

REAL ESTATE MORTGAGE AND SECURITY AGREEMENT

STC 24922-8.83

Mortgagors (last name first):

Dougherty, Terry L.

Dougherty, Patricia Ann

724 Riverchase Parkway West

Mailing Address

Birmingham, Alabama

City

State

Zip

Mortgagee:

SouthTrust Bank of Alabama,

National Association

P. O. Box 2554

Mailing Address

Birmingham, Alabama 35290

City

State

Zip

This instrument was prepared by:

Gary Crumpton - HMS

P. O. Box 2233

Birmingham, Alabama 35201

THE STATE OF ALABAMA

Jefferson County

KNOW ALL MEN THESE BY THESE PRESENTS: That whereas

Terry L. Dougherty and his wife, Patricia Ann Dougherty

have become justly indebted to SouthTrust Bank of Alabama, National Association
 with offices in Birmingham, Alabama, (together with its successors and assigns,
 hereinafter called "Mortgagee") in the sum of Seventy Seven Thousand Two Hundred Seventy Nine & 45/100
and interest as provided in Note Dollars (\$ 77,279.45)
 together with interest thereon, as evidenced by a promissory note or notes of even date herewith. A copy of
 which is attached hereto as Exhibit "A".

The promissory note is an Adjustable Rate Note. The rate of interest payable under
 the Note may increase or decrease based on movements of an index rate described in
 the Note.

NOW, THEREFORE, in consideration of the premises and in order to secure the payment of said indebtedness and
 any renewals or extensions thereof and the interest thereon, and all other indebtedness (including future advances) now or
 hereafter owed by any of the above-named to Mortgagee, whether such indebtedness is primary or secondary, direct or
 indirect, contingent or absolute, matured or unmatured, joint or several, and otherwise secured or not, and to secure
 compliance with all the covenants and stipulations hereinafter contained, the undersigned

Terry L. Dougherty and his wife, Patricia Ann Dougherty

(whether on or more, hereinafter called

"Mortgagors") do hereby assign, grant, bargain sell and convey unto Mortgagee the following described real property
 situated in Shelby County, State of Alabama, viz:

SEE ATTACHED SHEET FOR LEGAL DESCRIPTION.

STB is taking out a second mortgage on this property.

NOTE: ALL PAPERS ARE TO BE FILED FOR RECORD IN THE PROBATE OFFICE
 OF SHELBY COUNTY, ALABAMA.

Land Title

together with all rents and other revenues thereof and all rights, privileges, easements, tenements, interests, improvements and appurtenances thereunto belonging or in anywise appertaining, including any after-acquired title and easements and all rights, title and interest now or hereafter owned by Mortgagors in and to all buildings and improvements, storm and screen windows and doors, gas, steam, electric, solar and other heating, lighting, ventilating, air-conditioning, refrigerating and cooking apparatus, elevators, plumbing, sprinkling, smoke, fire, and intrusion detection devices, and other equipment and fixtures now or hereafter attached or appertaining to said premises, all of which shall be deemed to be real property and conveyed by this mortgage, and all of which real property, equipment and fixtures are sometimes hereinafter called the "mortgaged property."

TO HAVE AND TO HOLD the same and every part thereof unto Mortgagee, its successors and assigns forever.

And for the consideration aforesaid, and as additional security for all of the indebtedness described above (including future advances), Mortgagors hereby assign and transfer to Mortgagee, and grant to Mortgagee a security interest in, all building materials, household appliances, equipment, fixtures and fittings of every kind or character now owned or hereafter acquired by Mortgagors, or any of them, located, whether permanently or temporarily, on the mortgaged property, and all building materials, household appliances, equipment, fixtures and fittings now owned or hereafter acquired by Mortgagors, or any of them, located or stored on any other real property, which are or shall be purchased by Mortgagors, or any of them, for the purpose, or with the intention, of making improvements on the mortgaged property or to the premises located on said property. The personal property herein transferred includes, without limitation, all lumber, bricks, building stones, building blocks, sand, cement, roofing materials, paint, doors, windows, storm doors, storm windows, nails, wires and wiring, hardware, plumbing and plumbing fixtures, heating and air conditioning equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, and in general all building materials, equipment and appliances of every kind and character used or useful in connection with improvements to real property.

