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Inst # 2000-08270  
03/15/2000-08270  
10:52 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
1008.50  
011 CJI

# MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **March 10, 2000.**

The Grantor is **Charles H. McGregor and Lesa McGregor, husband and wife** ("Borrower")

This Security Instrument is given to **Union State Bank** and whose address is **2267 Pelham Parkway, Pelham, AL 35124** ("Lender").  
which is organized and existing under the laws of **The State of Alabama,**

Borrower owes Lender the principal sum of **Six Hundred Fifty Thousand and 00/100** Dollars (U.S. \$650,000.00). 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 **\*\*\***. 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 Exhibit "A".

\*\*\*Indicates where this document will be modified upon the interest rate being locked-in.

which has the address of **2307 Highway 331**, **Columbiana**  
[Street] [City]  
Alabama **35051** ("Property Address");  
[Zip Code]

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all 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. § 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 the deposits or accounts of which are insured or guaranteed 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 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 or claim for damages, direct or consequential, in connection with any 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, require 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 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 and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorney's 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 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)]

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider   | <input type="checkbox"/> Condominium Rider                                  | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider                     | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider           | <input type="checkbox"/> Rate Improvement Rider                             | <input type="checkbox"/> Second Home Rider      |
| <input type="checkbox"/> V.A. Rider              | <input checked="" type="checkbox"/> Other(s) [specify]<br>Rider to Mortgage |   |

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

Witnesses:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Seal)  
- Borrower

Charles H. McGregor (Seal)  
Charles H. McGregor - Borrower

Lesa McGregor (Seal)  
Lesa McGregor - Borrower

\_\_\_\_\_ (Seal)  
- Borrower

STATE OF ALABAMA,

shelby County ss:

On this 10th day of March, 2000, I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that Charles H. McGregor and Lesa McGregor, husband and wife, whose names 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 10th day of March, 2000.

G. Wray Morse  
Notary Public: G. Wray Morse

My Commission expires: 9/10/2000

This instrument was prepared by:  
G. Wray Morse, Attorney  
Dickerson & Morse, P.C.  
1920 Valleydale Road  
Birmingham, Alabama 35244

**RIDER TO MORTGAGE  
(Construction--Fixed Rate)**

This Rider is entered into this the 10th day of March, 2000  
by the undersigned Charles H. McGregor and Lesa McGregor, Husband and Wife  
(hereinafter, whether one or more, referred to as "Borrower").

**WITNESSETH:**

Borrower has executed that certain Note (the "Note") and that certain  
Mortgage (the "Mortgage") of even date herewith in favor of \_\_\_\_\_  
Union State Bank

(hereinafter referred to as the "Lender"). The Note and Mortgage have been executed in  
connection with a construction loan from the Lender to Borrower. Advances shall be made  
under the Note by the Lender to Borrower from time to time subject to and in accordance  
with the provisions of the Construction Loan Agreement executed by Borrower and the  
Lender of even date herewith (hereinafter the "Loan Agreement"). All such advances shall  
be secured by the Mortgage. Pursuant to the Loan Agreement, Borrower has agreed to  
complete construction of certain improvements therein described on or before the 1st day  
of March, 2001 (hereinafter referred to as the "Conversion Date").

Pursuant to the Loan Agreement, Borrower may make application to the  
Lender for the consideration by the Lender of an amendment to the Note, Mortgage and all  
other loan documents executed in connection therewith pursuant to which the Note, the  
Mortgage and the loan evidenced thereby (hereinafter the "Loan") would become a  
permanent loan payable over a period of time extending beyond the Conversion Date. The  
Lender has not in any way committed to approve such an amendment; however, in the event  
of such approval by the Lender and in the further event of the closing of same, the Note and  
the Mortgage will be further amended to set forth the interest rate, payment amount, term,  
and other terms and provisions pursuant to which such approval has been made by the  
Lender. In the event that the Lender does not approve any such application by Borrower for  
an amendment to the Note, the Mortgage and associated loan documents, then the entire  
outstanding balance of principal and interest owing under the Note shall become immediately  
due and payable on the Conversion Date.

