PREPARED BY: [illegible]
MAGNOLIA FEDERAL BANK FOR SAVINGS
LOAN CLOSING DEPARTMENT
P.O. BOX 1858
HATTIESBURG, MS 39403
PHONE NO.: (6[illegible]) 554-2[illegible]
(6[illegible]) 93[illegible]-[illegible]

[Space Above This Line For Recording Data]

Inst # 1997-07548

03/11/1997-07548
10:54 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 [illegible]

# MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on FEBRUARY 26, 199[illegible]. The grantor is
DEBI PAPPAS, A MARRIED PERSON

("Borrower"). This Security Instrument is given to MAGNOLIA FEDERAL BANK FOR SAVINGS, a corporation, which is organized and existing under the laws of the United States of America, and whose address is 130 West Front Street, Hattiesburg, MS 39401 ("Lender"). Borrower owes Lender the principal sum of [illegible] THOUSAND DOLLARS & NO/CENTS Dollars (U.S. $ 34,000.00 ). 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 [illegible]. 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 [illegible] County, Alabama:

SEE EXHIBIT "A" ATTACHED HERETO CONSISTING OF 1 PAGE(S) AND SIGNED FOR IDENTIFICATION PURPOSES

The proceeds of this loan have been applied toward the purchase price of the property described herein, conveyed to mortgagor(s) simultaneously herewith.

THE FUNDS DERIVED FROM THE INDEBTEDNESS SECURED BY THIS MORTGAGE HAVE BEEN ENTIRELY USED TO PAY THE SE[illegible] PURCHASE PRICE OF THE PROPERTY DESCRIBED ABOVE.

which has the address of [illegible] COL[illegible] [Street, City], Alabama 35051 [Zip Code] ("Property Address");

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. Section 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 proceed[illegible] that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfe[illegible] 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 [illegible] 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 [illegible] the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise [illegible] 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 [illegible] 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 [illegible] days after the date the notice is given, Lender is authorized to collect and apply the proceeds, [illegible] the Property or to the sums secured by this Security Instrument, whether or not then [illegible].

Unless Lender and Borrower otherwise agree [illegible] proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph [illegible] 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 [illegible] the exercise of any right or remedy.

**12. Successors and Assigns [illegible] Co-signers.** The covenants and agreements of this Security Instrument shall bind and [illegible] subject to the provisions of paragraph 17. Borrower's covenants and [illegible] this Security Instrument but does not execute the Note: (a) is co-signing this Security [illegible] grant and convey that Borrower's interest in the Property under the terms of this Security [illegible] secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may [illegible] accommodations with regard to the terms of this Security Instrument or the Note [illegible].

**13. Loan Charges.** If the loan secured by this Security [illegible] sets maximum loan charges, and that law is finally interpreted so that the [illegible] in connection with the loan exceed the permitted limits, then: (a) any such loan charge [illegible] reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which [illegible] refunded to Borrower. Lender may choose to make this refund by reducing the principal [illegible] payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment [illegible].

**14. Notices.** Any notice to Borrower [illegible] 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 [illegible] first class mail to Lender's address stated herein or any other address Lender designates by notice [illegible] this Security Instrument shall be deemed to have been given to Borrower [illegible].

**15. Governing Law; Severability.** This Security [illegible] federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or [illegible] 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 [illegible] are declared to be severable.

**16. Borrower's Copy.** [illegible] this Security Instrument.

**17. Transfer of the Property or a Beneficial [illegible]** Property or any interest in it is sold or transferred (or if a [illegible] person) without Lender's prior written consent, Lender may, at its option, [illegible] this Security Instrument. However, this option shall not be exercised by Lender [illegible] of this Security Instrument.

If Lender exercises this option [illegible] provide a period of not less than 30 days from the date the notice [illegible] sums secured by this Security Instrument. If Borrower fails to pay these sums [illegible] may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** [illegible] Borrower shall have the right to have enforcement of this Security Instrument discontinued at [illegible] other period as applicable law may specify for reinstatement) before sale of the Property [illegible] Security Instrument; or (b) entry of a judgment enforcing this Security Instrument [illegible] which then would be due under this Security Instrument [illegible] any other covenants or agreements; (c) pays all expenses incurred in enforcing [illegible] reasonable attorneys' fees; and (d) takes such action as Lender may reasonably [illegible] Lender's rights in the Property and Borrower's obligation to pay the sums secured [illegible] by Borrower, this Security Instrument and the obligations [illegible] occurred. However, this right to reinstate shall not apply in the case [illegible].

