

NOTICE: This mortgage secures an open-end credit plan which contains a provision allowing for changes in the annual percentage rate. Increases in the annual percentage rate may result in an increased finance charge.

This is a **future advance mortgage** and the proceeds of the open-end credit plan secured by this mortgage will be advanced by the mortgagee under the terms of a credit agreement between the mortgagee and the borrower named herein.

State of Alabama

Jefferson County)

ADJUSTABLE RATE LINE OF CREDIT MORTGAGE

THIS INDENTURE is made and entered into this 22nd day of May, 1987, by and between Sandra P. Miller and Husband, John E. Miller (hereinafter called the "Mortgagor", whether one or more) and America's First Credit Union, which is organized and existing under the laws of the State of Alabama, and whose address is 1200 4th Avenue North, Birmingham, Alabama 35203 (hereinafter called the "Mortgagee").

RECITALS

A. **The Secured Line of Credit.** Sandra P. Miller and Husband, John E. Miller (hereinafter called the "Borrower", whether one or more) are now or may become in the future justly indebted to the Mortgagee in the maximum principal amount of Six thousand three hundred & 00/100 (\$ 6,300.00) Dollars (the "Credit Limit") pursuant to a certain open-end line of credit established by the Mortgagee for the Borrower pursuant to an agreement entitled, "Real Estate Equity Line of Credit Agreement", dated the 22 day of May, 1987 (the "Credit Agreement"). The Credit Agreement provides for an open-end credit plan pursuant to which the Borrower may borrow and repay, and reborrow and repay, amounts from the Mortgagee up to a maximum principal amount at any one time outstanding not exceeding the Credit Limit.

B. **Rate and Payment Changes.** The Credit Agreement provides for finance charges to be computed on the unpaid balance outstanding from time to time under the Credit Agreement at an adjustable annual percentage rate. The annual percentage rate may be increased or decreased each sixth month based on changes in the 26 week United States Treasury Bill. The annual percentage rate on the date of this mortgage is 5.75. The annual percentage rate may increase or decrease on the first day of the next subsequent month six months from the date of the Credit Agreement and on that day every sixth month thereafter. Any increase in the annual percentage rate may result in increased finance charges under the Credit Agreement.

C. **Maturity Date.** If not sooner terminated as set forth therein, the Credit Agreement will terminate twenty years from the date of this Mortgage, and all sums payable thereunder (principal, interest, expenses and charges) shall become due and payable in full.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and to secure the payment of (a) all advances, heretofore or from time to time hereafter made by the Mortgagee to the Borrower under the Credit Agreement, or any extension or renewal thereof, up to a maximum principal amount at any one time outstanding not exceeding the Credit Limit; (b) all finance charges payable from time to time on said advances, or any part thereof; (c) all other charges, costs and expenses now or hereafter owing by the Borrower to the Mortgagee pursuant to the Credit Agreement, or any extension or renewal thereof; (d) all other indebtedness, obligations and liabilities now or hereafter owing by the Borrower to the Mortgagee under the Credit Agreement, or any extensions or renewal thereof; and (e) all advances by the Mortgagee under the terms of this Mortgage (the aggregate amount of all such items described in (a) through (e) above hereinafter collectively called "Debt") and the compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate, situated in Shelby County, Alabama (said real estate being hereinafter called "Real Estate"), to wit:

Lot 53, according to the Survey of Cahaba Manor Town Homes, as recorded in Map Book 6, Page 105, in the Office of the Judge of Probate of Shelby County, Alabama.

America's First C.U.

TO HAVE AND TO HOLD the Real Estate unto the Mortgagee, its successors and assigns forever, together with all the improvements now or hereafter erected on the Real Estate and all easements, rights, privileges, tenements, appurtenances, rents, royalties, mineral, oil and gas rights, water, water rights and water stock and all fixtures now or hereafter attached to this Real Estate, all of which, including replacements and additions thereto shall be deemed to be and remain a part of the Real Estate covered by this Mortgage; and all of the foregoing are hereinafter referred to as "Real Estate" and shall be conveyed by this Mortgage.

