

This instrument was prepared by:

William R. Justice
P. O. Box 1144,
Columbiana, Alabama 35051

WRAPAROUND MORTGAGE

STATE OF ALABAMA
COUNTY OF SHELBY

KNOW ALL MEN BY THESE PRESENTS:

That Whereas, James N. Carroll and Betty L. Carroll, husband and wife, (hereinafter called "Mortgagor", whether one or more) is/are justly indebted to Robert H. Chancey and Cathy Chancey, (hereinafter called "Mortgagee", whether one or more), in the sum of Eighty-three Thousand Two Hundred and no/100 Dollars (\$83,200.00), evidenced by a Wraparound Note executed simultaneously herewith;

And Whereas, Mortgagor agreed, in incurring said indebtedness, and any extensions and renewals thereof, that this mortgage should be given to secure the prompt payment thereof.

NOW THEREFORE, in consideration of the premises, Mortgagor, James N. Carroll and Betty L. Carroll, husband and wife, and all others executing this mortgage do hereby grant, bargain, sell and convey unto Mortgagee the following described real estate, situated in Shelby County, State of Alabama, to wit:

A part of the NE 1/4 of the NE 1/4 of Section 4, Township 20 South, Range 1 West, more particularly described as follows:

- Commence at the SE corner of said 1/4 - 1/4 section and run thence northerly along the Eastern boundary thereof a distance of 528 feet to a point; thence turn to the left and run westerly parallel with the Southern boundary of said 1/4 1/4 section a distance of 825 feet to a point; thence turn to the left and run Southerly parallel with the Eastern boundary of said 1/4 1/4 Section a distance of 528 feet to a point on the Southern boundary of said 1/4 1/4 section; thence turn to the left and run easterly along the Southern boundary of said 1/4 1/4 section a distance of 825 feet to the point of beginning; being situated in Shelby County, Alabama.

Said property is encumbered by, and this Wraparound Mortgage is subordinate to, a certain first mortgage executed by Mortgagee to the Hutson Company, Inc., dated April 21, 1995, and recorded as Instrument #1995-12127 in the Probate Office of Shelby County, Alabama; said mortgage having been transferred and assigned to Colonial Mortgage Company, an Alabama Corporation, by instrument recorded as Instrument #1997-9443.

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

It is understood and agreed that the installment payments under the Wraparound Note encompass,

Inst # 1999-46679

11/15/1999-46679
10:35 AM SERIALIZED
SHELBY COUNTY JUDGE OF PROBATE

003 HNS 139.30

FNBSC

and are intended to discharge, amounts due under the first mortgage described above. The Mortgagor and Mortgagee shall have the following rights and duties with respect to repayment of the First Mortgage:

(a) On receipt of each installment of the Wraparound Note from the Mortgagor, the Mortgagee shall pay each installment on the underlying indebtedness as they become due and payable and shall submit evidence of the payment to the Mortgagor. If the payments due and payable on the underlying indebtedness are not paid when due and evidence of the payment is not furnished, the Mortgagor shall have the right, but shall not be obligated, to make payments on the underlying indebtedness as they become due and payable. At the Mortgagor's election, the Mortgagor may continue to pay the full amount of the installments on the Wraparound Note and make written demand on the Mortgagee for reimbursement of any payments so made. If the Mortgagee fails to reimburse the Mortgagor within ten days after receipt of a demand, the Mortgagor shall have the right to declare the Wraparound Note and this Mortgage to be null and void. In the event of any such declaration by the Mortgagor, the Mortgagee agrees to return the Wraparound Note to the Mortgagor and to execute, acknowledge, and deliver a release of this Mortgage.

(b) The Mortgagee agrees that on receipt of any notice of default given by any holder of the underlying indebtedness pursuant to that indebtedness, or pursuant to the liens securing that indebtedness, the Mortgagee shall immediately send to the Mortgagor a copy of the notice.

(c) It is agreed that the Mortgagee shall have the right to prepay or refinance the underlying indebtedness.

(d) With the sole exception of the payments of principal and interest due under the First Mortgage, the Mortgagee is not responsible for any of the obligations under the First Mortgage. The obligation to make these payments shall be solely for the benefit of the Mortgagor under this Wraparound Mortgage and shall not inure to the benefit of, and shall not be enforceable by, any third person.

(e) The Mortgagor agrees to comply with all of the terms, covenants, and conditions of the First Mortgage, other than the payment of the monthly installments due under the Mortgage, which shall be the obligation of the Mortgagee.

The following shall constitute Events of Default:

(a) The failure of the Mortgagor to pay any installment of principal and interest in accordance with the Wraparound Note.

(b) The failure of the Mortgagor to pay any other sum required to be paid in the Wraparound Note or in this Mortgage when the sum is due.