**19. Sale of** Note; Change of Loan Servicer. [illegible] the Note (together with this Security Instrument) may be sold one or more times without [illegible] notice to Borrower. [illegible] a change in the entity (known as the "Loan Servicer") that collects monthly payments [illegible] 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 [illegible] 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. [illegible] Borrower [illegible] cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. [illegible] or allow anyone else to do anything affecting the Property that is in violation of any Environmental Law. The [illegible] shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances [illegible] to normal residential uses and to maintenance of the Property.

Borrower shall promptly give [illegible] written [illegible] 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 [illegible] regulatory authority, that any removal or other remediation of any Hazardous Substance [illegible] 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 [illegible] flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, [illegible] and radioactive materials. As used in this paragraph 20, "Environmental Law" means [illegible] laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower [illegible] as follows:

**21. Acceleration; Remedies.** [illegible] following Borrower's breach of any covenant or agreement in this Security Instrument [illegible] under paragraph 17 unless applicable law provides otherwise). The notice shall specify [illegible] 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. [illegible] the right to reinstate after acceleration and the right to bring a court action [illegible] 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 [illegible] and may invoke the power of sale and any other remedies permitted by applicable law. Lender [illegible] 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, [illegible] to Borrower in the manner provided in paragraph 14. Lender shall publish the notice of sale once a week for [illegible] weeks in a newspaper published in SHELBY Shelby County, [illegible] highest bidder at public auction at the front door of the County Courthouse of this County. [illegible] 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 attorney's fees; (b) to all sums secured by this Security Instrument; [illegible] to the person or persons legally entitled to it.

**22. Release.** Upon payment [illegible] Lender shall release this Security Instrument to Borrower. Borrower shall pay [illegible] Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party [illegible] permitted under applicable law.

**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 [illegible] together with this Security Instrument, the covenants and [illegible] and supplement the covenants and agreements of this [illegible]

[Check applicable boxes]

| | | |
|---|---|---|
| ☐ Adjustable Rate [illegible] | [illegible] | [illegible] Family Rider |
| ☐ Graduated Pay[illegible] | [illegible] Rider | [illegible] Payment Rider |
| ☐ Balloon [illegible] | [illegible] | [illegible] Home Rider |
| ☐ V.A. Rider | [illegible] | |

BY SIGNING BELOW, Borrower [illegible] contained in this Security Instrument and in any rider(s) executed by Borrower [illegible]

______________________ (Seal) -Borrower

DEBI PAPPAS

______________________ (Seal) -Borrower

______________________ (Seal) -Borrower

______________________ (Seal) -Borrower

Witnesses

STATE OF ALABAMA, County ss: JEFFERSON

On this 26th [illegible] undersigned authority [illegible] in and for said county and in said state, hereby certify that

DEBI PAPPAS, [illegible] , whose name(s) is signed to the foregoing conveyance [illegible] that, being informed of the contents of the conveyance [illegible] the same bears date.

Given under my hand [illegible] 1997

My Commission Expires: 11/3/97

Notary Public

This instrument was prepared by:
R. ANDREW FERGUSON
MAGNOLIA FEDERAL BANK
LOAN CLOSING DEPARTMENT
P.O. BOX 1858
HATTIESBURG, MS 39403
PHONE NO.: (601)554-[illegible]

APP#: 70210280
LOAN #: 9010111111

MLC 200 (12/93) ALA[illegible]

LOAN #: 9010111111

# SPECIAL PROVISION RIDER

This Special Provision Rider is made this 26TH day of FEBRUARY, [illegible] and is incorporated into and shall be deemed to amend and supplement the Deed of Trust, Mortgage or Security Deed (the "Security Instrument") of even date herewith given by the undersigned (herein "Borrower") to secure Borrower's Note, of the same date to **MAGNOLIA FEDERAL BANK FOR SAVINGS** (herein "Lender") and covering the property described in the Security Instrument and located at

