

IRON AND STEEL CREDIT UNION
1200 4th Avenue North
Birmingham, AL 35203

Date: June 6, 1985
Account Number: 1936690 - 27
Credit Limit: \$ 30,000.00

REAL ESTATE EQUITY LINE OF CREDIT AGREEMENT

This Agreement covers your Real Estate Equity Line of Credit Account (hereinafter referred to as "Account") with us. It also covers the use of your Real Estate Equity Line of Credit Drafts (hereinafter referred to as "Special Draft") in connection with your Account. As used in this Agreement, the words "you", "your" and "yours" mean each person who signs this Agreement, and the words "we", "our" and "us" mean IRON AND STEEL CREDIT UNION.

Section 1: Individual and Joint Responsibility. If more than one person signs this Agreement, your obligations and liabilities will be individual and joint. You agree that we are authorized to honor any Special Draft or other request for a loan or advance (collectively referred to herein as "Advance") made by either of you, but in the event of conflicting requests, we may, at our option, refuse to honor any request not made by both of you.

Section 2: How Real Estate Equity Line of Credit Works. At your request, we will give you one or more than one Special Drafts. You may use a Special Draft from time to time to obtain an Advance under your Account. A Special Draft drawn on your Account is a loan from us to you from the time it is posted to your Account, and you will owe us for the amount of the Special Draft, plus any Finance Charge. Section 9 explains how the Finance Charge will be computed. You authorize us to use the signature on the Agreement in order to identify the signatures on your Special Draft. You may also request an Advance by telephone, in person or in writing. In the event you request an Advance in this manner, we will make such Advance by means of a check or draft made payable to you.

Section 3: Credit Limit. We have established a \$ 30,000.00 Credit Limit on your Account. The total amount you owe us must never exceed your Credit Limit without our written permission. Under some circumstances, we may allow you to obtain Advances that will result in you exceeding your Credit Limit. If this happens, you agree to pay us any amounts over your Credit Limit immediately upon demand. Also, if we do allow you, for whatever reason, to exceed your Credit Limit on occasion, you agree that this will not obligate us to do so on any other occasion.

Section 4: Restrictions on Advances. In order to open your Account, you must obtain an initial Advance of at least \$1,000.00. After the initial Advance, each subsequent Advance can be as large as you like, so long as it does not exceed your Available Credit, which is defined as the difference between your Credit Limit and your outstanding Account Balance. Your Account Balance is defined as the total amount of any Advances, Finance Charges and all other amounts, charges and fees that you may be assessed under this Agreement which you owe us at any one time. Unless your Available Credit is less than \$300.00, the smallest amount you can borrow at one time is \$300.00. This means that whenever you use one of the Special Drafts to obtain an Advance, you must make it out for at least \$300.00 (or the amount of your Available Credit, if less). You may get as many Advances as you want, provided that the total you owe does not exceed your Credit Limit. You agree that you will not use the proceeds of any Advance to finance or refinance the purchase of any dwelling that secures your Account.

Section 5: Minimum Balance. Unless you wish to terminate your Account, you agree that you will maintain a minimum Account Balance in your Account of \$10.00. We may refuse to accept any payment (or any portion of any payment) that would reduce your Account Balance below \$10.00, unless you have notified us in writing that you wish to terminate your Account. If you pay in full all amounts owing under your Account, then your Account will automatically terminate and we will have no further obligation to make any Advances against your Account. You agree that in the event we refuse to accept any payment (or portion of any payment), we may either refund the refused payment to you directly or refund it to you by placing it in your share account with us, at our option. Neither Finance Charges nor Service Charges will be computed on Account Balance of \$10.00 or less.

Section 6: Promise to Pay. For value received and to be received, you promise to pay us the full amount of all Advances made under your Account, together with all Finance Charges and all other amounts, charges and fees that may be assessed against your Account, including, but not limited to, any applicable late charges and reasonable attorneys' fees and court cost.

