STATE OF ALABAMA)

COUNTY OF SHELBY)

THIS INSTRUMENT PREPARED BY:
James J. Odom, Jr.
P.O. Box 11244
Birmingham, Alabama 35202

MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES

20160701000229410 1/6 $468.75
Shelby Cnty Judge of Probate, AL
07/01/2016 11:09:27 AM FILED/CERT

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, the undersigned SMS Buildings, LLC, an Alabama limited liability company (hereafter sometimes referred to as the "Mortgagor"), has executed a promissory note of even date promising to pay to Larry L. Miller and Cecelia K. Miller (hereafter sometimes referred to as the "Mortgagee") Two Hundred Ninety-two Thousand, Five Hundred and No/100 Dollars ($292,500.00), plus interest (the "Indebtedness"), and

WHEREAS, the Mortgagor is properly indebted to Mortgagee and desires to secure the prompt payment of the Indebtedness.

NOW, THEREFORE, in consideration of the Indebtedness, and to secure the prompt payment thereof, the undersigned SMS Buildings, LLC, an Alabama limited liability company, does hereby grant, bargain, sell and convey unto Larry L. Miller and Cecelia K. Miller the following described property situated in Shelby County, Alabama, to-wit:

(1) A parcel of land in the Southwest Quarter of Section 13, Township 20 South, Range 3 West, in the City of Pelham, Shelby County, Alabama; described as follows:

Begin at the Northeast corner of Lot One of a Resurvey of Laurel Cliffs as recorded in Map Book 12, Page 35, in the Office of the Judge of Probate of Shelby County, Alabama; thence run South along the East line of said Lot One a distance of 35.44 feet to a point on the Northwest right of way of Yeager Parkway (70 foot right of way), said point being on a clockwise curve having a delta angle of 09°51'44" and a radius of 1467.26 feet; thence turn left 152°20'26" to tangent and run Northeast along the arc of said curve 252.56 feet to the point of a counter-clockwise curve having a radius of 128°31'18" and a radius of 19.40 feet; thence run along the arc of said curve 43.52 feet; thence continue West along the South right of way of Laurel Court (50 foot right of way) as shown on the map of Laurel Cliffs, First Addition as recorded in Map Book 12, Page 95, in the Office of the Judge of Probate distance of 120.15 feet; thence turn left 89°00'00" and run South along the East line of Lots Nine through Two of a Resurvey of Laurel Cliffs as recorded in Map Book 12, Page 35, a distance of 207.00 feet (deed) 206.22 feet (measured) to the point of beginning; being situated in Shelby County, Alabama.

ALSO shown as Lots 38 and 39 and a portion of Laurel Circle on the preliminary plat Laurel Cliffs Block 1, as recorded in Map Book 11, page 10, in the Probate Office of Shelby County, Alabama.

SUBJECT TO: (1) Current taxes; (2) Easements as shown in Map Book 11, Page 10; Map Book 12, Page 35, and Map Book 12, Page 95, in the Probate Office of Shelby

County, Alabama; (3) Transmission line permit to Alabama Power Company, recorded in Deed Book 101, Page 517; Deed Book 105, Page 22; Deed Book 170, Page 290 and Deed Book 208, Page 653, in the Probate Office of Shelby County, Alabama; (4) Restrictions regarding Alabama Power Company, recorded in Real 172, Page 428 in the Probate Office of Jefferson County, Alabama; (5) Agreement for Underground Distribution with Alabama Power Company recorded in Real 172, Page 422, in the Probate Office of Shelby County, Alabama; (6) Easement to Alabama Power Company recorded in Real 208, Page 653, in the Probate Office of Shelby County, Alabama.

(2) All leases, written or oral, and all agreements for use or occupancy of any portion of the real property conveyed hereby with respect to which the Morgagor is the lessor, any and all extensions and renewals thereof and any and all further leases now existing or hereafter made (all such leases and tenancies are collectively referred to as the "Leases," (#1 and #2 above are together referred to as the "Property").

The proceeds of this loan have been applied to the purchase price of the Property described above conveyed simultaneously herewith.

Covenants Related to Rents and Leases. The Mortgagor covenants and agrees that the Mortgagor shall:

(a) observe, perform and discharge all obligations, covenants and warranties provided for under the terms of the Leases to be kept, observed and performed by the Mortgagor, and shall give prompt notice to the Mortgagee in the event the Mortgagor fails to observe, perform and discharge the same;

(b) enforce or secure in the name of the Mortgagee the performance of each and every obligation, term, covenant, condition and agreement to be performed by any lessee under the terms of the Leases;

(c) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the Mortgagor and any lessee thereunder, and, upon request by the Mortgagee to do so in the name and on behalf of the Mortgagee but at the expense of the Mortgagor, and to pay all costs and expenses of the Mortgagee, including reasonable attorneys' fees, in any action or proceeding in which the Mortgagee may appear;

(d) not receive or collect any Rents from any present or future lessee of the Real Estate or any of the Improvements, or any part thereof, for a period of more than one month in advance, or pledge, transfer, mortgage or otherwise encumber or assign future payments of the Rents;

(e) not waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any lessee of the Real Estate or any of the Improvements of and from any obligations, covenants, conditions and agreements by said lessee to be kept, observed and performed, including the obligation to pay rent in the manner and at the place and time specified in any Lease;

(f) not cancel, terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof without, in each such instance, the prior written consent of the Mortgagee;

(g) lease the Property only under arms length leases for a rental rate which, in the Mortgagor's best judgment, represents a fair market rental rate;

(h) promptly upon the request of the Mortgagee, furnish the Mortgagee with a current rent roll for the Property; and

(i) promptly upon the execution by the Mortgagor of any future Lease not pertaining to the leasing of an apartment by a resident, (i) furnish the Mortgagee with the name and address of the lessee thereunder, the term of such Lease and a description of the premises covered thereby and, upon request of the Mortgagee, a copy of such Lease, and (ii) execute all such further assignments of such Lease and the Rents therefrom as the Mortgagee may require.