438 WEST COLLEGE STREET, COLUMBIANA, AL 35051
(Property Address)

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

A. In addition to the aforesaid indebtedness and any [illegible] extensions or renewals of the same or any part thereof, this Security Instrument does secure any and all other debts, obligations, or liabilities, direct or contingent, of any one or more of the Borrowers herein owed to the Lender whether now existing or hereafter [illegible] at any time before cancellation of record of this Security Instrument, and whether the same be evidenced by Note, open account, overdraft, assignment, endorsement, guaranty, pledge or otherwise, including any and all advances made by the Lender and this Security Instrument is a continuing security by way of lien on the property hereby conveyed for any other indebtedness that the Borrower may owe the Lender. At the time of the execution of this Rider, Borrower may not owe Lender any other indebtedness of any kind. However, in the future, other debts, obligations, or liabilities, direct or contingent, might be owed to the Lender. It is expressly the intention of the Lender and the Borrower that this paragraph shall specifically cover any such future indebtedness and failure [illegible] should not be construed as a rejection of the intention of the parties.

B. If the indebtedness secured hereby is now or hereafter further secured by Security Agreements, Financing Statements, chattel mortgages or deeds of trust, mortgages, security deeds, pledges, contracts of guaranty, assignments of leases, financial agreements, or other securities, Lender may at its option exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as it may determine [illegible] by Lender or Trustee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder, and Lender may probate or file proof of its claim with any court without waiving its rights under this Security Instrument or being deemed to [illegible].

C. The Borrower agrees that this Security Instrument may be [illegible] at Borrower's expense in any manner permitted by applicable law, and that this Security Instrument is a renewal and extension of all previous Deeds of Trust, Mortgages or Security Deeds executed by the Borrower to the Lender covering all or part of the property herein described, and also is a renewal and extension of all previous Security Instruments executed by any other Borrower to the Lender and the indebtedness secured thereby having been assumed by the Borrower is the same [illegible] herein.

D. Notwithstanding the provisions of Paragraph [illegible] of [illegible] any waiver by Lender of the required deposits may be revoked by Lender at its sole discretion upon notice [illegible] shall not be obligated to disburse said deposits until presented with a statement by the Borrower. Notwithstanding the provisions of Paragraph 5 of the Security Instrument, the insurance proceeds or any part thereof may be applied by the Lender at its option either to the reduction of the indebtedness or the restoration or repair of the property.

In the event of foreclosure of this Security Instrument [illegible] Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to [illegible] the purchaser.

E. Without affecting the liability of Borrower or any other person [illegible] expressly released in writing) for payment of any indebtedness secured hereby or [illegible] and without affecting the rights of Lender with respect to any security not expressly released [illegible] time to time, either before or after the maturity of said Note [illegible] payment of all or any part of the indebtedness or for performance of any obligation [illegible] otherwise altering the terms of payment of all or any part of the indebtedness or modify [illegible] or otherwise dealing with the lien or charge hereof; (3) Exercise or [illegible] any right Lender may have; (4) Accept additional security of any kind; (5) Release or otherwise deal with any property, real or personal [illegible] the indebtedness, including all or any part of the property herein described.

F. In the event of transfer of properties under [illegible] whether the original Borrower is released or not released from liability, in any [illegible] the Lender [illegible] and any such action on the part of the Lender shall not in any manner be construed [illegible] the indebtedness hereby secured from such obligation unless such release be [illegible].

G. Notwithstanding the [illegible] the undersigned(s) warrant the title to the real and personal property [illegible] harmless from all costs, expenses and legal fees relating to the same.

H. The Lender is hereby subrogated to the rights of [illegible] deeds, lienholders and owners paid off by the proceeds of the [illegible] expressed or implied, in favor of Borrower. The covenants and agreements [illegible] and advantages shall inure to, the respective heirs, executors, administrators, successors and/or assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular [illegible] genders.

I. This Security Instrument is executed [illegible] of the Home Owners' Loan Act of 1933, and amendments thereto [illegible] Supervision and the Charter and By-Laws of said Bank [illegible].

