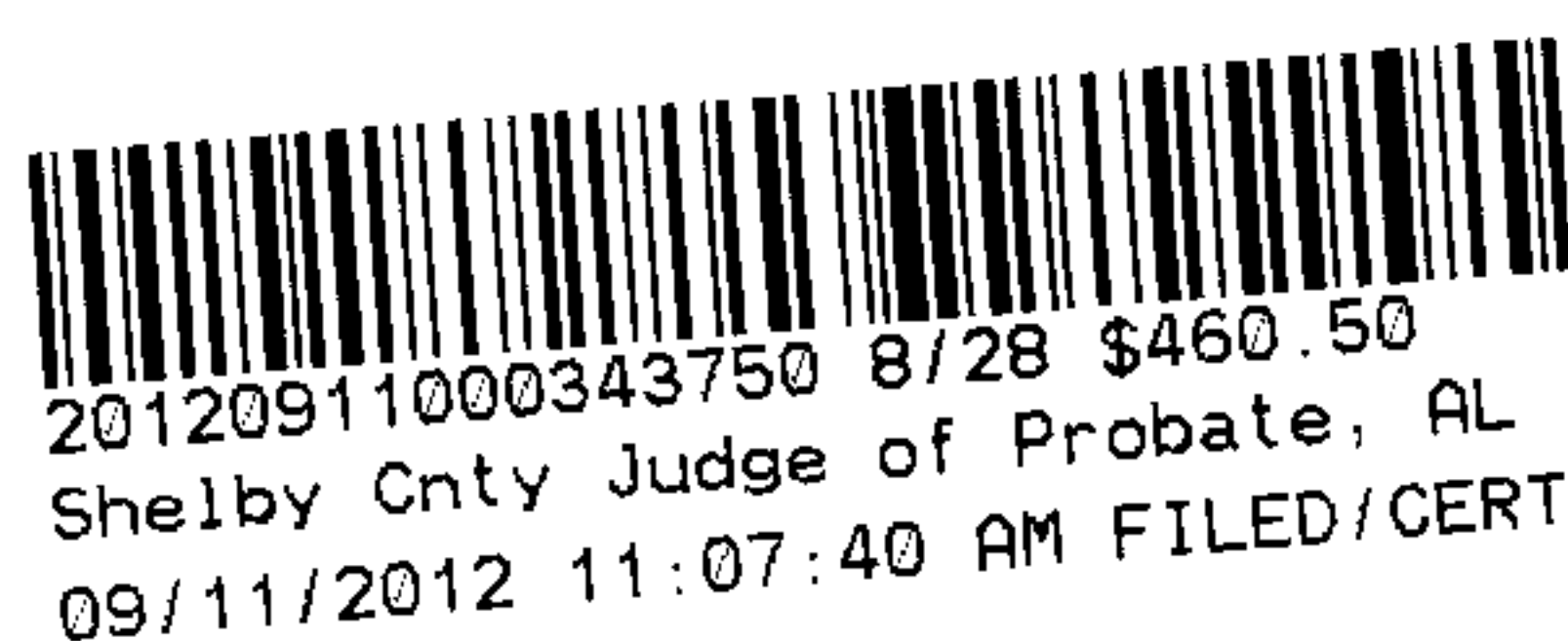
**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment 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 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,

*[Handwritten signatures]*





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. 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.

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

*[Handwritten signature]*







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.


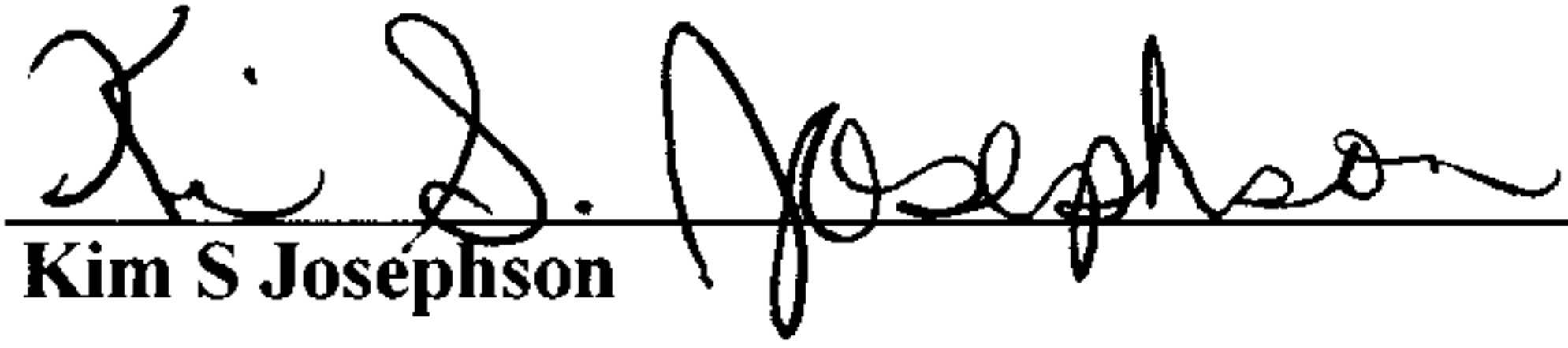
If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Shelby County, Alabama, and thereupon shall sell the Property to the 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.

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.

  
\_\_\_\_\_  
-Witness  
  
\_\_\_\_\_  
(Seal)  
Joseph J. Josephson  
-Borrower

  
\_\_\_\_\_  
-Witness  
  
\_\_\_\_\_  
(Seal)  
Kim S. Josephson  
-Borrower

STATE OF ALABAMA, Jefferson County ss:

On this 15th day of August, 2012, I, John A. Gant, a Notary Public in and for said county and in said state, hereby certify that **Joseph J Josephson and Kim S Josephson**, whose name(s) is/are signed to the foregoing conveyance, and who is/are known to me, acknowledged before me that, being informed of the contents of the conveyance, he/she/they executed the same voluntarily and as his/her/their act on the day the same bears date.

Given under my hand and seal of office this 15th day of August, 2012.

My Commission Expires: 10/20/2013

  
\_\_\_\_\_  
Notary Public



## EXHIBIT "A"

Lot 12-A, according to the Survey of Emerald Lake, Plat No. 1A, as recorded in Map Book 25, page 50, in the Probate Office of Shelby County, Alabama.

*[Handwritten signatures]*



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## FIXED/ADJUSTABLE RATE RIDER

(LIBOR One-Year Index (As Published In *The Wall Street Journal*)—Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this **15th day of August, 2012**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to

**National Bank of Commerce**

("Lender") of the same date and covering the property described in the Security Instrument and located at:

**Lot 12 A, Emerald Lake Drive  
Pelham, ALABAMA 35124**  
(Property Address)

**THE NOTE PROVIDES FOR A CHANGE IN BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

### **A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial fixed interest rate of **4.250%**. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

### **4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

#### **(A) Change Dates**

The initial fixed interest rate I will pay will change to an adjustable interest rate on the **1st day of September, 2017**, and the adjustable interest rate I will pay may change on that day every **12th** month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

#### **(B) The Index**

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

#### **(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND ONE HALF** percentage points (**2.500%**) to the Current Index. The Note Holder will then round the





result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than **9.250%** or less than **2.500%**. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than **TWO** percentage points from the rate of interest I have been paying for the preceding **TWELVE** months. My interest rate will never be greater than **9.250%**.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument shall read as follows:

**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.

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

*[Handwritten initials]*





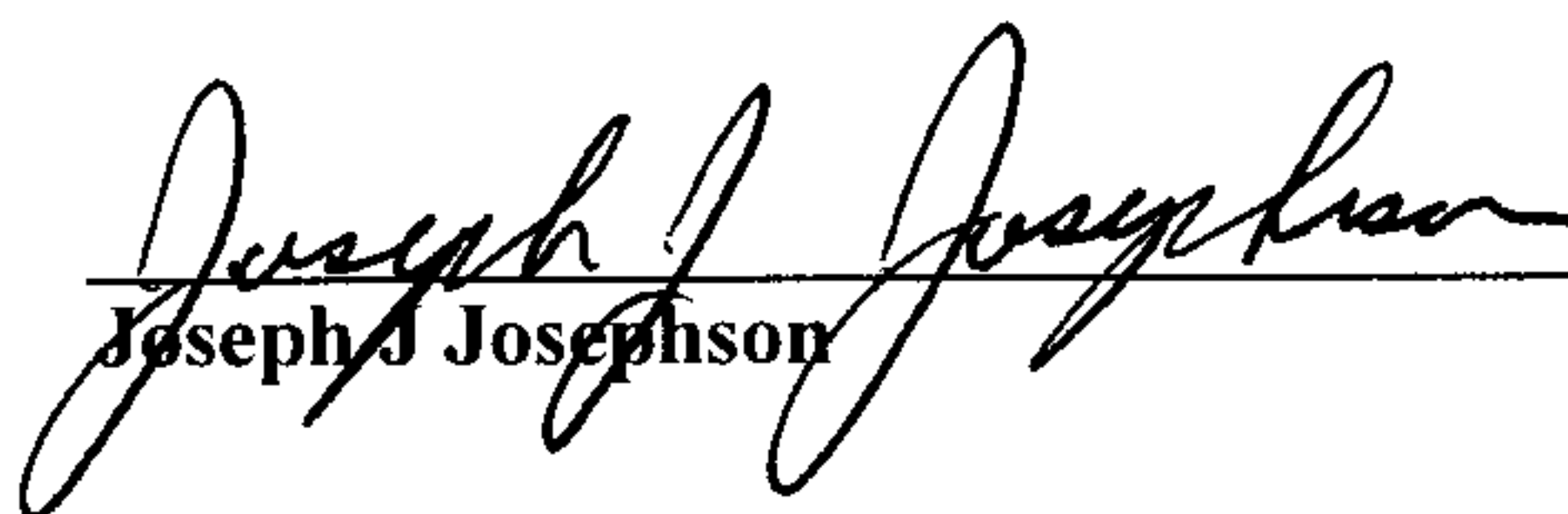
**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales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

