

[Space Above This Line For Recording Data]

049-010-083403-0

## MORTGAGE

LAND TITLE #7922-D

THIS MORTGAGE ("Security Instrument") is given on MAY 01  
 19 85. The grantor is JAMES T. INGRAM AND WIFE, KATHLEEN M. INGRAM  
 ("Borrower"). This Security Instrument is given to CITICORP HOMEOWNERS, INC., which is organized and existing  
 under the laws of DELAWARE and whose address is 670 MASON RIDGE  
CENTER DRIVE ST. LOUIS, MISSOURI 63141 ("Lender").  
 Borrower owes Lender the principal sum of ONE HUNDRED FORTY-EIGHT THOUSAND FIFTY AND  
NO/100 Dollars (U.S. \$ 148,050.00). This debt is evidenced by Borrower's note  
 dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not  
 paid earlier, due and payable on MAY 01, 2015. This Security Instrument  
 secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and  
 modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this  
 Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and  
 the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and  
 assigns, with power of sale, the following described property located in SHELBY County, Alabama:

LOT 32, ACCORDING TO THE SURVEY OF SECOND ADDITION, PHASE II  
 RIVERCHASE COUNTRY CLUB AS RECORDED IN MAP BOOK 8, PAGE 161  
 IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

The proceeds of this loan have been applied on the purchase price  
 of the property described herein, conveyed to mortgagors simultaneously  
 herewith.

which has the address of 820 RIVERCHASE PARKWAY WEST, HOOVER  
(Street) (City)  
 Alabama 35244 ("Property Address");  
(Zip Code)

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all  
 the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties,  
 mineral, oil and gas rights and profits, water rights and stock and all 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."

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.

THIS 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.

$\frac{X_{PI}}{X_{PI} + X_{MI}}$   
 $\frac{X_{PI}}{X_{PI} + X_{MI}}$

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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 the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires 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 Instrument.

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 19 the Property is sold or 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.

4. **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. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

5. **Hazard 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 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.

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 monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 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.

6. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**8. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**12. Loan Charges.** If the loan secured by this 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 the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) 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 without any prepayment charge under the Note.

**13. Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**15. Governing Law; Severability.** 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. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it 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 its option, require immediate payment in full of all sums secured by this Security Instrument. 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 this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.



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20. **Lender in Possession.** Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

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

☐ Adjustable Rate Rider      ☐ Condominium Rider      ☐ 2-4 Family Rider  
☐ Graduated Payment Rider      ☐ Planned Unit Development Rider  
☒ Other(s) [specify] CONVERTIBLE ARM RIDER

**Witnesses:**

I recorded with it.  
  
 JAMES T. INGRAM (Seal)  
 —Borrower  
  
 KATHLEEN M. INGRAM (Seal)  
 —Borrower

**[Space Below This Line For Acknowledgment]**

STATE OF ALABAMA    JEFFERSON COUNTY    ss:

ON this 1 ST day of MAY 1985, I, the undersigned, a  
Notary Public in and for said county and in said state, hereby certify that  
JAMES T. INGRAM AND WIFE, KATHLEEN M. INGRAM

\_\_\_\_\_, whose name(s) ARE signed to the foregoing conveyance, and who ARE known to me, acknowledged before me that, being informed of the contents of the conveyance, THEY executed the same voluntarily and as THEIR act on the day the same bears date.

Given under my hand and seal of office this the 1ST day of MAY 19 85.

My Commission Expires:

**My Commission Expires November 9, 1985**

~~Notary Public~~

This instrument was prepared by PATRICE KINARD for  
Citicorp Homeowners, Inc.,  
3724 Lorna Road  
Hoover, Alabama 35216

**CONVERTIBLE ARM RIDER**

LAND TITLE #7922-D

THIS CONVERTIBLE ARM RIDER is made this 1 ST day of MAY, 19 85, 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") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to CITICORP HOMEOWNERS, INC.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

820 RIVERCHASE PARKWAY WEST HOOVER, ALABAMA 35244

(Property Address)

The Adjustable Note contains provisions allowing for changes in the interest rate. 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. On every Change Date, Borrower may convert the adjustable rate loan into a fixed rate, level payment, fully amortizing loan or into an adjustable rate loan with a different Change Date period.

**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 11.000%. 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 MAY 01, 19 86, 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(s), 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 AND 500/1000 percentage points (2.500%) 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%). 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 is called the "Full Payment Amount", and it will be the new amount of my monthly payment, subject to subsection (D) below.