For the purpose of further securing the payment of said indebtedness Mortgagors warrant, covenant and agree with Mortgagee, its successors and assigns, as follows:

1. That Mortgagors are lawfully seized in fee and possessed of the mortgaged property and have a good right to convey the same as aforesaid, that they will warrant and forever defend the title against the lawful claims of all persons whomsoever, and that the mortgaged property is free and clear of all encumbrances, easements and restrictions not herein specifically mentioned.

2. That they will pay all taxes, assessments, or other liens taking priority over this mortgage when imposed upon the mortgaged property, and should default be made in the payment of the same, or any part thereof, Mortgagee may pay the same (but Mortgagee is not obligated to do so). If the mortgaged property or any part thereof is a unit in a condominium or a planned unit development, Mortgagors shall perform all of Mortgagors' obligations under the declaration or covenants creating or covering the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. Should Mortgagors default in any of such obligations, Mortgagee may perform Mortgagors' obligations (but Mortgagee is not obligated to do so).

3. That they will keep the buildings on the mortgaged property continuously insured in such amounts, in such manner and with such companies as may be satisfactory to Mortgagee against loss by fire (including so-called extended coverage), wind and such other hazards (including flood and water damage) as Mortgagee may specify from time to time, with loss, if any, payable to Mortgagee, and will deposit with Mortgagee policies of such insurance or, at Mortgagee's election, certificates thereof, and will pay the premiums therefor as the same become due. Mortgagors shall have the right to provide such insurance through a policy or policies independently obtained and paid for by Mortgagors or through an existing policy. Mortgagee may, for reasonable cause, refuse to accept any policy of insurance obtained by Mortgagors. Mortgagors shall give immediate notice in writing to Mortgagee of any loss or damage to the mortgaged property from any cause whatever. If Mortgagors fail to keep said property insured as above specified, Mortgagee may insure said property (but Mortgagee is not obligated to do so) for its insurable value against loss by fire, wind and other hazards for the benefit of Mortgagors and Mortgagee or for the benefit of Mortgagee alone, at Mortgagee's election. The proceeds of such insurance shall be paid by the insurer to Mortgagee, which is hereby granted full power to settle and compromise claims under all policies, to endorse in the name of Mortgagors any check or draft representing the proceeds of any such insurance, and to demand, receive and give receipt for all sums becoming due thereunder. Said insurance proceeds, if collected, may be credited on the indebtedness secured by this mortgage, less costs of collection, or may be used in repairing or reconstructing the premises on the mortgaged property, at Mortgagee's election. Any application of the insurance proceeds to repairing or reconstructing premises on the mortgaged property shall not extend or postpone the due date of any installment payments of the indebtedness hereby secured or reduce the amount of such installments.

