WHEN RECORDED MAIL TO

Inst # 1998-12291

Loan Number : 256526

04/07/1998-12291
09:26 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
010 MEL 277.00

[SPACE ABOVE THIS LINE FOR RECORDING DATA]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on April 3, 1998

The grantor is RONALD/RAGSDALE, HUSBAND and CONNIE/RAGSDALE, WIFE

R.E.R. C.L.R. R.E.R. C.L.R.

("Borrower"). This Security Instrument is given to

New South Federal Savings Bank

which is organized and existing under the laws of The United States Of America, and whose address is 1900 Crestwood Boulevard, Birmingham, Alabama 35283-0180

("Lender"). Borrower owes Lender the principal sum of One Hundred Sixty-Four Thousand Dollars And 00/100 Dollars (U.S.$ 164,000.00). 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 May 1, 2028. 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 SHELBY County, Alabama

see attached legal description Exhibit "A"

The proceeds of this loan have been applied on the purchase price of the herein described property.

which has the address of 1235 HIGHWAY 39 [Street] CHELSEA [City]

Alabama 35043 [Zip Code] ("Property Address");

R.E.R. C.L.R.

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 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. § 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

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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 proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture 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 of claim for damages, direct or consequential, in connection with any

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condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, 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 or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the 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 before 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 to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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 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 not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given 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. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of 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 this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, required immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of:(a) 5 days (or such other period as applicable law may

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specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also 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 above and 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. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any 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, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all 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 the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to 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. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other 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 without further demand and may invoke the power of sale granted by Borrower and any other remedies permitted by applicable law. Borrower appoints Lender the agent and attorney-in-fact for Borrower to exercise the power of sale. Lender shall be entitled to collect all 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, Lender shall give a copy of a notice to Borrower in the manner provided in paragraph 14. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in

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SHELBY County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the 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 attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. Release. Upon Payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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 Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.
[Check applicable box(es)]

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ 1-4 Family Rider
☐ Graduated Payment Rider	☐ Planned Unit Development Rider	☐ Biweekly Payment Rider
☐ Balloon Rider	☐ Rate Improvement Rider	☐ Second Home Rider

☒ Other(s) [specify] COMPLIANCE RIDER
RENVATION AND REPAIR SECURITY INSTRUMENT RIDER

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 6 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witness: Witness:

Ronald E. Ragsdale (Seal) -Borrower
RONALD E. R.E.R. RAGSDALE

Connie L. Ragsdale (Seal) -Borrower
CONNIE L. C.L.R. RAGSDALE

STATE OF ALABAMA, Shelby County ss:

On this 3rd day of April, 1998, I, the undersigned a Notary Public in and for said county and in said state, hereby certify that RONALD E. R.E.R. RAGSDALE and CONNIE L. C.L.R. RAGSDALE, husband and wife, whose name(s) are signed to the foregoing conveyance, and who are known to me, acknowledged before me that, being informed of the contents of the conveyance, they executed the same voluntarily and as their act on the day the same bears date.

Given under my hand and seal of office this the 3rd day of April, 1998.

My Commission expires:

Notary Public

This Instrument was prepared by

EXHIBIT "A"

A PART OF LOTS 2 AND 3, BLOCK 2 GILBERT ESTATES, AN UNRECORDED SUBDIVISION, more particularly described by metes and bounds as follows:

Beginning at the southeast corner of the southwest quarter of the northwest quarter of Section 3, Township 20 south, Range 1 west, Shelby County, Alabama and run thence northerly along the east line of said quarter-quarter a distance of 266.20' to a rebar corner; Thence turn 67°12'59" left and run northwesterly a distance of 1,300.10' to a rebar corner; Thence turn 90°00'00" left and run southwesterly a distance of 90.00' to a rebar corner; Thence turn 106°41'57" right and run northwesterly a distance of 313.21' to a rebar corner on the east margin of Shelby County Highway No. 39 in a curve to the right; Thence turn 94°52'19" left to chord and run southwesterly along the chord of said curve a chord distance of 60.00' to a rebar corner; Thence turn 85°05'13" right from chord and run southeasterly a distance of 400.00' to a rebar corner; Thence turn 86°48'19" right and run southwesterly a distance of 231.78' to a rebar corner; Thence turn 90°16'32" left and run southeasterly a distance of 692.14' to a rebar corner on the south line of said southwest quarter of the Northwest quarter of said Section 3: Thence turn 36°57'51" left and run easterly along said quarter-quarter line a distance of 708.78' to a rebar corner; Thence turn 00°09'39" right and continue easterly a distance of 69.84' to the point of beginning. R.E.R. C.L.R.

SECURITY INSTRUMENT RIDER
(Renovation & Repair Loan)

THIS SECURITY INSTRUMENT RIDER is given this 3rd day of April, 1998, and is hereby incorporated into and made a part of that certain Security Instrument executed by RONALD RAGSDALE ,CONNIE RAGSDALE C.L.R., ("Borrower") in favor of New South Federal Savings Bank ("Lender"), dated of even date herewith. The Borrower declares that no notice of commencement has been made, executed, or filed within 45 days of the date of execution of the Note and the Security Instrument. Neither the Builder, its sub-contractors or suppliers nor Borrower will start construction on or allow delivery of improvements to the Real Property prior to recording of the Security Instrument. Unless modified by this Security Instrument Rider, the remaining terms and conditions of the Security Instrument are ratified, confirmed and renewed in all respects. In further consideration for the indebtedness evidenced by the Note, the Borrower covenants and agrees that the Security Instrument is modified as follows:

1. **Additional Covenants to Security Instrument**. In addition to the covenants and agreements made in the Security Instrument, the Borrower further covenants and agrees as follows:

A. Renovation & Repair Loan Agreement. The terms and conditions of that certain Renovation & Repair Loan Agreement executed by the Lender and the Borrower and, if applicable, the Contractor simultaneously herewith, is incorporated herein by reference thereto. A default by the Borrower in the performance of the terms, covenants and conditions of the Renovation & Repair Loan Agreement shall constitute a default under this Security Instrument Rider and the Security Instrument.

B. Future Advances. This Security Instrument Rider and the Security Instrument also secure all advances made under the Note and the Renovation & Repair Loan Agreement.

C. Security Agreement and Financing Statement. Borrower grants to Lender a present and continuing security interest in (i) all building materials, fixtures, personal property and equipment now or hereafter installed or intended to be installed on the Property, (ii) all plans and specifications for the improvements to be erected on the Property, (iii) building permits and licenses issued in connection with the construction of the improvements, (iv) all deposit accounts and the proceeds therein pledged to Lender for the Equity Payment as more particularly described in the Renovation & Repair Loan Agreement.

This Security Instrument shall constitute a financing statement and security agreement between the Borrower, as debtor, and Lender, as the secured party, and provide the Lender with all remedies under the Uniform Commercial Code of the State in which the Property is situated. Information concerning the security interest created by this Security Instrument Rider maybe obtained from Lender, as secured party, at the address of Lender stated in the Security Instrument. The mailing address of the Borrower, as debtor, is as stated in the Security Instrument.

2. **Modifications to Security Instrument**. Borrower hereby agrees to amend the following Uniform Covenants contained in the Security Instrument, as follows:

A. Paragraph 6, entitled "**Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds**", is amended to provide that the Borrower will be required to occupy, establish, and use the Property as the Borrower's principal residence no later than thirty (30) days following completion of all improvements.

C.L.R. R.E.R.

3. **No Impairment**. Nothing herein invalidates or shall impair or release any covenant, condition, agreement or stipulation in the Security Instrument, and the same, except as herein modified, shall continue in full force and effect, and the undersigned further covenant and agree to perform and comply with and abide by each of the covenants, agreements, conditions and stipulations of the Security Instrument which are not inconsistent herewith. Termination of this Rider as described in paragraph 4 below shall not impair, release or invalidate the covenants, conditions and agreements of the Security Instrument.