The Mortgagor covenants with the Mortgagee that the Mortgagor is lawfully seized in fee simply of the Real Estate and has a good right to sell and convey the Real Estate as aforesaid; that the Real Estate is free of all encumbrances, except as stated herein and the Mortgagor will warrant and forever defend the title to the Real Estate unto the Mortgagee against the lawful claims of all persons, except as otherwise herein provided.

(Complete if applicable) This Mortgage is junior and subordinate to that certain Mortgage recorded in 376, page 147, and assigned to Federal National Mort. Assoc. in 24 page 793 in the Probate Office of Shelby County, Alabama (hereinafter called the "First Mortgage"). It is specifically agreed that in the event default should be made in the payment of principal, interest or any other sums payable under the terms and provisions of the First Mortgage, the Mortgagee shall have the right, without notice to anyone, but shall not be obligated, to pay part or all of whatever amounts may be due under the terms of the First Mortgage, and any and all payments so made shall be added to the Debt secured by this Mortgage and the Debt (including all such payments) shall be immediately due and payable, at the option of the Mortgagee, and this Mortgage shall be subject to foreclosure in all respects as provided by law and by the provisions hereof.

The Mortgagor hereby authorizes the holder of any prior mortgage encumbering the Real Estate to disclose to the Mortgagee the following information: (1) the amount of indebtedness secured by such mortgage; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or the indebtedness secured thereby; and (5) any other information regarding such mortgage or the indebtedness secured thereby which the Mortgagee may request from time to time.

For the purpose of further securing the payment of the Debt, the Mortgagor agrees to: (1) pay promptly when due all taxes, assessments, charges, fines and other liens which may attain priority over this Mortgage (hereinafter jointly called "Liens"), when imposed legally upon the Real Estate and if default is made in the payment of the Liens, or any part thereof, the Mortgagee, at its option, may pay the same; (2) keep the Real Estate continuously insured, in such manner and by such companies as may be satisfactory to the Mortgagee, against loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsements, with loss, if any, payable to the Mortgagee, as its interest may appear; such insurance to be in an amount sufficient to cover the Debt. The original insurance policy, and all replacements therefor, shall be delivered to and held by the Mortgagee until the Debt is paid in full. The original insurance policy and all replacements therefor must provide that they may not be cancelled without the insurer giving at least ten days prior written notice of such cancellation to the Mortgagee. The Mortgagor hereby assigns and pledges to the Mortgagee, as further security for the payment of the Debt, each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof, together with all the right, title and interest of the Mortgagor in and to each and every such policy, including but not limited to all of the Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return premiums. If the Mortgagor fails to keep the Real Estate insured as specified above then, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire Debt due and payable and this Mortgage subject to foreclosure, and this Mortgage may be foreclosed as hereinafter provided; and, regardless of whether the Mortgagee declares the entire Debt due and payable, the Mortgagee may, but shall not be obligated to, insure the Real Estate for its full insurable value (or for such lesser amount as the Mortgagee may wish) against such risks of loss, for its own benefit the proceeds from such insurance (less cost of collecting same), if collected to be credited against the Debt, or, at the election of the Mortgagee, such proceeds may be used in repairing or reconstructing the improvements located on the Real Estate. All amounts spent by the Mortgagee for insurance or for the payment of Liens shall become a debt due by the Mortgagor to the Mortgagee and at once payable without demand upon or notices to the Mortgagor, and shall be secured by the lien of this Mortgage, and shall bear interest from the date of payment by the Mortgagee until paid at the rate of interest provided for in the Credit Agreement. The Mortgagor agrees to pay promptly when due the principal and interest of the Debt and keep and perform every other covenant and agreement of the Credit Agreement secured hereby.