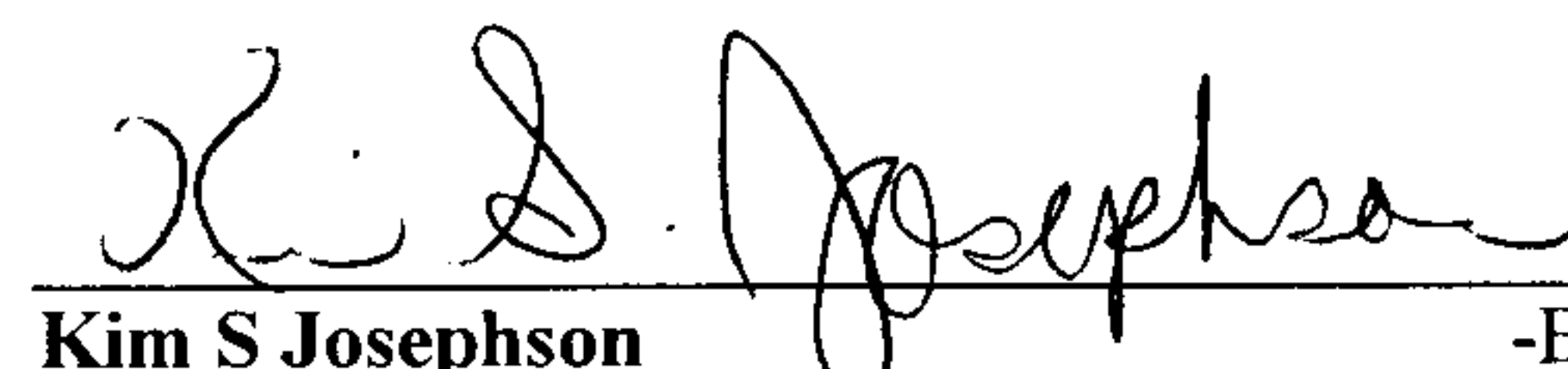
If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

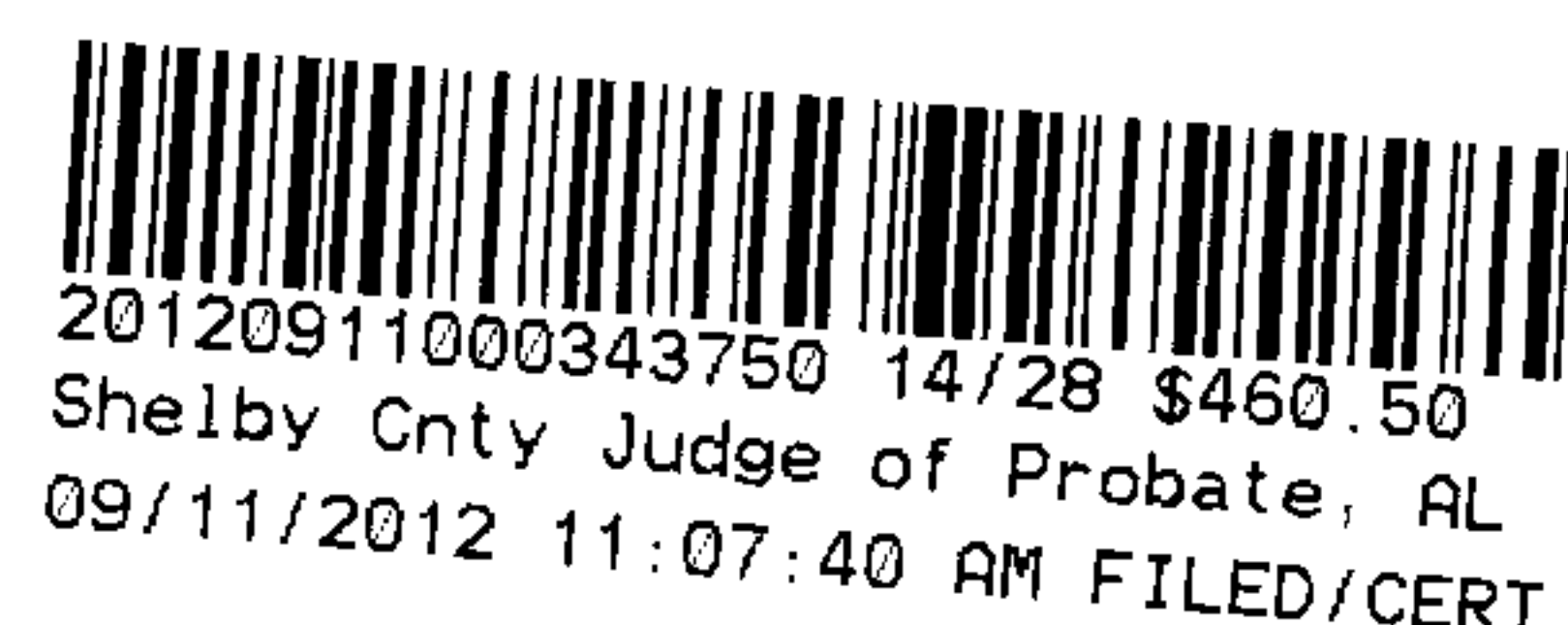
To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

 (Seal)  
Joseph J. Josephson -Borrower

 (Seal)  
Kim S Josephson -Borrower  
(Sign Original Only)






## CONSTRUCTION/PERMANENT LOAN AGREEMENT

This "Agreement" means this Construction/Permanent Loan Agreement, which is dated **08/15/2012**.

"Borrower" is **Joseph J Josephson**  
**Kim S Josephson**

  
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Shelby Cnty Judge of Probate, AL  
09/11/2012 11:07:40 AM FILED/CERT

"Lender" is National Bank of Commerce.

### Recitals

WHEREAS, Borrower is the owner of that certain Real Estate (the "Real Estate") as more particularly described on the Mortgage (as hereinafter defined); and

WHEREAS, Borrower has applied to Lender for a mortgage loan in the maximum principal amount of **\$245,000** (the "Loan") to provide for the construction and permanent financing of certain improvements (the "Improvements") on the Real Estate; and

WHEREAS, simultaneously with the execution and delivery hereof, Borrower has made, executed and delivered to Lender a certain first mortgage note of even date herewith (along with any addendum or rider thereto, the "Note"), and a certain first mortgage (along with any addendum or rider thereto, the "Mortgage") covering (among other things) the Real Estate and Improvements, which Mortgage shall secure any sums due or to become due under the Note, the Mortgage, this Agreement or any of the other documents executed in connection with the Loan (collectively, the "Loan Documents"); and

WHEREAS, Borrower acknowledges and agrees that the Mortgage shall encumber (among other things) the Real Estate and Improvements for the purpose of securing repayment of the Loan and Borrower's other obligations under the Loan Documents or at law or in equity ; and

WHEREAS, Borrower has requested Lender to disburse the proceeds of the Loan in installments as construction of the Improvements progresses, and to provide for the conversion of the Loan from a construction loan to an amortizing loan based on the terms set forth in the Note.

### Agreement

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, Borrower and Lender hereby covenant and agree as follows:

#### **I. DEFINITIONS**

The terms defined in the Recitals shall have the meanings assigned therein. As used in this Agreement the following terms shall have the respective meanings assigned to them in this Article and include the plural as well as the singular, and vice versa.

"Advances" means the advances of the Loan proceeds made by Lender to Borrower in installments, which proceeds Borrower shall use solely for the purpose of paying the costs of acquiring, constructing and equipping the Project (as hereinafter defined), as reflected in the Project Budget.

"Base Rate" means the prime rate of interest as published on the first business day of the month in The Wall Street Journal under the heading "Money Rates". If there is a range of published rates, the highest rate shall be the Base Rate.

"Collateral" means the Real Estate, the Improvements and all other property of any kind that now or hereafter secures the Loan under any of the Loan Documents.

"Contractor" means **Scotch Building Company** or another person acceptable to Lender. Lender may withhold its acceptance of any person or company as a Contractor in its sole and absolute discretion, for any reason, or for no reason at all. Lender's acceptance or nonacceptance of any person as Contractor shall in no wise be deemed to reflect on whether such person or company is in any way competent or suitable for any purpose or undertaking.



“Construction Inspector” means an employee of the Lender, any person authorized in writing by Lender to inspect the Project to protect Lender’s interests. Lender’s authorization of a person as a Construction Inspector shall be at Lender’s sole and absolute discretion and may be withheld for any reason or no reason at all.