**(D) Limits on Interest Rate Changes**

If checked below the Note provides for certain limits on interest rate changes:

☒ (i) The rate of interest I am required to pay shall never be increased or decreased on any single Interest Change Date by more than 2.000% from the rate of interest I have been paying for the preceding 12 months.

☒ (ii) My interest rate will never increase more than 4.750% from the rate established in Section 2.

**(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 questions I may have regarding the notice.

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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it 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 its option, require immediate payment in full of all sums secured by this Security Instrument. 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 the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

## C. BORROWER'S OPTION TO CONVERT

Borrower may, at Borrower's option, modify the repayment terms of the indebtedness secured hereby on every Change Date. At that time, Borrower may convert the Adjustable Rate Loan evidenced by the Note into: (i) a fixed rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan or fifteen (15) years (180 months), whichever is less; or (ii) a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan; or, (iii) an Adjustable Rate Loan with a different Change Date period.

Borrower may choose the option to convert if the following conditions are met: (i) the adjustable rate loan is not currently in foreclosure or default; (ii) the adjustable rate loan payments are current as of 45 days prior to the effective conversion date; and, (iii) there have not been two or more late charges in the twelve (12) months prior to the effective conversion date.

In addition, Borrower may only choose the option to convert to a fixed interest rate loan to be fully repaid in equal monthly payments of principal and interest over the remaining term of the loan or fifteen (15) years (180 months), whichever is less, upon a review of Borrower's credit information to determine if it meets the Lender's normal credit standards for this type of loan.

## D. LENDER'S NOTICE TO BORROWER

Lender's Notice of Changes to Borrower pursuant to the Adjustable Rate Note given prior to each Change Date shall also contain the following additional information pertaining to Borrower's option to convert:

- (i) the fixed interest rates payable by Borrower if Borrower converts to one of the fixed interest rate loans, and the amount of Borrower's new monthly payments at the fixed rates of interest; and
- (ii) the interest rates for each alternate adjustable rate loan payable by Borrower if Borrower converts to another adjustable rate loan, and the amount of Borrower's new monthly payment at each interest rate for each adjustable rate loan; and
- (iii) a date, not more than 15 days from the date the notice is given, by which Borrower must execute and deliver to Lender a document in the form required by Lender evidencing the modification of the Note to provide for either a fixed interest rate loan or an adjustable rate loan with a different Change Date period.

## E. SELECTION OF FIXED RATE OR ALTERNATIVE ADJUSTABLE RATE LOAN AND MONTHLY PAYMENT ADJUSTMENT

Lender shall set the interest rates payable by the Borrower 45 days prior to the Conversion Date as follows:

- (i) the fixed interest rate of loans for the remaining term is the sum of the Federal Home Loan Mortgage Corporation's Required Net Yield for 60-day delivery of 30 year, fixed rate mortgages plus 1.000 %.
- (ii) the fixed interest rate of loans for the remaining term or fifteen (15) years (180 months), whichever is less, is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 7 years, plus 2.375 %, as made available by the Federal Reserve Board.

(iii) the adjustable rate mortgages initial interest rates are the weekly average yield on United States Treasury securities, as made available by the Federal Reserve Board, adjusted to a constant maturity of:

- ONE (1) year(s), plus 2.325 % for a 1 year adjustable rate mortgage. The rate of interest will never increase or decrease on any subsequent Change Date by more than 2.000 % from the rate of interest paid in the preceding 12 months.
- THREE (3) year(s), plus 2.225 % for a 3 year adjustable rate mortgage. The rate of interest will never increase or decrease on any subsequent Change Date by more than 3.000 % from the rate of interest paid in the preceding 36 months.
- FIVE (5) year(s), plus 2.125 % for a 5 year adjustable rate mortgage. The rate of interest will never increase or decrease on any subsequent Change Date by more than N/A % from the rate of interest paid in the preceding 60 months.
- SEVEN (7) year(s), plus 2.225 % for a 7 year adjustable rate mortgage. The rate of interest will never increase or decrease on any subsequent Change Date by more than N/A % from the rate of interest paid in the preceding 84 months.
- TEN (10) year(s), plus 2.225 % for a 10 year adjustable rate mortgage. The rate of interest will never increase or decrease on any subsequent Change Date by more than N/A % from the rate of interest paid in the preceding 120 months.

The interest rate will never increase by more than 4.750 % from the rate established in Section 2 of Borrower's Adjustable Rate Note.

The Lender will then round the results to the nearest one-eighth of one percent (0.125%).

If any of the indexes are no longer available, the Lender will choose new indexes which are based on comparable information. The new interest rate will become effective on the Conversion Date if the Borrower chooses to convert.