As further security for the payment of the Debt, the Mortgagor hereby assigns and pledges to the Mortgagee, the following described property rights, claims, rents, profits, issues and revenues:

1. All rents, profits, issues and revenues of the Real Estate from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to the Mortgagor, so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, profits, issues and revenues;

2. All judgements, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Real Estate, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise), to the Real Estate, or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, and all payments made for the voluntary sale of the Real Estate, or any part thereof, in lieu of the exercise of the power of eminent domain, shall be paid to the Mortgagee. The Mortgagee is hereby authorized on behalf of and in the name of the Mortgagor to execute and deliver valid acquittances for, appeal from, any such judgements or awards. The Mortgagee may apply all such sums received, or any part thereof, after the payment of all the Mortgagee's expenses incurred in connection with any proceedings or transaction described in this subparagraph 2, including court costs and attorney's fees, on the Debt in such manner as the Mortgagee elects, or, at the Mortgagee's option, the entire amount or any part thereof so received may be released or may be used to rebuild, repair or restore any or all of the improvements located on the Real Estate.

The Mortgagor hereby incorporates by reference into this Mortgage all of the provisions of the Credit Agreement of even date herewith. Mortgagor agrees that, in the event that any provision or clause of this Mortgage or the Credit Agreement conflict with applicable law, such conflict shall not affect any other provisions of this Mortgage or the Credit Agreement which can be given effect. It is agreed that the provisions of the Mortgage and the Credit Agreement are severable and that, if any one or more of the provisions contained in this Mortgage or in the Credit Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof; this Mortgage shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein. If enactment or expiration of applicable laws has the effect of rendering any provision of this Mortgage or of the Credit Agreement unenforceable according to its terms, Mortgagee, at its option, may require the immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted hereunder.

The Mortgagor agrees to keep the Real Estate and all improvements located thereon in good repair and further agrees not to commit waste or permit impairment or deterioration of the Real Estate, and at all times to maintain such improvements in as good condition as they are, reasonable wear and tear excepted.

Notwithstanding any other provision of this Mortgage or the Credit Agreement, this Mortgage shall be deemed to be in default and the Debt shall become immediately due and payable, at the option of the Mortgagee, upon the sale, lease, transfer or mortgage by the Mortgagor of all or any part of, or all or any interest in the Real Estate, including transfer of an interest by contract to sell.

The Mortgagor agrees that no delay or failure of the Mortgagee to exercise any option to declare the Debt due and payable shall be deemed a waiver of the Mortgagee's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in this Mortgage may be waived, altered or changed except by a written instrument signed by the Mortgagor and signed on behalf of the Mortgagee by one of its duly authorized representatives.

After default on the part of the Mortgagor, the Mortgagee, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, shall be entitled to the appointment by any competent court, without notice to any party, of a receiver for the rents, issues and profits of the Real Estate, with power to lease and control the Real Estate, and with such other powers as may be deemed necessary.

