



JEFFERSON TITLE CORPORATION

This instrument was prepared by P.O. Box 10481 • Birmingham, AL 35201 • (205) 328-8020

(Name) PEGGY JOHNSTON
FIRST FEDERAL SAVINGS BANK

(Address) 1630 4th Avenue North

Bessemer, AL 35020

MORTGAGE—

STATE OF ALABAMA

SHELBY

COUNTY

} KNOW ALL MEN BY THESE PRESENTS: That Whereas,

Richard W. Nichols and Rizalina D. Nichols, his wife

(hereinafter called "Mortgagors", whether one or more) are justly indebted, to

FIRST FEDERAL SAVINGS BANK

(hereinafter called "Mortgagee", whether one or more) in the sum

of FOUR HUNDRED TWENTY THOUSAND AND 00/100-----

Dollars

(\$ 420,000.00), evidenced by promissory note of even date herewith
bearing no interest and payable in the
manner provided in said note.

And Whereas, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment hereof.

NOW THEREFORE, in consideration of the premises, said Mortgagors,

Richard W. Nichols and Rizalina D. Nichols, his wife

and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate,
situated in SHELBY County, State of Alabama, to-wit:

Lot 2, according to the survey of Cleary Land Subdivision, as recorded in Map Book 10, Page 95, in the Probate Office of Shelby County, Alabama.

The grantors certify that the above described property does not constitute their homestead as defined by Section 6-10-2 Code of Alabama.

Inst # 1998-24761

07/01/1998-24761

01:33 PM CERTIFIED

SHELBY

004 MCD 146.00

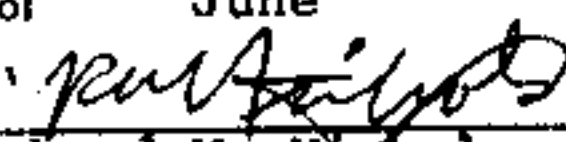
Said property is warranted free from all incumbrances and against any adverse claims, except as stated above.

To Have And To Hold the above granted property unto the said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agrees to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, the said Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, first above named undersigned agrees to keep the improvements on said real estate insured against loss or damage by fire, lightning and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to the Mortgagee, with loss, if any, payable to said Mortgagee, as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if undersigned fail to keep said property insured as above specified, or fail to deliver said insurance policies to said Mortgagee, then the said Mortgagee, or assigns, may at Mortgagee's option insure said property for said sum, for Mortgagee's own benefit, the policy if collected, to be credited on said indebtedness, less cost of collecting same; all amounts so expended by said Mortgagee for taxes, assessments or insurance, shall become a debt to said Mortgagee or assigns, additional to the debt hereby specially secured, and shall be covered by this Mortgage, and bear interest from date of payment by said Mortgagee, or assigns, and be at once due and payable.

Upon condition, however, that if the said Mortgagor pays said indebtedness, and reimburses said Mortgagee or assigns for any amounts Mortgagees may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by the said Mortgagee or assigns, or should said indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, or should the interest of said Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or incumbrance thereon, so as to endanger the debt hereby secured, then, in any one of said events, the whole of said indebtedness hereby secured shall at once become due and payable, and this mortgage be subject to foreclosure as now provided by law in case of past due mortgages, and the said Mortgagee, agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving twenty-one days' notice, by publishing once a week for three consecutive weeks, the time, place and terms of sale, by publication in some newspaper published in said County and State, sell the same in lots or parcels or en masse as Mortgagee, agents or assigns deem best, in front of the Court House door of said County, (or the division thereof) where said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of the sale: First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or other incumbrances, with interest thereon; Third, to the payment of said indebtedness in full, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale; and Fourth, the balance, if any, to be turned over to the said Mortgagor and undersigned further agree that said Mortgagee, agents or assigns may bid at said sale and purchase said property, if the highest bidder therefor; and undersigned further agree to pay a reasonable attorney's fee to said Mortgagee or assigns, for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF the undersigned Richard W. Nichols and Rizalina D. Nichols, his wife

have hereunto set their signature S and seal, this 26th day of June, 19 98


Richard W. Nichols (SEAL)

Rizalina D. Nichols (SEAL)

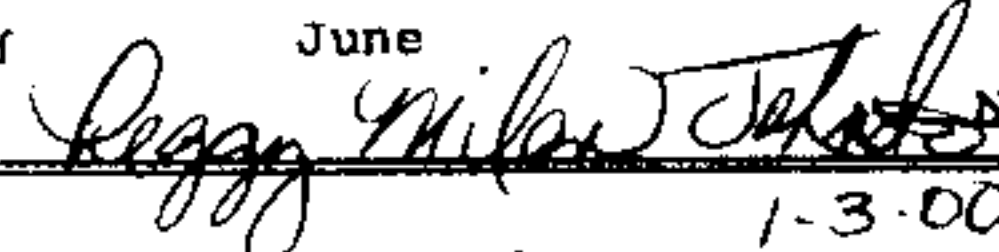
(SEAL)

(SEAL)