The purpose of this Rider is to evidence the repayment terms of principal and  
interest by Borrower under the Note and the Mortgage through the Conversion Date and to  
set forth certain other amendments and agreements made between the parties in connection  
therewith.

NOW, THEREFORE, in consideration of the foregoing recitals, \$10.00 and  
other good and valuable considerations, the receipt and sufficiency of which are hereby  
acknowledged by Borrower, Borrower does hereby agree that the Mortgage shall be and is  
hereby amended as follows:

1. **Acknowledgment of Recitals.** All of the recitals set forth hereinabove  
in this Rider are hereby acknowledged and agreed to by Borrower.

2. **Interest.** From the date hereof until the full amount of principal has  
been paid, interest shall accrue on the outstanding unpaid principal balance advanced under  
the Note from time to time at the rate of Nine and 25/100 percent  
(9.25 %) per annum.

3. Payments. From the date hereof until the Conversion Date, Borrower shall repay to the Lender the interest accruing under the Note on the first day of each month, with a final payment of all unpaid interest being due and payable on the Conversion Date. The entire outstanding balance of principal and all interest accrued thereon shall become due and payable on the Conversion Date.

4. Borrower's Failure to Pay as Required; Other Defaults; Lender's Remedies. Notwithstanding any provisions to the contrary contained in the Note, the Mortgage, the Loan Agreement, or any other instruments executed in connection therewith, if Lender has not received the full amount of any payment owing hereunder by the end of ten (10) calendar days after the date it is due, Borrower will pay to the Lender a late charge in the amount of five percent (5%) of the overdue payment, and, in addition to the foregoing, in the event that Borrower should default in any manner in the performance of the obligations of Borrower under the Note, the Mortgage, the Loan Agreement, or under any other of the loan documents executed in connection therewith, including, but not limited to, the failure to pay any installment of principal or interest, then Lender shall have the right, without notice to Borrower, to accelerate all sums owing under the Note and Mortgage, to require the immediate, full payment of all principal, interest and any other sums owing under the Note, and to pursue all remedies (including, but not limited to, the foreclosure of the Mortgage) available under the Note, the Mortgage, the Loan Agreement, and other loan documents executed in connection therewith. Borrower agrees to pay interest, on demand, on any sum, whether principal or interest, which remains unpaid after the due date thereof, at the rate which is three percent (3%) in excess of the rate otherwise payable hereunder on the principal sum of the Loan at that time.

5. Inoperative Provisions of the Mortgage. During such time as this Rider is in effect, the provisions of Section 18 of the Mortgage and the thirty (30) day notice requirement set forth in Section 21 of the Mortgage shall be inoperative and of no force or effect. In the event of a default by Borrower, Lender shall have the right to accelerate all sums owing under the Note and the Mortgage, without notice to Borrower, and Borrower shall not have the right to have the enforcement of the Mortgage discontinued or to have the Mortgage reinstated.

6. Security Agreement. As additional security for the indebtedness secured and evidenced by the Note, Mortgage and Loan Agreement (including future advances), Borrower does hereby assign and transfer to Lender, and does hereby assign, grant and convey unto Lender a security interest in, all contracts for the construction of improvements upon the real property subject to the Mortgage or the provision of materials or services in connection therewith, including, but not limited to, contracts with general contractors, engineers, architects and suppliers, and does hereby further assign, grant and convey unto Lender a security interest in, all building materials, household appliances, equipment, fixtures and fittings of every kind or character now owned or hereafter acquired by Borrower, located, whether permanently or temporarily, on the real property described and conveyed pursuant to the Mortgage, and all building materials, household appliances, equipment, fixtures and fittings now owned or hereafter acquired by Borrower, located or stored on any other real property, which are or shall be purchased by Borrower for the purpose, or with the intention, of making improvements on the real property described in the Mortgage or to the premises located on said property. The personal property herein transferred includes, without limitation, all lumber, bricks, building stones, building blocks, sand, cement, roofing materials, paint, doors, windows, storm doors, storm windows, nails, wires and wiring, hardware, plumbing and plumbing fixtures, heating and air conditioning equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, and in general all building materials, equipment and appliances of every kind and character used or useful in connection with the improvements to said real property.