UPON CONDITION, HOWEVER, that if the Mortgagor pays the Debt in full (which Debt includes (a) all advances heretofore or from time to time hereafter made by the Mortgagee to the Borrower under the Credit Agreement or any extension or renewal thereof, up to a maximum principal amount at any one time outstanding not exceeding the Credit Limit; (b) all finance charges payable from time to time on said advances, or any part thereof; (c) all other charges, costs and expenses now or hereafter owing by the Borrower to the Mortgagee pursuant to the Credit Agreement, or any extension or renewal thereof; (d) all other indebtedness, obligations and liabilities now or hereafter owing by the Borrower to the Mortgagee pursuant to the Credit Agreement, or any extension or renewal thereof; and (e) all advances by the Mortgagee under the terms of this Mortgage) and the Mortgagee is reimbursed for any amounts the Mortgagee has paid in payment of Liens and insurance premiums or any prior mortgages, and interest thereon, and the Mortgagor fulfills all of the Mortgagor's obligations under this Mortgage, then this conveyance shall be null and void. But if: (1) any warranty or representation made in this Mortgage or the Credit Agreement is breached or proves false in any material respect; (2) default is made in the due performance of any covenant or agreement of the Mortgagor under this Mortgage or of the Borrower under the Credit Agreement; (3) default is made in the payment to the Mortgagee of any sum paid by the Mortgagee under the authority of any provisions of this Mortgage; (4) the Debt, or any part thereof, or any other indebtedness, obligation or liability of the Borrower, the Mortgagor, or any of them, to the Mortgagee remains unpaid at maturity; (5) the interest of the Mortgagee in the Real Estate becomes endangered by reason of the enforcement of any prior lien or encumbrance; (6) any statement of lien is filed against the Real Estate, or any part thereof, under the statutes of Alabama relating to the liens of mechanics and materialmen (without regard to the existence or nonexistence of the debt of the lien on which such statement is based); (7) any law is passed imposing or authorizing the imposition of any specific tax upon this Mortgage or the Debt or permitting or authorizing the deduction of any such tax from the principal or interest of the Debt, or by virtue of which any tax lien or assessment upon the Real Estate shall be chargeable against the owner of this Mortgage; (8) any of the stipulations contained in this Mortgage is declared invalid or inoperative by any court of competent jurisdiction; (9) the Borrower, the Mortgagor or any of them (a) shall apply for or consent to the appointment of receiver, trustee or liquidator thereof or of the Real Estate or of all or a substantial part of such Borrower's or Mortgagor's assets, (b) be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, (c) fail, or admit, in writing, such Borrower's or Mortgagor's inability, generally to pay such Borrower's or Mortgagor's debts as they come due, (d) make a general assignment for the benefit of creditors, (e) file a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law, (f) file an answer admitting the material allegations of, or consent to, or default in answering a petition filed against such Borrower or Mortgagor in any bankruptcy, reorganization or insolvency proceedings; (10) an order for relief or other judgement or decree shall be entered by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Borrower or Mortgagor, or any of them, or appointing a receiver, trustee or liquidator of any Borrower or Mortgagor or of the Real Estate or of all or a substantial part of the assets of any Borrower or Mortgagor; or (11) any other default occurs under the Credit Agreement; then, upon the happening of any one or more of said events, at the option of the Mortgagee, the unpaid balance of the Debt shall at once become due and payable and this Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages; and the Mortgagee shall be authorized to take possession of the Real Estate and, after giving notice of the time, place and terms of sale by publication once a week for three consecutive weeks in some newspaper published in the county in which the Real Estate is located, to sell the Real Estate in front of the courthouse door of said county, at public outcry, to the highest bidder for cash, and to apply the proceeds of said sale as follows: first, to the expense of advertising, selling and conveying of the Real Estate and foreclosing this Mortgage, including a reasonable attorney's fee; second, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, Liens or other encumbrances, with interest thereon; third, to the payment in full of the balance of the Debt and interest thereon, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale and any unearned interest shall be credited to the Mortgagor; and fourth, the balance, if any to be paid to party or parties appearing of record to the owner of the Real Estate at the time of sale, after deducting the cost of ascertaining who is such owner. The Mortgagor agrees that the Mortgagee may bid at any sale had under the terms of this Mortgage and may purchase the Real Estate if the highest bidder therefore. At the foreclosure sale the Real Estate may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner the Mortgagee may elect. The Mortgagor agrees to pay all costs, including reasonable attorney's fees, incurred by the Mortgagee in collecting or securing or attempting to collect or secure the Debt, or any part thereof, or in defending or attempting to defend the priority of this Mortgage against any lien or encumbrance on the Real Estate, unless this Mortgage is herein expressly made subject to any such lien or encumbrance; and/or all costs incurred in the foreclosure of this Mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction. The full amounts of such costs incurred by the Mortgagee shall be a part of the Debt and shall be secured by this Mortgage. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. In the event of a sale hereunder, the Mortgagee, or the owner of the Debt and Mortgage, or auctioneer, shall execute to the purchaser for and in the name of the Mortgagor a deed to the Real Estate.