“Conversion Date” means a date at least one day prior to the date the construction of the Project is to be completed in accordance with the Plans, but in no case later than **08/14/2013**.

“Construction Account” means a checking account established by Borrower at Lender and into which Advances may be deposited by Lender and from which Borrower shall pay the costs for which such Advances are made.

“Construction Period” means the period of time between the date of this Agreement and the Conversion Date, which period shall be no more than **twelve (12)** calendar months.

“Disbursement Schedule” means that schedule of disbursements which is appended to this Agreement.

“Governmental Authority” means any federal, state, county, municipal or other government, domestic or foreign, and any agency, authority, department, commission, bureau, board, court or other instrumentality thereof.

“Governmental Requirements” means all laws, rules, regulations, ordinances, judgments, decrees, codes, and orders of any Governmental Authority applicable to any of the Collateral (as hereinafter defined).

“Lien” means any mortgage, pledge, security interest, assignment, lien, charge, encumbrance or other preferential arrangement of any kind.

“Plans” means the plans and specifications for the Improvements to be constructed on the Real Estate, which have been delivered to, and approved by, Lender.

“Project” means the Improvements to be constructed on the Real Estate pursuant to the Plans.

“Project Budget” means the construction budget for the Project which has been accepted in writing by Lender prior to the execution of this Agreement.

## **II. LOAN TERMS; DISBURSEMENTS AND COLLATERAL.**

**Section 2.01. Loan.** On the terms and conditions set forth in this Agreement and the other Loan Documents, Lender agrees to lend the maximum principal amount of **\$245,000** (the “Maximum Principal Amount”) to Borrower; provided, that Lender shall have no obligation to lend more than the amount required to complete the Project or the amount for which the completed project is expected to appraise at any time, whichever is less.

**Section 2.02. Advances.** So long as no Event of Default has occurred under this Agreement or any of the other Loan Documents, during the Construction Period Lender shall, at the request of Borrower (or subject to the terms hereof, upon Lender’s own initiative) and upon the terms and subject to the conditions set forth in this Agreement and the other Loan Documents make Advances from time to time (but not more frequently than monthly unless Lender otherwise consents) as, in the opinion of Lender, funds are necessary to pay the costs of acquiring, constructing and equipping the Project (“Project Costs”), as reflected in the Project Budget; provided, that in no event shall Lender be required to make Advances more frequently than as described in the Disbursement Schedule or in amounts greater than indicated in the Disbursement Schedule. Lender shall make Advances, on not less than three business days’ prior written notice from Borrower, at Lender’s option: (a) by draft payable to Borrower, (b) by deposit to the Construction Account, (c) by joint draft payable to Borrower and Contractor or (d) by joint draft payable to Borrower and the closing agent; provided, however, that nothing contained in this Agreement shall be construed as imposing any duty on Lender to pay bills incurred in connection with the Project or to see that they are paid. Lender’s obligation to make Advances hereunder shall terminate, if not sooner terminated pursuant to the provisions of this Agreement, at the end of the Construction Period. Lender may require requests in writing to be transmitted via email to an address designated by Lender.

**Section 2.03. Interest.** Notwithstanding anything to the contrary in the Note, from the date hereof until the Conversion Date, interest shall accrue on the Advances outstanding from time to time as follows:

( ) The unpaid balance shall bear interest at a rate which shall always be % per annum above the announced Base Rate, as established from time to time. The rate of interest shall be adjusted with each adjustment of the Base Rate as of the first day of the month following





such adjustment or adjustments. Under this option, the length of time from the Conversion Date to the date of the first interest rate adjustment as provided in the Note shall be reduced by the duration of the Construction Period.

( X ) The rate as stated in paragraph 2 of the Note. Under this option, the length of time from the Conversion Date to the date of the first interest rate adjustment as provided in the Note shall be reduced by the duration of the Construction Period as reflected in the Note.

( ) The unpaid balance shall bear interest at a fixed rate of % per annum. Under this option, the length of time from the Conversion Date to the date of the first interest rate adjustment as provided in the Note shall be reduced by the duration of the Construction Period.

Commencing on the Conversion Date and thereafter, interest shall accrue as provided in the Note or any modification thereto under the terms of Article IV.

**Section 2.04. Payments.** Notwithstanding anything to the contrary in the Note (or any of the other Loan Documents), until the Conversion Date, all accrued interest on the Loan shall be payable monthly in arrears on the first day of each month commencing on **10/01/2013**, with all accrued and unpaid interest becoming due and payable on the Conversion Date along with any prepayment of interest required by Section 8.13 hereof. Thereafter, the Loan shall be converted into a permanent mortgage loan, and principal and interest shall be payable in accordance with the terms of the Note and Mortgage.

**Section 2.05. Right of Rescission.** If the Loan is subject to a rescission period under the Truth-in-Lending Act (15 U.S.C. 1601 et. seq.), then Borrower shall not (and shall not allow Contractor or any subcontractor or supplier to) start construction on the Project or allow delivery of materials to the Real Estate for a period of three (3) business days after the Loan has been closed.

### III. CONDITIONS OF ADVANCES

Lender's obligation to make the Advances is subject to the following conditions precedent:

**Section 3.01. Conditions to Each Advance.** Lender's obligation to make each Advance hereunder is subject to the following conditions precedent:

(a) As of the date of this Agreement, through the date any Advance is actually made, the representations and warranties set forth in Article V hereof shall be true and correct.

(b) As of the date of this Agreement, through the date any Advance is actually made, Borrower shall be in compliance with all the covenants set forth in this Agreement, and no Event of Default, nor any event which upon notice or lapse of time or both would constitute such an Event of Default, shall have occurred and be continuing.

(c) Each request for an Advance shall be supported by the following, each of which must be satisfactory in form and content to Lender: (i) An inspection sheet duly completed by the Construction Inspector based on a personal inspection of the Project (an "Inspection") conducted immediately prior to the date the Advance is requested, which Inspection shall show that the percentage of completion of the construction of the Project will equal or exceed the percentage of total Loan proceeds disbursed after taking into account the requested Advance; (ii) if all or any portion of the requested Advance is to be paid to the Contractor, (A) a written waiver of Lien executed by the Contractor acknowledging that the Contractor has been paid all that is due to the Contractor under the construction contract for work performed prior to the date of the most recent payment made to the Contractor and waiving any Lien on the Collateral for such work, and (B) the Contractor's sworn statement on Exhibit A certified by the Construction Inspector, who shall inspect the Project on Lender's behalf; (iii) if all or any portion is to be paid to any persons who have provided work or materials to the Project other than the Contractor, a written waiver of Lien executed by the such person acknowledging that such person has been paid all that is due to such person for work performed or materials supplied prior to the date of the most recent payment made to such person and waiving any Lien on the Collateral for such work or materials; and (iv) a written statement from Borrower that there have been no changes in the Project Budget. Lender may, in its sole discretion, make Advances without requiring the Construction Inspector's certification or any of the forgoing listed items; however, by making one or more Advances without such certification or other items, Lender shall not waive its right to require such certification or other items for any subsequent Advance.



**Section 3.02. Conditions to First Advance.** In addition to the conditions precedent set out in Section 3.01 with respect to each Advance, Lender's obligation to make the first Advance hereunder is subject to the following conditions precedent:

- (a) All filings, recordings and other actions that are necessary or desirable in the opinion of Lender to establish, protect, preserve and perfect the Liens on the Collateral intended to be created by the Loan Documents shall have been duly made or taken, and all fees, taxes and other charges relating to such filings and recordings shall have been paid by Borrower; and Lender shall have legal, valid and perfected Liens on all of the Collateral, prior in time and in right to all other Liens thereon.
- (b) Borrower shall furnish to Lender at Borrower's expense a current mortgagee's title insurance policy in a form satisfactory to Lender (including affirmative mechanic's and materialmen's cause and a pending disbursement clause) in an amount equal to the Maximum Principal Amount, issued by a title insurance company acceptable to Lender and showing the Mortgage to be a valid first mortgage Lien on the fee simple title to the Real Estate, subject only to the current year's taxes and to such other exceptions as shall be acceptable to Lender.
- (c) Borrower shall provide Lender with an executed counterpart of Borrower's construction contract with the Contractor which contract shall provide for all work required to complete the Project and shall contain the following items: (a) a completion date (specified by day, month and year) which shall be prior to the Conversion Date; and (b) a provision that no change in the scope of the work, no increases or decreases in the contract amount (by change order or otherwise), and no extension of the completion date may be made without the prior written consent of Lender.
- (d) Borrower shall furnish Lender with a survey, made and certified by a licensed surveyor or engineer acceptable by Lender, indicating compliance with any building setback lines or other restrictions, the Plans, and any Governmental Requirements. This survey must also show permanent ingress and egress to the Project and must contain a certification as to whether or not the Project lies in a flood hazard area.
- (e) Borrower shall have complied with the equity contribution requirements set forth in Section 6.10.
- (f) If required by Lender, Borrower shall have established the Construction Account.
- (g) Lender shall have received all other items requested by Lender in connection with the Loan as Lender shall deem reasonably necessary or expedient for its protection, each of which must be satisfactory in form and content to Lender in its sole discretion.

At its sole discretion, Lender may waive any of the requirements set forth in this Section 3.03.

