

R9412-0119

Instrument Prepared By: ERIC BREWER, AN EMPLOYEE OF COMPASS BANK
15 South 20th Street, Birmingham, AL 35233

Inst # 1995-00240

01/04/1995-00240
10:50 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
014 MCD 396.50

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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on December 30, 1994.
The grantor is JAMES R. LUDWIG AND HIS WIFE DAWN C. LUDWIG
("Borrower"). This Security Instrument is given to Compass Bank,
which is organized and existing under the laws of the state of Alabama, and whose address is 15 South 20th Street,
Birmingham, AL. 35233 ("Lender").
Borrower owes Lender the principal sum of Two Hundred Thirty Seven Thousand and no/100
Dollars (U.S. \$ 237,000.00). This debt is evidenced by Borrower's note dated
the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid
earlier, due and payable on October 01, 2025. This Security Instrument secures to Lender: (a) the
repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b)
the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument;
and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this
purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns, with power of
sale, the following described property located in SHELBY County, Alabama:

LOT 9, ACCORDING TO THE SURVEY OF GREYSTONE 5TH SECTOR, PHASE II, AS RECORDED IN MAP
BOOK 17, PAGE 118, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA. TOGETHER WITH
THE NONEXCLUSIVE EASEMENT TO USE THE PRIVATE ROADWAYS, COMMON AREAS AND HUGH DANIEL
DRIVE, ALL AS MORE PARTICULARLY DESCRIBED IN THE GREYSTONE RESIDENTIAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS DATED NOVEMBER 6, 1990 AND RECORDED IN REAL
317 PAGE 260 IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA AND ALL AMENDMENTS
THERETO.

which has the address of 549 CASTLEBRIDGE LANE, HOOVER,
[Street] [City]
Alabama 35242 ("Property Address");
[Zip Code]

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, 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
mortgage, 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 and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items". Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may 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 such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may 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. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; 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 may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or 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 floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and

for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. 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 any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty 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. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. 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.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, 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 approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage

(in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the 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 condemnor offers to make an award or 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 proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. 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 any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or 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 Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower'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 may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument 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 under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. 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. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 delivered or mailed 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.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) 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; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the 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 paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may 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 in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. 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.

Borrower shall promptly give Lender written notice of 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. If Borrower learns, or is notified by any governmental or regulatory authority, 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.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances 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. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. 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 paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, 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 paragraph 14. 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.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

24. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)].

☒ Adjustable Rate Rider

☐ Condominium Rider

☐ 1-4 Family Rider

☐ Graduated Payment Rider

☐ Planned Unit Development Rider

☐ Biweekly Payment Rider

☐ Balloon Rider

☐ Rate Improvement Rider

☐ Second Home Rider

☒ Other(s) [specify] CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT

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

Witnesses:

James R. Ludwig (Seal)
JAMES R. LUDWIG -Borrower

Social Security Number

Dawn C. Ludwig (Seal)
DAWN C. LUDWIG -Borrower

Social Security Number

[Space Below This Line For Acknowledgment]

STATE OF ALABAMA
COUNTY OF JEFFERSON

I, THE UNDERSIGNED, a Notary Public in and for said County, in said State, hereby certify that JAMES R. LUDWIG AND DAWN C. LUDWIG whose name(s) 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 this conveyance, THEY executed the same voluntarily on the day the same bears date. Given under my hand and official seal this 30TH day of DECEMBER, 1994

My commission expires: 05/03/98

Sam Z
Notary Public

ADJUSTABLE RATE RIDER

(1 Year Treasury Index -- Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 30th day of December, 1994 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 (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to COMPASS BANK (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

549 CASTLEBRIDGE LANE, HOOVER, AL. 35242
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE 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. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.125 %. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of October, 2000, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. 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 which 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 80/100 percentage points (2.80 %) 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 10.125 % or less than 6.125 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 14.125 %.