4. That commencing upon written request by Mortgagee and continuing until the indebtedness secured hereby is paid in full, Mortgagors will pay to Mortgagee concurrently with, and on the due dates of, payments on the indebtedness hereby secured a sum equal to the ground rents, if any, next due on the mortgaged property, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus water rents, fire district charges, taxes and assessments next due on the mortgaged property (all as estimated by Mortgagee), less any sums already paid to Mortgagee therefor, divided by the number of months or other payment periods to elapse before one month or payment period prior to the date when such ground rents, premiums, water rents, fire district charges, taxes and assessments will become due, such sums to be held by Mortgagee in trust, to pay said ground rents, premiums, water rents, fire district charges, taxes and assessments. All payments mentioned in the preceding sentence and the payments to be made on the indebtedness secured hereby shall be added together and the aggregate amount thereof shall be paid by Mortgagors each month or other payment period in a single payment to be applied by Mortgagee to the following items in the order set forth: (a) ground rents, taxes, water rents, fire district charges, assessments, fire and other hazard insurance premiums; (b) interest on the indebtedness secured hereby; and (c) the balance, if any, shall be applied toward the payment of the sum hereby secured. Any deficiency in the amount of such aggregate monthly or other periodic payments shall constitute a default under this mortgage. Any excess funds accumulated under this paragraph after payment of the items herein mentioned shall be credited in calculating the monthly or other periodic payments of the same nature required hereunder in the subsequent year; but if the actual amount of any such item shall exceed the estimate therefor, Mortgagors shall without demand forthwith make good the deficiency. Failure by Mortgagors to do so before the due date of such item shall be a default hereunder. If the mortgaged property is sold under foreclosure or is otherwise acquired by Mortgagee after default, any remaining balance of the accumulations under this paragraph shall be credited to the principal of the secured indebtedness as of the date of the foreclosure sale or as of the date the property is otherwise acquired.

5. That they will take good care of the mortgaged property and the personal property described above and will not commit or permit any waste thereon or thereof, and that they will keep the same repaired and at all times will maintain the same in as good condition as it now is, reasonable wear and tear alone excepted. If Mortgagors fail to make repairs to the mortgaged property, Mortgagee may make such repairs at Mortgagors' expense (but Mortgagee is not obligated to do so). Mortgagee, its agents and employees, may enter the mortgaged property and any improvements thereon at any reasonable time for the purpose of inspecting or repairing such improvements.

6. That all amounts expended by Mortgagee for insurance or for the payment of taxes or assessments or to discharge liens on the mortgaged property or other obligations of Mortgagors or to make repairs to the mortgaged property or any improvements thereon shall become a debt due Mortgagee, shall be payable at once without demand upon or notice to any person, shall bear interest at the rate of interest payable on the principal sum of the note described above, or if no such rate of interest is specified in the note or if the rate specified would be unlawful, at the rate of 8% per annum from the date of payment by Mortgagee, and such debt and the interest thereon shall be secured by this mortgage. Upon failure of Mortgagors to reimburse Mortgagee for all amounts so expended, at the election of Mortgagee and with or without notice to any person, Mortgagee may declare the entire indebtedness secured by this mortgage due and payable and may foreclose this mortgage as hereinafter provided or as provided by law.

7. That no delay or failure of Mortgagee to exercise any option to declare the maturity of any debt secured by this mortgage shall be taken or deemed as a waiver of the right to exercise such option or to declare such forfeiture either as to past or present defaults on the part of Mortgagors, and that the procurement of insurance or payment of taxes or other liens or assessments or obligations by Mortgagee shall not be taken or deemed as a waiver of the right to accelerate the maturity of the indebtedness hereby secured by reason of the failure of Mortgagors to procure such insurance or to pay such taxes, liens, assessments or obligations, it being agreed by Mortgagors that no terms or conditions contained in this mortgage can be waived, altered or changed except by a writing signed by Mortgagee.

8. That they will well and truly pay and discharge every indebtedness hereby secured as it shall become due and payable including the note or notes described above, any renewals or extensions thereof, and any other notes or obligations of Mortgagors to Mortgagee, whether now or hereafter incurred.

9. That if default shall be made in the payment of any of the indebtedness hereby secured, or in the performance of any of the

incurred, shall be credited first to advances made by Mortgagee and the interest thereon, then to interest due on the indebtedness hereby secured, and the remainder, if any, shall be applied toward the payment of the principal sum hereby secured.

