

395-1864

MORTGAGE

747459
500637

**NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF
THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.
The attached RIDER is made a part of this instrument.**

Inst # 1995-21011

THE STATE OF ALABAMA,
SHELBY COUNTY. }

08/04/1995-21011
09:47 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
SANDRA L. HOULT

KNOW ALL MEN BY THESE PRESENTS:

That whereas the undersigned PAUL FRANKLIN HOULT AND WIFE, SANDRA L. HOULT

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 SOUTH CENTRAL
STATES FINANCIAL, INC. , a corporation organized and existing under the laws of
THE STATE OF ALABAMA , party of the second part (hereinafter called the Mortgagee), in the full sum of
ONE HUNDRED FOUR THOUSAND FIVE HUNDRED FIFTY AND 00/100-----
Dollars (\$ 104,550.00), money lent and advanced, with interest at the rate of EIGHT AND 000/1000
per centum (8.00000 %) per annum until paid, for which amount the Mortgagor has signed and delivered unto the said Mortgagee a
certain promissory note bearing even date with these presents, the said principal and interest to be payable at the office of
SOUTH CENTRAL STATES FINANCIAL, INC., 1564-A MONTGOMERY HWY
in BIRMINGHAM, ALABAMA 35216
or at such other place as the holder may designate in writing delivered or mailed to the Mortgagor in monthly installments of
SEVEN HUNDRED SIXTY SEVEN AND 16/100-----
Dollars (\$ 767.16), commencing on the first day of SEPTEMBER 1995 , and continuing on the first day of each month
thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be
due and payable on the first day of AUGUST 2025 .

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

NOW, THEREFORE, in consideration of the premises and the sum of One Dollar (\$1) to the undersigned Mortgagor
PAUL FRANKLIN HOULT AND WIFE, SANDRA L. HOULT

in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, and for the purpose of securing the prompt payment of said
indebtedness as it becomes due FROM HIM/HER the said PAUL FRANKLIN HOULT, AND WIFE, SANDRA L. HOULT

do hereby grant, bargain, sell, assign, and convey unto the said Mortgagee the following-described real property situated in
SHELBY County, Alabama, to wit:

LOT 36, ACCORDING TO THE SURVEY OF BERRYHILL - 2ND SECTOR, AS RECORDED IN
MAP BOOK 14, PAGE 76, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

ALSO KNOWN AND NUMBERED AS: 108 BERRYHILL CIRCLE
ALABASTER, ALABAMA 35007

THE FOLLOWING RIDERS ARE ATTACHED HERETO AND MADE A PART HEREOF:
ASSUMPTION POLICY AND ESCROW ACCOUNT ADMINISTRATION RIDERS

together with the hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits of the above-described property
(provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues, and profits, until default hereunder), and
all fixtures now or hereafter attached to or used in connection with the premises herein described and in addition thereto the following
described household appliances, which are, and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security for the
indebtedness herein mentioned:

PFH [Signature]

The Mortgagor covenants and agrees that so long as this Mortgage and the said Note secured hereby are guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, or creed. Upon any violation of this undertaking, the Mortgagee may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

And the Mortgagor hereby covenants that ~~XXXXXX~~ ^{THEY ARE} ~~INITIAL~~ ^{THEY HAVE} seized of said real property in fee simple, and 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 prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars (\$100) whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

(a) 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, and of which the Mortgagor is notified) less all sums already paid therefor divided by the number of months to elapse before 1 month prior to the date which 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.

(I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
(II) interest on the note secured hereby; and
(III) amortization of the principal of said note.

3. If the total payments made by the Mortgagor under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee, as trustee, for ground rents, taxes, assessments, and insurance premiums, as the case may be, such excess shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor for such items or, at Mortgagee's option, as trustee, shall be refunded to the Mortgagor. If, however, such monthly payments shall not be sufficient to pay such items when the same shall become due and payable, then the Mortgagor will pay to the Mortgagee, as trustee, any amount necessary to make up the deficiency within thirty (30) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee, as trustee, shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of (a) 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 acquires the property otherwise after default, the Mortgagee, as trustee, shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining to credit of Mortgagor under (a) of paragraph 2 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on said note.

PAW LSH

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 taxes and 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. Mortgagor will continuously maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when payment for all such premiums has heretofore been made under (a) of paragraph 2 hereof, he will pay promptly when due any premiums therefor. 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 the 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.

7. 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 fails to pay immediately and discharge any and all liens, debts, and charges which might become liens superior to the lien of this mortgage, the Mortgagee may, at its option, insure said property and pay said taxes, assessments, debts, liens, and 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 interest at the rate provided for in the principal indebtedness from date paid or incurred, and, at the option of the Mortgagee, shall be immediately due and payable.