THE STATE of ALABAMA }
JEFFERSON COUNTY }

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Richard W. Nichols and Rizalina D. Nichols, his wife

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

Given under my hand and official seal this 26th day of June, 19 98

Peggy Wilson Notary Public.
1-3-00

THE STATE of }
COUNTY }

I, hereby certify that

whose name as of a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me, on this day that, being informed of the contents of such conveyance, he, as as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the day of, 19, Notary Public

TO

MORTGAGE DEED

Recording Fee \$
Deed Tax \$

This form furnished by



JEFFERSON TITLE CORPORATION
P.O. Box 10481 • Birmingham, AL 35201 • (205) 328-8020

**FIRST FEDERAL SAVINGS BANK
CONSTRUCTION LOAN RIDER**

This Construction Loan Rider is made this 26th day of June, 1998 and is incorporated into and shall be deemed to amend and supplement the Mortgage from the undersigned (the "Borrower") to First Federal Savings Bank (the "Lender") of even date herewith by the following respects:

A. Open-End Provision

The Mortgage shall secure any loan advances made by the Lender after this Mortgage is delivered for record to the extent that the total unpaid indebtedness, exclusive of interest thereon, does not exceed the maximum amount of unpaid loan indebtedness which may be outstanding at any time, which is \$ 420,000.00. In addition, the Mortgage shall also secure advances made to protect the security as provided in Paragraph 22 of the Mortgage.

B. Loan Agreement

The Mortgage is given to secure repayment of advances made pursuant to a construction loan agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement") and the Borrower agrees that the advances secured hereby may be paid out by the Lender as provided in the Loan Agreement. Until complete disbursement of proceeds to be advanced under the Loan Agreement, the Borrower will abide by all of the terms of the Loan Agreement. Rider shall be void upon the sale of the loan in whole or in part.

C. Construction Mortgage

The construction period shall run for one hundred eighty days.

BORROWER:

Richard W. Nichols
Richard W. Nichols

Rizalina D. Nichols
Rizalina D. Nichols

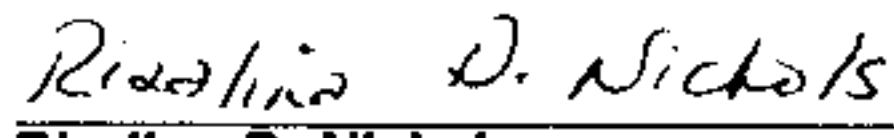
RIDER TO MORTGAGE AND NOTE

THIS RIDER, dated this 26th day of June, 1998, is incorporated into and shall be deemed to amend and supplement the Mortgage and Note of even date herewith given by the undersigned, Richard W. Nichols and Rizalina D. Nichols, the Borrower(s), and First Federal Savings Bank (formerly First Federal Savings and Loan Association of Bessemer), the Lender, as follows:

- Expenditures by Lender, Indebtedness to Lender.** It is expressly understood and agreed that the Mortgage and Note will secure any future indebtedness of the Borrower to Lender regardless of the amount and source. The Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property, including, but not limited to paying: any sum secured by a lien which has priority over this Security Instrument, liens, satisfaction of sewer assessments, satisfaction of municipal assessments, expenses for court appearances, subpoenas witness fees, reasonable attorney's fees, taxes, insurance, credit life insurance, disability insurance, mortgage insurance, flood insurance, title updates, appraisals, bankruptcy and lien searches, advertising, certified mail charges, postage, foreclosure expenses, travel, repairs, demolition, blasting, storage of personal property left on the subject property after abandonment or foreclosure, mowing of grass, cleaning of the premises, changing of locks, locksmith charges, defending the title rights and priority of the mortgage, charges for appraisal fees and credit reports for refinances, refinance charges, and any other item or expense Lender may pay or advance in connection with this Mortgage. Any of the foregoing and any check returned on Borrower's account together with the insufficient check charge, late charges and any expense incidental thereto, and any accrued interest remaining unpaid at the end of a month when same is due shall become additional debt of Borrower secured by this Security Instrument and shall bear interest at the Note rate in effect from the date of disbursement, accrual or the date of charge back as the case may be.
- Late Payments.** If any monthly payment is not received by Lender or the Holder of the Note and Mortgage on or before the 15th day of the month in which such payment was due unpaid interest, late payment charges, and any other amounts unpaid, continue to accumulate to be paid from the proceeds of subsequent payments, but shall not be added to the principal balance. The principal balance together with interest thereon at the applicable Note rate may be increased at any time in accordance with the terms of this Rider and of Paragraph 7 of the Mortgage executed simultaneously herewith.
- Lender In Possession.** Upon acceleration under Paragraph 21 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the cost of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.
- The invalidity of any provisions of the Note, Mortgage or this Rider shall not affect the validity of other provisions.

BY SIGNING BELOW, Borrower(s) accepts and agrees to the terms and covenants contained in this Rider.


Richard W. Nichols (SEAL)


Rizalina D. Nichols (SEAL)

Inst # 1998-24761

07/01/1998-24761
01:33 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCB 646.00