7. Amendment and Survival. In the event of any discrepancies between the provisions of this Rider and the Mortgage, the provisions of this Rider shall prevail.

Except as specifically amended by this Rider, the terms and provisions of the Mortgage shall remain in full force and effect in accordance with the terms thereof. More particularly, any provision in the Mortgage or any portion of any provision of the Mortgage which is not inconsistent with any provision of this Rider shall remain in full force and effect.

8. **Termination.** This Rider shall become null and void at such time as (a) the Loan is sold in whole or in part to Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or any other secondary market investor; or (b) the Note and the Mortgage are amended to change the loan evidenced thereby to a permanent loan

EXECUTED by the undersigned by their hands and seals on this the same date as first above written.

**BORROWER:**

Charles H. McGregor [Seal]  
Charles H. McGregor  
Lesa McGregor [Seal]  
Lesa McGregor

STATE OF ALABAMA )  
COUNTY OF SHELBY )

I, the undersigned, a notary public in and for said county in said state, hereby certify that Charles H. McGregor and Lesa McGregor, Husband and Wife whose name(s) ~~is~~/are signed to the foregoing instrument, and who ~~is~~/are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, ~~he/she~~ they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal the 10th day of March 2000.

[Signature]  
Notary Public

[NOTARIAL SEAL]

My commission expires: 9/10/2000

## EXHIBIT "A"

A parcel of land situated in the NE 1/4 of the NE 1/4 and the SE 1/4 of the NE 1/4 of Section 2, and the SW 1/4 of the NW 1/4 of Section 1, Township 21 South, Range 2 West in Shelby County, Alabama and being more particularly described as follows:

**BEGIN** at the NE Corner of Section 2, Township 21 South, Range 2 West, said point being the **POINT OF BEGINNING**; thence S 1 degree 07'02" W along the easterly boundary of the NE 1/4 of the NE 1/4 of said section a distance of 1331.65' to the SE Corner of said 1/4-1/4 section; thence S 88 degrees 55'37" E along the northerly boundary of the SW 1/4 of the NW 1/4 of Section 1 of said township and range a distance of 218.80' to a point on the centerline of Shelby County No. 331 (Prescriptive Use R.O.W.), said point lying on a curve to the left (concave northeasterly) having a radius of 310.00 feet and a central angle of 2 degrees 43 minutes 41 seconds; thence along said centerline and the arc of said curve a distance of 14.76 feet, said arc subtended by a chord which bears South 52 degrees 25 minutes 43 seconds East a distance of 14.76 feet, to the end of said curve; thence South 53 degrees 47 minutes 33 seconds East along said centerline a distance of 80.25 feet to a point on a curve to the right having a radius of 122.56 feet and a central angle of 39 degrees 18 minutes 52 seconds; thence along said centerline and the arc of said curve a distance of 84.10 feet, said arc subtended by a chord which bears South 34 degrees 08 minutes 08 seconds East a distance of 82.46 feet to the end of said curve; thence South 14 degrees 28 minutes 42 seconds East along said centerline a distance of 12.92 feet to a point on a curve to the right having a radius of 150.26 feet and a central angle of 61 degrees 00 minutes 51 seconds; thence along said centerline and the arc of said curve a distance of 160.01 feet, said arc subtended by a chord which bears South 16 degrees 01 minutes 44 seconds West a distance of 152.66 feet, to the end of said curve; thence South 46 degrees 32 minutes 09 seconds West along said centerline a distance of 38.79 feet to a point on a curve to the right having a radius of 4084.10 feet and a central angle of 1 degree 43 minutes 41 seconds; thence along said centerline and the arc of said curve a distance of 123.18 feet, said arc subtended by a chord which bears South 47 degrees 24 minutes 00 seconds West a distance of 123.18 feet, to a point on a reverse curve to the left having a radius of 563.28 feet and a central angle of 15 degrees 55 minutes 17 seconds; thence along said centerline and the arc of said curve a distance of 156.53 feet, said arc subtended by a chord which bears South 40 degrees 18 minutes 12 seconds West a distance of 156.02 feet, to a point on a reverse curve to the right having a radius of 297.50 feet, and a central angle of 17 degrees 34 minutes 27 seconds; thence along said centerline and the arc of said curve a distance of 91.25 feet, said arc subtended by a chord which bears South 41 degrees 07 minutes 47 seconds West a distance of 90.89 feet, to the end of said curve; thence South 49 degrees 55 minutes 00 seconds West a distance of 50.58 feet; thence continue along the last described course a distance of 163.53 feet to a point on a curve to the left having a radius of 462.31 feet and a central angle of 19 degrees 03 minutes 29 seconds; thence along said centerline and the arc of said curve a distance of 153.78 feet, said arc subtended by a chord which bears South 40 degrees 23 minutes 16 seconds West a distance of 153.07 feet, to the end of said curve; thence South 30 degrees 51 minutes 31 seconds West along said centerline a distance of 38.45 feet to a point on a curve to the left having a radius of 55.62 feet and a central angle of 5 degrees 33 minutes 20 seconds, thence along said centerline and the arc of said curve a distance of 53.87 feet, said arc subtended by a chord which bears South 28 degrees 04 minutes 51 seconds West a distance of 53.83 feet, to the end of said curve; thence South 25 degrees 18 minutes 11 seconds West along said centerline a distance of 81.81 feet to a point on a curve to the right having a radius of 234.56 feet and a central angle of 24 degrees 50 minutes 44 seconds; thence along said centerline and the arc of said curve a distance of 101.71 feet, said arc subtended by a chord which bears South 37 degrees 43 minutes 34 seconds West a distance of 100.92 feet, to the end of said curve; thence South 50 degrees 08 minutes 56 seconds West along said centerline a distance of 211.72 feet to a point on a curve to the left having a radius of 1235.62 feet and a central angle of 2 degrees 38 minutes 46 seconds; thence along said centerline and the arc of said curve a distance of 57.07 feet, said arc subtended by a chord which bears South 48 degrees 49 minutes 33 seconds West a distance of 57.06 feet, to a point on a reverse curve to the right having a radius of 1229.25 feet and a central angle of 2 degrees 51 minutes 22 seconds; thence along said centerline and the arc of said curve a distance of 61.28 feet, said arc subtended by a chord which bears South 48 degrees 55 minutes 51 seconds West a distance of 61.27 feet, to the end

of said curve and to the southerly boundary of the SE 1/4 of the NE 1/4 of Section 2; thence North 85 degrees 37 minutes 11 seconds West along said southerly boundary and leaving said centerline a distance of 751.18 feet to the SW corner of said 1/4-1/4 section; thence North 0 degrees 44 minutes 01 seconds East along the westerly boundary of said 1/4-1/4 section a distance of 1327.00 feet to the SW corner of the NE 1/4 of the NE 1/4 of Section 2; thence North 1 degree 13 minutes 53 seconds East along the westerly boundary of said 1/4-1/4 section a distance of 1330.80 feet to the NW corner of said 1/4-1/4 section; thence South 85 degrees 58 minutes 56 seconds East along the northerly boundary of said 1/4-1/4 section a distance of 1366.12 feet to the Point of Beginning.

**LESS AND EXCEPT:** The NE 1/4 of the NE 1/4 of Section 2, Township 21 South, Range 2 West, Shelby County, Alabama.

This conveyance is made subject to any and all restrictions, reservations, covenants, easements, and rights-of-way, if any, heretofore imposed of record affecting said property and municipal zoning ordinances now or hereafter becoming applicable, and taxes or assessments now or hereafter becoming due against said property

Inst • 2000-08270

03/15/2000-08270  
10:52 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
011 CJI 1000.50