



# MORTGAGE

## OPEN END CREDIT • FUTURE ADVANCES ARE SECURED BY THIS MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 30, 2002  
The mortgagor is RAY P DAVIS & WIFE, ERLENE W DAVIS

("Borrower"). This Security Instrument is given to

COLONIAL BANK, which is organized and existing under  
the laws of Alabama, and whose address is  
1596 MONTGOMERY HIGHWAY, HOOVER, AL 35216

("Lender"). Borrower has entered into a EQUITY LINE OF CREDIT ("Contract") with  
Lender as of the 30th day of July 2002, under the terms of which Borrower may, from time to time, obtain  
advances not to exceed, at any time, a **\*\*\*MAXIMUM PRINCIPAL AMOUNT (EXCLUDING PROTECTIVE ADVANCES)\*\*\*** of  
Thirty Five Thousand And 00/100

Dollars (U.S. \$ 35,000.00) ("Credit Limit"). Any party interested in the details related to Lender's continuing  
obligation to make advances to Borrower is advised to consult directly with Lender. This Security Instrument secures to Lender: (a) the  
repayment of the debt under the Contract, with interest, including future advances, and all renewals, extensions and modifications of  
the Contract; (b) the payment of all other sums, with interest, advanced under paragraph 5 to protect the security of this Security  
Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Contract. For this  
purpose, Borrower does hereby mortgage, grant and convey to Lender, the following described property located in

SHELBY County, Alabama:

SEE EXHIBIT "A"

which has the address of 105 INDIGO LANE  
[Street]

CALERA  
[City]

Alabama 35040 ("Property Address");  
[Zip Code]

TOGETHER WITH all the 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."

By initialing, I acknowledge this is page 1 of 6  
of the Mortgage.

  
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**BORROWER COVENANTS** that Borrower is lawfully seized 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.

Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest; Other Charges.** Borrower shall promptly pay when due the principal of and interest on the debt owed under the Contract and any late charges or any other fees and charges due under the Contract.

**2. 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. At the request of Lender, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph and 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.



**3. 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 5.

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 payments due under the Contract or change the amount of the payments. If under paragraph 17 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.

**4. Preservation, Maintenance and Protection of the Property.** 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 15, 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.

By initialing, I acknowledge this is page 2 of 6 of the Mortgage.				
	Initials	Initials	Initials	Initials





As in this paragraph 16, "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 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**17. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument or the Contract under which acceleration is permitted (but not prior to acceleration under paragraph 14 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 17, including, but not limited to, reasonable attorneys' 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 11. 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.

**18. Release.** Upon payment of all sums secured by this Security Instrument and termination of Borrower's right to obtain further advances under the Contract, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

**19. Waivers.** Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property.

**20. Additional Provision(s).**

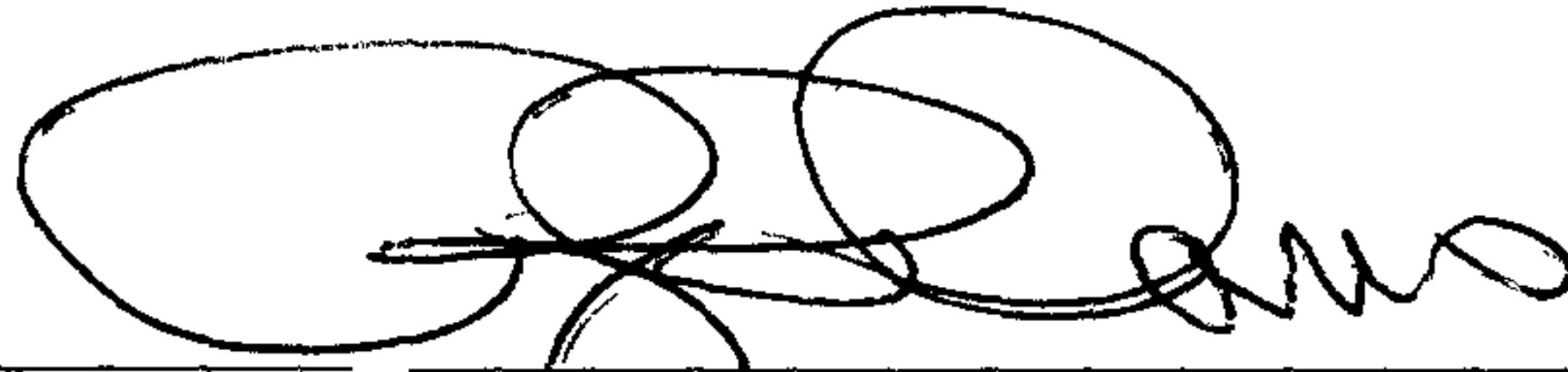
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By initialing, I acknowledge this is page 5 of 6 of the Mortgage.