**Section 3.03. Conditions to First Advance After Completion of Foundation.** In the case of the first Advance following the completion of the foundation for the Project, Borrower must provide Lender with an updated survey of the Real Estate showing the location of the Improvements on the Real Estate, in form satisfactory to Lender in Lender's sole discretion, and evidence satisfactory to Lender in Lender's sole discretion that the property has been treated against wood infestation.

**Section 3.04. Conditions to Final Advance and Conversion to Permanent Loan.** Borrower covenants and agrees that Borrower shall furnish, or cause to be furnished, to Lender, (i) at least 10 days prior to the Conversion Date the items listed in subsections (a) through (h) below and (ii) at least by the Conversion Date the items listed in subsection (i) below, all in form and content satisfactory to Lender, all of which are conditions precedent to Lender's obligation to make the final Advance and to allow conversion hereunder:

- (a) A final as built survey, made and certified by a licensed surveyor or engineer acceptable by Lender, in a form acceptable to Lender and Lender's title insurer, showing the location of all Improvements, rights of way, easements, encroachments, encumbrances and other matters (either of record or visible) on or affecting the Real Estate;
- (a) An endorsement, in form and content satisfactory to Lender, to the mortgagee title insurance policy obtained pursuant to Section 3.02(b) of this Agreement deleting any "pending disbursements" clause, any exception for mechanics' and materialmen's liens, any other language generally applicable to construction loans and any survey exception, and containing no exceptions other than those contained in the original mortgagee title insurance policy obtained pursuant to said Section 3.02(b) [except as otherwise approved by Lender in Lender's sole discretion];

*[Handwritten signature]*



- (b) A paid up original hazard insurance policy or policies meeting the requirements of Section 6.08 of this Agreement;
- (c) A certificate of occupancy or other appropriate certificate of approval from the appropriate Governmental Authority evidencing compliance with all Governmental Requirements (including any state or local health department approvals of wells or septic tanks);
- (d) At Lender's discretion either a final inspection with re-certification of value by the original appraiser showing **\$293,500** in value or an appraisal from an independent appraiser acceptable to Lender indicating the value of the Project as completed to be at least equal to the appraised value, which final appraisal shall be ordered by Lender or an appraisal management company designated by Lender;
- (e) A termite soil treatment guarantee from a person acceptable to Lender guaranteeing that the Real Estate has been treated against termite infestation and that no infestation is currently present on the Real Estate or in the Improvements;
- (f) A final written waiver of Lien executed by the Contractor acknowledging that the Contractor has been paid all that is due to the Contractor under the construction contract for work performed and waiving any Lien on the Collateral for all work;
- (g) A properly executed letter from Borrower accepting the Improvements as completed; and
- (h) At closing, a deposit or payment of the following sums and evidence of the payment of all ad valorem taxes due and payable during the Construction Period;
  - (i) All interest due on the amounts disbursed through the Conversion Date;
  - (ii) Pre-paid interest, if any, from the Conversion Date through the end of the month in which the Conversion Date falls (with the first principal and interest payment date being the first day of the second month following the Conversion Date);
  - (iii) Necessary escrow amounts as required by the Mortgage and other Loan Documents, including, but not limited to, hazard insurance, taxes, and private mortgage insurance.

#### IV. REQUEST FOR ALTERNATIVE LOAN PROGRAM

**Section 4.01. Request for Alternative Loan Program.** Thirty (30) days prior to the Conversion Date, Borrower may request that the Note be amended, modified or replaced so that the Loan shall not convert to the amortizing loan described in the Note and Mortgage, but shall instead convert to an alternative loan program that may be a fixed interest rate, a variable interest rate or an adjustable interest rate program and that may have a different payment schedule, maturity date or amortization schedule, all based on the mortgage loan programs, if any, that the Lender is willing to offer to Borrower at that time and based on the type of mortgage loan program Borrower requests (the "Alternative Loan Program"). In connection with such request, Borrower must provide the following information to Lender at Borrower's sole expense:

- (1) Final inspection with re-certification of value from original appraiser showing no change in value, ordered by Lender; and
- (2) Such other information as Lender may request, in Lender's sole discretion, in connection with its underwriting requirements and other considerations.

In addition to the above-referenced items in Section 4.01, Borrower shall also provide to Lender, at Borrower's sole cost and expense, the following additional information at least thirty (30) days prior to the Conversion Date:

- (1) Updated employment information;
- (1) Updated financial information;
- (2) Appraisal conducted by an appraiser selected by Lender or an appraisal management company engaged by Lender;

*XSD*  
*[Signature]*



- (3) Certification that there has been no material adverse change in the financial condition of Borrower since the date of the application for the Loan;
- (4) Updated credit report ordered by Lender; and
- (5) Such other information as Lender may request, in Lender's sole discretion, in connection with its underwriting requirements.

After Lender has reviewed the above information, Lender may, in Lender's sole discretion, offer to Borrower as an alternative to the loan terms provided for in the Note and Mortgage an Alternative Loan Program. In the event Lender offers to Borrower an Alternative Loan Program, Borrower must notify Lender of its election to accept the Alternative Loan Program offered by Lender, if any, within ten (10) days of Lender's offering the Alternative Loan Program to Borrower or within such other period of time as Lender may specify in Lender's sole and absolute discretion. Within the time required by Lender, Borrower must execute any and all additional documents required by Lender in connection with the Alternative Loan Program, including, without limitation, application documents, rate lock agreements, a modified or amended note, and an amended mortgage. Any and all costs incurred in connection with the execution and recording of these additional documents and Borrower's request for an Alternative Loan Program shall be borne by Borrower, including, but not limited to, recording taxes, mortgage taxes, stamp taxes and intangibles taxes.

**SECTION 4.02. LENDER'S DISCRETION TO REFUSE.** LENDER MAY, IN LENDER'S SOLE DISCRETION, REFUSE TO OFFER BORROWER AN ALTERNATIVE LOAN PROGRAM.

**Section 4.03. Modification Fee.** In addition to any other costs, fees and expenses incurred or owed by Borrower hereunder or under the Alternative Loan Program, Borrower shall pay to Lender a fee of **\$500.00** (or such other sum as Lender may specify in writing before Borrower accepts any offer of an Alternative Loan Program) in connection with the modification of the Loan to an Alternative Loan Program; which fee shall be due and payable upon the execution of the documents that will modify the Loan to the Alternative Loan Program.

## **V. REPRESENTATIONS AND WARRANTIES OF BORROWER**

Borrower represents and warrants to Lender as follows:

**Section 5.01. Information Furnished by Borrower.** (a) The documents furnished in support of the Loan request are true and correct and accurately set out the facts contained therein; (b) the financial statements provided in support of the Loan request were prepared in accordance with good accounting practice and are correct and complete and fairly present the financial position of each person that said financial statements purport to reflect; and (c) the financial positions so reflected have not suffered any material adverse changes prior to the date hereof.

**Section 5.02. Taxes.** Borrower has filed or caused to be filed all federal, state and local tax returns that are required to be filed by Borrower, and has paid all taxes, assessments and other charges due.

**Section 5.03. Title to Properties.** Borrower has good and marketable title to all the properties and assets (including the Collateral) reflected as being owned by Borrower on the financial statements referred to in Section 5.01(b) hereof. All such properties and assets (including the Collateral) are free and clear of Liens except as otherwise permitted or required by the provisions of this Agreement or the Loan Documents.

**Section 5.04. Mechanics' Liens.** On and as of the date of this Agreement there is no commencement of work (including but not limited to demolition or site preparation) on the Real Estate. No materials to be used in the construction of the Improvements have been ordered or delivered.

**Section 5.05. Project.** (a) The construction of the Project in accordance with the Plans and the use of the Real Estate as a single family residence will not violate any restrictive covenant or any applicable zoning, planning or building restriction or other Governmental Requirements; (b) the Real Estate has convenient and adequate access at the perimeter to all electric, gas, water, sewer, telephone and other utility services necessary for the construction of the Project and the intended use of the Real Estate; (c) the Real Estate has access to existing public roads and highways (including all necessary rights and Governmental Approvals for related ingress and egress) as adequate for the intended use of the Real Estate and to comply with any Governmental Requirements; (d) when the Project is completed in accordance with the Plans, the Real Estate will have paved, off-street parking adequate to comply with all Governmental Requirements and will comply with all applicable building codes and standards and other applicable Governmental Requirements and will qualify for a Certificate of

*[Handwritten signatures]*



Occupancy (or local equivalent); (e) the Plans are satisfactory to Borrower, comply with all local Governmental Requirements, and have been approved by any required Governmental Authorities and by all other persons whose approval is required, (f) Borrower has obtained all material certificates, licenses, authorizations, registrations, permits and other approvals of Governmental Authorities necessary for the construction of the Project, including all required zoning, building, land use, environmental occupancy, fire, safety and other approvals; (g) the present contemplated use and occupancy of the Real Estate do not conflict with or violate any of the same; and (h) the Borrower presently intends to occupy the completed Project as Borrower's personal, single family residence.

