

SIMPLE

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This instrument prepared by:

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Address: POST OFFICE BOX 59372 BHAM AL 35259

Inst # 1995-03467

STATE OF ALABAMA

JEFFERSON

COUNTY

02/08/1995-03467
09:09 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

MORTGAGE

This indenture is made and entered into this 3RD day of FEBRUARY, 1995, by and between

PAUL B. LOWERY and JUDY LOWERY , A MARRIED COUPLE

(hereinafter called "Mortgagor", whether one or more) and UNITED COMPANIES LENDING CORPORATION

a Louisiana corporation

(hereinafter called "Mortgagee").

WHEREAS, PAUL B. LOWERY and JUDY LOWERY , A MARRIED COUPLE IS (are) justly indebted to the Mortgagee

in the amount of FORTY FIVE THOUSAND FOUR HUNDRED AND NO/100 dollars

(\$ 45,400.00).

Now, therefore, in consideration of the promises, and to secure the payment of the debt evidenced by a promissory note of even date herewith and any and all extensions and renewals thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such extensions and renewals (the aggregate amount of such debt and interest thereon, including any extensions and renewals and the interest thereon is hereinafter collectively called "Debt") and the compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the Mortgagee, the following described real estate, situated in SHELBY County, Alabama (said real estate being hereinafter called (Real Estate")):

LOT 37 OF DEER SPRINGS ESTATES, THIRD ADDITION, AS RECORDED IN
MAP BOOK 6, PAGE 5, IN THE OFFICE OF THE JUDGE OF PROBATE IN
SHELBY COUNTY, ALABAMA.

36 DEER SPRINGS ESTATES PELHAM ALABAMA 35124

Together with all rights, privileges, tenements and appurtenances appertaining to the Real Estate, all of which shall be deemed Real Estate and conveyed by this mortgage.

To have and to hold the Real Estate unto the Mortgagee, its successors and assigns forever. The Mortgagor covenants with the Mortgagee that the Mortgagor is lawfully seized in fee simple of Real Estate and has a good right to sell and convey the Real Estate as aforesaid; that the Real Estate is free of all encumbrances, except as otherwise set forth herein, and the Mortgagor will warrant the forever defend the title to the Real Estate unto the Mortgagee, against the lawful claims of all persons.

This mortgage is subordinate to the certain mortgage from _____ dated _____
to _____
and recorded in _____ Book _____ at page _____ in the Probate Court
of _____ County, Alabama.

The Mortgagor hereby authorizes the holder of any prior mortgage encumbering the Real Estate, if any, to disclose to the Mortgagee the following information: (1) the amount of indebtedness secured by such mortgage; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or the indebtedness secured thereby; and (5) any other information regarding such mortgage or the indebtedness secured thereby which the Mortgagee may request from time to time.

If this mortgage is subordinate to prior mortgage, the Mortgagor expressly agrees that if default should be made in the payment of principal, interest or any other sum payable under the terms and provisions of such prior mortgage, the Mortgagee may, but shall not be obligated to, cure such default, without notice to anyone, by paying whatever amounts may be due under the terms of such prior mortgage so as to put the same in good standing; and any and all payments so made together with interest thereon (at the rate of 8% per annum or the highest rate then permitted by Alabama law, whichever shall be less), shall be added to the indebtedness secured by this mortgage. Any such amount paid by Mortgagee, with interest thereon, shall be immediately due and payable; and, if such amount is not paid in full immediately by Mortgagor, then, at the option of the Mortgagee, this mortgage shall be in default and subject to immediate foreclosure in all respects as provided by law and by the provisions hereof.

