

MORTGAGE

LOAN #: 517573
CASE #: 605071

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.

THE STATE OF ALABAMA,

SHELBY

COUNTY

KNOW ALL MEN BY THESE PRESENTS; That whereas the undersigned
THOMAS H. MULLIS, SINGLE MAN

06/06/1996-18378
10:26 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 197.75

of the City of BIRMINGHAM
of ALABAMA

County of JEFFERSON

and State

party of the first part (hereinafter called the Mortgagor), has become justly indebted unto
ALLIANCE MORTGAGE COMPANY DBA
ALLIANCE MORTGAGE COMPANY, INC.

a corporation organized and existing under the laws of THE STATE OF FLORIDA

party of the second part (hereinafter called the Mortgagee), in the full sum of

ONE HUNDRED NINETEEN THOUSAND FOUR HUNDRED EIGHTY AND NO/100---

Dollars (\$ 119,480.00), money lent and advanced, with interest at the rate of

EIGHT per centum (8.00 %) 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

ALLIANCE MORTGAGE COMPANY DBA ALLIANCE MORTGAGE COMPANY, INC., 4500 SALISBURY ROAD in
JACKSONVILLE, FLORIDA 32216

or at such other place as the holder may designate in writing delivered or mailed to the Mortgagor in monthly installments of
EIGHT HUNDRED SEVENTY SIX AND 70/100---

Dollars (\$ 876.70), commencing on the first day of JULY 1996

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 JUNE 2026

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

Lot 17, in Block 1, according to the Plat of Selkirk, a subdivision
of Inverness, as recorded in Map Book 6, Page 163, in the Office
of the Judge of Probate of Shelby County, Alabama.

The proceeds of this loan have been applied on the purchase price of the property
described herein, conveyed to the mortgagors simultaneously herewith.

101110003052.000

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:

Should the Department of Veterans Affairs fail or refuse to issue its guaranty of the loan secured by this instrument the provisions of Title 38, United States Code, "Veterans' Benefits," as amended, within sixty (60) days from the date the loan would normally become eligible for such guaranty, the Mortgagee may, at its option, declare all sums secured hereby immediately due and payable.

TO HAVE AND TO HOLD the same with all the rights, privileges, and appurtenances thereunto belonging or in anywise appertaining unto the said Mortgagee and assigns of the Mortgagee forever.

And the Mortgagor hereby covenants that Mortgagor is seized of said real property in fee simple, and has 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.

THIS MORTGAGE IS MADE, however, subject to the following covenants, conditions, and agreements, that is to say:

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.

2. Together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, as trustee, (under the terms of this trust as hereinafter stated) on the first day of each month until said Note is fully paid, the following sums

(a) Subject to applicable law or to a written waiver by the Mortgagee, Mortgagor shall pay to the Mortgagee on the day monthly payments are due under the note, until the note is paid in full, a sum ("Funds") for: (I) taxes and assessments levied or to be levied against the property which may attain priority over this mortgage as a lien on the Premises; (II) leasehold payments or ground rents on the Premises, if any; (III) hazard or property insurance premiums; (IV) flood insurance premiums, if any; and (V) mortgage insurance premiums, if any. These items are called "Escrow Items." The Mortgagee may, at any time, collect and hold Funds in an aggregate amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Mortgagor'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.* and implementing regulations, 24 CFR Part 3500, as amended from time to time, ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, the Mortgagee may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. The 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 cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Mortgagor's payments are

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

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

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four per centum (4%) of any monthly payment of principal and interest, and Escrow Items if permitted by RESPA or any other governing law, when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

3. If the amounts held by the Mortgagee for Escrow Items exceed the amounts permitted to be held by RESPA, the Mortgagee shall deal with the excess funds as required by RESPA. If the amounts of funds held by the Mortgagee at any time are not sufficient to pay the Escrow Items when due, the Mortgagee may notify the Mortgagor and require Mortgagor to make up the shortage or deficiency as permitted by RESPA. The Escrow Funds are pledged as additional security for all sums secured by this mortgage. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions thereof, the 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 balance remaining in the funds accumulated 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 property is otherwise acquired after default, the Mortgagee, as trustee, shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining in the funds accumulated 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 the note secured hereby.

4. If the Mortgagee shall be made a party to any condemnation proceedings or to any suit involving the title to the property hereby conveyed and employs an attorney to represent it therein, or if the Mortgagee employs an attorney to assist in settling or removing any cloud on the title to the property hereby conveyed that purports to be superior to the lien of this mortgage in any respect, or if this mortgage be foreclosed in Chancery or under the power of sale hereinafter provided for, or if an action be brought for breach of any obligation hereunder, the Mortgagor will pay, when the same becomes due, such attorney's fee as may be reasonable for such services, and if such fee is paid or incurred by the Mortgagee the same shall be secured by the lien of this mortgage in addition to the indebtedness specially secured hereby and shall bear interest from the date it is paid or incurred and shall be at once due and payable. Any proceeds from Condemnation awards shall be applied to reduce the amount of the principal debt at the option of Mortgagee.

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, including flood 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 mortgage 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 the 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

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.

VA ASSUMPTION POLICY RIDER

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

CASE #: 605071
LOAN #: 517573

THIS ASSUMPTION POLICY RIDER is made this 29TH day of MAY 1996 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 ALLIANCE MORTGAGE COMPANY DBA ALLIANCE MORTGAGE COMPANY, INC., A FLORIDA CORPORATION its successors and assigns ("Mortgagee") and covering the property described in the Instrument and located at:

5181 SELKIRK DRIVE
BIRMINGHAM, ALABAMA 35242
(Property Address)

Notwithstanding anything to the contrary set forth in the Instrument, Mortgagee and Mortgagor hereby acknowledge and agree to the following:

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 United States 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.

TRANSFER OF THE PROPERTY: If all or any part of the Property or any interest in it is sold or transferred, this loan may be declared immediately due and payable upon transfer ("assumption") of the property securing such loan to any transferee ("assumer"), unless the acceptability of the assumption and transfer of this loan is established by the Department of Veterans Affairs or its authorized agent pursuant to Section 3714 of Chapter 37, Title 38, United States Code.

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 unpaid principal balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the mortgagee 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 mortgagee 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 (c).

(b) **ASSUMPTION PROCESSING CHARGE:** Upon application for approval to allow assumption and transfer of this loan, a processing fee may be charged by the mortgagee 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 lesser of the maximum established by the Department of Veterans Affairs for a loan to which Section 3714 of Chapter 37, Title 38, United States Code applies or any maximum prescribed by applicable State law.

(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 the 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.

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


THOMAS H. MULLIS (Seal)
Mortgagor

(Seal)
Mortgagor

(Seal)
Mortgagor

Inst # 1996-18378 (Seal)
Mortgagor

101110003052.000

06/06/1996-18378
10:26 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 NC9 197.75

(12-95) JS-14226-71

179.25
14.50
193.75