**Section 5.06. No Misleading Information.** Neither this Agreement nor any of the other Loan Documents nor any certificate, written statement or other document furnished to Lender by or on behalf of Borrower in connection with the transactions contemplated hereby contains any untrue statement of material fact or omits a material fact necessary to make the statements contained herein or therein not misleading; and there is no fact known to Borrower that Borrower has not disclosed in writing to Lender that materially and adversely affects or, so far as Borrower can now reasonably foresee, will materially and adversely affect the condition or operations of Borrower or the ability of Borrower to perform its obligations hereunder and under the other Loan Documents to which such Borrower is a party. Neither Borrower nor anyone acting on behalf of Borrower has coerced or otherwise influenced or attempted to coerce or to influence any appraiser, and Borrower neither knows or has reason to know of any attempted influence or coercion by any other party, including but not limited to Lender.

**Section 5.07. Environmental.** Except as has been heretofore disclosed in writing to Lender with specific reference to this Section the Real Estate is in compliance with all applicable environmental laws, rules and regulations.

## **VI. COVENANTS AND AGREEMENTS OF BORROWER**

**Section 6.01. Construction of Project.** Subject to the terms of Section 2.05, Borrower shall cause (a) construction of the Project to be commenced as soon as possible after the date hereof, but not to exceed ten (10) days, (b) work on the Project to be carried on continuously and with dispatch until completed, and (c) the Project to be fully completed in accordance with the Plans on or before the Conversion Date. Borrower will devote all reasonable efforts and energy to the construction of the Project. Borrower shall locate and construct the Project strictly in accordance with the Plans and with all applicable Governmental Requirements.

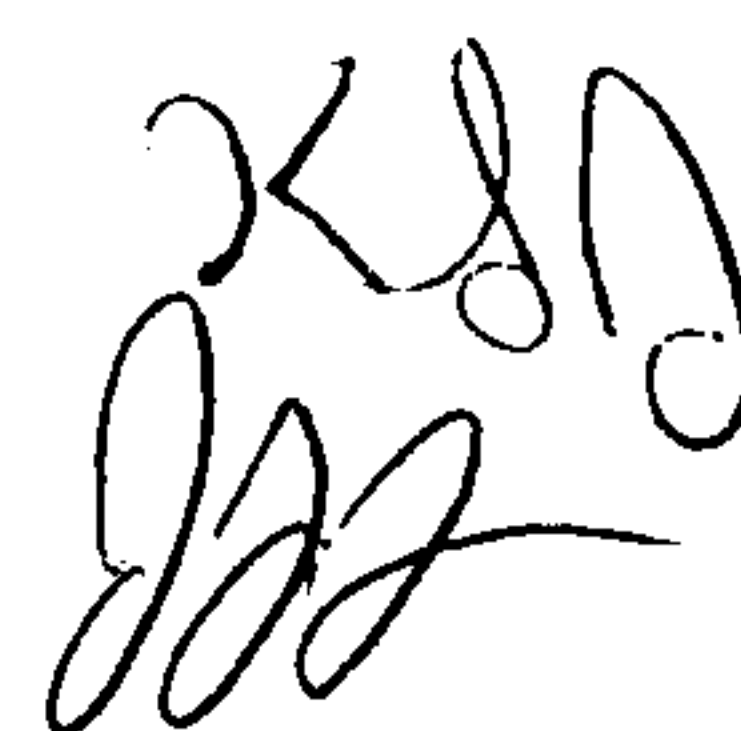
**Section 6.02. Changes in Plans; No Cost Overruns.** The Plans shall not be changed or added to without the prior written consent of Lender. If any changes in the Plans shall be consented to, Borrower shall immediately deposit the additional cost thereof with Lender (such deposit to be disbursed by Lender upon the completion of the changes). Borrower shall not, without the prior written consent of Lender, permit the cost of the Project to Borrower to exceed the amount allocated to the cost of the Project in the Project Budget.

**Section 6.03. Use of Loan Proceeds.** Borrower agrees to use the proceeds of the Loan only for the purpose of constructing the Improvements on the Real Estate in accordance with the Plans. No monies shall be diverted by Borrower to any other purpose, or commingled with any other funds.

**Section 6.04. Payment of Bills, etc.** Borrower shall pay or cause to be paid promptly all bills for labor and materials going into the construction of the Project and all other charges related to the Project, and shall submit to Lender all such receipts, affidavits, canceled checks or other evidence of payment of all debts connected with the Project as may be requested by Lender from time to time. Borrower shall, on each check used to pay costs related to the Project, identify the bill, invoice or statement being paid and the Project by a reference to the lot and block number or other identification of the Real Estate satisfactory to Lender.

**Section 6.05. Sale or Encumbrance of Collateral/Assumption of Loan Prohibited.** All terms of the Note and Mortgage are incorporated herein by reference, specifically including those provisions prohibiting the transfer or encumbrance of any Collateral without Lender's consent and the granting of any additional Liens on the Collateral.

**Section 6.06. Payment of Expenses, etc.** To the fullest extent allowed by law, Borrower shall pay all taxes, insurance premiums, recording fees, title insurance premiums, title examination fees, survey fees, appraisal costs, fees and expenses of the Construction Inspector, attorneys' fees (including the reasonable fees and disbursements of Lender's counsel) and all other expenses and costs of every kind reasonably incurred by Lender in connection with (a) the making or collecting of the Loan, (b) the preparation and review of this Agreement (whether or not the transactions contemplated by this Agreement shall be consummated) and the other Loan Documents, (c) the enforcement of this Agreement and the other Loan Documents, (d) maintaining





unimpaired Lender's Lien under the Loan Documents, and (e) otherwise connected with, or growing out of, this transaction, including any such expenses and costs incurred in connection with the successful defense of any action, counterclaim, cross claim or other claim asserted by any other party against Lender in connection with any of the foregoing. The provisions of this Section 6.06 shall survive (i) the payment in full of the principal and interest on the Loan and all fees, charges and expenses related thereto and (ii) the termination of this Agreement.

**Section 6.07. Payment of Taxes, etc.** Borrower shall promptly pay and discharge any taxes, assessments, indebtedness, charges and claims against the Collateral, or any part thereof, that may become due and payable during the existence of the Loan.

**Section 6.08. Insurance.** Borrower shall keep all Improvements fully insured at all times during construction and after completion, and shall keep fully insured all personal property included in the Collateral, including all building materials at any time located on the Real Estate. In addition, Borrower shall cause the Contractor to maintain such workmen's compensation insurance in connection with the Project as may be required by law and Borrower shall, and shall cause the Contractor to, maintain general liability insurance and builder's risk insurance in such amounts as Lender may reasonably require. All such insurance policies shall be issued by such companies and insure against such hazards (including flood) as Lender may reasonably require, and such policies shall contain appropriate loss payable clauses in favor of Lender and the originals thereof shall be deposited with Lender.

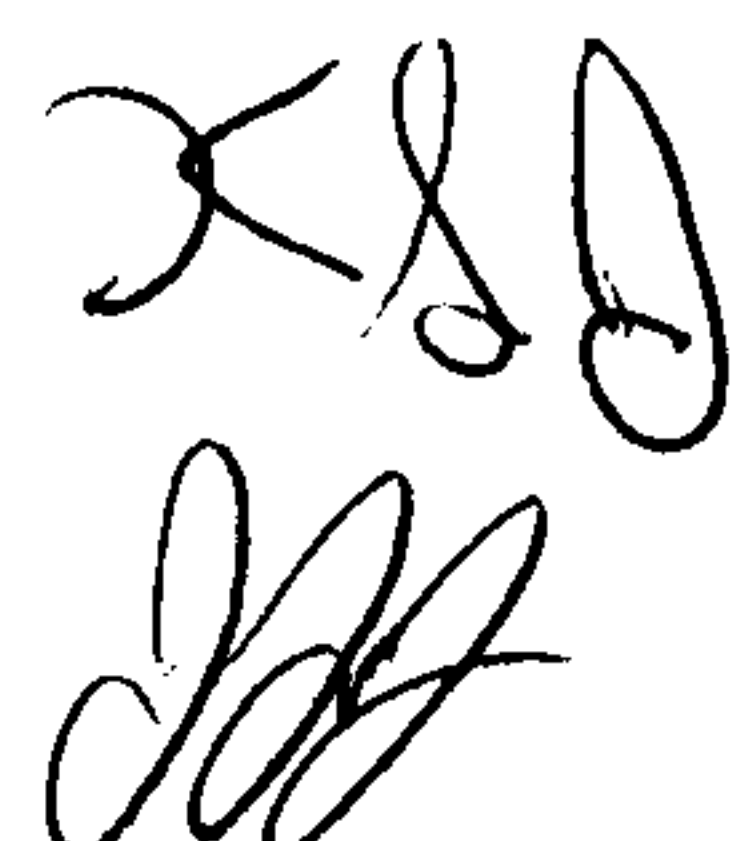
**Section 6.09. Lender's Right of Access and Sign.** Lender, its agents and the Construction Inspector shall, at all reasonable times during the construction of the Project, have the right of entry and free access to the Project and the right to inspect all work done, labor performed and materials furnished in, on or connected with the Project, to inspect all books, contracts, subcontracts and records of Borrower relating to the Project, and to demand and receive from Borrower, the Contractor, and Borrower's agents and employees any information regarding the Project and the finances connected therewith. Lender may cause a sign indicating that construction financing has been provided by the Lender to be display by Borrower at the Project. The sign shall be placed in a location satisfactory to the Lender for as long as the Construction Period continues.

