

1041

instrument was prepared by  
*James Waters*  
 215 North 21st Street  
 Birmingham, Alabama 35203

ADJUSTABLE LOAN RIDER  
 (Interest Rate Limits)

THIS ADJUSTABLE LOAN RIDER is made this 31st day of July, 1986, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") recorded in the Office of the Judge of Probate of Shelby County, Alabama in Real Volume 368, page 910, which mortgage, as amended by this rider, is being assumed by the undersigned (the "Borrower") to secure Borrower's Amended and Restated Adjustable Loan Note to Jefferson Federal Savings and Loan Association of Birmingham (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at: 1857 Hamilton Road Pelham, Al 35124  
 (property address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE EVERY YEAR SUBJECT TO THE LIMITS STATED IN THE NOTE. IF THE INTEREST RATE INCREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE HIGHER. IF THE INTEREST RATE DECREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE LOWER.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.75%. Section 4 of the Note provides for changes in the interest rate and the monthly payments, as follows:

"4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of July, 1987, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The 'Index' is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the 'Current Index'.

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two & 3/4 percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the highest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

*Jeff. Fed.*

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(D) Limit on Interest Rate Changes

The rate of interest I am required to pay shall never be increased on any single Change Date by more than /X/ one and one-half percentage points (1.50%) / two percentage points (2.0%) [Check Only One Box] from the rate of interest I have been paying for the preceding twelve months. My interest rate shall never be greater than 13.7%, nor less than 8.00.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice."

B. CHARGES; LIENS

The provisions of the Security Instrument relating to charges and liens against the mortgaged property are amended to read as follows (Uniform Covenant 4\*):

"Charges; Liens. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided hereunder, or, if no method is specified or if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice."

C. NOTICE

The provisions of the Security Instrument relating to the giving of notices are amended to read as follows (Uniform Covenant 14\*):

\*If the Security Instrument being amended is a "FNMA/PHLMC Uniform Instrument", the paragraph reference is applicable.

"Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein."

D. UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY

The provisions of the Security Instrument relating to uniform covenants, governing law and severability are amended to read as follows (Uniform Covenant 15\*):

"Uniform Security Instrument; Governing Law; Severability. This form of 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. 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, and to this end the provisions of this Security Instrument and the Note are declared to be severable."

E. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

The provisions of the Security Instrument relating to Borrower's right to sell the Property are amended to read as follows (Uniform Covenant 17\*):

"Transfer of The Property Or a Beneficial Interest in Borrower. If all or any part of the Property or an interest therein 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 Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. 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 such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with the notice provisions hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted hereby, including acceleration of the indebtedness. Notwithstanding a sale or transfer, Borrower will continue to be obligated under the Note and this Security Instrument unless Lender has released Borrower in writing."

F. COVENANT DELETED

Any provision of the Security Instrument relating to Future Advances is deleted. (Non-Uniform Covenant 21\*)

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\*If the Security Instrument being amended is a "FNMA/FHLMC Uniform Instrument", the paragraph reference is applicable.

G. LOAN CHARGES

If the loan secured by the 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 permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) 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 under the Note.

H. LEGISLATION

If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, the Security Instrument or this Adjustable Loan Rider (other than this paragraph H) unenforceable according to their terms, or all or any part of the sums secured hereby uncollectable, as otherwise provided in the Security Instrument and this Adjustable Loan Rider, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Security Instrument to be immediately due and payable.

I. FUNDS FOR TAXES AND INSURANCE

The Security Instrument is amended by adding the following provisions relating to tax and insurance funds:

"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 installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Security Instrument, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Security Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings 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 the sums secured by this Security Interest.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due,

Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

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 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument."

IN WITNESS WHEREOF, Borrower has executed this Adjustable Loan Rider.

James H. Goodwin (Seal)  
James H. Goodwin Borrower

Peggy J. Goodwin (Seal)  
Peggy J. Goodwin Borrower

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

[Sign Original Only]

THE STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that James H. and Peggy J. Goodwin, whose names are signed to the foregoing Assumption Agreement and Statement and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, They executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this 31st day of July, 1986.

RECORDING FEES

Recording Fee \$ 12.50

Index Fee 1.00

TOTAL \$ 13.50

STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1986 SEP 15 PM 12:04

Notary Public

Expiration date 4/9/87

THE STATE OF ALABAMA

JUDGE OF PROBATE

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that \_\_\_\_\_, whose name signed to the foregoing Assumption Agreement and Statement and who known to me, acknowledged before me on this day that, being informed of the contents of said instrument, \_\_\_\_\_ executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Notary Public