

THIS INSTRUMENT PREPARED BY:
ROBERT R. SEXTON
Tingle, Sexton, Murvin, Watson
& Bates, P.C.
900 Park Place Tower
Birmingham, AL 35203

STATE OF ALABAMA)

SHELBY COUNTY)

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FIRST AMENDMENT TO MORTGAGE

THIS FIRST AMENDMENT TO MORTGAGE (this "Amendment") is made and entered into this 10th day of August, 1988 by JAMES E. PHILLIPS and wife, SUZANNE B. PHILLIPS (collectively "Borrower") and FEDERAL NATIONAL MORTGAGE ASSOCIATION (hereinafter "Lender").

W I T N E S S E T H:

WHEREAS, Freedlander, Inc. The Mortgage People, ("Freedlander") heretofore made a loan to the Borrower in the principal amount of \$14,008.19 (the "Loan") evidenced by a note dated January 18, 1985 (the "Note"), a true and correct copy of which is attached hereto; and

WHEREAS, the Note was secured by a mortgage ("Mortgage") on real estate described therein executed by the Borrower in favor of Freedlander, said Mortgage being duly recorded in the Probate Office of Shelby County, Alabama, in Real 015, Page 922 of said Probate Office; and

WHEREAS, Freedlander assigned the Note and Mortgage to FNMA by instrument recorded in Book 154, Page 08 of the Probate Office of Shelby County, Alabama; and

WHEREAS, as of the signing of this Amendment to Mortgage, the outstanding principal balance due under the Mortgage, together with accrued interest, late charges and legal expenses, is the sum of \$15,000.91 (the "Debt"); and

WHEREAS, a dispute has arisen between the Borrower and FNMA concerning alleged violations of Truth-In-Lending; and

WHEREAS, in consideration of settlement of claims and causes of actions that might accrue to the Borrower against FNMA, the parties have entered into a settlement agreement which results in the reduction of the Debt owed under the Note and a reamortization of the Loan.

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Single Sexton

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to induce the Borrower to execute the Amendment to Mortgage, the Lender hereby agrees as follows:

1. Amendments to the Mortgage. The Mortgage is hereby amended as follows:

A. The Maturity Date is extended from January 24, 1995 to October 10, 1998.

B. All references to the "Note" shall refer to the Note as amended of even date herewith together with any extensions or renewal notes executed with respect to the Note.

2. Representations and Warranties; No Default. The Borrower hereby represents and warrants that all the representations and warranties set out in the Settlement Agreement executed simultaneous herewith, and the Mortgage, as amended, are true and correct as of the date hereof, and the Borrower does hereby further represent and warrant to the Lender that the Borrower is in compliance with all the terms and provisions set forth in the Settlement Agreement and the Mortgage, on their part to be observed and performed, and that no Event of Default specified in the Mortgage, as amended, nor any event which, upon notice or lapse of time or both would constitute such an Event of Default, has occurred and is continuing.

3. Mortgage Remains in Effect. Except as hereby expressly modified and amended, the Mortgage shall remain in full force and effect in accordance with its terms.

4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the Borrower has caused this Amendment to be executed and delivered on the day and year first above written.

"BORROWER"

James E. Phillips
JAMES E. PHILLIPS

Suzanne B. Phillips
SUZANNE B. PHILLIPS

AGREED to and accepted this 16 day of September, 1988.

ATTEST:

"LENDER"

FEDERAL NATIONAL MORTGAGE
ASSOCIATION

Kathleen McNabb
Kathleen McNabb
Assistant Secretary
STATE OF ALABAMA)

By: J. R. Carpenter
ITS Asst. Regional Vice President

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that JAMES E. PHILLIPS and wife, SUZANNE B. PHILLIPS, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day same bears date.

Given under my hand and official seal this 25th day of August, 1988.

[SEAL]

Geggy D. Bates
NOTARY PUBLIC
My commission expires: 11/89

STATE OF PENNSYLVANIA

Philadelphia COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that J. R. Carpenter, whose name as Asst. Reg. Vice Presid. of FEDERAL NATIONAL MORTGAGE ASSOCIATION, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily as and for the act of said corporation.

Given under my hand and official seal this 16th day of September, 1988.

[SEAL]

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

88 OCT -5 PM 2:05

Thomas G. Snowden, Jr.
JUDGE OF PROBATE

Virginia M. Clancy
NOTARY PUBLIC

My commission expires: _____

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NOTARY PUBLIC
My Commission Expires Feb. 10, 1990

1. Deed Tax \$ _____

2. Mtg. Tax _____

3. Recording Fee 7.50

4. Indexing Fee 1.00

TOTAL

8.50

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