For the purpose of further securing the payment of the Debt, the Mortgagor agrees to: (1) pay all taxes, assessments, and other liens taking priority over this mortgage (hereinafter jointly called "Liens"), and if default is made in the payment of the Liens, or any part thereof, the Mortgagee, at its option, may pay the same; (2) keep the Real Estate continuously insured, in such manner and with such companies as may be satisfactory to the Mortgagee, against loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsement, with loss, if any, payable to the Mortgagee, as its interest may appear, such insurance to be in an amount at least equal to the sum of the Debt and any other indebtedness secured by a prior mortgage or mortgages on the Real Estate. The original insurance policy and all replacements and renewals therefore, shall be delivered to and held by the Mortgagee until the Debt is paid in full. The insurance policy must provide that it may not be canceled without the insurer giving at least fifteen days prior written notice of such cancellation to the Mortgagee.

At Mortgagee's request, Mortgagor shall pay to Mortgagee on the day monthly installments of principal and interest are payable under the aforesaid Note, until said Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof.

Subject to the rights of the holder of the prior mortgage set forth above, if any, the Mortgagor hereby assigns and pledges to the Mortgagee as further security for the payment of the Debt each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof, together with all the right, title and interest of the Mortgagor in and to each and every policy, including but not limited to all of the Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return premiums. If the Mortgagor fails to keep the Real Estate insured as specified above then, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire Debt due and payable and this mortgage subject to foreclosure, and this mortgage may be foreclosed as hereinafter provided; and regardless of whether the Mortgagee declares the entire Debt due and payable and this mortgage subject to foreclosure, the Mortgagee may, but shall not be obligated to, insure the Real Estate for its full insurable value (or for such lesser amount as the Mortgagee may wish) against such risks of loss, for its own benefit, the proceeds for such insurance (less the cost of collecting same), if collected, to be credited against the Debt, or, at the election of the Mortgagee, such proceeds may be used in repairing or reconstructing the improvements located on the Real Estate. All amounts spent by the Mortgagee for insurance or for the payment of Liens shall become a debt due by the Mortgagor and at once payable, without demand upon or notice to the Mortgagor, and shall be secured by the lien of this mortgage, and shall bear interest from date of payment by Mortgagee until paid (at the rate of 8% per annum or the highest rate then permitted by Alabama law, whichever shall be less.)

Subject to the rights of the holder of the prior mortgage set forth above, if any, the Mortgagor hereby assigns and pledges to the Mortgagee as further security for the payment of the Debt the following described property, rights, claims, rents, profits, issues and revenues:

1. all rents, profits, issues, and revenues of Real Estate from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to the Mortgagor, so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, profits, issues and revenues;
2. all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Real Estate, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Real Estate, or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, and all payments made for voluntary sale of the Real Estate, or any part thereof, in lieu of the exercise of the power of eminent domain. The Mortgagee is hereby authorized on behalf of, and in the name of, the Mortgagor to execute and deliver valid acquittances for, and appeal from, any such judgments or awards. The Mortgagee may apply all such sums so received, or any part thereof, after the payment of all the Mortgagee's expenses, including court costs and attorney's fees, on the Debt in such manner as the Mortgagee elects, or, at the Mortgagee's option, the entire amount or any part thereof so received may be released or may be used to rebuild, repair or restore any or all of the improvements located on the Real Estate.

The Mortgagor agrees to take good care of the Real Estate and all improvements located thereon and not to commit or permit any waste thereon, and at all times to maintain such improvements in as good condition as they now are, reasonable wear and tear excepted.

Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage; (b) the creation of a purchase money security interest for household appliances; (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant; or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate it, prior to the sale or transfer, Mortgagee and the person to whom the Property is sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagee shall request.

The Mortgagor agrees that no delay or failure of the Mortgagee to exercise any option to declare the Debt due and payable shall be deemed a waiver of the Mortgagee's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in this mortgage may be waived, altered or changed except by a written instrument signed by the Mortgagor and signed on behalf of the Mortgagee by one of its officers.