**Section 6.10. Borrower to Provide Equity and Additional Funds, if Necessary.** Before requesting an Advance, Borrower shall pay all construction costs until an amount equal to the difference between the projected cost of completion of the construction and the amount of the Loan has been paid. At all times Borrower will leave as the undisbursed portion of the Loan an amount sufficient to complete the construction of the Project and to pay all bills and charges in connection therewith. If Lender at any time is of the opinion that the undisbursed portion of the Loan is inadequate to complete construction of the Project, Borrower will, upon Lender's request, pay out of Borrower's own funds all costs of the construction of the Project until such time as the undisbursed portion of the Loan is, in Lender's opinion, sufficient to complete the Project and pay all bills and charges in connection therewith.

**Section 6.11. Inspections.** Borrower covenants and agrees that the Construction Inspector shall have access at all reasonable time to conduct Inspections of the Real Estate and Improvements. In addition, the Construction Inspector shall also be given access to all records, contracts, sub-contracts, bills, invoices and statements of Borrower or Contractor, if consented to by Contractor, that relate to the Project or the Real Estate. An Inspection fee of **\$300.00** will be charged on each loan and shall be collected at closing to be applied against each Inspection. It is anticipated that this fee will cover the cost of **six** Inspections. If more than **six** Inspections are actually made, additional fees of \$50.00 for each Inspection shall be due and payable at the time each such Inspection in excess of **six** is requested. **IT IS UNDERSTOOD AND AGREED THAT THE CONSTRUCTION INSPECTOR SHALL MAKE THE INSPECTIONS FOR THE SOLE BENEFIT OF LENDER AND NEITHER BORROWER NOR THE CONTRACTOR SHALL BE ENTITLED TO CLAIM ANY LOSS OR DAMAGE AS THE RESULT OF ANY INSPECTION OR ANY FAILURE TO CONDUCT AN INSPECTION. LENDER SHALL HAVE NO LIABILITY FOR ANY ACT, OMISSION, OR REPRESENTATION OF ANY CONSTRUCTION INSPECTOR.**

**Section 6.12. General Covenants.** Borrower covenants and agrees that from the date hereof and until payment in full of the principal of and interest on the Note and all fees and charges with respect thereto, or the termination of this Agreement by Lender in writing, Borrower shall:

(a) Do all things necessary to comply with all Governmental Requirements; at all times maintain, preserve and protect all of the Collateral and keep the same in good repair, working order and condition, and from time to time make all needful and proper repairs, replacements and improvements thereto.





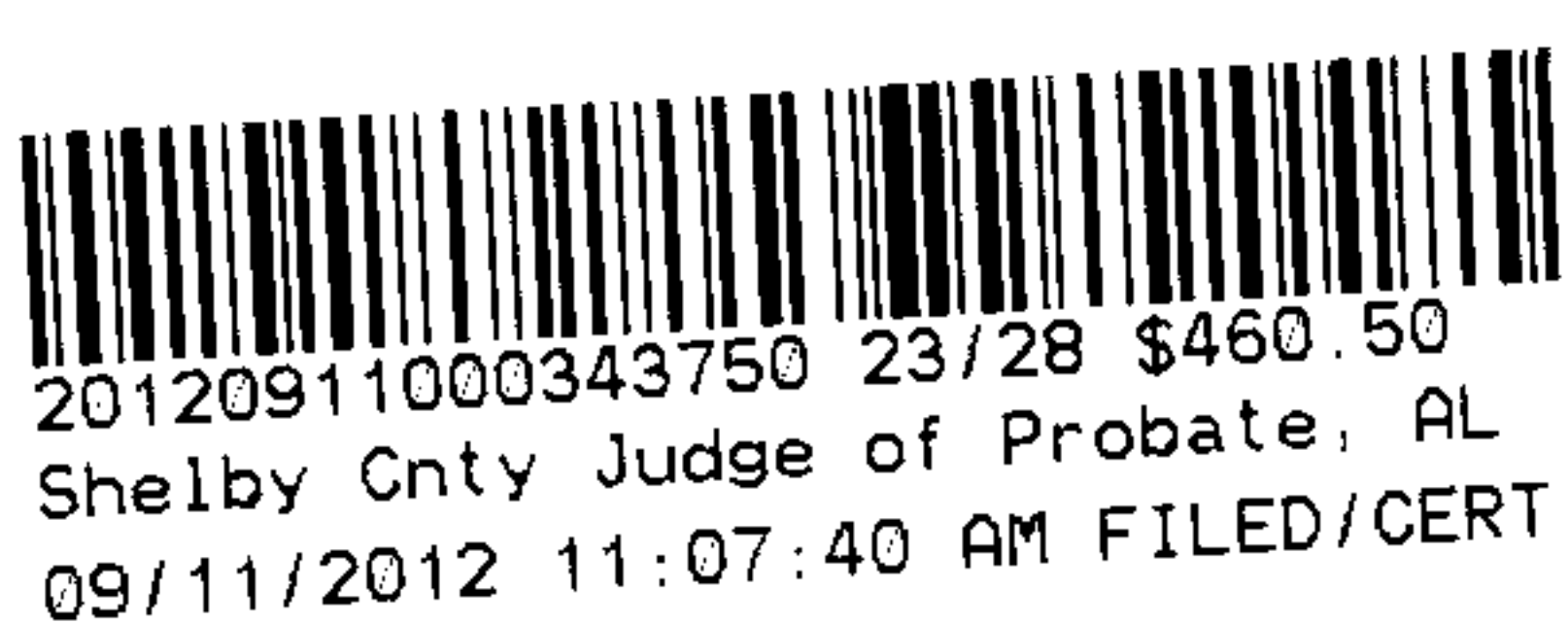
- (a) Furnish to Lender at such times or intervals as Lender may reasonably request, reports of the progress of construction of the Project, the actual cost of the Improvements compared to estimates, and such other information regarding the Project as Lender may reasonably request.
- (b) Promptly notify Lender in writing of any action, suit or proceeding against any of the Collateral by or before any Governmental Authority.
- (c) Promptly give notice in writing to Lender of the occurrence of any Event of Default, or any event that upon notice of lapse of time or both would constitute an Event of Default.
- (d) (1) Make full and timely payment of the principal of, and interest on, the Loan and all other indebtedness, obligations and liabilities of Borrower to Lender, whether now existing or hereafter arising, and (2) duly comply with all the terms and covenants contained in this Agreement and the other Loan Documents, all at the times and places and in the manner set forth therein.
- (e) At Borrower's cost and expense, upon request of Lender, duly execute and deliver, or cause to be duly executed and delivered, to Lender such further instruments and do, or cause to be done, such further acts as may be reasonably necessary or proper in the opinion of Lender or its counsel to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.
- (f) Refrain from using, storing, or disposing of, or suffering the use, storage, or disposal of, any toxic substances, hazardous wastes or other hazardous materials on or under the Real Estate or in the Improvements, and comply with all applicable building and zoning codes and other land use regulations, any applicable environmental laws or regulations, and any other applicable laws or regulations. Borrower shall give immediate oral and written notice to Lender of its receipt of any notice of a violation of any law, rule or regulation covered by this paragraph, or of any notice of any other claim relating to the environmental condition of the Real Estate, or of its discovery of any matter which would make the representations and warranties set forth in Section V and/or the covenants above inaccurate or misleading in any respect.

**Section 6.13. Indemnification.** Borrower hereby agrees to indemnify, to defend and and to hold Lender, (including Lender's employees, officers, agents, and directors) harmless from any and all claims, demands, causes of action, losses, costs, damages, and expenses arising from, relating to, or in any caused, in whole or in part, by (1) the violation of any representation, warranty or covenant set forth in this Agreement, (2) Borrower's failure to perform any obligation required by this Agreement, (3) Borrower's or the Real Estate's or Improvements' failure to fully comply with all environmental laws, rules and regulations, or with all occupational health and safety laws, rules and regulations, or (4) any other matter related to environmental conditions on, under or affecting the Real Estate or Improvements. This indemnification shall survive the closing of the Loan, payment of the indebtedness evidenced by the Note, the exercise of any right or remedy under any Loan Documents, any subsequent sale or transfer of the Real Estate or the Improvements, the termination of this Agreement, and all similar or related events or occurrences.