(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 interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given 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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

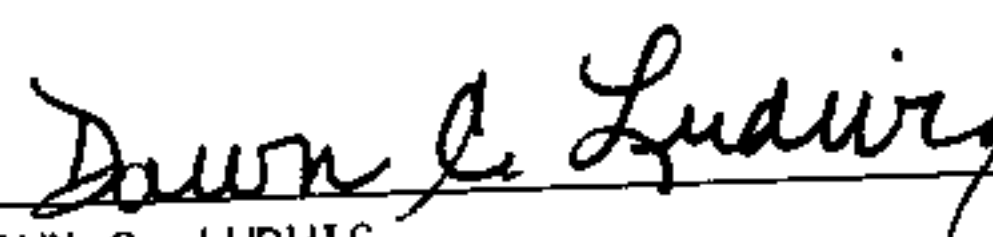
Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its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

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 delivered or mailed 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 Adjustable Rate Rider.



JAMES R. LUDWIG (Seal)
-Borrower



DAWN C. LUDWIG (Seal)
-Borrower

This instrument was prepared by:

ERIC BREWER, AN EMPLOYEE OF COMPASS BANK
15 SOUTH 20TH STREET
BIRMINGHAM, AL 35233

CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT (MORTGAGE)

THIS CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT (MORTGAGE) (this "Rider") is made this 30TH day of DECEMBER, 1994, and is incorporated into and shall be deemed to amend and supplement the Mortgage and all other riders and addenda executed by the Borrower and recorded together with the Mortgage (collectively, the "Security Instrument") dated the same date as this Rider given by the undersigned (the "Borrower," whether one or more) to secure the Note, as amended and supplemented by the Construction Loan Addendum to Note (the "Note Addendum"), each made by the Borrower in favor of the **COMPASS BANK** (the "Lender") and dated the same date as this Rider (collectively, the "Note"), and covering the Property described in the Security Instrument which is located at:

549 CASTLEBRIDGE LANE
HOOVER, AL 35242

[Property Address]

As used in this Rider, the term "Lender" shall mean the Lender and its successors and assigns. All capitalized terms shall have the meanings given to them in the Security Instrument unless otherwise expressly set forth in this Rider.

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

A. Security for Future Advances and Covenants under Construction Loan Agreement. The Note evidences a construction and permanent loan (the "Loan"). The principal amount of the Loan will be advanced periodically for the purpose of constructing a residence on the Property as provided in the Consumer Construction Loan Agreement between the Borrower and the Lender, as amended and supplemented by the Permanent Financing Rider to Consumer Construction Loan Agreement (the "Construction Loan Agreement Rider"), each dated the same date as this Rider (collectively, the "Construction Loan Agreement"). In addition to all indebtedness and obligations described in the Security Instrument and without limiting any of the provisions of the Security Instrument, it is expressly understood and agreed that the Security Instrument secures to Lender all advances made under the Note and the Construction Loan Agreement and the performance of Borrower's covenants and agreements under the Construction Loan Agreement.

B. Construction Mortgage. The Security Instrument is a "construction mortgage" as defined in Section 7-9-313(1)(c) of the Code of Alabama and secures, among other obligations, an obligation incurred for the construction of an improvement on land.

C. Security Agreement. Without limiting any of the provisions of the Security Instrument, the Borrower (the "debtor" for the purposes of the Uniform Commercial Code (as defined below)) hereby grants unto Lender (the "secured party" for the purposes of the Uniform Commercial Code), as security for all indebtedness and obligations secured by the Security Instrument, title to and a security interest in the following property (collectively, the "Collateral"):

(i) To the extent owned by Borrower and acquired with the proceeds of the Loan, all fixtures, fittings, furnishings, equipment, building materials, machinery, and personal property of every nature now or hereafter located in, on, or used or intended to be used in connection with the Property, whether such fixtures, fittings, furnishings, equipment, building materials, machinery and personal property are actually located on or adjacent to the Property or not and whether in storage or otherwise, wheresoever the same may be located (collectively, "Fixtures and Personal Property");

(ii) All sums payable in lieu of or as compensation for the loss of or damage to the Property and the Fixtures and Personal Property, and all rights in and to all present and future hazard, property and flood insurance policies covering the Property and the Fixtures and Personal Property;

(iii) All judgments, awards or claims for damages, direct or consequential, and settlements in connection with any condemnation or other taking, in whole or in part, of the Property, or for conveyance in lieu thereof;

(iv) All of Borrower's interest and rights, as lessor, in and to all leases now or hereafter affecting the Property, and all rental income payable thereunder or otherwise; and

(v) All replacements, additions, and betterments to, and all proceeds (cash and non-cash) and products of, the collateral described hereinabove.