J. Each maker and endorser [illegible] and the laws of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina [illegible] applicable.

K. Borrower and Lender, in addition to the covenants [illegible] Security Instrument further covenant and agree as

1. **Use of Property; Compliance with Law.** Borrower [illegible] make a change in the use of the property or zoning classification, unless [illegible] comply with all laws, ordinances, regulations and requirements of any governmental [illegible].

2. **Assignment of Leases.** [illegible] leases of the property and all security deposits made in connection [illegible] have the right to modify, extend or terminate the existing leases and [illegible] As used in this paragraph, the word "lease" shall mean "sublease" if the Security [illegible].

3. **Assignment of Rents.** [illegible] all the rents and revenues of the property Borrowers authorizes Lender [illegible] directs each tenant of the Property to pay the rents to Lender [illegible] of Borrower's breach of any covenant or agreement in the Security Instrument [illegible] Property as trustee for the benefit of Lender and Borrower [illegible]

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assignment [illegible] to Borrower; (i) all rents received by Borrower [illegible] be applied to the sums secured by the Security Instrument; (ii) [illegible] each tenant of the Property shall pay all rents due and [illegible] Lender [illegible] to the tenant.

Borrower has not [illegible] not perform any act that would prevent Lender from exercising [illegible]

Lender shall not [illegible] before or after giving notice of breach to Borrower. However [illegible] there is a breach. Any application of rents shall not cure or waive any [illegible] invalid [illegible] of Lender. This assignment of rents of the Property shall terminate when the [illegible]

4. **Annual Statement** [illegible] time to time, provide Borrower with an annual statement and accounting [illegible] Borrower's Note. This statement and accounting will describe the application [illegible] fees charged and any escrow transactions. The annual statement [illegible] principal and escrow balances and reflect the current interest rate. [illegible] adjustable interest rate changes at the time any rate changes apply. [illegible] accounting, and immediately notify Lender of any discrepancies [illegible]

It is agreed that the [illegible] annual statement and/or accounting to notify the Lender of any [illegible] including any calculation required of any adjustable interest rate [illegible]

Unless the Lender [illegible] statement and accounting or the adjustable interest rate [illegible] escrow balances presented in the statement and accounting shall be deemed to be correct [illegible] requirements for any and all corrections, including interest [illegible]

The Borrower [illegible] time to time modified may not fully amortize [illegible] remain after the anticipated number of payments have been [illegible]

5. **Loan Charges.** [illegible] insurance. The Lender may not charge Borrower for holding [illegible] verifying the Escrow Items, unless Lender pays Borrower [illegible] such a charge. However, Lender may require Borrower to pay [illegible] service used by Lender in connection with this loan, unless applicable law [illegible] requires interest to be paid, Lender shall not be required [illegible] Lender may agree in writing, however, that interest shall be [illegible]

The Lender may [illegible] recording, copies of documents, assumptions, modifications [illegible] charges permitted by the Government-sponsored agency [illegible]

If a law, which applies [illegible] so that the interest or other loan charges collected [illegible] the permitted limits, then: (i) any such loan charge shall be reduced by the [illegible] sums already collected from Borrower which exceeded permitted [illegible] to make this refund by reducing the principal Borrower owes [illegible] to Borrower. If a refund reduces principal, the reductions will be [illegible]

6. **Construction Agreement.** [illegible] purpose of repairs or construction and there is a Construction Agreement [illegible] hereinabove described, then it is hereby incorporated [illegible] default in the Security Instrument of any of the terms and conditions [illegible] Security Instrument.

L. It is further understood and agreed [illegible] the Note and Security Instrument referred to herein are sold and assigned [illegible] Federal Home Loan Mortgage Corporation (FHLMC), then this Special [illegible] if reassigned by FNMA or FHLMC to Lender this [illegible] Lender and its assigns; provided, however, Lender [illegible] at all times when this Rider shall be in effect the provision [illegible] to this loan contract.

N/A

M. This Security [illegible]

dated

N/A

County/Parish,

at Page [illegible]

[illegible] by and between the parties hereto that any default or failure [illegible] said first Security Instrument shall be and are [illegible] default or failure or any other failure or default [illegible] due and payable and may foreclose immediately [illegible] by law provided.

