

RETURN TO:
FIRST FEDERAL OF THE SOUTH
P.O. BOX 167
SYLACAUGA, AL. 35150

Inst # 1999-02247

01/19/1999-02247

(Space Above this Line for Recording Date)
09:59 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
802 CRH 236.00

LOAN MODIFICATION AGREEMENT

(Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 15TH day of JANUARY, 1999, between
DAVID SALATHE AND WIFE, PASCHA SALATHE

("Borrower")

and FIRST FEDERAL OF THE SOUTH ("Lender"), amends

and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument"), dated MARCH 27th, 1998, and recorded in Book or Liber 1998
at page(s) 11699, of the JUDGE OF PROBATE Records of SHELBY COUNTY, ALABAMA
(Name of Records) (County and State, or other Jurisdiction)

and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

1224 LAKE POINT VISTA BIRMINGHAM, AL. 35244
(Property Address)

the real property described being set forth as follows:

LOT 2040, according to the survey of Lake Point Estates, First Addition, as recorded in Map Book 17, page 14, in the Probate Office of Shelby County, Alabama.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument): IT IS ACKNOWLEDGED & AGREED THAT THE MORTGAGE & NOTE HAS BEEN INCREASED TO \$150,000.00

1. As of 01-15-99, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 150,000.00, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 7.25 % (the "initial rate of interest"), from 01-15-99. The Borrower promises to make monthly payments of principal and interest of U.S. \$ 1023.26, beginning on the 1st day of MARCH, 1999, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on FEBRUARY 1, 2029 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower understands and agrees that the initial rate of interest may change on the first day of February, 2004, and on that day every 12 month thereafter on the "change date" as such term is defined in the Note and Security Instrument.

The Borrower will make such payments at 126 N NORTON AVENUE SYLACAUGA, ALABAMA 35150

or at such other place as the Lender may require.

3. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument, including:

(a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and

(b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

4. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

Witness: _____


Borrower DAVID SALATHE (Seal)

Witness: _____

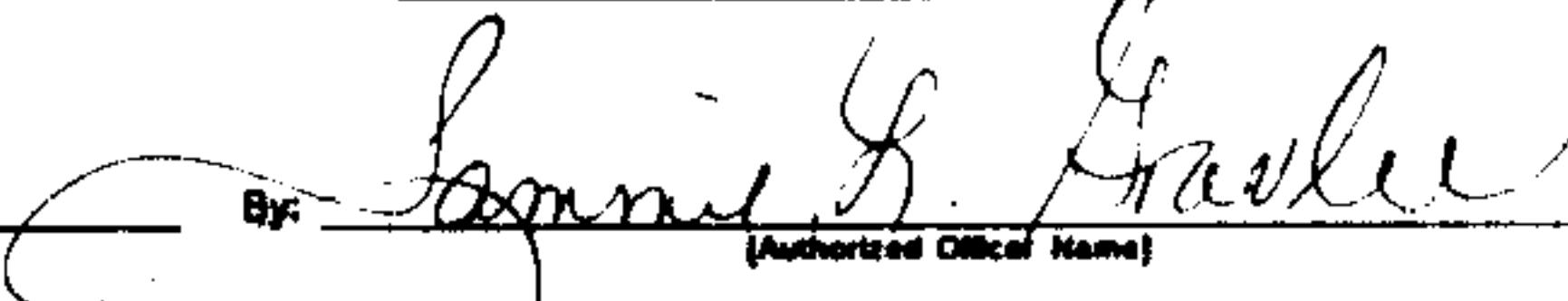

Borrower PASCHA SALATHE (Seal)

Borrower (Seal)

Borrower (Seal)

Lender: FIRST FEDERAL OF THE SOUTH

Witness: _____

By: 
(Authorized Officer Name)

Witness: _____

As: LOAN PRODUCTION MANAGER
(Authorized Officer Title)

(Space Below this Line for Acknowledgements)

STATE OF ALABAMA
COUNTY OF JEFFERSON

} ss:

On this 15TH day of JANUARY, 1999, I, the undersigned authority a Notary Public in and for said county and in and for said state, hereby certify that DAVID SALATHE AND WIFE, PASCHA SALATHE 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 15TH day of JANUARY, 1999.

My Commission expires: 1/3/2000


Notary Public

STATE OF ALABAMA
COUNTY OF JEFFERSON

} ss:

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that TAMMIE L. GRAVLEE whose name as LOAN PRODUCTION MANAGER of First Federal of the South, a Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full power and authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 15TH day of JANUARY, 1999.

My Commission expires: 1/3/2000


Notary Public

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