8. That upon request of the Mortgagee the Mortgagor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the Mortgagee for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the sum or sums so advanced shall be due and payable 30 days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

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, liens, or charges; and the lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby.

10. If the Mortgagor shall well and truly pay and discharge the indebtedness hereby secured as it shall become due and payable and shall do and perform all acts and agreements to be done and performed by the Mortgagor under the terms and provisions of this mortgage, then this conveyance shall be and become null and void.

11. If the Mortgagor shall fail to pay, or cause to be paid, as it matures, the indebtedness hereby secured or any part thereof, according to the terms thereof, or if the Mortgagor shall fail to do or perform any other act or thing herein required or agreed to be done or performed, or if the interest of the Mortgagee in said property becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon, then, in any such event, the whole indebtedness hereby secured shall, at the option of the Mortgagee, and without notice become immediately due and payable and this mortgage subject to foreclosure; and in such event the Mortgagee shall have the right and is hereby authorized to enter upon and take possession of said property, and, after or without taking possession, to sell the same before the Courthouse door in the city of ~~WINSTON-SALEM~~ COLUMBIANA, County of SHELBY Alabama, at public outcry, for cash, first giving notice of the time, place, and terms of said sale by publication once a week for three successive weeks prior to said sale in some newspaper published in said county, and, upon the payment of the purchase money, the Mortgagee or any person conducting said sale for it is authorized to execute to the purchaser at said sale a deed to the property so purchased, and such purchaser shall not be held to inquire as to the application of the proceeds of such sale. The Mortgagee may bid at the sale and purchase said property, if the highest bidder therefor.

12. The proceeds of a foreclosure sale, judicial or otherwise, shall be applied: First, to the expenses of advertising and selling, including the attorney's fees, provided for in paragraph 4 hereby; second, to the repayment of any money, with interest thereon, which the Mortgagee may have paid or become liable to pay or which it may then be necessary to pay for taxes, assessments, insurance and other charges, liens, or debts hereinabove provided; third, to the payment and satisfaction of the indebtedness hereby specially secured with interest, but interest to date of sale only shall be charged; fourth, to reimbursement of the Department of Veterans Affairs for any sums paid by it on account of the guaranty or insurance of the indebtedness evidenced by the note secured hereby; fifth, the balance, if any, shall be paid to the Mortgagor.

13. 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.

14. If the Mortgagor shall make default in the payment of any of the indebtedness hereby secured, or in the performance of any of the terms or conditions hereof, the Mortgagee may proceed to collect the rent, income, and profits from the premises, either with or without the appointment of a receiver. Any rents, income, and profits collected by the Mortgagee prior to foreclosure of this indebtedness, less the cost of collecting the same, including any real estate commission or attorney's fee incurred, shall be credited first, on the advances with interest thereon, then upon the interest, and the remainder, if any, upon the principal debt hereby secured.

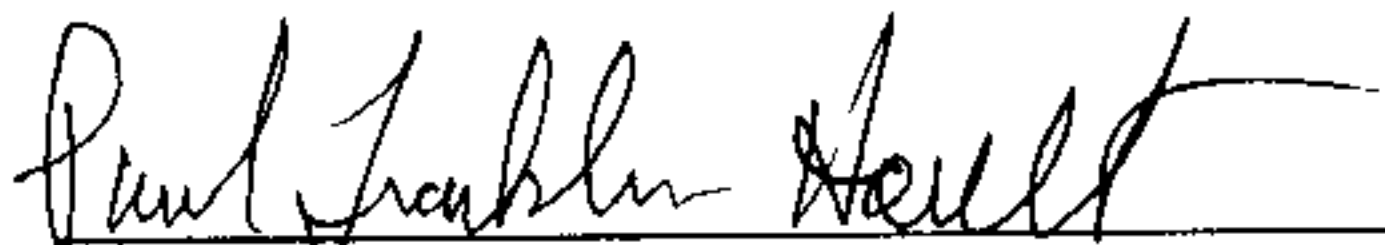
15. Any promise made by the Mortgagor herein to pay money may be enforced by a suit at law, and the security of this mortgage shall not be waived thereby, and as to such debts the Mortgagor waives all right of exemption under the law.

16. The indebtedness evidenced by the note first described above and by this mortgage represents the unpaid balance of the purchase price due by the Mortgagor to the Mortgagee for the purchase price of the property herein conveyed, and this is a purchase money mortgage.

17. If the indebtedness secured hereby be guaranteed or insured under Title 38 United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

18. The covenants, conditions, and agreements herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors, and assigns, of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, the use of any gender shall include all genders, and the term, "Mortgagee," shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

Given under HIS hand and seal this the 31ST day of JULY, 1995.

