

STATE OF ALABAMA)
COUNTY OF ST. CLAIR)

**ADJUSTABLE RATE
REAL ESTATE MORTGAGE**

1176

WORDS USED OFTEN IN THIS DOCUMENT

- (A) "Mortgage." This document, which is dated December 18, 1984, will be called the "Mortgage."
(B) "Borrower." Robert L. Mann and wife, Sandra T. Mann
will sometimes be called "Borrower" and sometimes simply "I".
(C) "Lender." THE PEOPLES BANK, Pell City, Alabama will be called "Lender." Lender is a corporation or association which was formed and which exists under the laws of the State of Alabama or the United States.
Lender's address is 2203 1st Ave. N. Pell City, AL 35125
(D) "Note." The note signed by Borrower and dated December 18, 1984, will be called the "Note." The Note shows that I owe Lender Fourteen Thousand One Hundred Eleven & 50/100 Dollars, plus interest, which I have promised to pay in payments of principal and interest for 10 years with a final payment due on December 17, 1994. The final payment may be a balloon payment which may be refinanced from time to time.
(E) "Property." The property that is described below in the section titled "Description Of The Property," will be called the "Property."

BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY

I grant, bargain, sell and convey the Property to Lender. This means that, by signing this Mortgage, I am giving Lender the rights that I have in the property subject to the terms of this Mortgage. The Lender also has those rights that the law gives to lenders who hold mortgages on real property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to:

- (A) Pay all the amounts that I owe Lender as stated in the Note;
(B) Pay, with interest, any amounts that Lender spends under this Mortgage to protect the value of the Property and Lender's rights in the Property;
(C) Pay, with interest, any other amounts that Lender lends to me as Future Advances under Paragraph 6 below;
(D) Pay any other amounts that I may owe Lender, now or in the future, including any amounts that I become obligated to pay as a result of another loan from Lender or my guaranty of a loan to someone else by Lender, sometimes referred to as "Other Debts"; and
(E) Keep all of my other promises and agreements under this Mortgage.

If I keep the promises and agreements listed in (A) through (E) above, this Mortgage and the transfer of my rights in the Property will become void and will end.

LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS

If I fail to keep any of the promises and agreements made in this Mortgage, Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage. Lender may do this without making any further demand for payment. This requirement will be called "Immediate Payment In Full."

If I fail to make Immediate Payment In Full, Lender may sell the Property at a public auction. The public auction will be held at the front door of the courthouse in the county where the Property is located. The Lender or its attorney, agent or representative (the "auctioneer") may sell the Property in lots or parcels or as one unit as it see fit at this public auction. The Property will be sold to the highest bidder, or if purchased by Lender, for credit against the balance due from Borrower.

Notice of the time, place and terms of sale will be given to the public by publishing the notice with a description of the Property once a week for three (3) consecutive weeks in a newspaper of general circulation in the county where the sale will be held. The Lender or auctioneer shall have the power and authority to convey all of my rights in the Property to the buyer at the public auction, and use the money received to pay the following amounts:

- (1) all expenses of the sale, including advertising and selling costs and attorney's and auctioneer's fees;
(2) all amounts that I owe Lender under the Note and under this Mortgage; and
(3) any surplus, that amount remaining after paying (1) and (2), will be paid to the Borrower or as may be required by law.

If the money received from the public sale does not pay all of the expenses and amounts I owe Lender under the Note and this Mortgage, I will promptly pay all amounts remaining due after the sale, plus interest at the rate stated in the Note.

The Lender may buy the Property or any part or interest in the Property at the public auction. If the Lender buys the Property, the auctioneer will make the deed in the name of the Borrower.

DESCRIPTION OF THE PROPERTY

I give Lender rights in the Property described in (A) through (I) below:

- (A) The property which is located at _____
ADDRESS
This property is in Shelby County in the State of Alabama. It has the following legal description:

Lot 18-B, according to survey of Dearing Downs, Third Addition as recorded in Map Book 8 page 15 in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

This is a second mortgage on the above described land being subordinate to mortgage executed by Mortgagor as follows: Mortgage from Charles Lovic King and Judith King to Collateral Investment Company dated September 30, 1981 and recorded in Mortgage Book 416 page 1, in the amount of \$66,500.00; which said mortgage was last assigned to Central Bank of Birmingham in Misc. Book 43 page 331 to be paid and properly satisfied.

