

1733

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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on April 22 19 88 The grantor is

Alan B. Foster and wife, Diane S. Foster ("Borrower"). This Security Instrument is given to First Commercial Mortgage Corporation

, which is organized and existing

under the laws of Alabama and whose address is

2000-B Southbridge Parkway, Suite 500, Birmingham, Alabama 35209

("Lender").

Borrower owes Lender the principal sum of

One Hundred Thirteen Thousand and no/100—

Dollars (U.S. \$ 113,000.00

). 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 1, 2018

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 41, according to the Survey of Dearing Downs, Sixth Addition, Phase II as recorded in Map Book 11, page 80 in the Probate Office of Shelby County, Alabama.

ABF

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

which has the address of 1445 Secretariat Drive
[Street]
Alabama 35080 ("Property Address");
[Zip Code]

Helena
[City]

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 seised 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.

Larry Halcomb

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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 Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. A charge assessed by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for purposes of the preceding sentence. 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.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

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.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

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.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

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.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in paragraph 14. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Shelby

County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

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.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

☒ Adjustable Rate Rider

☐ Condominium Rider

☐ 2-4 Family Rider

☐ Graduated Payment Rider

☐ Planned Unit Development Rider

☐ Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

Alan B. Foster (Seal)
Alan B. Foster -Borrower

Diane S. Foster (Seal)
Diane S. Foster -Borrower

[Space Below This Line For Acknowledgment]

STATE OF ALABAMA,

Jefferson

County ss:

On this 22nd day of April, 19 88, I, Larry L. Halcomb

a Notary Public in and for said county and in said state, hereby certify that

Alan B. Foster and wife, Diane S. Foster

, 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 22nd day of April, 19 88

My Commission expires:

1/23/90

Larry L. Halcomb Notary Public

This instrument was prepared by

LARRY L. HALCOMB
ATTORNEY AT LAW
3512 OLD MONTGOMERY HIGHWAY
HOMEWOOD, ALABAMA 35226

3512 OLD MONTGOMERY HIGHWAY
HOMEWOOD, ALABAMA 35209
ATTORNEY AT LAW

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BOOK

ADJUSTABLE RATE RIDER
(Interest Rate Limits and Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 22nd day of April, 1988, 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 to First Commercial Mortgage Corporation (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at: 1445 Secretariat Drive Helena Alabama 35080
(Property Address) (City) (State) (Zip)

The Note contains provisions allowing for changes in my interest rate every three (3) years subject to the limits stated in this Note. If my interest rate increases, my monthly payments will be higher. If the interest rate decreases, my monthly payments will be lower. This note also contains an option to convert to a Fixed Rate.

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 8.50%. 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 1, 1991, and on that day every thirty-sixth (36th) 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 3 years, 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, not under the control of the Note Holder, 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 determine my new interest rate by adding 2.75 percentage points (2.75 %) to the Current Index. The Note Holder will then round the results of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4D below, this rounded amount will be my new interest rate until the next Change Date. The Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal, that 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 results of this calculation will be my new monthly payment.

(D) Limits on Interest Rate Changes

1. If Conversion Option Is Not Exercised

The rate of interest that I will be required to pay shall never be increased or decreased on any single change date by more than two percentage points (2.00%) above or below the rate of interest I have been paying for the preceding thirty-six (36) months. The interest rate on my loan

Three Year ARM - (PLAN 64) (Non-Assumable)
MLC-277 (6) (With 2/5 Interest Rate Caps and Fixed Rate Conversion Option)

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shall never be greater than five percentage points, (5.00%) above or below the "Initial Interest Rate" of Eight & one-half percent (8.50%) over the life of the loan.

2. If Conversion Option Is Exercised

The annual percentage rate I will be required to pay may also increase or decrease during the term of this loan if I exercise the option to convert to a fixed interest rate loan. "However, if I exercise my option to convert to a fixed interest rate loan, the interest rate shall never be higher than five percentage points (5.00%) above or below the "Initial Interest Rate" of eight & one-half percent (8.50%), over the life of the loan. Subject to said "cap" limitation, my interest rate will not increase, as a result of a conversion, above the applicable Fannie May Laser 60-Day Posted Yield for fixed rate mortgages plus seven-eighths of one percent (0.875%) rounded to the nearest one-eighth of one percent (0.875%) rounded to the nearest one-eighth of one percent (0.125%) as explained in section 6 (E) below."

(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 question I may have regarding the notice."

B. FIXED INTEREST RATE OPTION

Section 6 of the Note provides for a Fixed Rate Conversion Option, as follows:

"6. FIXED INTEREST RATE OPTION

(A) Option to Convert to Fixed Rate

My loan will include a one time fixed rate conversion option which I can exercise if I meet all the conditions explained in this section. The "Conversion Option" is my option to convert the interest rate I am required to pay under the terms of the Note and Security Instrument from an adjustable interest rate to a fixed interest rate. Once I exercise my Conversion Option and my conversion to a fixed rate has been approved and become effective, I may not reconvert the interest rate from a fixed interest rate back to an adjustable interest rate at any time.