4. **Termination of Security Instrument Rider**. This Rider shall terminate without the requirement of further notice on the latter to occur of: (i) maturity of the renovation phase as described in the Renovation & Repair Loan Agreement; or (ii) the day which the Lender determines, in its sole discretion, that (a) the construction of the improvements to the Property as described in the Renovation & Repair Loan Agreement has been completed and (b) all terms and conditions of the Renovation & Repair Loan Agreement have been fully satisfied.

IN WITNESS WHEREOF, this Security Instrument Rider has been duly executed by the parties hereto the day and year first above written.

Signed, sealed and delivered
in the presence of:

"Borrower(s)"

Ronald E. Ragsdale
RONALD E. RAGSDALE
R.E.R.

Connie L. Ragsdale
CONNIE L. RAGSDALE
C.L.R.

STATE OF Alabama)
) SS
COUNTY OF Shelby)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Ronald E. Ragsdale and wife, Connie L. Ragsdale whose names are signed to the foregoing Security Instrument Rider, and who are known to me, acknowledged before me on this day, that, being informed of the contents of the Security Instrument Rider, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 3rd day of April, 19 98.

Notary Public

My Commission Expires: 3/99

Security Instrument Rider
R & R Loan: Multi-State 5/96

COMPLIANCE RIDER

This RIDER is a part of and incorporated into the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the 3rd Day of April, 1998, made and entered into by RONALD E. RAGSDALE, CONNIE L. RAGSDALE, .

Borrower(s) and NEW SOUTH FEDERAL SAVINGS BANK, Lender.

In addition to the covenants and agreements made in the Security Instrument, Borrower(s) and Lender further covenant and agree to amend the Security Instrument as follows:

1. Lost, Misplaced, Omitted, Misstated, and/or Inaccurate Documents.

   In the event that any document is lost, misplaced, misstated, omitted, or inaccurately reflects the true and correct terms and conditions of the Loan, the Borrower(s) agree(s) to execute, re-execute, acknowledge, initial, and deliver to Lender or its agent any and all documents the Lender deems necessary to replace or correct the lost, misplaced, misstated, omitted and/or inaccurate documents. Borrower(s) agree(s) to deliver the requested documents(s) within ten (10) days after receipt by Borrower(s) of written or verbal request from Lender or its agent.

   In the event that a new Note is executed by Borrower(s) at Lender's request, Lender hereby indemnifies Borrower(s) against any loss associated with any fraudulent demand made on the original Note.

2. Uncollected, Under collected, and/or Omitted Fees

   In the event that any fee previously disclosed to the Borrower(s) as a cost or fee required as a condition of Lender providing the Loan is uncollected, Under collected, or omitted for whatever reason from the loan closing, the Borrower(s) agree(s) to pay Lender or its agent within ten (10) days after receipt by Borrower(s) of written or verbal request from Lender or its agent.

3. Failure to Deliver Replacement Documents

   Should the Borrower(s) fail to deliver documents requested by Lender or its agent within ten (10) days after receiving the Lender's request to do so, the Borrower(s) agree(s) to be liable for any and all loss or damage which Lender sustains thereby, including but not limited to all reasonable attorney's fees and cost incurred by Lender. Should the Borrower(s) fail to deliver documents requested by Lender or its agent within sixty (60) days after receiving the Lender's request to do so, the Lender may, at its option, declare all sums secured hereby immediately due and payable.

Ronald E. Ragsdale
RONALD E. RAGSDALE — Borrower

Connie L. Ragsdale
CONNIE L. RAGSDALE — Borrower

_____ Borrower

_____ Borrower

Inst # 1998-12291

04/07/1998-12291
09:26 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
010 MEL 277.00