TO HAVE AND TO HOLD the above granted premises unto the Mortgagee forever; and for the purpose of further securing the payment of the Indebtedness, the undersigned, agrees to pay all taxes, or assessments, when legally imposed upon the Property, and should default be made in the payment of taxes or assessments, the Mortgagee has the option of paying them; and to further secure the Indebtedness, the undersigned agrees to keep the improvements on the real estate insured against loss or damage by fire, lightning and tornado for the reasonable insurable value thereof in companies satisfactory to the Mortgagee, with loss, if any, payable to the Mortgagee, as the interest of the Mortgagee may appear, and promptly to deliver the policies, or any renewals of the policies, to the Mortgagee; and if undersigned fails to keep the Property insured as above specified, or fails to deliver the insurance policies to the Mortgagee then the Mortgagee has the option of insuring the Property for the reasonable insurable value for the benefit of the Mortgagee, the policy, if collected, to be credited on the Indebtedness, less cost of collecting same; all amounts so expended by the Mortgagee for taxes, assessments or insurance, shall become a debt to the Mortgagee, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest from the date of payment by the Mortgagee, and be at once due and payable.

Upon condition, however, that if the Mortgagor pays the Indebtedness, and reimburses the Mortgagee for any amounts Mortgagee may have expended for taxes, assessments and insurance, and the interest thereon, then this conveyance to be null and void, but should default be made in the payment of any sum expended by the Mortgagee, or should the Indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, or should the interest of the Mortgagee in the Property become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, or if any statement of lien is filed under the Statutes of Alabama relating to the liens of mechanics and materialmen without regard to form and contents of such statement and without regard to the existence or non-existence of the debt or any part thereof or of the lien on which such statement is based, then in any one of said events, the whole of the Indebtedness hereby secured shall at once become due and payable, and this mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the Mortgagee shall be authorized to take possession of the premises hereby conveyed and with or without first taking possession, after giving twenty-one days' notice by publishing once a week for three consecutive weeks, the time, place and terms of sale, in some newspaper published in Shelby County, Alabama, to sell the same in lots or parcels, or en masse, as Mortgagee may deem best, in front of the Court House door in Columbiana, Shelby County, Alabama, at public outcry, to the highest bidder for cash and apply the proceeds of the sale; first, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; second, to the payment of any amounts that may have been expended, or that it may be necessary then to expend in paying insurance, taxes, or other encumbrances, with interest thereon; third, to the payment of the Indebtedness in full, whether or not it shall have fully matured, at the date of the sale, but no interest shall be collected beyond the day of sale; and fourth, the remainder, if any, to be turned over to the Mortgagor; and the undersigned, further agrees that the Mortgagee may bid at the sale and purchase the Property, if the highest bidder therefor, as though a stranger hereto, and the person acting as auctioneer at such sale is hereby authorized and empowered to execute a deed to the purchaser thereof in the name of the Mortgagor by such auctioneer as agent, or attorney in fact; and further agrees to pay a reasonable attorney's fee to the Mortgagee for the judicial foreclosure of this mortgage, should the same be so foreclosed, such fee to be a part of the debt hereby secured.

It is expressly understood that the word "Mortgagee" wherever used in this mortgage refers to the person named as grantee in the granting clause herein.

Any estate or interest herein conveyed to the Mortgagee, or any right or power granted to the Mortgagee in or by this mortgage, is hereby expressly conveyed and granted to the heirs, and agents, and assigns of the Mortgagee.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this the 29th day of June, 2016.

WITNESSES:	**SMS Buildings, LLC**
Anne Marshall	**By:** Eugene Borgosz by Concetta Givianpour as her Power of Attorney
	Eugene Borgosz, as Manager
Anne Marshall	**By:** [signature]
	Concetta Givianpour, as Manager

STATE OF ALABAMA)

COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that ~~Eugene Borgosz and~~ Concetta Givianpour, whose names as Managers of SMS Buildings, LLC, an Alabama limited liability company, are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, they, as such Managers and with full authority, executed the same voluntarily for and as the act said limited liability company.

Given under my hand and official seal this 29th day of June, 2016.

Anne P. Marshall

Notary Public

My commission expires: 2/10/2019

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I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Concetta Givianpour (one and the same person as Concetta Simonetti Givianpour), whose name as attorney in fact for Eugene Borgosz (one and the same person as Eugene Henry Borgosz), under that certain Special Durable Power of Attorney dated June 28, 2016, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, she executed the same, in her capacity as attorney in fact, on the day the same bears date.

Given under my hand and seal this the 29th day of June, 2016

Anne P. Marshall
Notary Public

My Commission Expires: 2/10/2019

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