

After Recording Return To:
R. Timothy Estes, Esq.
ESTES, SANDERS & WILLIAMS, LLC.
3800 Colonnade Parkway, Ste. 330
Birmingham, Alabama 35243

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STATE OF ALABAMA)

COUNTY OF SHELBY)

MORTGAGE

1. **KNOW ALL MEN BY THESE PRESENTS:** That **WHEREAS**, the Undersigned, Jonathan Cook and Vanessa Cook, Husband and Wife, is indebted to Jose Antonio Valencia in the principal sum of One Hundred Seventy-Three Thousand Seven Hundred Sixty-Eight and 16/100 Dollars (\$173,768.16), together with interest at the rate of 1.4% per annum from the date hereof, which is evidenced by a Note of the undersigned, Jonathan Cook and Vanessa Cook, Husband and Wife, bearing even date with this instrument, payable to the order of Jose Antonio Valencia, and described as follows:

2. One Note in the principal amount of One Hundred Seventy-Three Thousand Seven Hundred Sixty-Eight and 16/100 Dollars (\$173,768.16) payable together with interest at the rate of 1.4% per annum in consecutive monthly payments due the first day of each month beginning on March 1st, 2007.

3. Now for the purpose of securing the prompt payment of the above described Note when it becomes due, Jonathan Cook and Vanessa Cook (Mortgagor) do grant, bargain, sell and covey unto the said Jose Antonio Valencia (Mortgagee), the following described real property situated in Shelby County, Alabama:

Lot 28, according to the Survey of Chadwick, Sector 2, as recorded in Map Book 17, Page 127, in the Probate Office of Shelby County, Alabama.

Parcel ID: 13-1-02-1-000-016.055

4. **TO HAVE AND TO HOLD** the said property, together with improvements and appurtenances thereto belonging, unto Mortgagee, and to the heirs and assigns unto Mortgagee forever.

5. Mortgagor covenants with Mortgagee that Mortgagor is lawfully seized in fee of the said property, that it is free of all encumbrances, except as may be provided herein, that

Mortgagor has a good right to sell and convey the same to Mortgagee, and Mortgagor will warrant and defend said property to Mortgagee, and the heirs and assigns of Mortgagee, forever against the lawful claims and demands of all persons.

MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

6. Mortgagor shall properly care for said property and all improvements thereon.
7. Mortgagee, may at any time, without notice, release any of the property described herein, grant extensions or deferments of time or payment of the indebtedness secured hereby, or any part thereof, without affecting the priority of this lien or the personal liability of Mortgagor.
8. Mortgagor shall permit the Mortgagee or the Mortgagee's representative to examine and inspect the property at any reasonable time.
9. Each covenant and agreement herein contained shall inure to the benefit of and bind the heirs, assigns and successors of Mortgagee and Mortgagor.
10. 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, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably.
 - (a). If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.
 - (b). All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly

give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

(c). 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, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. 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 the excess, if any, paid to Borrower.

(d). If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

BUT THIS CONVEYANCE IS INTENDED TO OPERATE AS A MORTGAGE AND IS SUBJECT TO THE FOLLOWING CONDITIONS:

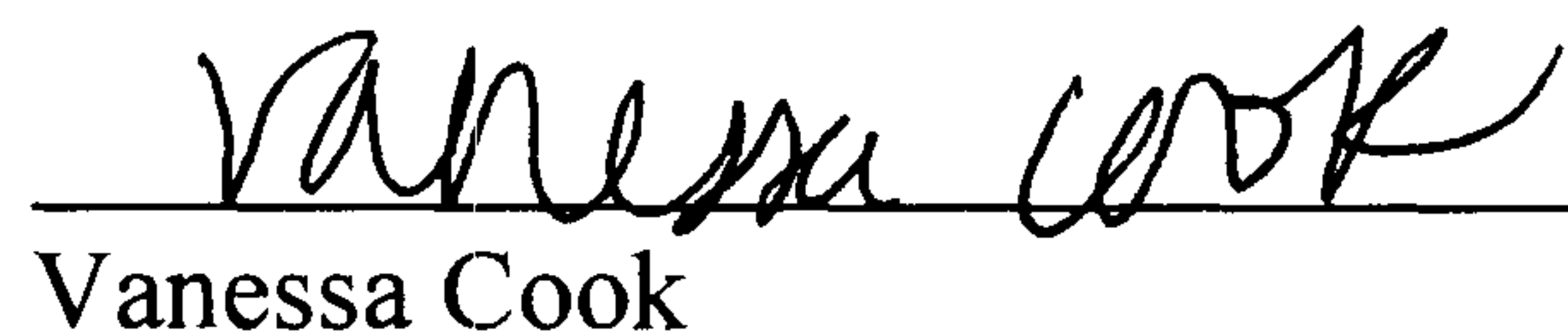
11. If Mortgagor pays the indebtedness hereby secured as it becomes due and payable as herein provided, and all covenants and agreements herein are kept and performed, then this conveyance shall be null and void and Mortgagee shall release this Security Instrument.