Mortgagor waives all rights of homestead exemption in the Real Estate and relinquishes all rights of curtesy and dower in the Real Estate.

Plural or singular words used herein to designate the undersigned shall be construed to refer to the maker or makers of this Mortgage, whether one or more natural persons. All covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the undersigned, and every option, right and privilege herein reserved or secured to the Mortgagee, shall inure to the benefit of the Mortgagee's successors and assigns.

IN WITNESS WHEREOF, the undersigned Mortgagor has (have) executed this instrument on the date first written above.

Sandra P. Miller (SEAL)
Sandra P. Miller (SEAL)

John E. Miller (SEAL)
John E. Miller (SEAL)

ACKNOWLEDGEMENT

STATE OF ALABAMA)

COUNTY OF Shelby)

I, the undersigned authority, a Notary Public, in and for said County in said State hereby certify that Sandra P. Miller and Husband, John E. Miller, whose name(s) is (are) signed to the foregoing conveyance, and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 22 day of May, 19 87.

My commission expires:

2/26/90

Michael S Thomas
Notary Public

THIS INSTRUMENT PREPARED BY: Donnette Y. Colburn, 1200 4th Ave. N., B'ham, AL 35202

AMERICA'S FIRST CREDIT UNION
1200 4th Avenue North
Birmingham, AL 35203

Date: May 22, 1987

Account Number: 1274320-27

Credit Limit: \$ 6,300.00

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 AMERICA'S FIRST 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 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 \$ 6,300.00 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 15th 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 \$ 15.00 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. This account is subject to a Service Fee not to exceed \$ N/A per annum.

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 1, 1987 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 three & 50/100 percentage points (3.50 %) to the most recent

Index Figure. We will then round the resulting figure to the nearest one-hundredth of one percentage point and the resulting figure will become the new **ANNUAL PERCENTAGE RATE** (and corresponding daily periodic rate). Any increase in the **ANNUAL PERCENTAGE RATE** will take the form of increased finance charges.

The initial **ANNUAL PERCENTAGE RATE** will be 5.75 % and the initial daily periodic rate will be .015754.

On 12-01-87 and on each change date thereafter, the index formula will be used to determine the **ANNUAL PERCENTAGE RATE** and corresponding daily periodic rate. 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 9.84 % and the daily periodic rate would have been .026989 %.

Section 11: Late Charge. If the payment of any Minimum Periodic Payment is late ten (10) 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 622 Cahaba Manor Lane, Pelham, AL 35124 in Jefferson 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	\$	\$ <u>150.00</u>
Title Insurance	\$	\$
Surveys	\$	\$
Credit Reports	\$	\$
Attorneys fees	\$	\$
	\$	\$
	\$	\$
Total paid separately by you	\$	
Total to be charged to your Account		\$ <u>171.00</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 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.

Sandra P. Miller
Signature of Account Holder

Sandra P. Miller
Account Holder's Name

[REDACTED]
Social Security No.

John E. Miller
Signature of Co-Account Holder

John E. Miller
Co-Account Holder's Name

[REDACTED]
Social Security No.

YOUR BILLING RIGHTS—KEEP THIS NOTICE FOR FUTURE USE

YOUR BILLING RIGHTS—KEEP THIS NOTICE FOR YOUR RECORDS

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

QUESTIONS ABOUT YOUR LOAN ACCOUNT STATEMENT

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

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

STATE OF ALABAMA
J. C. GARY, JR.
INSTRUMENT NO. 11111

1987 JUN -1 AM 9:06

James C. Gaudin
JUDGE OF PROBATE

NO TAX COLLECTED

1. Deed Tax \$ _____
2. Mtg. Tax _____
3. Recording Fee 20.00
4. Indexing Fee 1.00
TOTAL 21.00

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