

With Addendum for Repayment of Section 235 Assistance

COUNTY.

**KNOW ALL MEN BY THESE PRESENTS:**

That whereas the undersigned JUDY W. DAVIS, an unmarried woman  
of the City of Alabaster, County of Shelby  
and State of Alabama, party of the first part (hereinafter called the Mortgagor), has become justly  
indebted unto the Secretary of Housing and Urban Development, whose address is:  
Washington, D.C.

Washington, D.C.

~~corporation organized and existing under the laws of~~  
party of the second part (hereinafter called the Mortgagee), in the full sum of  
THIRTY-SEVEN THOUSAND THREE HUNDRED FIFTY-SEVEN AND 20/100-----Dollars (\$ 37,357.00 ).  
but not to exceed an amount computed under the terms of a note executed by said party of  
the first part on July 1, 1985, with interest, if any, according to the terms of the note  
~~money loaned and advanced with interest at the rate of~~  
( ~~2 1/2 percent per annum~~ )  
Mortgagee, excepting and reserving to the Mortgagee all the expenses of this mortgage and interest thereon payable to the  
benefit of  
the  
Mortgagee, in monthly payments of  
Dollars (\$ )  
first day of each month thereafter until the principal and interest are fully paid, except that the first payment of principal and  
interest of four thousand and no/100 shall be due and payable on the first day of

WHEREAS the said Mortgagor is desirous of securing the prompt payment of said note ~~and the several installments of principal interest and monthly payments hereon~~ and any additional indebtedness accruing to the Mortgagee on account of any future payments, advances, or expenditures made by the Mortgagee as hereinafter provided:

032 PAGE 2  
NOW, THEREFORE, in consideration of the premises and the sum of One Dollar (\$1) to the undersigned Mortgagor  
JUDY W. DAVIS  
in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, and for the purpose of securing the prompt pay-  
ment of said indebtedness as it becomes due she the said JUDY W. DAVIS

do hereby grant, bargain, sell, and convey unto the said Mortgagee the following described real property situated in  
Shelby County, Alabama, to wit:  
Lot 5, according to a Resurvey of Blocks 5 and 12 of Alabaster Gardens as recorded in Map Book 9  
page 51 in the Probate Office of Shelby County, Alabama; being situated in Shelby County,  
Alabama.  
SUBJECT TO:  
Building setback line of 35 feet reserved from Seventh Street Northwest as shown by plat.  
Restrictions, covenants and conditions as set out in instrument recorded in Deed Book 175 page  
68 in Probate Office of Shelby County.  
Transmission Line Permit to Alabama Power Company as shown by instrument recorded in Deed Book  
181 page 34 in Probate Office of Shelby County.  
Right-of-Way granted to Shelby County by instrument recorded in Deed Book 156 page 54 in Probate  
Office of Shelby County.  
Easement to Alabama Power Company and South Central Bell as shown by instrument recorded in Real  
25 page 135 in Probate Office of Shelby County.  
Easement to Plantation Pipeline Company as shown by instrument recorded in Deed Book 112 page  
321 in Probate Office of Shelby County.  
The proceeds of this loan have been applied on the purchase price of the property described  
herein, conveyed to mortgagor simultaneously herewith.  
This mortgage includes wall to wall carpeting attached or used in connection with the premises  
herein described.

herein described.  
together with the hereditaments and appurtenances thereunto belonging, and also together with all equipment and fixtures for heating and lighting now or hereafter installed therein by the Mortgagor.  
TO HAVE AND TO HOLD the same with all the rights, privileges, and appurtenances thereunto belonging or in anywise appertaining unto the said Mortgagee and assigns of the Mortgagee forever.  
And the Mortgagor hereby covenants that I am seized of said real property in fee simple, and have a good right to sell and convey the same; that the property is free from all encumbrances and that the Mortgagor, and Mortgagor's heirs, executors, administrators, next-of-kin, and assigns will forever defend the same unto the Mortgagee and assigns against the claims of all persons whomsoever.

1. That the Mortgagor will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided. Privilege is reserved to pay the debt in whole, ~~and to make any other payment on the note at any time~~ ~~or to prepay the principal of the note at any time~~ on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

2. Together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each month until said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:

(i) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or

(ii) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments;

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments, and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(i) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;

(ii) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(iii) interest on the note secured hereby; and

(iv) amortization of the principal of said note

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the Mortgagor under (b) of paragraph 2 preceding shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, assessments and insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on the subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor will pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor all payments made under the provisions of (a) of paragraph 2 hereof which the Mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquired the property otherwise after default, the Mortgagee shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of paragraph 2.