WITNESS the hand [illegible]

_____________________________ (Seal)
-Borrower

DEBI PAPP

_____________________________ (Seal)
-Borrower

PREPARED BY: [illegible]

70210280
9810111111

MLC253 (12/96)

Commence at the Northwest corner of Section 26, Township 21 South, Range 1 West, thence run Southerly along the West boundary line of said Section 26 for a distance of 1306.89 feet to a point on the southeast 50-foot right of way line of Southern Railway which is the point of beginning of the parcel of land herein described; thence turn an angle of 58 degrees 55 minutes 22 seconds to the right and run southwesterly along said right of way line for a distance of 79.97 feet to a point; thence turn an angle of 111 degrees 40 minutes 36 seconds to the left and run southeasterly along the North boundary line of the Old Columbiana-Saginaw road (abandoned) for a distance of 52.97 feet to a point; thence turn an angle of 14 degrees 11 minutes 32 seconds to the left and continue along said North boundary line of the Old Columbiana-Saginaw road for a distance of 61.67 feet to a point on the Northwest 40 foot right of way line of Alabama Highway No. 70; thence turn an angle of 33 degrees 32 minutes 21 seconds to the left and run Northeasterly along a chord of a curve to the left (said curve being concave Northerly and having a radius of 1392.39 feet and a central angle of 0 degrees 30 minutes 33 seconds) for a distance of 16.02 feet to a concrete right of way monument; thence turn an angle of 0 degrees 19 minutes 49 seconds to the left and run Northeasterly along said right of way for a distance of 124.17 feet to a point; thence turn an angle of 81 degrees 50 minutes 38 seconds to the left and run northerly a distance of 168.08 feet to a point on the aforementioned Southeast 50-foot right of way line of Southern Railway; thence turn an angle of 118 degrees 24 minutes 44 seconds to the left and run Southwesterly along said right of way line for a distance of 187.8 feet to the point of beginning; said parcel of land is lying in the NW 1/4 of NW 1/4 and SW 1/4 of NW 1/4, Section 26, and the NE 1/4 of NE 1/4 and SE 1/4 of NE 1/4, Section 27, all in Township 21 South, Range 1 West, Shelby County, Alabama.

THIS RIDER ATTACHED TO AND FORMING A PART OF MORTGAGE DATED FEBRUARY 26, 1997 IN THE AMOUNT OF $ 34,000.00 IS IDENTIFIED THEREWITH BY THE FOLLOWING SIGNATURE(S).

DEBI PAPPAS

PREPARED BY: R. ANDREW [illegible]
MAGNOLIA FEDERAL [illegible] FOR SAVINGS
LOAN CLOSING DEPARTMENT
P.O. BOX 1858, HATTIESBURG, MS 39403
PHONE NO.: (601)554-2070 (800)986-2462

APP#: 70210280
LOAN #: 9010111111

1-4 FAMILY RIDER

(Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this [illegible] day of [illegible], [illegible] 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 Note to **MAGNOLIA FEDERAL BANK FOR SAVINGS** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

438 WEST COLLEGE STREET, COLUMBIANA, [illegible]

[Property Address]

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.** In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

**B. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

**C. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

**D. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

**E. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Uniform Covenant 18 is deleted.

**F. BORROWER'S OCCUPANCY.** Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

**G. ASSIGNMENT OF LEASES.** Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Covenant 7.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

**I. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

**BY SIGNING BELOW**, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.

**WITNESS** the hand(s) and seal(s) of the undersigned.

_______________ (Seal) -Borrower
DEBI PAPPAS

_______________ (Seal) -Borrower

_______________ (Seal) -Borrower

_______________ (Seal) -Borrower

PREPARED BY: R. ANDREW [illegible]
MAGNOLIA FEDERAL BANK [illegible]
LOAN CLOSING DEPARTMENT
P.O. BOX 18[illegible]
HATTIESBURG, MS 394[illegible]
PHONE NO.: (601)554 [illegible]
(800)984 [illegible]

Inst # 1997-07548

03/11/1997-07548
10:54 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
009 MCD 79.50

APP#: 70210280
LOAN #: 9010111111