 [SEAL]
PAUL FRANKLIN HOULT
 [SEAL]
SANDRA L. HOULT

_____ [SEAL]

_____ [SEAL]

STATE OF ALABAMA,
SHELBY COUNTY. }

I, THE UNDERSIGNED, a notary public in and for said county, in said State, hereby certify that PAUL FRANKLIN HOULT, AND WIFE, SANDRA L. HOULT

whose name ~~XX~~ ARE signed to the foregoing conveyance, and who ~~XX~~ ARE known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, ~~XX~~ THEY executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 31ST day of JULY, 1995.



Notary Public.

THIS INSTRUMENT PREPARED BY:

NAME SOUTH CENTRAL STATES FINANCIAL, INC.
ADDRESS 1564-A MONTGOMERY HWY
BIRMINGHAM, ALABAMA 35216

STATE OF ALABAMA

MORTGAGE

TO

THE STATE OF ALABAMA,

COUNTY.

I, Judge of the Probate Court of said County, do hereby certify that the foregoing conveyance was filed for registration in this office on the _____ day of _____, 19____, and was recorded

in Vol. _____, Record of Deeds, pages _____

, on the _____ day of _____, 19____.

Judge of Probate

Fee

VA ASSUMPTION POLICY RIDER

NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

747459
500637

THIS ASSUMPTION POLICY RIDER is made this 31ST day of JULY, 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt ("Instrument") of the same date herewith, given by the undersigned ("Mortgagor") to secure the Mortgagor's Note ("Note") of the same date to SOUTH CENTRAL STATES FINANCIAL, INC.

its successors and assigns ("Mortgagee") and covering the property described in the Instrument and located at:
108 BERRYHILL CIRCLE
ALABASTER, ALABAMA 35007

(Property Address)

Notwithstanding anything to the contrary set forth in the Instrument, Mortgagor hereby acknowledges and agrees to the following:

TRANSFER OF THE PROPERTY: This loan may be declared immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of this loan is established pursuant to 38 U.S.C. 3714.

An authorized transfer ("assumption") of the property shall also be subject to additional covenants and agreements as set forth below:

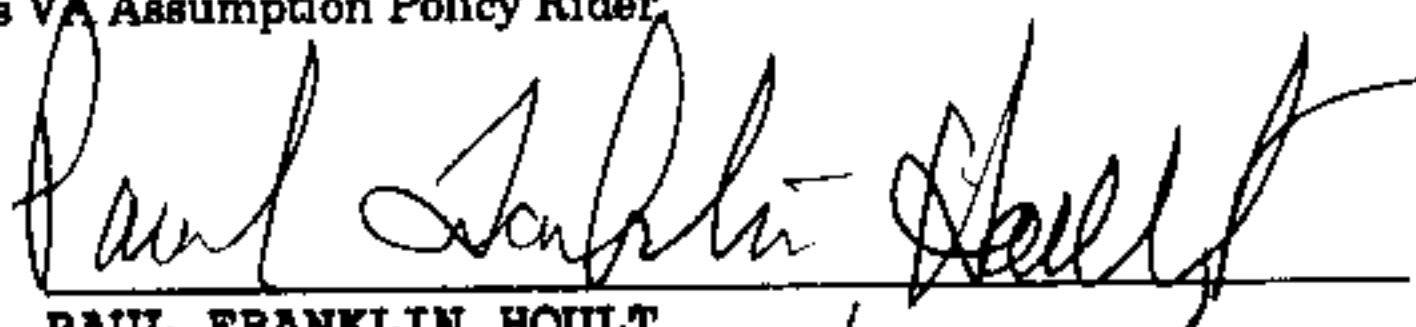
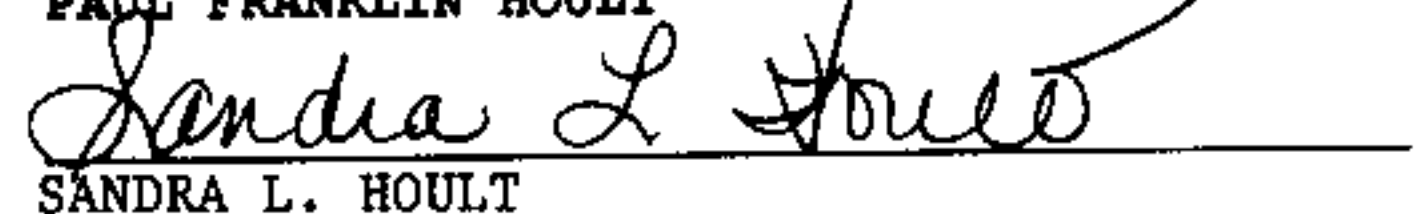
(a) **ASSUMPTION FUNDING FEE:** A fee equal to one-half of 1 percent (.50%) of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this Instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 3729 (b).