In addition to and without limiting the property described in the Security Instrument, the term "Property" as used in the Security Instrument and in this Rider shall include the Collateral.

1. All terms used in this Rider which are defined in the Alabama Uniform Commercial Code (the "Uniform Commercial Code") shall have the same meaning in this Rider as in the Uniform Commercial Code unless otherwise expressly set forth in this Rider.

2. In addition to and without limiting the other remedies granted in the Security Instrument to Lender, upon the occurrence of a default or Event of Default (as defined herein or therein) under the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider) or any of the other Loan Documents (as defined in the Construction Loan Agreement), Lender may, at its option, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral any and all the rights of a secured party under the Uniform Commercial Code. Such rights shall include, but shall not be limited to, the following:

(a) The right to take possession of the Collateral and to enter upon any premises upon which the Collateral may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and to take any action deemed necessary, appropriate, or desirable by Lender, at its option and in its sole discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized.

(b) The right to sell at public or private sale or sales or otherwise dispose of, lease, or utilize the Collateral, or any part or parts thereof, in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor and to apply the proceeds thereof toward payment of any costs, expenses, reasonable attorneys' fees, and legal expenses thereby incurred by Lender and toward payment of the indebtedness secured by the Security Instrument in such order or manner as Lender may elect. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give Borrower at least ten (10) days' prior notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition of the Collateral is to be made, all of which Borrower agrees shall be reasonable notice of any sale or disposition of the Collateral.

(c) The right to require Borrower to assemble the Collateral and make it available to Lender at a place to be designated by Lender that is reasonably convenient to both parties.

(d) The right to notify account debtors and demand and receive payment therefrom.

3. All expenses of retaking, holding, preparing for sale, lease, or other use or disposition, selling, leasing, or otherwise using or disposing of the Collateral hereunder, including, without limitation, all reasonable attorneys' fees, legal expenses, and costs, shall be added to the indebtedness secured by the Security Instrument and Borrower shall be liable therefor.

4. Certain of the Collateral is or will become fixtures on the Property, and the Security Instrument and this Rider upon being filed for record in the real estate records shall operate as a fixture filing in accordance with the provisions of Section 7-9-402(6) of the Code of Alabama.

5. At the request of Lender, Borrower shall join Lender in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Lender and shall pay the

cost of filing the same or filing or recording the Security Instrument and this Rider as a financing statement in all public offices at any time and from time to time whenever filing or recording of any financing statement or the Security Instrument and this Rider is deemed by Lender to be necessary or desirable. Any carbon, photographs, or other reproductions of the Security Agreement and this Rider may be filed by Lender and shall be sufficient as a financing statement.

6. Borrower shall not execute and there shall not be filed in any public office any financing statement or statements affecting the Collateral other than financing statements in favor of Lender hereunder, unless the prior written specific consent and approval of Lender shall have first been obtained.

7. Borrower warrants and represents to Lender that, except for the security interest granted in the Collateral by this Rider, Borrower is the owner and holder of the Collateral, free of any adverse claim, security interest, or encumbrance, and Borrower agrees to defend the Collateral against all claims and demands of any person at any time claiming the same or any interest therein, subject to the other matters set forth herein or in the Security Instrument. Borrower further warrants and represents that Borrower has not heretofore signed any financing statements in connection with the Collateral and that there are no financing statements signed by Borrower now on file in any public office.

D. Funds for Taxes and Insurance. Notwithstanding the terms and provisions of the Security Instrument, provided the Borrower is not in default under the Note, the Construction Loan Agreement, the Security Instrument, or any of the other Loan Documents from the period beginning on the date of this Rider and ending on the Rollover Date (as defined in the Note Addendum), the Borrower shall not be required to pay the Escrow Items to the Lender. The Borrower shall promptly pay when due directly to the party owed payment: (1) all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over the Security Instrument; (2) all leasehold payments and ground rents on the Property, if any; (3) all premiums for the hazard and property insurance required to be maintained on the Property; and (4) all premiums for the flood insurance, if any, required to be maintained on the Property.