THE PEOPLES BANK
POST OFFICE BOX 508
PELL CITY, ALABAMA 35125

- (B) All buildings and other improvements that are located on the property described in paragraph (A) of this section;
(C) All rights in other property that I have as owner of the property described in paragraph (A) of this section. These rights are known as "easements, rights and appurtenances attached to the property;"
(D) All rents or royalties from the property described in paragraph (A) of this section;
(E) All mineral, oil and gas rights and profits, water rights and water stock that are part of the property described in paragraph (A) of this section;
(F) All rights that I have in the land which lies in the streets or roads in front of, or next to, the property described in paragraph (A) of this section;
(G) All fixtures that are now or in the future will be on the property described in paragraphs (A) and (B) of this section, and all replacements of and additions to those fixtures, except for those fixtures, replacements or additions that under the law are "consumer goods" and that I acquire more than twenty (20) days after the date of the Note,
(H) All of the rights and property described in paragraphs (B) through (F) of this section that I acquire in the future; and
(I) All replacements of or additions to the property described in paragraphs (B) through (F) and paragraph (H) of this section

BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that except for the "exceptions" listed in the description of the Property: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST UNDER THE NOTE AND TO FULFILL OTHER PAYMENT OBLIGATIONS

I will promptly pay to Lender when due: principal and interest under the Note; late charges and prepayment charges as stated in the Note; principal and interest on Future Advances that I may receive under Paragraph 6 below; any amounts expended by Lender under this Mortgage; and all Other Debts.

2. LENDER'S APPLICATION OF BORROWER'S PAYMENTS

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraph 1 above in the following order and for the following purposes:

- (A) First to pay interest then due under the Note; and
- (B) Next, to late charges, if any; and
- (C) Next, to lenders costs and expenses, if any; and
- (D) Next, to pay principal then due under the Note.

3. BORROWER'S OBLIGATION TO PAY CHARGES AND ASSESSMENTS AND TO SATISFY CLAIMS AGAINST THE PROPERTY

I will pay all taxes, assessments, and any other charges and fines that may be imposed on the Property and that may be superior to this Mortgage. I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. I will do this by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) Upon request, I will give Lender a receipt which shows that I have made these payments.

Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a "lien." I will promptly pay or satisfy all liens against the Property that may be superior to this Mortgage. However, this Mortgage does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation; or (B) I, in good faith, argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced and no part of the Property must be given up.

4. BORROWER'S OBLIGATION TO OBTAIN AND TO KEEP HAZARD INSURANCE ON THE PROPERTY

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which Lender requires coverage. The insurance must be in the amounts and for the periods of time required by Lender. Lender may not require me to obtain an amount of coverage that is more than the value of all buildings and other improvements on the Property.

I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect Lender. The form of all policies and the form of all renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals.

I will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If Lender requires, I will promptly give Lender all receipts of paid premiums and all renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "proceeds." The proceeds will be used to reduce the amount that I owe to Lender under the Note and this Mortgage, unless Lender and I have agreed to use the proceeds for repairs, restoration or otherwise.

The Lender has the authority to settle any claim for insurance benefits and to collect the proceeds. Lender then may use the proceeds to reduce the amount that I owe to Lender under the Note and under this Mortgage or to repair or restore the Property as Lender may see fit.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and this Mortgage. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property by purchase at foreclosure sale, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender will belong to Lender. However, Lender's rights in those proceeds will not be greater than the amount that I owe to Lender under the Note and Under this Mortgage.

5. LENDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY

If: (A) I do not keep my promises and agreements made in this Mortgage, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as, a legal proceeding in bankruptcy, in probate, for condemnation, 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 under this Paragraph 5 may include, for example, obtaining insurance on the Property, appearing in court, paying reasonable attorney's fees, and entering on the Property to make repairs.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 5. This Mortgage will protect Lender in case I do not keep this promise to pay those amounts, with interest at the same rate stated in the Note. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph.

Although Lender may take action under this Paragraph 5, Lender does not have to do so.

6. AGREEMENTS ABOUT FUTURE ADVANCES AND REFINANCING

I may ask Lender to make one or more loans to me in addition to the loan that I promise to pay under the Note, or to refinance the amount due under the Note. Lender may, before this Mortgage is discharged, make additional loans to me or refinance the amount due under the Note.