10. That, (a) if possession of the mortgaged property is allowed to remain in any other person or entity to the exclusion of Mortgagors for a period of one year or more, or (b) if all or any part of the mortgaged property or any interest therein is sold, assigned, transferred or conveyed by Mortgagors, or any of them, without Mortgagee's prior written consent, excluding only (i) the creation of a lien or encumbrance expressly subordinate to this mortgage, (ii) the creation of a purchase money security interest for household appliances, (iii) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (iv) the grant of any leasehold interest of one year or less (including all mandatory or optional renewal periods) not containing an option to purchase, (c) if any Mortgagor is a corporation, and any owner of 5% or more of the voting stock of such corporation sells or otherwise transfers 5% or more of the voting stock of such corporation to any other person or entity, (d) if any Mortgagor is a general partnership, and any partner thereof dies or withdraws from the partnership, or (e) if any Mortgagor is a limited partnership, and any general partner thereof dies, withdraws, or is replaced by the limited partners, then in any such event Mortgagee may, at Mortgagee's option, declare all indebtedness secured by this mortgage to be due and payable immediately with or without notice to Mortgagors. Mortgagee may condition its consent to any such transfer of possession of, or an interest in, the mortgaged property upon the transferee's agreeing to pay a greater rate of interest on all or any part of the indebtedness secured by this mortgage or to adjust the payment schedule of all or any part of the indebtedness secured by this mortgage, upon Mortgagee's approval of the creditworthiness of the transferee, and upon the transferee's payment to Mortgagee of a reasonable transfer or assumption fee. Upon breach by Mortgagors, or any of them, of the covenants herein contained, Mortgagee may, at its election, proceed to foreclose this mortgage as hereinafter provided or as provided by law.

11. That all the covenants and agreements of Mortgagors herein contained shall extend to and bind their respective heirs, executors, administrators, successors and assigns, and that such covenants and agreements and all options, rights, privileges and powers herein given, granted or secured to Mortgagee shall inure to the benefit of the successors and assigns of Mortgagee.

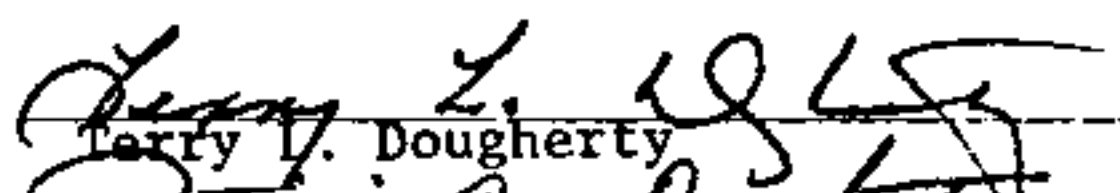

12. That the provisions of this mortgage and the note or notes secured hereby are severable, and that the invalidity or unenforceability of any provision of this mortgage or of any such note or notes shall not affect the validity and enforceability of the other provisions of this mortgage or of such note or notes. The remedies provided to Mortgagee herein are cumulative with the rights and remedies of Mortgagee at law and in equity, and such rights and remedies may be exercised concurrently or consecutively. A carbon or photostatic copy of this mortgage may be filed as a financing statement in any public office.