E. Insurance Proceeds. Notwithstanding the terms and provisions of the Security Instrument, the Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Lender instead of to the Borrower and Lender jointly. After deducting from said insurance proceeds any expenses incurred by Lender in the collection or handling of said funds, the Lender may apply the net proceeds, at its option, either toward repairing or restoring the improvements on the Property, or as a credit on any portion of the Borrower's indebtedness selected by Lender, whether then matured or to mature in the future, or at the option of the Lender, such sums either wholly or in part may be used to repair such improvements, or to build new improvements in their place or for any other purpose and in a manner satisfactory to the Lender, all without affecting the lien of the Security Instrument for the full amount secured thereby before such payment took place. Lender shall not be liable to Borrower or otherwise responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

F. Occupancy. Notwithstanding the terms and provisions of the Security Instrument, the Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty (60) days after the Rollover Date, unless a second home rider is incorporated into the Security Instrument or the Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

G. Inspections. Notwithstanding the terms and provisions of the Security Instrument, the Lender and its construction consultants, if any shall be employed, shall have all of the inspection rights provided in the Construction Loan Agreement, including, but not limited to, the right to inspect the Property and the Project (as defined in the Construction Loan Agreement) and all other collateral for the Loan at any time without notice to the Borrower or any other person or entity and without specifying reasonable cause for the inspection.

H. Condemnation. Notwithstanding the terms and provisions of the Security Instrument, if all or any part of the Property shall be damaged or taken through condemnation (which term when used in the Security Instrument or this Rider shall include any damage or taking by any governmental or private authority, and any transfer by private sale in lieu thereof), either temporarily or permanently, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal

law as of the date of the Security Instrument. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 15 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender shall have the right, at its option, to exercise any and all rights and remedies given to the Lender by the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider), or any of the other Loan Documents, or by law or in equity, including, but not limited to, the right to invoke the power of sale under the Security Instrument, all without further notice to, demand on, or right to cure in favor of, the Borrower or any other person or entity, except as may be required by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing these rights and remedies, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

The Lender shall be entitled to all compensation, awards, and other payments or relief for any condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Borrower's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Borrower to the Lender, which, after deducting therefrom all its expenses, including attorneys' fees, may release any moneys so received by it without affecting the lien of the Security Instrument or may apply the same in such manner as the Lender shall determine to the reduction of the indebtedness secured by the Security Instrument, and any balance of such moneys then remaining shall be paid to the Borrower. The Borrower agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require. The Borrower shall promptly notify the Lender in the event of the institution of any condemnation or eminent domain proceeding or in the event of any threat of any such proceeding. The Lender shall be entitled to retain, at the expense of the Borrower, its own legal counsel in connection with any such proceedings or threatened proceedings. Lender shall be under no obligation to the Borrower or to any other person to determine the sufficiency or legality of any condemnation award and may accept any such award without question or further inquiry.

I. Transfer of the Property or a Beneficial Interest in Borrower. Notwithstanding the terms and provisions of the Security Instrument, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and Borrower is not a natural person) without the Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of the Security Instrument. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 15 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender shall have the right, at its option, to exercise any and all rights and remedies given to the Lender by the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider), or any of the other Loan Documents, or by law or in equity, including, but not limited to, the right to invoke the power of sale under the Security Instrument, all without further notice to, demand on, or right to cure in favor of, the Borrower or any other person or entity, except as may be required by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing these rights and remedies, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

J. No Right to Reinstate. Notwithstanding the terms and provisions of the Security Instrument, until this Rider is terminated in accordance with Section Q below, the Borrower's right to reinstate under paragraph 18 of the Security Instrument shall not apply.