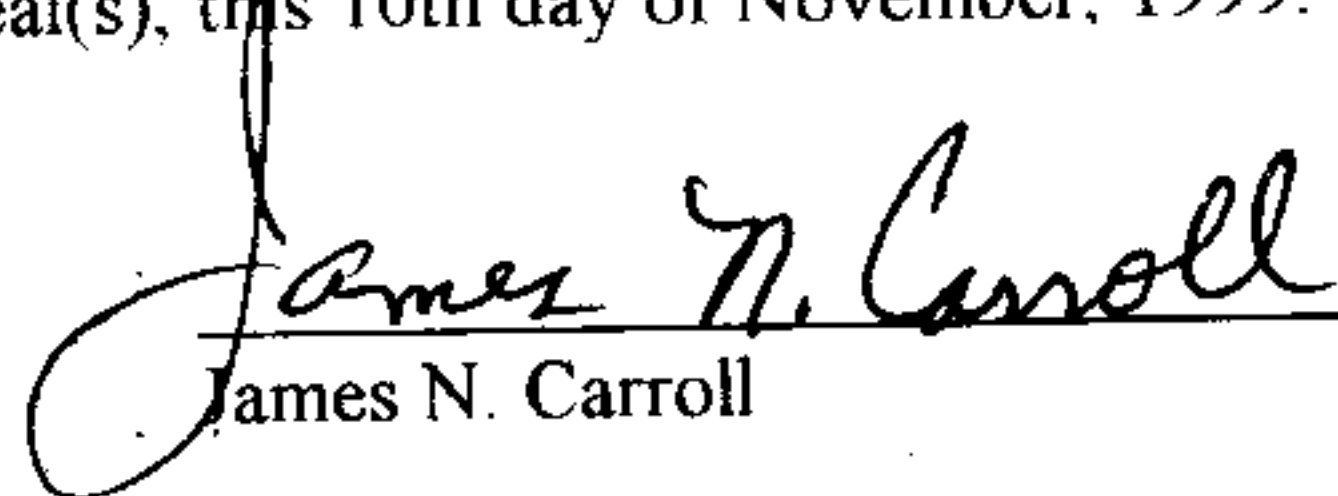
(c) The failure of the Mortgagor to perform any covenant or agreement in the Wraparound Note or this Mortgage.

(d) The occurrence of any event that constitutes a default under the First Mortgage, except the payment of installments that are the obligation of the Mortgagee. In the event of a default as described above, the Mortgagee may, at Mortgagee's option, perform the obligation, condition, or covenant, and the expense of performance shall immediately be due and payable from the Mortgagor to the Mortgagee and shall be secured by the Wraparound Mortgage.

To Have And To Hold the above granted property unto Mortgagee and Mortgagee's successors, heirs, and assigns forever; upon condition, however, that if Mortgagor pays said indebtedness, then this conveyance to be null and void. Provided, however, on the occurrence of any one or more Events of Default, the entire unpaid balance of the principal, the accrued interest, and any other sums

secured by the Wraparound Mortgage, shall, at the option of the Mortgagee, become immediately due and payable and this mortgage is subject to foreclosure as now provided by law in case of past due mortgages, and Mortgagee, agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving three weeks 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 encumbrances, 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 Mortgagor, and Mortgagor further agrees that 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 Mortgagee or assigns, for the foreclosure of this mortgage, should the same be foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF the undersigned James N. Carroll and Betty L. Carroll has or have hereunto set his/her/their/its signature(s) and seal(s), this 10th day of November, 1999.


James N. Carroll


Betty L. Carroll

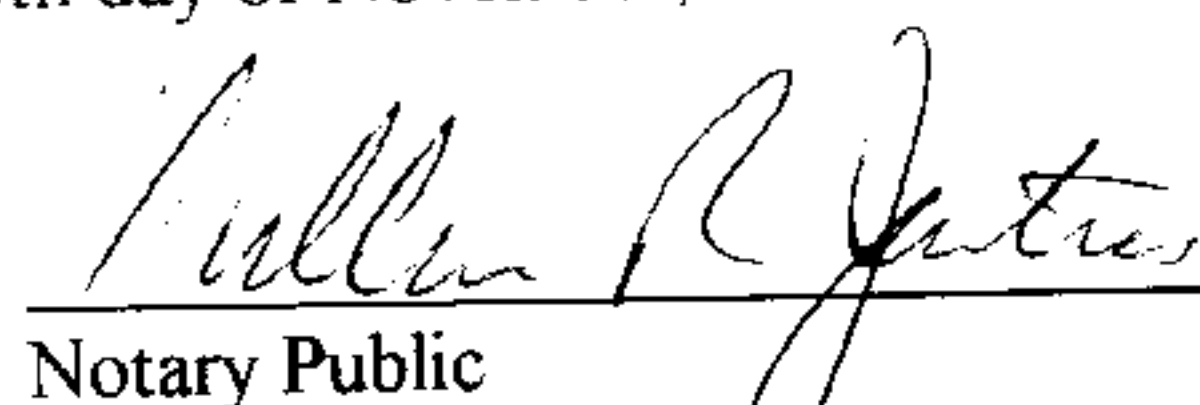
STATE OF ALABAMA
COUNTY OF SHELBY

General Acknowledgment

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James N. Carroll and Betty L. Carroll, husband and wife, whose name(s) is/are signed to the foregoing conveyance, and who is/are known to me acknowledged before me on this day, that being informed of the contents of the conveyance he/she/they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 10th day of November, 1999.




Notary Public

11/15/1999-46679
10:35 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 MMS 139.30

Inst # 1999-46679