

Charles B. Rafford

Deidre A. Rafford

121 Chestnut Lane

Maylene, Alabama 35114

**MORTGAGOR**

"I" includes each mortgagor shown above.

This instrument was prepared by  
(Name) Ben L. Zarzaur, Attorney  
(Address) 2125 Morris Avenue, Birmingham, AL 35203

**BANK OF ALABAMA**  
1209 DECATUR HIGHWAY  
POST OFFICE BOX 340  
FULTONDALE, ALABAMA 35068

**MORTGAGEE**

"You" means the mortgagee, its successors and assigns

**REAL ESTATE MORTGAGE:** For value received, I, Charles B. Rafford and wife, Deidre A. Rafford, mortgage, grant, bargain, sell and convey to you, with power of sale, to secure the payment of the secured debt described below, on \_\_\_\_\_, the real estate described below and all rights, easements, appurtenances, rents, leases and existing and future improvements and fixtures (all called the "property").

**PROPERTY ADDRESS:** 121 Chestnut Lane, Maylene, Alabama 35114  
(Street) (City) (Zip Code)

**LEGAL DESCRIPTION:**

FOR LEGAL DESCRIPTION SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE.

REFERENCE IS HEREBY MADE TO THE ADJUSTABLE RATE RIDER WHICH IS ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE.

located in Shelby County, Alabama.

**TITLE:** I covenant and warrant title to the property, except for \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECURED DEBT:** This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in this mortgage and in any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts I owe you under this mortgage or under any instrument secured by this mortgage and all modifications, extensions and renewals thereof.

The secured debt outstanding on the date of this Mortgage is evidenced by (List all instruments and agreements secured by this mortgage and the dates thereof):

☒ Adjustable Rate of even date

☐ **Future Advances:** All amounts owed under the above agreement are secured even though not all amounts may yet be advanced. Future advances under the agreement are contemplated and will be secured and will have priority to the same extent as if made on the date this mortgage is executed.

☐ **Revolving credit loan agreement** dated \_\_\_\_\_. All amounts owed under this agreement are secured even though not all amounts may yet be advanced. Future advances under the agreement are contemplated and will be secured and will have priority to the same extent as if made on the date this mortgage is executed.

The above obligation is due and payable on April 1, 2007 if not paid earlier.

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of: Twenty Thousand and no/100----- Dollars (\$ 20,000.00), plus interest, plus any disbursements made for the payment of taxes, special assessments, or insurance on the property, with interest on such disbursements.

☒ **Variable Rate:** The interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.

☐ A copy of the loan agreement containing the terms under which the interest rate may vary is attached to this mortgage and made a part hereof.

**RIDERS:** ☐ Commercial ☐ Home Equity ☒ Adjustable Rate Rider

**SIGNATURES:** By signing below, I agree to the terms and covenants contained on both pages of this mortgage and in any riders described above signed by me.

Charles B. Rafford (Seal)  
Charles B. Rafford (Seal)

Deidre A. Rafford (Seal)  
Deidre A. Rafford (Seal)

**ACKNOWLEDGMENT:** STATE OF ALABAMA, Jefferson County  
I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that  
Charles B. Rafford and wife, Deidre A. Rafford

Individual

whose name(s) 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 the conveyance, they executed the same voluntarily on the date the same bears date.

Corporate

whose name(s) as \_\_\_\_\_ of the \_\_\_\_\_, a corporation, \_\_\_\_\_ signed to the foregoing conveyance and who \_\_\_\_\_ known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, \_\_\_\_\_ he \_\_\_\_\_, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_  
My commission expires: 12-26-94

Amie M. Hall  
(Notary Public)

ALABAMA

1. **Payments.** I Agree to make all payments on the secured debt when due. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe you on the secured debt (exclusive of interest or principal), second, to interest and then to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any scheduled payment until the secured debt is paid in full.

2. **Claims against Title.** I will pay all taxes, assessments, liens and encumbrances on the property when due and will defend title to the property against any claims which would impair the lien of this mortgage. You may require me to assign any rights, claims or defenses which I may have against parties who supply labor or materials to improve or maintain the property.

3. **Insurance.** I will keep the property insured under the terms acceptable to you at my expense and for your benefit. All insurance policies shall include a standard mortgage clause in favor of you. you will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.

4. **Property.** I will keep the property in good condition and make all repairs reasonably necessary.

5. **Expenses.** I agree to pay all your expenses, including reasonable attorneys' fees if I break any covenants in this mortgage or in any obligation secured by this mortgage. Attorneys' fees include those awarded by an appellate court. I will pay these amounts to you as provided in Covenant 10 of this mortgage.