UPON CONDITION, HOWEVER, that if Mortgagors shall well and truly pay and discharge all the indebtedness hereby secured (including extensions and renewals of the original indebtedness and additional advances) as the same shall become due and payable and shall in all things do and perform all acts and agreements by them herein agreed to be done according to the tenor and effect thereof, then and in that event only this conveyance and the security interest herein granted shall be and become null and void; but should default be made in the payment of any indebtedness hereby secured or any renewals or extensions thereof or any part thereof or should any interest thereon remain unpaid at maturity, or should default be made in the repayment of any sum expended by Mortgagee under the authority of any provision of this mortgage, or should the interest of Mortgagee in the mortgaged property or any of the personal property described above become endangered by reason of the enforcement of any lien or encumbrance thereon, or should a petition to condemn any part of the mortgaged property be filed by any authority, person or entity having power of eminent domain, or should any law, either state or federal, be passed imposing or authorizing the imposition of a specific tax upon this mortgage or the indebtedness hereby secured or permitting or authorizing the deduction of any such tax from the principal or interest secured by this mortgage or by virtue of which any tax or assessment upon the mortgaged property shall be charged against the owner of this mortgage, or should at any time any of the covenants contained in this mortgage or in any note or other evidence of indebtedness secured hereby be declared invalid or unenforceable by any court of competent jurisdiction, or should Mortgagors fail to do and perform any other act or thing herein required or agreed to be done, then in any of said events the whole of the indebtedness hereby secured, or any portion or part thereof which may at said date not have been paid, with interest thereon, shall at once become due and payable and this mortgage subject to foreclosure at the option of Mortgagee, notice of the exercise of such option being hereby expressly waived by Mortgagors, and Mortgagee shall have the right to enter upon and take possession of the mortgaged property and after or without taking such possession to sell the same before the Court House door of the County (or the division thereof) where said property, or any substantial part of said 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; and upon the payment of the purchase price, Mortgagee or the actioneer at said sale is authorized to execute to the purchaser for and in the name of Mortgagors a good and sufficient deed to the property sold. And upon the occurrence of any such event, Mortgagee shall have the rights and remedies of a secured party after default by its debtor under the Alabama Uniform Commercial Code, including, without limitation, the right to take possession of any of the property herein transferred which is personal property and to sell the same at one or more public or private sales, at the election of Mortgagee. At Mortgagee's request, Mortgagors agree to assemble such property and to make the same available to Mortgagee at such place as Mortgagee shall reasonably designate. Mortgagors agree that notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of said property, or of any part thereof, will be held shall be sufficient if delivered to Mortgagors or mailed to Mortgagors at the address set forth above, or such other address as Mortgagors shall have furnished to Mortgagee in writing for that purpose, not less than five days before the date of such sale or other intended disposition of said property. Mortgagee shall apply the proceeds of said sale or sales under this mortgage as follows: First, to the expenses of advertising, selling and conveying, including a reasonable attorneys' fee (including attorneys' fees incurred by Mortgagee in connection with any proceeding seeking to enjoin the foreclosure of this mortgage or otherwise challenging the right of Mortgagee to foreclose this mortgage); second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes and other encumbrances, with interest thereon; third, to the payment of the indebtedness hereby secured and interest thereon in such order as Mortgagee may elect, whether such debts shall or shall not have fully matured at the date of said sale; and fourth, the balance, if any, to be paid over to Mortgagors or to whomsoever then appears of record to be the owner of Mortgagors' interest in said property. Mortgagee may bid and become the purchaser of the mortgaged property at any foreclosure sale hereunder. Mortgagors hereby waive any requirement that the mortgaged property be sold in separate tracts and agree that Mortgagee may, at its option, sell said property en masse regardless of the number of parcels hereby conveyed.

IN WITNESS WHEREOF, each of the undersigned

Terry L. Dougherty and his wife, Patricia Ann Dougherty

has hereunto set his or her signature and seal or has caused this instrument to be executed by its officer(s) thereunto duly authorized, this 7th day of December, 1984.

 (SEAL)
Terry L. Dougherty
 (SEAL)
Patricia Ann Dougherty

(SEAL)

(SEAL)

ATTEST:

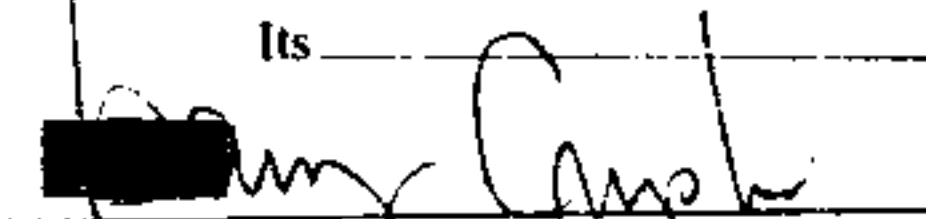
Its

(Corporate Seal)

"I hereby certify that the amount of indebtedness presently incurred is \$ 77,500."