(b) **ASSUMPTION PROCESSING CHARGE:** Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which 38 U.S.C. 3714 applies.

(c) **ASSUMPTION INDEMNITY LIABILITY:** If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing this loan, including the obligation of the veteran to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this Instrument.

GUARANTY: Should the Department of Veterans Affairs fail or refuse to issue its guaranty in full amount within 60 days from the date that this loan would normally become eligible for such guaranty committed upon by the Department of Veterans Affairs under the provisions of Title 38 of the U.S. Code "Veterans Benefits", the Mortgagee may declare the indebtedness hereby secured at once due and payable and may foreclose immediately or may exercise any other rights hereunder or take any other proper action as by law provided.

IN WITNESS WHEREOF, Mortgagor(s) has executed this VA Assumption Policy Rider


PAUL FRANKLIN HOULT

SANDRA L. HOULT

VA ESCROW ACCOUNT ADMINISTRATION RIDER

THIS ESCROW ACCOUNT ADMINISTRATION RIDER is made this 31ST day of JULY 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt ("Instrument") of the same date herewith, given by the undersigned ("Mortgagor") to secure the Mortgagor's Note ("Note") of the same date to SOUTH CENTRAL STATES FINANCIAL, INC.

its successors and assigns ("Mortgagee") and covering the property described in the Instrument and located at:
108 BERRYHILL CIRCLE, ALABASTER, ALABAMA 35007

[Property Address]

Notwithstanding anything to the contrary set forth in the Instrument, Mortgagor hereby acknowledged and agrees to the following:

1. Paragraph 2(a) and Paragraph 3 of the Instrument are deleted and replaced in their entirety by the following:

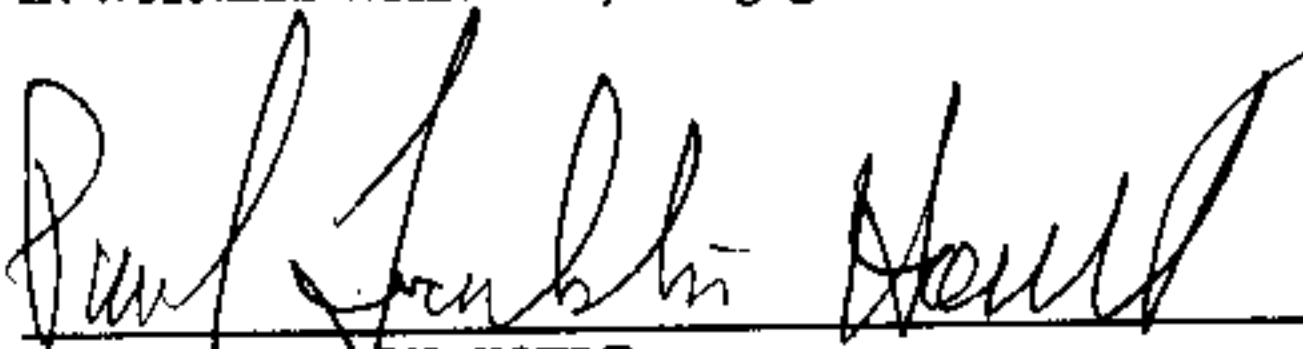
Subject to applicable law, Mortgagor shall pay to Mortgagee on the day monthly payments are due under the note secured hereby, until said note is paid in full, a sum ("Funds") for (a) yearly taxes and assessments which may attain priority over this Instrument as a lien on the property described above ("Property"); (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums. These items are called "Escrow Items." Mortgagee 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 Mortgagee'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, Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Mortgagee 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 Mortgagee, if Mortgagee is such an institution) or in any Federal Home Loan Bank. Mortgagee shall apply the Funds to pay the Escrow Items. Mortgagee may not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Mortgagee pays Mortgagor interest on the Funds and applicable law permits Mortgagee to make such a charge. However, Mortgagee may require Mortgagor to pay a one-time charge for an independent real estate tax reporting service used by Mortgagee in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and Mortgagee may agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give to Mortgagor, 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 Instrument.

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

Upon payment in full of all sums secured by this Instrument, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee. If there shall be a default under any of the provisions of the Instrument resulting in a public sale of the Property or if the Mortgagee acquires the Property otherwise after default, Mortgagee, prior to the acquisition or sale of the Property, shall apply any Funds held by Mortgagee at the time of acquisition or sale as a credit against the sums secured by this Instrument.

IN WITNESS WHEREOF, Mortgagor(s) has executed this VA Escrow Account Administration Rider.


PAUL FRANKLIN HOULT


SANDRA L. HOULT

Inst # 1995-21011

08/04/1995-21011
09:47 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
006 MCB 177.90