Section 7: Periodic Statements. We will send you a billing statement ("Periodic Statement") for each billing cycle at the end of which your Account has a debit or credit balance of more than \$1.00, or on which a Finance Charge has been imposed. Your Periodic Statement will show, among other things, your Advances under your Account, any Finance Charge, and other charges, payments and credits for your Account. We will not send the Special Drafts to you after they are paid, but we will let you see copies of them if you need to. You agree to pay any charge that we may reasonably impose when providing you with copies of those Special Drafts you decide to keep. You should review the Periodic Statement carefully and must advise us in writing of any errors within sixty (60) days after we mail it to your last address shown in our records.

Section 8: Payments. You agree to make a payment to your Account on the 11th day of each month in which there is an outstanding Account Balance. You may pay as much of the Account Balance (total amount owing) as you like so long as you maintain the required minimum Account Balance discussed in Section 5. The least amount you may pay however, is the "Minimum Periodic Payment". The Minimum Periodic Payment due each month will be \$ 18.00 for each \$1,000.00 or fraction of \$1,000.00 after each advance. The Minimum Periodic Payment will remain this amount until the next subsequent Advance. You understand and agree that it is your sole responsibility to keep up with the amount of your Minimum Periodic Payment and you agree to pay at least that amount when due even though you may have previously paid amounts greatly in excess of that amount.

Section 9: Finance Charge. The Finance Charge is computed at a daily periodic rate of any unpaid Account Balance for the number of days the Account Balance is outstanding and is applied at the time payment is made; the Account Balance changes each time new amounts are advanced or other debits added, or when payments or other credits are subtracted. There is no "free-ride" period within which payments may be made in order to avoid Finance Charges completely.

A one-time origination fee of N/A percent (-0- %) of the Credit Limit will be imposed on your Account. This is a **FINANCE CHARGE** and is payable upon opening your Account.

Section 10: Variable Rate. The **ANNUAL PERCENTAGE RATE** (and daily periodic rate) applicable to your Account may vary from time to time based on changes in an Index. You agree that the Index will be the weekly auction rate of United States Treasury Bills with a maturity of twenty-six (26) weeks, which is published in *The Wall Street Journal*; or, if this Index ceases to be made available, a comparable Index selected by us. Changes in the **ANNUAL PERCENTAGE RATE** may occur on December 11, 1985 and on that day every Sixth month thereafter (the "Change Date"). The percentage figure obtained from the Index is called an Index Figure. On each Change Date we will determine the new **ANNUAL PERCENTAGE RATE** by adding Five and 31/100 percentage points (5.31 %) to the most recent

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Index Figure. We will then round the resulting figure to the nearest one-tenth of one percentage point and the resulting figure will become the new **ANNUAL PERCENTAGE RATE** (and corresponding daily periodic rate); provided, however, that the minimum **ANNUAL PERCENTAGE RATE** shall be 10.00 % and the maximum **ANNUAL PERCENTAGE RATE** shall be N/A %. Any increase in the **ANNUAL PERCENTAGE RATE** will take the form of increased finance charges and increased minimum payment.

Your initial **ANNUAL PERCENTAGE RATE** is 12.50 % and your initial daily periodic rate is .034247 %. These figures will remain in effect until the first Change Date and both will then be subject to change on that date. Had the Index formula been used to determine the initial **ANNUAL PERCENTAGE RATE** and corresponding daily periodic rate, the **ANNUAL PERCENTAGE RATE** on the date of this Agreement would have been 12.50 % and the daily periodic rate would have been .034247 %.

Section 11: Late Charge. If the payment of any Minimum Periodic Payment is late Fifteen (15) days or more, you will be charged a late charge equal to 5% of the Minimum Periodic Payment, but not less than \$.50, nor more than \$ 25.00.