4. If the Mortgagee shall be made a party to any suit involving the title to the property hereby conveyed and employs an attorney to represent it therein, or if the Mortgagee employs an attorney to assist in settling or removing any cloud on the title to the property hereby conveyed that purports to be superior to the lien of this mortgage in any respect, the Mortgagor will pay to the Mortgagee, when the same becomes due, such attorney's fee as may be reasonable for such services, and if such fee is paid or incurred by the Mortgagee the same shall be secured by the lien of this mortgage in addition to the indebtedness specially secured hereby and shall bear interest from the date it is paid or incurred and shall be at once due and payable.

5. So long as any of the indebtedness secured hereby shall remain unpaid, in whole or in part, the Mortgagor agrees to keep said premises and the improvements thereon in good condition, and to pay all assessments that may be levied or accrue upon said property, and all other charges that may become liens upon said premises, and not to permit any lien, which might take precedence over the lien of this mortgage, to accrue and remain on said premises, or any part thereof, or on the improvements thereon.

6. The Mortgagor agrees to pay all taxes and assessments that may be assessed upon said property and all taxes except income taxes that may be assessed upon the Mortgagee's interest thereon or upon this mortgage or the moneys secured hereby, any law to the contrary notwithstanding. Upon any violation of this undertaking, or the passage of any law imposing upon the Mortgagee the payment of any part of the taxes aforesaid, or upon the rendition by any court of last resort of a decision that the undertaking to pay the taxes as aforesaid is legally inoperative, then, in any such event, the debt hereby secured shall at the Mortgagee's option, become immediately due and payable, without deduction, any law heretofore or hereafter enacted to the contrary notwithstanding.

7. That the mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

8. If the Mortgagor fails to insure said property as hereinabove provided, or to pay all or any part of the taxes or assessments levied, accrued, or assessed upon or against said property or the indebtedness secured hereby, or any interest of the Mortgagee in either, or fails to pay immediately and discharge any and all liens, debts, and/or charges which might become liens superior to the lien of this mortgage, the Mortgagee may, at its option, insure said property and/or pay said taxes, assessments, debts, liens, and/or charges, and any money which the Mortgagee shall have so paid or become obligated to pay shall constitute a debt to the Mortgagee additional to the debt hereby specially secured, shall be secured by this mortgage, shall bear legal interest from date paid or incurred, and, at the option of the Mortgagee shall be immediately due and payable.

9. No failure of the Mortgagee to exercise any option herein given to declare the maturity of the debt hereby secured shall be taken or construed as a waiver of its right to exercise such option or to declare such maturity by reason of any past or present default on the part of the Mortgagor; and the procurement of insurance or the payment of taxes or other liens, debts, or charges by the Mortgagee shall not be taken or construed as a waiver of its right to declare the maturity of the indebtedness hereby secured by reason of the failure of the Mortgagor to procure such insurance or to pay such taxes, debts, or charges.

10. As long as any of the indebtedness hereby secured shall remain unpaid the Mortgagor will neither commit nor permit waste on the premises hereby conveyed; and upon the commission of any waste thereon the Mortgagee may, at its option, declare the entire indebtedness hereby secured to be at once due and payable. Nor will the Mortgagor remove any of the fixtures on the premises hereby conveyed so long as any of the indebtedness hereby secured shall remain unpaid.



## Addendum

BOOK PAGE 977 032

1. The debt secured by this instrument shall include not only the Note recited above but also any assistance paid by the Secretary in accordance with Section 235 of the National Housing Act on behalf of any party to the Mortgage (including any party who takes title to the property subject to the said Mortgage or assumes said Mortgage) identified as FHA Case No. 011-2481218-246 (Insured Mortgage).
2. The debt will be due and payable when the first of the following occurs:
  - (a) Title to the Property is conveyed to a party who is not eligible for Section 235 mortgage assistance payments, or
  - (b) The property covered by the Insured Mortgage is rented for a period longer than one year.
3. If the Insured Mortgage is not paid in full when payment is due under Paragraph 2, the Secretary may defer payment until the Insured Mortgage is paid in full. If payment is deferred, the debt will bear interest at the rate of 11.5 percent per year from the date the debt is due under Paragraph 2 until the full amount of the debt and interest is paid.

STATE OF ALABAMA  
I CERTIFY THAT THE  
INSTRUMENT IS  
*Exempt*  
1985 JUL -3 PM 4:28  
*Thomas H. ...*  
JUL 1985

Rec. 1000  
Ind. 100  
1100

Borrower Judy W. Davis  
Judy W. Davis

Borrower

BOOM 797 (FHA 235) (Rev. 1/85)