7. LENDER'S RIGHTS IF BORROWER TRANSFERS THE PROPERTY

If I sell or transfer all or part of the Property or any rights in the Property, Lender will require Immediate Payment In Full.

8. CONTINUATION OF BORROWER'S OBLIGATIONS

My obligations under this Mortgage are binding upon me, upon my heirs and my legal representatives in the event of my death, and upon anyone who obtains my rights in the Property.

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Mortgage. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless Lender specifically releases me in writing from my obligations.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if Lender is requested to do so.

9. CONTINUATION OF LENDER'S RIGHTS

Even if Lender does not exercise or enforce any right of Lender under the Note, this Mortgage or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pay taxes, or pays other claims, charges or liens against the Property, Lender will still have the right to demand that I make Immediate Payment In Full of the amount that I owe to Lender under the Note and under this Mortgage.

10. LENDER'S ABILITY TO ENFORCE MORE THAN ONE OF LENDER'S RIGHTS; OBLIGATIONS OF BORROWERS; AGREEMENTS CONCERNING CAPTIONS

Each of Lender's rights under this Mortgage is separate. Lender may exercise and enforce one or more of those rights, as well as any of Lender's other rights under the law, one at a time or all at once.

If more than one person signs this Mortgage as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Mortgage. Lender may enforce Lender's rights under this Mortgage against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under the Note and under this Mortgage. However, if one of us does not sign the Note, then: (A) that person is signing this Mortgage only to give that person's rights in the Property to Lender under the terms of this Mortgage, and (B) that person is not personally obligated to make payments or to act under the Note or under this Mortgage.

The captions and titles of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

11. ADJUSTABLE RATE MORTGAGE PROVISION

This mortgage secures an adjustable rate note, herein referred to as "Note." An adjustable rate note is a note containing provisions allowing Lender to change the interest rate and the monthly payment amounts and to increase the amount of principal to be repaid as a result of changes in an interest rate index. Accordingly, increases in the interest rate may result in higher payments or a larger final payment and decreases in the interest rate may result in lower payments, a smaller final payment, or an adjustment of the maturity date.

In addition to the promises and agreements I have made above, I also promise and agree with Lender as follows:

(A) INTEREST RATE ADJUSTMENTS

The Note provides for an adjustable interest rate which will be increased or decreased on Interest Adjustment Dates as described in the Note. Changes in the interest rate are determined by changes in the Index Rate. The index rate shall be the six month moving average of the monthly average of weekly average auction rates on U.S. Treasury Bills with a maturity of six months, as published in the Federal Reserve Bulletin and made available by the Federal Reserve Board in Statistical Release G 13(415) published during the first week of each month. There are no limitations on changes in the interest rate, except that the interest rate may be subject to a ceiling or floor rate.

(B) Monthly Payment Adjustments

If the rate of interest changes, the amount of my payment will change as provided in the Note. Any increase in my monthly payment amount will be limited to ten percent (10%) of the previously scheduled payment amount. The limitation on increases in my monthly payment amount does not apply at the time of the final payment adjustment, or if the balance due under the Note exceeds 115% of the original principal sum as set out in the Note. My monthly payment amount will decrease if the interest rate applicable to the Note decreases. However, my monthly payment amount will never decrease below the beginning monthly payment as set out in the Note.

(C) Increases in Principal Balance

The Note provides that the principal amount I owe Lender may increase from time to time. In the event that I make a payment that is insufficient to pay all interest which has been earned since my last payment, Lender will advance an amount equal to the interest earned by Lender but unpaid after application of my payment. The amount advanced by Lender will be added to the principal of the Note and I will pay interest at the Note rate on the amount advanced. Lender may also add to the principal of the Note any advances made under the Mortgage, and I will also pay interest at the Note rate on those advances.

(D) Loan Charges

In the event a law which applies to the Note secured by the Mortgage and which sets maximum loan charges is interpreted so that the interest or other loan charges collected or to be collected in connection with the Note would 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.

(E) Monthly Payments for Taxes and Insurance

Under paragraphs 3 and 4 of the Mortgage, Borrower is required to pay all taxes, assessments and hazard insurance premiums and upon request of Lender furnish receipts for such payments. As an alternative to the payment of such amounts directly by Borrower, Lender may at its option require Borrower at any time to make monthly payments to Lender for taxes and insurance.