Section 12: Security Interest. Your Account is secured by a mortgage of even date on certain Real Property located at 112 Hunters Point Circle, Bessemer, Alabama 35020 in Shelby County, Alabama (the "Mortgage").

Section 13: Required Property Insurance. You are required under the Mortgage to maintain property damage insurance on the Real Property. You may obtain this insurance from anyone you want that is acceptable to us. You may provide this insurance through an existing policy or one bought independently and paid for by you. If you should fail to maintain such insurance, we may obtain such insurance on your behalf and charge the premium as an Advance to your Account. You should refer to the Mortgage for other terms and conditions pertaining to your obligation to maintain property damage insurance.

Section 14: Real Estate Closing Cost. You agree to pay the following real estate closing cost in connection with the preparation, execution and recordation of the Mortgage:

	Paid Separately By You	Advance Under Your Account
Recording fees	\$	\$ <u>21.00</u>
Property taxes	\$	\$
Appraisals	\$	\$
Property Insurance	\$	\$
Title Insurance	\$	\$ <u>143.00</u>
Surveys	\$	\$
Credit Reports	\$	\$
Attorneys fees	\$	\$
Iron & Steel Credit Union	\$	\$ <u>5,867.95</u>
#21	\$	\$
Total paid separately by you	\$	
Total to be charged to your Account		\$ <u>6,031.95</u>

"e" means an estimate

Section 15: Rescission and Increases in Credit Limit. In the event the Mortgage securing your Account is on a consumer's principal dwelling, certain additional terms apply:

(a) You may be entitled to a three business day right to cancel under the Federal Truth in Lending Act and Regulation Z. If this is the case, we may refuse to allow you to obtain an Advance until this three business day right to cancel period is expired.

(b) The Mortgage will be initially limited to the Credit Limit established under your Account (plus Finance Charges, cost, attorneys' fees). Any Advances in excess of your established Credit Limit will not be secured by the Mortgage (unless your Credit Limit is subsequently increased).

(c) If you request an Increase in your Credit Limit, you agree to sign any additional instruments that we may require, to amend the Mortgage to secure the increased amounts and to pay any additional cost in connection with the preparation, execution and recording of any such instruments. Under such circumstances, you may be entitled to an additional three business day right to cancel, which will only affect our Mortgage to the extent it was amended to secure the additional Advances to you above your previous Credit Limit, until this additional right to cancel period has expired.

Section 16: Sale of Real Property. You agree to notify us if you enter into an agreement to sell, transfer ownership of or lease all or any part of the Real Property, or if all or any part of the Real Property is sold, transferred or leased without your consent or by operation of law. You further agree that upon the sale or transfer of all or part of the Real Property we may, at our option, terminate your Account and declare the entire Account Balance due and payable immediately.

Section 17: Updated Credit Information. You agree to immediately notify us if any adverse change in your credit or financial condition occurs. You further agree to provide us with such updated credit or financial information as we may request from time to time. If (a) you fail to provide us with any such information, or (b) upon review of any such information we determine that a change in circumstances has occurred that would materially adversely affect your ability to make any required Minimum Periodic Payment on your Account when due, then we may terminate your Account.

Section 18: Default and Cancellation. If any one or more of the following events of default occurs:

(a) you fail to comply with any of the terms of this Agreement, the Mortgage or any other agreement you may have with us,

(b) you fail to make a required Minimum Periodic Payment on your Account when it is due or you fail to pay any other amount you owe us when due,

(c) a petition for relief under any chapter of the Federal Bankruptcy Code shall be filed by or against you,

- (d) you die,
(e) any attachment or garnishment procedure is started against you, the Real Estate or any of your other property,
(f) you made any false statements on your application for your Account,
(g) Any change occurs in any laws, rules or regulations that we consider to adversely affect our interest in maintaining your Account, such as the expiration of the rescission provisions found in Section 125 of the Federal Truth in Lending Act,
(h) you terminate your Account,
(i) we terminate your Account,
(j) Upon the automatic termination provision in Section 25; then we have no further obligation to make any Advances against your Account, and any Account Balance outstanding shall, without notice or demand, at our option, become immediately due and payable. The unpaid principal Account Balance or your Account will continue to bear interest (finance charges) after acceleration of maturity at the rate in effect from time to time until your Account is paid in full.