12. But if there is a default in the payment by more than sixty (60) days, then the whole of said indebtedness shall immediately become due and payable, and said Mortgagee, or assigns,

is hereby authorized and empowered to take possession of said property, and with or without taking possession, sell the same before the Courthouse door in the City of Columbiana, County of Shelby, Alabama, at public outcry to the highest bidder for cash, in bulk or in parcels as said Mortgagee may deem fit, after giving written notice of the time, place, and terms of sale together with a description of the property to be sold, by publication once a week for three successive weeks in a newspaper published in said County; and upon payment of the purchase money, said Mortgagee or the auctioneer or any person conducting said sale is hereby authorized to execute and deliver to the purchaser a foreclosure deed to the property so purchased. The proceeds of such foreclosure sale shall be applied: first, to the payment of expenses incurred in making the sale, including reasonable attorney's fees; second, to the payment of the amount that may be due on the debt secured by this mortgage with all interest due respectively thereon to the date of such sale; third, the balance, if any, shall be paid to Mortgagor or any party or parties entitled thereto.

BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in this Security Instrument this 26th day of January, 2007.

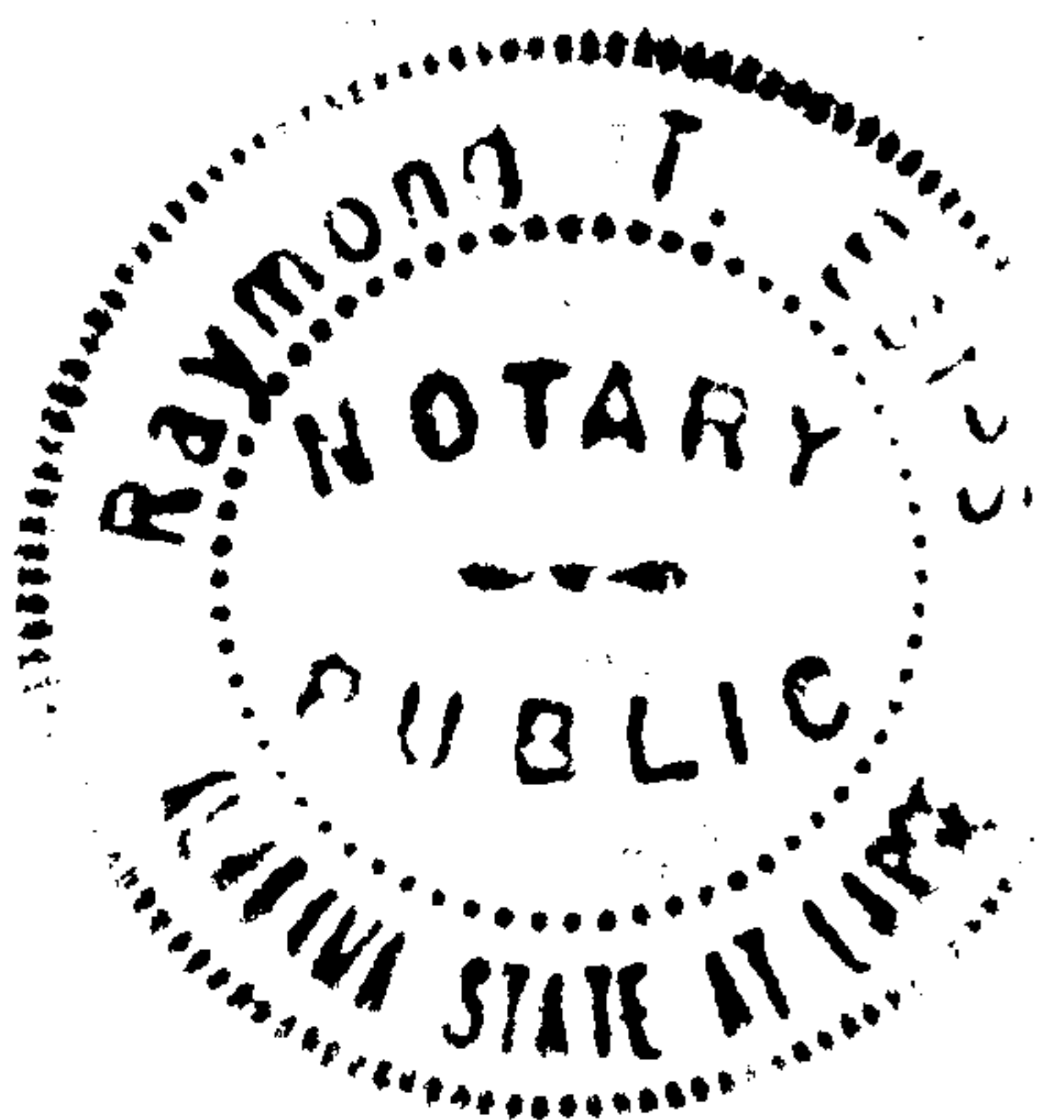

Jonathan Cook



Vanessa Cook

_____[Space Below This Line For Acknowledgment]_____

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Jonathan Cook and Vanessa Cook, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument they executed the same voluntarily on the day the same bears date.