Upon condition, however, that if the Mortgagor pays the Debt (which debt includes the indebtedness evidenced by the promissory note referred to hereinbefore and any and all extensions and renewals thereof and all interest on said indebtedness and on any and all such extensions and renewals) and reimburses the Mortgagee for any amounts the Mortgagee has paid in payment of Liens or insurance premiums, and interest thereon, and fulfills all of its obligations under this mortgage, this conveyance shall be null and void. But if: (1) any warranty or representation made in this mortgage is breached or proves false in any material respect; (2) default is made in the due performance of any covenant or agreement of the Mortgagor under this mortgage; (3) default is made in the payment to the Mortgagee of any sum paid by the Mortgagee under the authority of any provision of this mortgage; (4) the Debt, or any part thereof, remains unpaid at maturity; (5) the interest of the Mortgagee in the Real Estate becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon; (6) any statement of lien is filed against the Real Estate, or any part thereof, under the statutes of Alabama relating to the liens of mechanics and materialmen (without regard to the existence or nonexistence of the debt or the lien on which such statement is based); (7) any law is passed imposing or authorizing the imposition of any specific tax upon this mortgage or the Debt or permitting or authorizing the deduction of any such tax from the principal or interest of the Debt, or by virtue of which any tax, lien or assessment upon the Real Estate shall be chargeable against the owner of this mortgage; (8) any of the stipulations contained in this mortgage is declared invalid or inoperative by any court of competent jurisdiction; (9) Mortgagor, or any of them (a) shall apply for or consent to the appointment of a receiver, trustee or liquidator thereof or of the Real Estate or of all or a substantial part of such Mortgagor's assets, (b) be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, (c) fail, or admit in writing such Mortgagor's inability generally to pay such Mortgagor's debts as they come due, (d) make a general assignment for the benefit of creditors, (e) file a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law, or (f) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against such Mortgagor in any bankruptcy, reorganization or insolvency proceeding; or (10) an order for relief or other judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Mortgagor, or any of them if more than one, or appointing a receiver, trustee or liquidator of any Mortgagor or of the Real Estate or of all or a substantial part of the assets of any Mortgagor; then, upon the happening of any one or more of said events, at the option of the Mortgagee, the unpaid balance of the Debt (which includes principal and accrued interest) shall at once become due and payable and this mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages; and the Mortgagee shall be authorized to take possession of the Real Estate and, after giving at least twenty-one days notice of the time, place and terms of sale by publication once a week for three consecutive weeks in some newspaper published in the county in which the Real Estate is located, to sell the Real Estate in front of the courthouse door of said county, at public outcry, to the highest bidder for cash, and to apply the proceeds of said sale as follows; first, to the expense of advertising, selling and conveying the Real Estate and foreclosing this mortgage, including reasonable attorney's fees (provided, however, that such attorney's fees shall not exceed 15% of the unpaid Debt after default and referral to an attorney not a salaried employee of the Mortgagee, and no such attorney's fees shall be collectible if the original principal amount or the original amount financed does not exceed \$300); second, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, liens or other encumbrances, with interest thereon; third, to the payment in full of the balance of the Debt (which includes principal and accrued interest) whether the same shall or shall not have fully matured at the date of said sale, but not interest shall be collected beyond the day of sale; and, fourth, the balance, if any, to be paid to the party or parties appearing of record to be the owner of the Real Estate at the time of the sale, after deducting the cost of ascertaining who is such owner. The Mortgagor agrees that the Mortgagee may bid at any sale had under the terms of this mortgage and may purchase the Real Estate if the highest bidder therefor. At the foreclosure sale the Real Estate may be offered for sale and sold as a whole without first offering it in any other manner or it may be offered for sale and sold in any other manner the Mortgagee may elect.

The Mortgagor agrees to pay all costs, including reasonable attorney's fees (not exceeding 15% of the unpaid Debt after default and referral to an attorney not a salaried employee of the Mortgagee; provided, however, that no such attorney's fees shall be collectible if the original principal amount or original amount financed does not exceed \$300) incurred by the Mortgagee in collecting or securing or attempting to collect or secure the Debt, or any part thereof, or in defending or attempting to defend the priority of this mortgage against any lien or encumbrance on the Real Estate, unless this mortgage is herein expressly made subject to any such lien or encumbrance; and/or all costs incurred in the foreclosure of this mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction. The full amount of such costs incurred by the Mortgagee shall be a part of the Debt and shall be secured by this mortgage. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. In the event of a sale hereunder, the Mortgagee, or the owner of the Debt and Mortgagee, or auctioneer, shall execute to the purchaser, for and in the name of the Mortgagor, a deed to the Real Estate.