Upon the occurrence of any event of default, we may exercise any other right we have under this Agreement, the Mortgage or applicable law.

Section 19: Collection Costs. If we have to take steps to collect anything you owe us on your Account, you agree to pay all our costs and expenses of collection, including reasonable attorney's fee and court costs.

Section 20: Stopping Payment on Special Drafts. If you want to stop payment on a Special Draft, you may do so by calling us at (205) 320-4112. You must tell us your Account Number, the party to whom you wrote the Special Draft and the date, number and amount of the Special Draft. If you do not contact us at least two (2) hours before we receive a Special Draft, we cannot stop payment on it. You agree to pay us any stop payment charges set by our Board of Directors.

Section 21: Lost or Stolen Drafts. You must notify us in writing within twenty four (24) hours if your Special Drafts are lost, stolen, or used without your permission. We will not be responsible for any Special Drafts paid prior to the time we receive such notice.

Section 22: Changing this Agreement. We can change any of the terms of this Agreement (including the Finance Charge, Annual Percentage Rate and terms of payment) at any time. We will mail a copy of any changes to the last address we have for you. The changes will become effective on the date we mail them unless we state otherwise. All changes will apply both to outstanding and new Advances and to the outstanding Account Balance then in your Account unless we tell you otherwise. You may refuse to accept such changes by immediately terminating your Account as set in Section 25 below.

Section 23: Enforcing Our Rights. We can delay enforcing any of our rights under this Agreement without losing them. The fact that we waive our rights in one instance does not mean we will waive them in other instances. All our rights can be enforced against your heirs and legal representatives.

Section 24: No Assignment. You may not assign your Account.

Section 25: Termination of the Account. You may terminate your Account at any time by giving written notice to us. In the event your Account is terminated, the termination shall not relieve you of your obligation to pay us the amount you owe us, plus applicable finance charges. At our request, you will surrender any unused Special Drafts to us. You agree that your Account is valid for a period ending two (2) years from the last day of the calendar month in which the date of this Agreement falls (the "Anniversary Month") or the date of any reissuance, as applicable, at which time it will terminate automatically unless we reissue it. Your Account will be reissued on the last day of each 2-year Anniversary Month unless we give you prior written notice of termination. Your Account will in any event terminate fifteen (15) years from the date of this Agreement.

Section 26: Notices. You agree to keep us informed of any changes in your address. If we mail you a letter, notice or statement at the last address appearing of record for your share account, we can assume that you have received it. If you send a notice or letter to us, it must be sent to us at the address shown on your Periodic Statement as the address to which questions about your statement should be sent.

Section 27: Governing Law. This Agreement will be governed and construed in accordance with the laws of the State of Alabama. If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect.

Section 28: Signatures. By signing this Agreement, you acknowledge receipt of a copy of this Agreement and agree to be bound by all of its terms and conditions.

William Porter Vardaman, Jr.
Signature of Account Holder

William Porter Vardaman, Jr. [REDACTED]
Account Holder's Name Social Security No.

Carol Vardaman
Signature of Co-Account Holder

Carol Vardaman [REDACTED]
Co-Account Holder's Name Social Security No.

YOUR BILLING RIGHTS—KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR LOAN ACCOUNT STATEMENT

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your loan account automatically from your savings or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the amounts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it is finalized.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

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

1985 JUN 14 AM 10:48

Thomas A. Henderson, Jr.
JUDGE OF PROBATE

RECORDING FEES

Recording Fee	\$ 10 ⁰⁰
Index Fee	1 ⁰⁰
TOTAL	\$ 11⁰⁰