By

Its


Authorized Signer for Mortgagee"

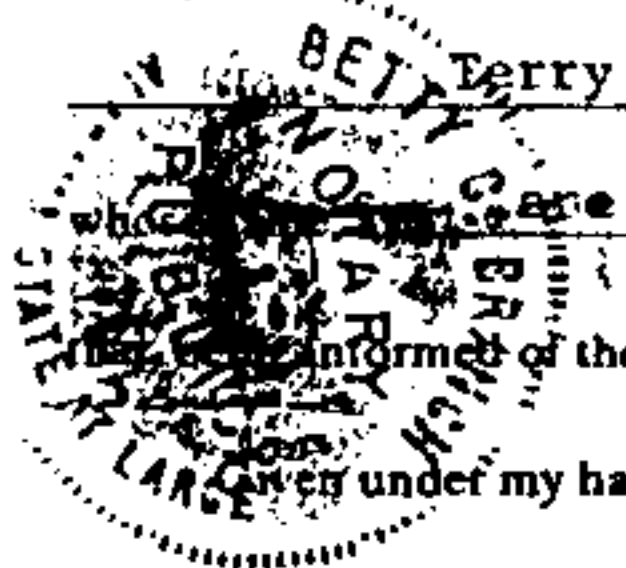
THE STATE OF ALABAMA,

Jefferson COUNTY

INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____

Terry L. Dougherty and his wife, Patricia Ann Dougherty



_____ 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 day the same bears date.

Given under my hand and official seal this 7th day of December, 1984

(Notarial Seal)

My Commission Expires July 11, 1988. Notary Public

THE STATE OF ALABAMA,

_____ COUNTY

INDIVIDUAL ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____

whose name _____ 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, _____ executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this _____ day of _____, 19____

(Notarial Seal)

Notary Public

THE STATE OF ALABAMA,

_____ COUNTY

CORPORATE ACKNOWLEDGMENT

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____

_____ whose name as _____ President

of the _____, a corporation, 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 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 and official seal, this _____ day of _____, 19____

(Notarial Seal)

Notary Public

PLEASE RETURN
TO

REAL ESTATE
MORTGAGE
AND SECURITY
AGREEMENT

THE STATE OF ALABAMA,

_____ COUNTY.

Office of the Judge of Probate.

I hereby certify that the within mortgage was

filed in this office for record on the _____

day of _____, 19____

at _____ o'clock _____ M., and duly record in

Volume _____ of Mortgages, at page

_____, and examined.

Judge of Probate.

SCHEDULE C

Number

The land referred to in this Commitment is described as follows:

A parcel of land situated in the Northeast Quarter of the Southeast Quarter of Section 12, Township 19 South, Range 2 West, and in the Northwest Quarter of the Southwest Quarter of Section 7, Township 19 South, Range 1 West, Shelby County, Alabama, more particularly described as follows:

Begin at the Northeast corner of said NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 12, Township 19 South, Range 2 West, thence run west along the North line thereof for a distance of 498.97 feet to the NE corner of Lot 8, Block 1, Broken Bow Subdivision as recorded in Map Book 7, page 145 in the Probate Office of Shelby County; thence turn an angle to the left of 104 deg. 58' 09" and run in a Southeasterly direction along the Northeast boundary of said subdivision for a distance of 138.62 feet (measured 138.65 feet); thence turn an angle to the left of 28 deg. 19' 29" (measured 28 deg. 19' 30") and run in a Southeasterly direction along the Northeast boundary of said subdivision for a distance of 188.45 feet (measured 188.38 feet); thence turn an angle to the left of 24 deg. 16' 04" (measured 24 deg. 14' 14") and run in a Southeasterly direction for a distance of 183 feet (measured 182.84 feet); thence turn an angle to the right of 18 deg. 26' 04" (measured 18 deg. 25' 30") and run in a Southeasterly direction for a distance of 309 feet (measured 308.93 feet); thence turn an angle to the right of 28 deg. 06' 23" and run in a Southeasterly direction for a distance of 140.68 feet; thence turn an angle to the left of 27 deg. 30' 16" and run in a Southeasterly direction for a distance of 31.04 feet to the Northwest right-of-way line of Cahaba Valley Road; thence turn an angle to the left of 90 deg. (measured 89 deg. 58') and run in a Northeasterly direction along said right-of-way line for 233.37 feet (measured 233.21 feet); thence turn an angle to the left of 90 deg. (measured 89 deg. 47' 22") and run in a Northwesterly direction for a distance of 310.27 feet (measured 310.52 feet) to the beginning of a curve to the left having a central angle of 21 deg 55' 32" and a radius of 130.67 feet; thence run in a Northwesterly direction along the arc of said curve for a distance of 50.0 feet; thence turn an angle to the left from tangent of 68 deg. 31' 44" and run in a Southwesterly direction for a distance of 33.06 feet; thence turn an angle to the right of 88 deg. 57' and run in a Northwesterly direction for a distance of 50.50 feet; thence turn an angle to the left of 40 deg. 17' and run in a Westerly direction for a distance of 54.60 feet; thence turn an angle to the right of 131 deg. 51' 46" and run in a Northeasterly direction for a distance of 388.12 feet to the North boundary of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of said Section 7, Township 19 South, Range 1 West; thence turn an angle to the left of 134 deg. 47' 56" and run in a Westerly direction along the North boundary of said $\frac{1}{4}$ - $\frac{1}{4}$ section for a distance of 166.31 feet (measured 166.42) to the point of beginning.

BOOK 014 PAGE 388

EX-100-100
ADJUSTABLE RATE NOTE
(Interest Rate Limits)

STC-51995 7-84

This Note contains provisions allowing for changes in the interest rate. Increases in the interest rate will result in larger monthly payments. Decreases in the interest rate may result in smaller monthly payments, but not smaller than the amount of the initial monthly payment.

Birmingham, Alabama

December 7, 1984

6244 Cahaba Valley Road, Birmingham, Alabama 35243
(Property Address)

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 77,279.45 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is SouthTrust Bank of Alabama, National Association. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on that part of principal which has not been paid, beginning on the date I receive principal and continuing until the full amount of principal has been paid.

Beginning on the date I receive principal, I will pay interest at a yearly rate of 10.89%. The interest rate I will pay will change in accordance with Section 4 of this Note.

The interest rate required by this Section and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7 (B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the first day of each month beginning on February 1, 1985. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on January 1, 2000, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 112 North 20th Street, Birmingham, Alabama or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 873.03. This amount will change if the interest rate that I must pay changes. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Interest Rate Change Dates

The rate of interest I will pay may change eleven months after the date the first monthly payment is due under this Note, and may also change every twelve months thereafter. Each date on which the rate of interest may change under this Note is called a "Change Date."

(B) The Index

Any changes in the rate of interest will be based on changes in the Index. The "Index" is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The Index as of the beginning of the first business day of the month immediately preceding 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 2.50 percentage points (2.50%) to the Current Index.

Eleven months after the first monthly payment is due under this Note and annually on the same date thereafter, the Note Holder will determine the amount of my monthly payments which would be sufficient to repay the principal outstanding under this Note in full on the Maturity Date in substantially equal monthly payments at the new interest rate determined under this paragraph (C). The result of this calculation will be the new amount of my monthly payment. The new monthly payment will not be less than the amount of the initial monthly payment under this Note set forth in Section 3 (B). I will pay the new amount of my monthly payment each month beginning with the first monthly payment after the change in my monthly payment is determined and continuing until the amount of my monthly payment is again changed or I have fully repaid the loan.

(D) Limits on Interest Rate Changes

The rate of interest I am required to pay will not increase or decrease on the first Change Date by more than 2% from the interest rate of 10.89%. At each subsequent Change Date, the interest rate will not increase or decrease by more than 2% from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 18.00%.