Notice - Arbitration is applicable to this Mortgage. It is important to read the next three (3) paragraphs carefully.

Except as set forth below, all claims, counterclaims, disputes, legal controversies, and other matters in question arising out of, or relating to the extension of credit (the "Loan") by Lender to Borrower which is evidenced by the Note and secured by the Mortgage (including but not limited to the terms of the Loan, representations, promises, undertakings or covenants made relating to the Loan, or Loan Agreements executed in conjunction with the Note and Mortgage, services provided under the Loan, and the validity and construction of this arbitration provision) shall be resolved solely and exclusively by arbitration in accordance with the Commercial Arbitration rules of the American Arbitration Association then in effect. **THE ARBITRATION WILL TAKE THE PLACE OF ANY COURT PROCEEDING INCLUDING A TRIAL BEFORE A JUDGE OR A JUDGE AND JURY.** This agreement to arbitrate shall be specifically enforceable. The award rendered by the arbitration shall be final, non-appealable and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Borrower and Lender agree that the Loan Agreements executed in conjunction with the Loan involve interstate commerce because the Borrower's Loan is being (i) provided by a lender organized under the laws of, and with its principal place of business in, a state different than the state in which the Borrower resides and the property is located, (ii) made with funds provided by a depository institution chartered under the laws of either the United States or of another state and physically located in another state, (iii) made to be sold to one or more investors organized under the laws of and physically located in other states, (iv) made to be pooled to back securities issued by a trust organized under the laws of and physically located in other states and sold to investors organized under the laws of and physically located in other states, and (v) repaid by the Borrower on a monthly basis to the Lender in Louisiana for remittance to such out of state investors.

Notwithstanding the foregoing, arbitration shall not apply with respect to either (i) foreclosure proceedings, whether pursuant to judicial action, power of sale, assent to a decree or otherwise, proceedings pursuant to which Lender seeks a deficiency judgment, or any comparable procedures allowed under applicable law pursuant to which a lien holder may acquire title to the property which is security for the Loan and any related personal property (including an assignment of rents or appointment of a receiver), upon a default by the Borrower under the mortgage loan documents or (ii) an application by or on behalf of the Borrower for relief under the federal bankruptcy laws or any other similar laws of general application for the relief of debtors, through the institution of appropriate proceedings.

Plural or singular words used herein to designate the undersigned shall be construed to refer to the maker or makers of this mortgage, whether one or more natural persons, corporations, associations, partnerships or other entities. All covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the undersigned; and every option, right and privilege herein reserved or secured to the Mortgagee shall inure to the benefit of the Mortgagee's successors and assigns.

In witness whereof, the undersigned Mortgagor has (have) executed this instrument on the date first written above.

Paul B. Lowery
PAUL B. LOWERY

Judy Lowery
JUDY LOWERY

ACKNOWLEDGEMENT FOR INDIVIDUAL(S)

STATE OF ALABAMA

Jefferson COUNTY

I, the undersigned authority, in and for said county in said state, hereby certify that PAUL B. LOWERY, JUDY LOWERY

A MARRIED COUPLE

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 said instruments, the Y executed the same voluntarily on this day the same bears date.

Given under my hand and official seal, this 3rd day of February, 1995.

Julie Ann Parker
Notary Public

My Commission expires: 3-13-96

NOTARY MUST AFFIX SEAL

ACKNOWLEDGEMENT FOR CORPORATION

STATE OF ALABAMA

_____ COUNTY

I, undersigned authority, in and for said county in said state, hereby certify that _____

whose named as _____

of _____, a corporation, 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 instruments, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this _____ day of _____, 19____.

Notary Public

My Commission expires: _____

Inst # 1995-03467

02/08/1995-03467
09:09 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 84.10

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