K. Acceleration; Remedies. Notwithstanding the terms and provisions of the Security Instrument, upon the Borrower's breach of any covenant or agreement in the Security Instrument (as amended and supplemented by this Rider), or the occurrence of any default or Event of Default (as defined therein) under the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider) or any of the other Loan Documents, the Lender shall have the right, at its option, to exercise any and all rights and remedies given to the Lender by the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider), or the other Loan Documents, or by law or in equity, including, but not limited to, the right to require immediate payment in full, the right to invoke the power of sale under the Security Instrument, and/or the rights of a secured party under the Uniform Commercial Code, all without notice to, demand on, or a right to cure in favor of, the Borrower or any other person or entity, except as may be required by

applicable law. Lender shall be entitled to collect all expenses incurred in pursuing these rights and remedies, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

L. Release of Security Instrument (Mortgage). Notwithstanding the terms and provisions of the Security Instrument, until this Rider is terminated in accordance with Section Q below, Non-Uniform Covenant 22 of the Security Instrument shall be replaced by the following:

22. Release. Upon the payment of all sums secured by the Security Instrument (as amended and supplemented by this Rider) and the irrevocable expiration and termination of the Lender's obligations to make advances under the Construction Loan Agreement or any of the other Loan Documents, the Lender shall release this Security Instrument. The Borrower shall pay any recordation costs related to the release.

M. Adjustable Rate Rider to Security Instrument. The terms and provisions of any Adjustable Rate Rider to the Security Instrument shall not apply until termination of the Note Addendum.

N. Conflict; Remaining Provisions in Full Force and Effect. In the event of a conflict between the terms and provisions of this Rider and the terms and provisions of the Security Instrument, the terms and provisions of this Rider shall apply. Except as specifically set forth in this Rider, the terms and provisions of the Security Instrument shall remain in full force and effect.

O. Fixed Rate Modification Option. If the Borrower and the Lender have entered into a Fixed Rate Modification Option Agreement dated the same date as this Rider (the "Option Agreement"), subject to the satisfaction of all of the conditions precedent specified in the Option Agreement, the Borrower has the option to modify the interest rate payable under the Note from an adjustable rate to the fixed rate of interest described in the Option Agreement (the "Fixed Rate"). If the conditions precedent to the modification are satisfied, interest will accrue on the Note at the Fixed Rate beginning on the Rollover Date.

P. Extension of Construction Phase. If (1) the construction of the Project (as defined in the Construction Loan Agreement) is not or will not be completed by the Rollover Date and (2) the Borrower satisfies all of the Extension Conditions specified in the Construction Loan Agreement Rider, at the option of the Borrower, the Loan Documents may be modified to extend the Construction Phase (as defined in the Note Addendum) for up to three (3) months, with a corresponding extension of the maturity date of the Note and, if applicable, other modifications as provided in the Construction Loan Agreement Rider, by extension documents in form and substance satisfactory to the Lender.

Q. Termination of Rider. Provided (1) no event has occurred or failed to occur which would be a default or Event of Default under the Note, the Construction Loan Agreement, the Security Instrument (as amended and supplemented by this Rider), or any of the other Loan Documents or which upon notice or lapse of time, or both, would constitute such a default or Event of Default and (2) the construction of the Project has been completed and each of the Rollover Conditions (as defined in the Construction Loan Agreement Rider) has been full satisfied, then on the Rollover Date, this Rider shall terminate and be of no further force or effect and all of the terms and provisions of the Security Instrument shall apply. If either of the conditions to the termination of this Rider set forth in this Section is not satisfied on the Rollover Date, this Rider shall not terminate, but shall continue in full force and effect until the recording by the Lender, of an instrument terminating this Rider in the real property records in the county where the Property is located. In any event, this Rider shall terminate and be of no further force or effect upon the recording by the Lender of a release of the Security Instrument and/or a release of this Rider in the real property records in the county where the Property is located.

BY SIGNING BELOW, the Borrower accepts and agrees to the terms and provisions of this Construction Loan Rider to Security Instrument (Mortgage).

Witness

 (Seal)
Borrower JAMES R. LUDWIG

Witness

 (Seal)
Borrower DAWN C. LUDWIG

Inst # 1995-00240

Witness

Borrower (Seal)

Witness

Borrower (Seal)

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, JON M. TURNER, JR., the undersigned, a Notary Public in and for said County in said State, hereby certify that JAMES R. LUDWIG AND DAWN C. LUDWIG whose name(s) is/are signed to the foregoing instrument and who is/are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she/they executed the same voluntarily on the day the same bears date.

Given under my hand this the 30th day of DECEMBER, 1994.

[Signature]
Notary Public
My Commission Expires 05/03/98
Inst # 1995-00240

[NOTARIAL SEAL]

01/04/1995-00240
10:50 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
014 MCD 396.50