## VII. DEFAULT AND REMEDIES

**Section 7.01. Events of Default.** The following shall constitute Events of Default under this Agreement:

- (a) if Borrower fails to pay to Lender when due the principal or interest on the Loan or any other sum due under this Agreement or any of the other Loan Documents, or any other debt secured thereby; or
- (a) if in the judgment of Lender any of the proceeds of the Loan are being, or at any time have been, diverted to a purpose other than payment or discharge of Project Costs; or
- (b) if Borrower fails to comply with any of the provisions or covenants of this Agreement or any of the other Loan Documents or if any other default or event of default occurs thereunder; or
- (c) if any statement, representation or warranty contained herein, in any of the other Loan Documents or in any report, certificate or other instrument delivered to Lender under this Agreement or any of the other Loan Documents shall be untrue in any material respect as of the time made; or
- (d) if Borrower at any time prior to the completion of the Project abandons the Project, or ceases work thereof for a period of more than ten consecutive calendar days, or fails diligently to prosecute the work on the Project; or
- (e) if any unreasonable delay in the construction and development of the Project and the Improvements occurs, whether as the result of energy shortages, any Governmental Requirement relating to environmental



*[Handwritten signatures]*



protection, sewage treatment, zoning, energy conservation or other matter, lack of utilities (including gas, electricity, water and sewage treatment), or other reason whatsoever, or if it reasonably appears to Lender that, upon completion of the Project there will not be adequate access to the Project or that utilities will not be available in sufficient quantities to permit the operation of the Project; or

(f) if any law is passed imposing, or authorizing the imposition of, any specific tax upon this Agreement, any of the other Loan Documents, the principal of or interest on, the Loan, or permitting or authorizing the deduction of any such tax from the principal of, or interest on, the Loan, or by virtue of which any tax, Lien or assessment upon the Collateral shall be chargeable against Lender; or

(g) if any of the material stipulations contained in this Agreement or any of the other Loan Documents is declared invalid or inoperative by any Governmental Authority; or

(h) if the Project is not completed in strict compliance with the Plans and all Governmental Requirements and all of the requirements of Section 3.04 complied with by the Conversion Date; or

(i) if Lender at any time deems itself insecure for any reason with respect to the Loan or the Collateral; or

(j) in the event of the Borrower's death.

**Section 7.02. Remedies.** Upon the happening of any Event of Default hereunder, Lender may at its option, without notice to anyone, take any or all of the following actions:

(a) Refuse to make any further Advances;

(a) Declare the total outstanding Loan and all other indebtedness, obligations and liabilities of Borrower to Lender, whether now existing or hereafter incurred, contracted or arising, immediately due and payable;

(b) Declare the Note in default and subject to foreclosure and foreclose the Mortgage by suit in equity or under power of sale and foreclose any other of the Loan Documents in such manner as provided for therein and by applicable law;

(c) In connection with a default under Section 7.01(i), in addition to the other remedies provided for herein, Lender may, at its option, without notice to anyone, take any or all of the following actions:

(i) grant an extension of time to complete construction and modify any Loan Documents accordingly (including, but not limited to increasing the interest rate for the permanent phase of the Loan, as provided below), charging a reasonable fee for such extension and any and all out-of-pocket expenses incurred by Lender;

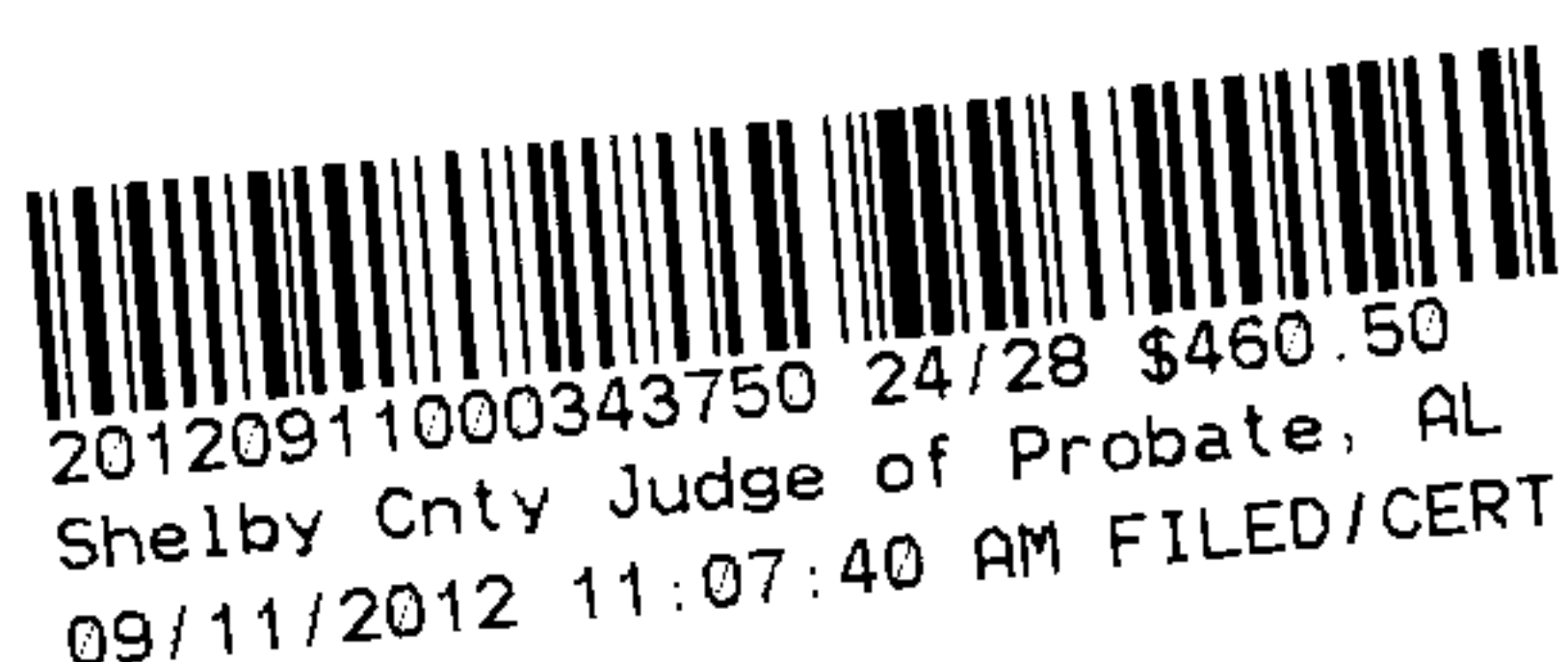
(ii) disburse any remaining Loan proceeds into an escrow account to be maintained and disbursed by Lender for construction as provided in this Agreement, and require Borrower to commence making regular monthly payments of principal and interest on the entire Loan amount as called for in the Loan Documents; or

(iii) charge a fee of one hundred Dollars (\$100.00) per day that Borrower fails to complete construction after the Conversion Date. Borrower and Lender agree that it is difficult to estimate the actual damage to Lender caused by Borrower's failure to complete construction by the Conversion Date. Borrower and Lender agree that the amount set forth in this Section is a good faith estimate of Lender's damages in the event that Borrower fails to complete construction by the Conversion Date, or fails to comply with all conversion requirements set forth in Section 3.04. Borrower and Lender agree that this amount is not intended to be a penalty.

(d) Enter into possession of the Real Estate and the Project, perform any work and labor and purchase any materials and fixtures that Lender deems necessary or desirable to complete the Project substantially in accordance with the Plans or to protect the Project from damage or destruction, and employ watchmen to protect the Project from injury; and

(f) Exercise any other remedies or rights that Lender may have hereunder, under any of the other Loan Documents or applicable law, including the right to specific performance.

All sums paid or advanced by Lender in exercising any of the foregoing remedies shall constitute Advances to Borrower under the Loan (whether or not in excess of the Maximum Principal Amount) and shall bear interest



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at the rate set forth herein and be secured by the Loan Documents. For the purposes set forth in this Section 7.02, Borrower hereby constitutes and appoints Lender its true and lawful attorney in fact, with full power of substitution in the premises, to complete the Project in the name of Borrower, and hereby empowers Lender to use any funds of Borrower, including any funds that remain unadvanced under the Loan, for the purpose of completing the Project, and to perform all acts that in the judgment of Lender are desirable or advisable to complete the Project, including the right to make additions, changes or corrections in the Plans; to employ contractors, subcontractors, agents, architects and inspectors; to pay, settle and compromise all bills and claims incurred in completing the Project and all existing bills and claims which may be Liens against any of the Collateral; to execute all applications and certificates in the name of Borrower which may be required by any of the documents entered into by Borrower in connection with the construction of the Project; and to do any other act that Borrower could do in Borrower's own behalf in order to enable Lender to complete the Project and pay the Loan. This power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked. In addition to the other remedies set forth above, during the continuation of any event which upon notice or lapse of time or both would become an Event of Default, Lender shall have no obligation to make any further Advances hereunder.

All remedies set forth herein are cumulative in nature. Lender's exercise of any remedy shall not be deemed a waiver of any other right or remedy under this Agreement, or under the other Loan Documents, or at law or equity.

VIII. MISCELLANEOUS

**Section 8.01. Notices.** Any request, demand, authorization, direction, notice, invoice, consent or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with, Lender or Borrower shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid (except as otherwise provided in this Agreement), addressed to such person at the address set forth below:

(a) if to Lender, at:

National Bank of Commerce  
1919 Cahaba Road  
Birmingham, AL 35223

(a) if to Borrower, at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Borrower shall notify Lender in writing immediately in the event that Borrower changes its address.

**Section 8.02. Governing Law.** This Agreement and the other Loan Documents shall be construed in accordance with and governed by Federal Law and the laws of the state where the Real Estate is located, except as specifically provided therein to the contrary.

**Section 8.03. Non Waiver.** Neither any failure nor any delay on the part of Lender in exercising any right, power or privilege under this Agreement or any of the other Loan Documents shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

**Section 8.04. Modification, etc.** No modification, amendment or waiver of any provision of this Agreement or any of the other Loan Documents, and no consent to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Borrower in any case shall entitle Borrower to any other or further notice or demand in the same, similar or other circumstances.

**Section 8.05. Severability.** Any provision of this Agreement or any other Loan Document to which Borrower is or is to be a party which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

*[Handwritten signatures]*



**Section 8.06. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together all such counterparts shall constitute but one agreement, and any party may execute this Agreement by executing any one or more of such counterparts.

