

RETURN RECORDED MORTGAGE TO: _____

STATE OF ALABAMA, *
* REAL ESTATE MORTGAGE
SHELBY COUNTY. *

Know all men by these Presents, That whereas, the undersigned THOMAS C. HUDSON, JR., hereinafter referred to as "Mortgagor", is justly indebted to Farmers & Merchants Bank, of Centre, Alabama, hereinafter referred to as "Mortgagee", in the sum of One Hundred Forty-Two Thousand and No/100 (\$142,000.00) Dollars, due by one promissory note dated February 26, 1996, with a final maturity date of August 26, 1996, and

Whereas, the Mortgagor is desirous of securing the prompt payment of said note; when same falls due along with all other indebtedness due by Mortgagor to Mortgagee.

Now therefore, in consideration of said indebtedness, and to secure the prompt of said note at maturity, and (a) any and all indebtedness of Mortgagor to Mortgagee, now or hereafter existing or incurred, whether as principal, surety, endorser, guarantor or otherwise, and whether due or not, including any and all advances and payments made to or on behalf of Mortgagor; and (b) any and all advances made to or on behalf of Mortgagor and/or any subsequent purchaser to repair, maintain or preserve said property, or to complete improvements on said property, and any and all expenses incident to the collection of said advances, the said THOMAS C. HUDSON, JR., a single man, has bargained and sold, and does hereby grant, bargain, sell and convey unto the said Farmers & Merchants Bank, of Centre, Alabama, the following described real estate situated in Shelby County, the State of Alabama, to-wit:

Lot 26, according to the survey of Oak Crest, Sector Two, as recorded in Map Book 20 page 129 A & B in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

All said lands being warranted free from all encumbrances and against any adverse claims.

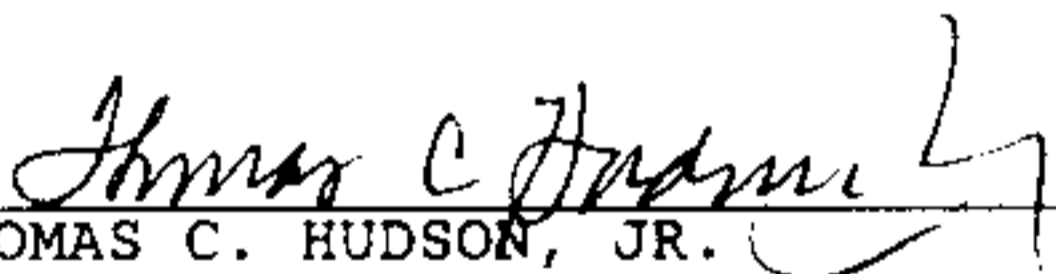
TO HAVE AND TO HOLD the above granted premises unto the said Farmers & Merchants Bank, of Centre, Alabama, its successors and assigns forever. And for the purpose of further securing the payment of said note and said other indebtedness, Mortgagor does hereby agree to pay all taxes or assessments when imposed legally upon said premises, and should Mortgagor make default in the payment of same, the Mortgagee may, at its option, pay off the same; and to further secure said indebtedness first above named, Mortgagor agrees to keep said property insured for at least its insurable value, loss, if any, payable to Mortgagee, as its interest may appear; and if Mortgagor fails to keep said property insured as above specified, then the Mortgagee may, at its option, insure said property for its own benefit, the policy, if collected, to be credited on said indebtedness, less cost of collecting same; all amounts so expended by said Mortgagee, shall become a debt to it additional to the indebtedness hereby specifically secured, and shall be covered by this mortgage, and bear interest from date of payment by Mortgagee, and be due and payable at the maturity of the indebtedness hereby secured.

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Upon condition, however, that if Mortgagor pays said note and said other indebtedness and reimburse the Mortgagee for any amounts it may have expended as taxes and insurance and interest thereon, then this conveyance is to be null and void; but should default be made in the payment of any sum expended by the Mortgagee or should said note, or any part thereof, or the interest thereon, or any other of said indebtedness remain unpaid at maturity, or should the interest of the Mortgagee or its assigns, in said property become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events the whole of said indebtedness shall at once become due and payable; and this mortgage be subject to foreclosure, as now provided by law in case of past due mortgages, and the Mortgagee, its agents and assigns, shall be authorized to take possession of the premises hereby conveyed, and after giving notice by publication once a week for three successive weeks of the time, place and terms of sale by publication in some newspaper published at Columbiana in said County and State, to sell the same 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, first, to the expense of advertising, selling, and conveying, including a reasonable attorney's fee; second, to the payment of any amounts that may have been expended, or that may then be necessary to expend in paying insurance, taxes, or other encumbrances, with interest thereon; third, to the payment of said note in full, whether the same shall or shall not have fully matured at the date of said sale; fourth, the payment of all other indebtedness due by Mortgagor to Mortgagee but no interest shall be collected beyond the day of sale; and fifth, the balance, if any, to be turned over to the Mortgagor. The Mortgagor further agrees that the Mortgagee, its agents and assigns, may bid at said sale and purchase said property, if the highest bidder therefor, and Mortgagor further agrees to pay a reasonable attorney's fee to the Mortgagee or its assigns for the foreclosure of this mortgage in Court, should the same be foreclosed, said fee to be part of the debt hereby secured.


Witness my hand and seal this 26th day of February, 1996.

 (L.S.)
THOMAS C. HUDSON, JR.

STATE OF ALABAMA, Jefferson COUNTY.

I, JAMES R. BURMAN III, a Notary Public in and for said County and State, hereby certify that THOMAS C. HUDSON, JR., a single man, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance she executed the same voluntarily on the day the same bears date.

Given under my hand this 26th day of February, 1996.


NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY
ALBERT L. SHUMAKER
ATTORNEY AT LAW
CENTRE, ALABAMA

116.HUD

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