Borrower's monthly payments at the new interest rate will begin as of the first monthly payment after the Conversion Change Date. The monthly payment will be the amount that is necessary to repay in full the principal Borrower is expected to owe on the Conversion Change Date in substantially equal payments by the maturity date at the new interest rate.

#### F. BORROWER'S ELECTION NOT TO CONVERT

Borrower must execute and deliver to Lender the document evidencing the modification of the Note within the period set in Lender's notice as provided in paragraph D above. If Borrower does not do this within the specified date, Borrower can no longer exercise the option to convert. In this case, the terms of Borrower's Note will continue in effect without any change.

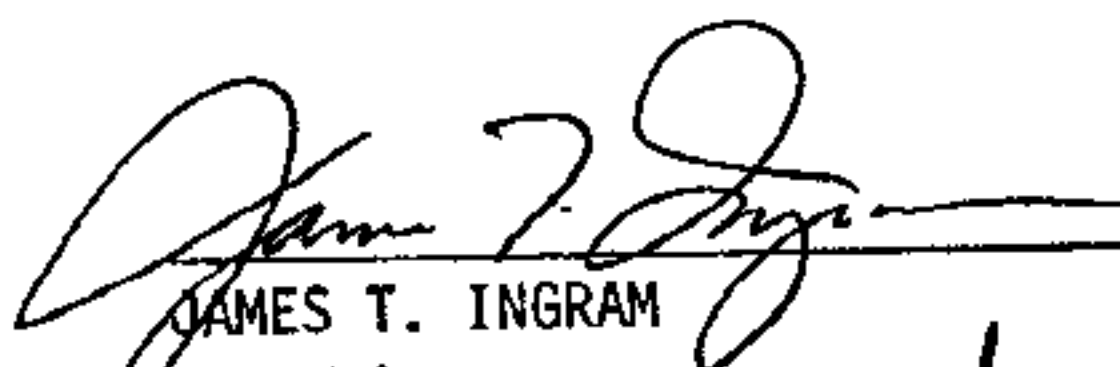
#### G. CONVERSION FEE

Borrower agrees to pay the Lender at the time the document evidencing the modification of the Note is executed and delivered a nonrefundable conversion fee equal to one-half (1/2) % of the unpaid principal balance as of the Change Date or \$ 250.00 whichever is greater.

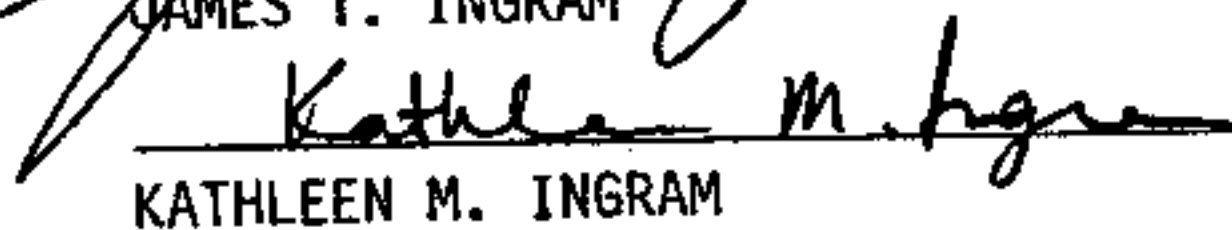
#### H. EFFECTIVENESS OF PROVISIONS

Upon Borrower's delivery of the executed modification of the Note, paragraph A above shall cease to be effective.

IN WITNESS WHEREOF, Borrower has executed this Convertible ARM Rider.

  
JAMES T. INGRAM

(Seal)  
-Borrower

  
KATHLEEN M. INGRAM

(Seal)  
-Borrower

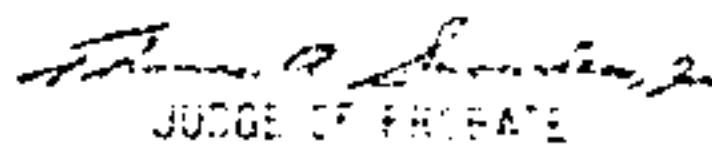
(Seal)  
-Borrower

[Sign Original Only]

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

1985 MAY -6 AM 10:16

  
JUDGE OF PROBATE

#### RECORDING FEES

Mortgage Tax	\$ 222.15
Deed Tax	
Mineral Tax	
Recording Fee	20.00
Index Fee	1.00
TOTAL	\$ 243.15

LAMAR HAM  
ATTORNEY AT LAW  
3512 OLD MONTGOMERY HWY.  
BIRMINGHAM, ALABAMA 35209