Given under my hand and Official seal this 26th day of January, 2007.




Notary - R. Timothy Estes
My Commission Expires: 07/11/07

DUE-ON-TRANSFER RIDER

Notice: This rider adds a provision to the Security Instrument allowing the Lender to require repayment of the Note in full upon transfer of the property.

This Due-On-Transfer Rider is made as of the date on the Note and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrowers' Note to the "Lender of the same date (the "Note") and covering the property described in the Security Instrument and located at:

Lot 28, according to the Survey of Chadwick, Sector 2, as recorded in Map Book 17, Page 127, in the Probate Office of Shelby County, Alabama.

(Property Legal Description)

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

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

The Security Instrument is amended to read as follows:

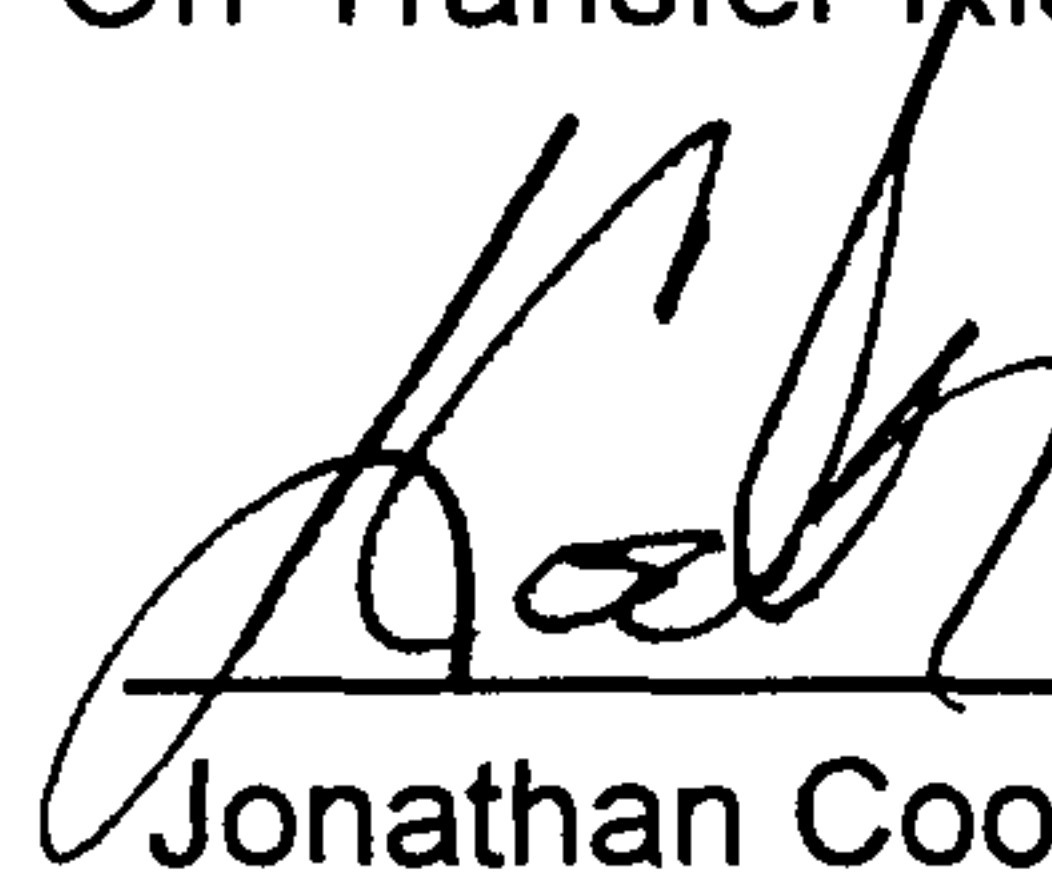
13. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or an interest therein is sold or transferred by Borrower (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity) without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Security Instrument which does not relate to a transfer of rights of occupancy in the property, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable.


If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration. 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 by paragraph 12 hereof.

Lender may consent to a sale or transfer if: (1) Borrower causes to be submitted to Lender information required by Lender to evaluate the transferee as if a new loan were being made to the transferee; (2) Lender reasonably determines that Lender's security will not be impaired and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable; (3) interest will be payable on the sums secured by this Security Instrument at a rate acceptable to Lender; (4) changes in the terms of the Note and this Security Instrument required by Lender are made, including, for example, periodic adjustment in the interest rate, a different final payment date for the loan, and addition of unpaid interest to principal; and (5) the transferee signs an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument, as modified if required by Lender.

Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

IN WITNESS WHEREOF, Borrower has executed this Due-On-Transfer Rider.


Jonathan Cook - Borrower


20070201000048110 5/5 \$283.70
Shelby Cnty Judge of Probate, AL
02/01/2007 08:45:15AM FILED/CERT


Vanessa Cook - Borrower