**Section 8.07. Lender's Right to Appear in Litigation.** Lender shall have the right, but not the obligation, to appear in, or to defend any action or proceeding purporting to affect the rights or duties of the parties, or any of them, under this Agreement or any of the other Loan Documents, and in connection therewith, Lender may pay out of the Loan proceeds all necessary expenses, employ counsel, and pay reasonable attorney's fees and disbursements, for all of which Borrower agrees to repay Lender upon demand.

**Section 8.08. Lender's Right to Commingle Funds.** Lender shall have the right to commingle the proceeds of this Loan with any other loans made to Borrower by Lender and shall have the right to withhold payment of any sums due to Borrower hereunder in the event of any default whatever in any such other loans. Any such withheld payments may be credited to such other loans by Lender upon notification to Borrower.

**Section 8.09. Borrower is not Lender's Agent.** Borrower is not and shall not be the agent of Lender for any purpose, and this Agreement is not, and shall not be construed to be, a third party beneficiary contract in any respect or to any extent.

**Section 8.10. Lender is not Borrower's Agent.** Under the terms of this Agreement and the Loan Documents, Lender is not the agent of Borrower, and will not become the agent of Borrower by exercising any rights hereunder (except in the case that Lender, after an Event of Default, enters into possession of the Real Estate to complete the Project, and then only as agent to complete Borrower's obligations), and Borrower agrees to indemnify and hold Lender harmless from any costs or damages whatsoever arising hereunder from any cause whatsoever.

**Section 8.11. Security Interest in Personal Property and Construction Documents.** Borrower does hereby grant a security interest of first priority to Lender in and to all (a) any and all construction contracts, quotes, bids, proposals and agreements now or hereafter existing relating to the Project, including that certain construction contract with the Contractor dated 07/14/2012; (b) the Plans; (c) any and all deposits, licenses, permits or other Governmental Approvals relating to the Project or the Real Estate; and (d) any survey, engineering report or drawing relating to the Project or the Real Estate; together with all rights, powers and privileges, options and other benefits of Borrower under the above items (those items referenced in subsections (a) through (d) collectively the "Construction Documents"), all tools, building supplies, building materials, equipment, machinery, heating, cooling, irrigation, refrigeration, water, electrical power and waste disposal systems brought upon the Real Estate for incorporation therein or use thereon as security for repayment for the Loan. Such security interest shall be governed by the Mortgage and all terms, provisions and conditions thereof. Borrower will do all things necessary to create, perfect and preserve such security interests and the priority thereof and will not suffer or permit any other security interests to exist therein. In an Event of Default under this Agreement or an event of default under any other Loan Document, Lender shall have all of the rights and remedies provided in the Loan Documents and in the Uniform Commercial Code as adopted and enforced in the state where the Real Estate is located as well as all others rights and remedies provided by law. Neither the assignment of the Construction Documents nor any action by Lender shall constitute an assumption by Lender of any obligations of Borrower under any of the Construction Documents and Borrower shall continue to be liable for all obligations of Borrower thereunder. Borrower agrees to punctually perform and observe all of the terms, conditions and requirements of the Construction Documents to be observed and performed by Borrower. Borrower agrees to indemnify and hold Lender harmless against and from any loss, cost, liability or expense (including reasonable attorneys' fees, court costs and investigation expenses) resulting from any failure of Borrower to perform its obligations under the Construction Documents, even if such failure was caused by Lender's negligence.

**Section 8.12. Cross-Default.** Any default under the Mortgage, Note, or other Loan Documents, shall constitute an Event of Default under this Agreement, and any Event of Default under this Agreement shall constitute a default under the Mortgage, Note, and other Loan Documents.

**Section 8.13. Prepayment Premium.** Borrower may not prepay the Loan in whole or in part prior to the Conversion Date, unless Borrower shall pay to Lender a prepayment premium equal to one percent (1%) of the principal amount being prepaid. Borrower may prepay all or any part of the Loan without premium or penalty at any time after the Conversion Date, unless otherwise prohibited by the Note or Mortgage as modified. Borrower and Lender agree that the amount set forth in this Section is a good faith estimate of Lender's damages in the event that Borrower prepays the Loan prior to the Conversion Date. Borrower and Lender agree that the actual amount of damages suffered by Lender due to Borrower's violation of the foregoing prohibition on prepayment

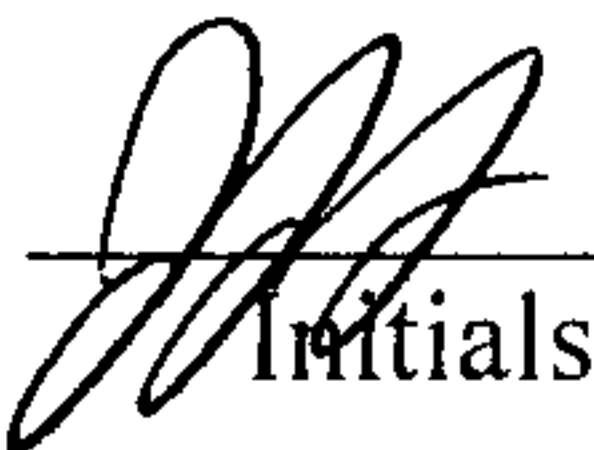
  




will be difficult to determine at the time of such prepayment and that the foregoing amount is a good faith estimate of such damages and is not intended to be a penalty.

**Section 8.14. Miscellaneous.** Plural or singular words used in this Agreement to designate Borrower shall be construed to refer to the person, whether one or more than one, executing this Agreement. All covenants and agreements made herein by Borrower shall bind the heirs, personal representatives, successors and assigns of all those undersigned designated as Borrower; and every option, right and privilege herein reserved or secured to Lender shall inure to the benefit of Lender’s successors and assigns. Time is of the essence of this Agreement.

**Section 8.15. WAIVER OF JURY TRIAL/ARBITRATION AGREEMENT.** BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS BORROWER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, DEMAND, CAUSE OF ACTION OR DISPUTE OF ANY KIND OR NATURE WITH LENDER (OR LENDER’S EMPLOYEES, OFFICERS, AGENTS, INDEPENDENT CONTRACTORS, AND DIRECTORS, OR ANY OF THEM). THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER’S ENTERING INTO THIS AGREEMENT. FOR PURPOSES OF THIS AGREEMENT, THE PARTIES AGREE THAT THE MATTERS PROVIDED FOR HEREIN INVOLVE SUBSTANTIAL INTERSTATE COMMERCE. ANY ACTION, DISPUTE, CLAIM, COUNTERCLAIM OR CONTROVERSY (“DISPUTE” OR “DISPUTES”), BETWEEN THE PARTIES, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE RESOLVED IN BIRMINGHAM, ALABAMA BY BINDING ARBITRATION IN ACCORDANCE WITH TITLE 9 OF THE U.S. CODE AND THE ARBITRATION RULES FOR COMMERCIAL ARBITRATION (THE “RULES”) OF THE AMERICAN ARBITRATION ASSOCIATION (THE “AAA”). ALL DEFENSES, INCLUDING THOSE DEFENSES BASED ON STATUTES OF LIMITATION, ESTOPPEL, WAIVER, LACHES AND SIMILAR DOCTRINES, THAT WOULD OTHERWISE BE APPLICABLE TO AN ACTION BROUGHT BY A PARTY, SHALL BE APPLICABLE IN ANY SUCH ARBITRATION PROCEEDING, AND THE COMMENCEMENT OF AN ARBITRATION PROCEEDING WITH RESPECT TO THIS AGREEMENT SHALL BE DEEMED THE COMMENCEMENT OF AN ACTION FOR SUCH PURPOSES.

  
Initials

  
Initials

**Section 8.16. Lender’s Disclaimer.** All provisions herein giving the Lender the right, option or ability to review or accept Plans and Specifications, Contractors, Architects, change orders or any other person or items in connection with the Project or the Loan are solely for the benefit of the Lender. Borrower agrees that Lender shall have no duty towards or liability to Borrower or any other person for any act, omission, or representation undertaken by or on behalf of the Contractor. Borrower agrees that Lender shall have no duty towards or liability to Borrower or any other person for any act, or omission, or representation undertaken by or on behalf of the Construction Inspector.

**Section 8.17. Termination of Agreement.** Upon Borrower’s compliance with all terms and conditions of this Agreement and the modification of the Loan into a permanent loan, this Agreement shall terminate and have no further force and effect; provided, all representations and warranties contained herein and all provisions requiring Borrower’s indemnification of Lender shall survive the termination of this Agreement.



IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement on the date first set forth above.

**BORROWER**

Joseph J. Josephson  
Joseph J. Josephson

Kim S. Josephson  
Kim S. Josephson

**LENDER**

By Michael B. Cannon

Its Vice President

20120816000900430 28/28  
Bk: LR201216 Pg:13615  
Jefferson County, Alabama  
08/16/2012 01:04:20 PM MTG  
Fee - \$97.00  
Mortgage Tax -\$367.50  
Total of Fees and Taxes-\$464.50  
LYNN



20120911000343750 28/28 \$460.50  
Shelby Cnty Judge of Probate: AL  
09/11/2012 11:07:40 AM FILED/CERT