			
Initials	Initials	Initials	Initials

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)

RAY P DAVIS

-Borrower

*Erlene W. Davis*

(Seal)

ERLENE W DAVIS

-Borrower

(Seal)

-Borrower

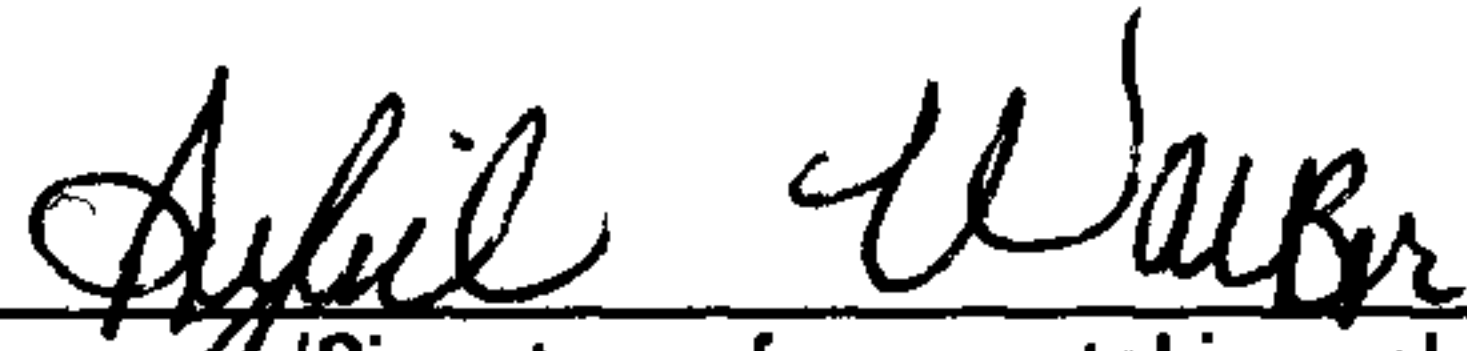
(Seal)

-Borrower

[Space Below This Line For Acknowledgement]

STATE OF ALABAMA )  
 ) ss  
COUNTY OF SHELBY )

I, THE UNDERSIGNED, a NOTARY PUBLIC, hereby certify that RAY P DAVIS AND ERLENE W DAVIS, whose name(s) are signed to the foregoing Security Instrument and who are known to me, acknowledge before me on this day that, being informed of the contents of the Security Instrument, they executed the same voluntarily on the day the same bears date. Given under my hand this 30th day of JULY, 2002.



(Signature of person taking acknowledgement)



(Title of officer)

My commission or term of office expires on

~~MY COMMISSION EXPIRES~~ FEBRUARY 26, 2006

(Seal, if any)

Prepared by:  
TAMMY WILSON

After recording return to:  
COLONIAL BANK  
P.O. BOX 1887  
BIRMINGHAM, AL 35201

EXHIBIT "A"

A parcel of land in the NE  $\frac{1}{4}$  of the SE  $\frac{1}{4}$  of Section 31, Township 21 South, Range 2 West, Shelby County, Alabama, described as follows:

Commence at the Northeast corner of said  $\frac{1}{4}$  -  $\frac{1}{4}$  section, thence run South along the East  $\frac{1}{4}$  -  $\frac{1}{4}$  line 479.70 feet to the point of beginning; thence continue last course 147.70 feet, thence turn right  $92^{\circ}47'15''$  and run West 546.01 feet, thence turn right  $88^{\circ}18'50''$  and run North 147.57 feet; thence turn right  $91^{\circ}44'02''$  and run East 543.17 feet to the point of beginning.

LESS AND EXCEPT the West 10 feet of said property (the West line of the above described property is the centerline of a 20 foot easement for ingress, egress and utilities).

ALSO, an easement in the NE  $\frac{1}{4}$  of the SE  $\frac{1}{4}$  of Section 31, Township 21, Range 2 West, Shelby County, Alabama; for ingress, egress and utilities; 20 feet wide, 10 feet on each side of the following described centerline:

Commence at the Southeast corner of said  $\frac{1}{4}$  -  $\frac{1}{4}$  section; thence run North along the East line thereof for a distance of 337.13 feet; thence left  $88^{\circ}18'22''$  and run West 552.55 feet; thence right  $89^{\circ}19'26''$  and run North 393.48 feet to point of beginning of said centerline; thence continue last course 590.0 feet to the South right of way of an existing county road and the end of said centerline.