(1) BORROWER'S OBLIGATION TO MAKE MONTHLY PAYMENTS TO LENDER FOR TAXES AND INSURANCE

I will pay to Lender all amounts necessary to pay for taxes, assessments, ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my monthly payments are due under the Note.

The amount of each of my payments under this Paragraph E will be the sum of the following:

- (i) One-twelfth of the estimated yearly taxes, assessments and ground rents (if any) on the Property which under the law may be superior to this Mortgage; plus
- (ii) One-twelfth of the estimated yearly premium for hazard insurance covering the Property; plus
- (iii) One-twelfth of the estimated yearly premium for mortgage insurance (if any)

Lender will determine from time to time my estimated yearly taxes, assessments, ground rents and insurance premiums based upon existing assessments and bills, and reasonable estimates of future assessments and bills. (Taxes, assessments, ground rents and insurance premiums will be called "taxes and insurance.") The amounts that I pay to Lender for taxes and insurance under this Paragraph E will be called the "Funds."

If, when payments of taxes and insurance are due, Lender has not received enough Funds from me to make those payments, I will pay to Lender whatever additional amount is necessary to pay the taxes and insurance in full. I must pay that additional amount in one or more payments as Lender may require.

(2) LENDER'S OBLIGATIONS CONCERNING BORROWER'S MONTHLY PAYMENTS FOR TAXES AND INSURANCE

Lender will keep the Funds in a savings or banking institution. If Lender is such an institution then Lender may hold the Funds. Except as described in this Paragraph E, Lender will use the Funds to pay taxes and insurance. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds on deposit, for using the Funds to pay taxes and insurance, for analyzing my payments of Funds, or for receiving, verifying and totalling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest on the Funds unless Lender agrees in writing to pay interest on the Funds.

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph E will be too large. If this happens at a time when I am keeping all of my promises and agreements made in the Mortgage, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future monthly payments of Funds. There will be excess amounts if, at any time, the sum of (a) the amount of Funds which Lender is holding or keeping on deposit, plus (b) the amount of the monthly payments of Funds which I still must pay between that time and the due dates of taxes and insurance, is greater than the amount necessary to pay the taxes and insurance when they are due.

When I have paid all of the amounts due under the Note and under the Mortgage, Lender will promptly refund to me any Funds that are then being held or kept on deposit by Lender. If, under the provisions of the Mortgage, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding or has on deposit at that time to reduce the amount that I owe to Lender under the Note and under the Mortgage.

12. BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY AND TO FULFILL OBLIGATIONS IN LEASE

I will keep the property in good repair. I will not destroy or substantially change the Property, and I will not allow the Property to deteriorate. If I do not own but am a tenant on the property, I will fulfill my obligations under my lease.

LAW THAT GOVERNS THIS MORTGAGE; CONFLICT IN LOAN DOCUMENTS

The law that applies in the place that the Property is located will govern this Mortgage. The law of the State of Alabama will govern the Note. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law, can be separated from the remaining terms, and the remaining terms will still be enforced. In the event of conflict between any of the terms of this Mortgage and the Note, the terms of the Note shall apply.

Receipt of a copy of this real estate mortgage instrument securing note of even date is hereby acknowledged. X [Signature] Initials.

By signing this Mortgage I agree to all of the above

X [Signature] Robert L. Mann

X [Signature] Sandra T. Mann

By: _____

Its: _____

STATE OF ALABAMA)
COUNTY OF ST. CLAIR)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Robert L. Mann and wife, Sandra T. Mann, whose name(s) are 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 this conveyance, they executed the same voluntarily on the day the same bears date. Under my hand and official seal this 18th day of December, 1984.
My Commission Expires January 21, 1988 Sandra Lee Notary Public

STATE OF ALABAMA)
COUNTY OF)

I, _____, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of _____ 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, _____ as such _____ and with full authority, executed the same voluntarily for and as the act of said _____ Given under my hand and official seal this _____ day of _____, 19____.

My commission expires: _____ Notary Public

BOOK 012 PAGE 873

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED
1984 DEC 28 AM 11:06
Thomas A. Shanderson, Jr.
JUDGE OF PROBATE

RECORDING FEES	
Mortgage Tax	\$ <u>21.30</u>
Deed Tax	_____
Mineral Tax	_____
Recording Fee	<u>10.00</u>
Index Fee	<u>1.00</u>
TOTAL	\$ <u>32.30</u>