(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.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase, and my monthly payment amount will never be less than the initial monthly amount set forth above in Section 3 (B).

BOOK 014 PAGE 389

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceed permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any of my monthly payments by the end of 10 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest, but not more than \$100. I will pay this late charge only once on any late payment.

(B) Default

If I do not pay the full amount of each monthly payment on time, I will be in default. I will also be in default if the mortgagors or grantors named in the Mortgage described in Section 11 of this Note fail to keep any of the promises made in the Mortgage.

(C) Requirement that I Pay Entire Unpaid Balance Upon Default

If I am in default, the Note Holder may require me to pay immediately the full amount of the principal which has not been paid, all interest that I owe on the principal, and all unpaid late charges, if any. The Note Holder will not be required to make any demand on me or to give me any notice of its election to require me to pay immediately in full.

(D) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described in paragraph (C) above, the Note Holder will have the right to be paid back for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method of giving notice, any notice that must be given to me under this Note or under applicable law may be given by delivering it or by mailing it by first-class mail addressed to me at the Mailing Address below or at a different address if I give the Note Holder a written notice of my different address.

If more than one person signs below as Borrower, a single notice addressed to them or to any of them and mailed or delivered to any of them will be sufficient. Each Borrower hereby appoints the others as his or her agent to receive all such notices and each Borrower agrees that such appointment shall remain effective until the Note Holder receives a written notice of termination.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or mailing it by first-class mail to the Note Holder at the address stated in Section 3 (A) on the reverse side or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note as Borrower, the words "I," "me," and "my" as used in this Note mean each such person and also all of them, and each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety, or endorser of this Note is also obligated to do these things. Any person who takes over my obligations under this Note or any other person who takes over the obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note. (Assumption of obligations under this Note in connection with certain sales or transfers of an interest in, or transfers of possession of, the property described in the Mortgage which secures this Note may be prohibited by the terms of the Mortgage unless the Note Holder first consents in writing.) The Note Holder may enforce its rights under this Note against each person 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 this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive demand, presentment, dishonor and notice of dishonor, and waive exemption of personal property from levy and execution for the satisfaction of any amount owed under this Note, except that no limitation on the garnishment of wages provided by applicable law is waived hereby.

11. THIS NOTE IS SECURED BY A MORTGAGE

In addition to the protections given to the Note Holder under this Note, the Note Holder is also entitled to the benefit and protection of that certain security agreement and/or that certain real estate mortgage (such security agreement and/or real estate mortgage are referred to collectively in this paragraph and elsewhere in this Note as "the Mortgage") dated the same date as this Note. The Mortgage contains provisions under which I may be required to make immediate payment in full of all amounts I owe under this Note. One such provision of the Mortgage permits the Note Holder to require me to pay the outstanding principal and unpaid interest and late charges, if any, immediately if I sell or transfer an interest in, or transfer possession of, the property described in the Mortgage without the Note Holder's consent, except certain permitted transfers described in the Mortgage.

12. GOVERNING LAW

This Note shall be governed and enforced in accordance with the applicable laws of the United States and the laws of the State of Alabama.

IN WITNESS WHEREOF, each of the undersigned has executed this Note as Borrower and has affixed his or her seal to this Note on the date set forth on the reverse side.

CAUTION — It is important that you thoroughly read the contract before you sign it.

Mailing Address of Borrower:
724 Riverchase Parkway West
Birmingham, Alabama
Account #010392-8

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

1985 JAN 10 AM 9:25

THOMAS W. BARNES, JR.
JUDGE OF PROBATE

Terry L. Dougherty (Seal)
Borrower Terry L. Dougherty

Patricia Ann Dougherty (Seal)
Borrower Patricia Ann Dougherty

Borrower

M₁ TAX 115.95
17.50
1.00
134.55