6. **Default and Acceleration.** If I fail to make any payment when due or break any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment and exercise any other remedy available to you. In the event that the indebtedness owing hereunder shall not be paid upon demand following any acceleration or maturity, then this mortgage shall be subject to foreclosure at your option, with notice to me of your exercise of such option being hereby expressly waived. In that event, you shall have the right to enter upon and take possession of the property and after or without taking such possession to sell the same, between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power to sell the property, before the courthouse door of the county (or division thereof) where the property, or any substantial part of the property, is located, at public outcry for cash, after first giving notice of the time, place and terms of such sale by publication once a week for three consecutive weeks prior to said sale in some newspaper published in said county. If the property is located in more than one county, a similar publication will be made in all counties where the property is located. Upon payment to you of the purchase price at such foreclosure, you are authorized to execute to the purchaser for and in our names a good and sufficient deed to the property sold. You agree to apply the proceeds of any such sale or sales under this mortgage as follows: (a) to the expenses of the sale, including, but not limited to, reasonable attorney's fees; (b) to the payment of any amounts that may have been expended or may be necessary to expend in paying insurance, taxes and other encumbrances; (c) to the payment of the secured debt hereby secured; and (d) the balance, if any, will be paid over to us or to whomsoever shall be legally entitled to it. You may bid and become the purchaser of the property at any foreclosure sale hereunder. Under this Mortgage, you are granted a "power to sell" and a "power of sale" (as those quoted terms are used in Article 1A of Title 35 of the Code of Alabama).

7. **Assignment of Rents and Profits.** I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. If I default, you, your agent, or a court appointed receiver may take possession and manage the property and collect the rents. Any rents you collect shall be applied first to the costs of managing the property, including court costs and attorneys' fees, commissions to rental agents, and any other necessary related expenses. The remaining amount of rents will then apply to payments on the secured debt as provided in Covenant 1.

8. **Waiver of Homestead.** I hereby waive all right of homestead exemption in the property.

9. **Leaseholds; Condominiums; Planned Unit Developments.** I agree to comply with the provisions of any lease if this mortgage is on a leasehold. If this mortgage is on a unit in a condominium or a planned unit development, I will perform all of my duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

10. **Authority of Mortgagee to Perform for Mortgagor.** If I fail to perform any of my duties under this mortgage, you may perform the duties or cause them to be performed. You may sign my name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.

Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect on the secured debt.

11. **Inspection.** You may enter the property to inspect if you give me notice beforehand. The notice must state the reasonable cause for your inspection.

12. **Condemnation.** I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all of any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.

13. **Waiver.** By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later consider the event a default if it happens again.

14. **Joint and Several Liability; Co-signers; Successors and Assigns Bound.** All duties under this mortgage are joint and several. If I co-sign this mortgage but do not co-sign the underlying debt I do so only to mortgage my interest in the property under the terms of this mortgage. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.

The duties and benefits of this mortgage shall bind and benefit the successor and assigns of either or both of us.

15. **Notice.** Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.

Any notice shall be deemed to have been given to either of us when given in the manner stated above.

16. **Transfer of the Property or a Beneficial Interest in the Mortgagor.** If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment if the mortgagor is not a natural person and a beneficial interest in the mortgagor is sold or transferred. However, you may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.

17. **Release.** When there shall occur the "payment or satisfaction of the real property mortgage debt" (as such term is defined in § 35-10-26 of the Code of Alabama), and all underlying agreements have been terminated, this mortgage will become null and void and you will release this mortgage.

ADJUSTABLE RATE RIDER

(1 Year Treasury Index—Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 1st day of April, 1992, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Bank of Alabama, a bank organized under the laws of the State of Alabama (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

121 Chestnut Lane, Maylene, Alabama 35114

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.75%. 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 April, 1997, 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 & three-quarters percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the nearest 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 that I am expected to owe at 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.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 11.75% or less than 7.75%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.00%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 15.75% nor less than 7.75%.

(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 deliver or mail to me a notice of any changes in my interest rate and 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Charles B. Rafford (Seal)  
Charles B. Rafford  
-Borrower

Deidre A. Rafford (Seal)  
Deidre A. Rafford  
-Borrower

STATE OF ALABAMA )  
JEFFERSON COUNTY )

I, the undersigned, hereby certify that Charles B. Rafford & wife, Deidre A. Rafford, whose name 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 seal of office this 1st day of April, A.D. 1992

Mia M. Hall

Notary Public

My commission expires: 12-26-94

[NOTARIAL SEAL]

EXHIBIT A

Lots 13 and 14, according to the Survey of Chestnut Glenn, as recorded in Map Book 10, Page 103, in the Office of the Judge of Probate of Shelby County, Alabama.

04/13/1992 4331  
03:28 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
004 HCD 44.00