(B) Conversion Period and Conversion Date

The "Conversion Period" is the time period during which I may request to convert the Adjustable Rate Loan to a Fixed Rate Loan as allowed under the terms of the Note and Security Instrument. The effective date of the fixed rate payment may be at any payment date after the thirty-sixth payment date and up to and including the sixtieth payment date. I may begin the conversion process as noted below, during any month from the month in which the thirty-fourth payment is due through the month in which the fifty-seventh payment is due. This is the "Conversion Period." The conversion will be effective beginning on the first day of the second month following the month in which the Note Holder approved your request to convert the Note to a fixed interest rate. This date is known as the "Conversion Date."

(C) Conversion Process

I may contact the Note Holder within the first five days of any month during the conversion period to determine what my new mortgage interest rate will be if I choose to convert. The Note Holder will explain, at my request, the conversion fee and any eligibility requirements of the program. If I choose to exercise the Conversion Option, if my request is approved by the Note Holder, and once it becomes effective, then my new monthly payment amount will not change for the remaining life of the loan. This new monthly payment will be based on the outstanding principal balance of my loan as of the conversion date for the remaining term to maturity. In order to initiate the conversion process, I, the borrower, must perform the following steps:

Three Year ARM - (PLAII 64) (Non-Assumable)
MLC-277 (7) (With 2/5 Interest Rate Caps and Fixed Rate Conversion Option)

2/08

(1) I must contact Note Holder on or prior to the fifth day of any month in the conversion period in order to obtain the applicable conversion rate.

(2) I must correctly execute and by the tenth day of the month return to the Note Holder by certified mail the "Conversion Notification" form and any other necessary documents provided by the Note Holder. The date the Note Holder receives these documents is known as "Notice Date."

(3) I must send along with the completed conversion notification form and any other necessary documents, a Processing Fee in the amount of U.S. \$250.00. (If I fail to remit all properly executed required documents within the time limits established in section 6 (D) and 6 (C) and/or if all conditions as stated in section 6 (D) are not met as required for conversion approval, the Note Holder may retain the Processing Fee at its option.)

(D) Conditions Which Must Be Met

(1) On the Notice Date, my payment history must indicate that I am not in default under the terms of the Note or the Security Instrument and that there have been no 30-day delinquencies and no more than one 15-day delinquency during the twelve months immediately preceding the Notice Date.

(2). I must occupy the mortgage premises as my primary residence or secondary residence..

(3) If the effect of the conversion will be an interest rate increase of more than two percent (2.0%) over the rate existing immediately prior to the Conversion Date, then I must, if requested, supply to the Note Holder information necessary to complete an updated credit review. I will also be responsible for the payment of all normal expenses incurred by the Note Holder in completing this review. (The Note Holder may determine to decline my conversion request if I fail to meet the Note Holder's credit standards.)

(4) I must cooperate with the Note Holder in allowing an appraiser access to the mortgaged premises. The Note Holder may, at its option, require, as a condition of the conversion approval, a new appraisal verifying the property value. The Note Holder may decline my conversion request if the new appraisal reveals that the property value has declined to the extent that the loan-to-value ratio has increased over the ratio calculated when the loan was originated. I will be responsible for the payment of normal appraisal expenses incurred by the Note Holder in completing the appraisal review process.

(E) Calculation of Fixed Interest Rate

My new fixed interest rate (Conversion Rate) will be determined by adding seven-eighths of one percent (0.875%) to the Fannie Mae Laser 60-Day Posted Yield for comparable term conventional fixed rate mortgages and rounding to the nearest one-eighth of one percent (0.125%). My Conversion Rate will be based on the Fannie Mae yield posted on the first business day of the month in which the Note Holder receives my Conversion Notice (if the Notice is received on or prior to the tenth day of the month). If Fannie Mae no longer makes this posted yield available, the Note Holder will determine my interest rate by using a comparable yield.

(F) Determination of New Payment Amount

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the maturity date of the Note at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date unless I pay my Note in full prior to the maturity date.

C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER
Uniform Covenant 17 of the Security Instrument is amended to read as follow:
17. Transfer of the Property. If all or any part of the property or an interest therein is sold or transferred by Borrower without Lender's prior written consent (which consent shall be in Lender's sole discretion), excluding (a) the creation of a lien or encumbrance subordinate to this Security Instrument, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by a devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by the Security Instrument to be immediately due and payable.

D. LEGISLATION
If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note, the Security Instrument or this Adjustable Rate Rider (other than this Paragraph D) unenforceable according to their terms, or all or any part of the sums secured hereby uncollectable, as otherwise provided in the Security Instrument and this Adjustable Rate Rider, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Security Instrument to be immediately due and payable.

IN WITNESS WHEREOF, Borrower has executed this Adjustable Rate Rider.

Alan B Foster (Seal)
ALAN B. FOSTER Borrower
Diane S Foster (Seal)
DIANE S. FOSTER Borrower
____ (Seal)
Borrower

Sign Original Only

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

88 APR 26 AM 9:17

Thomas A. Shanderson, Jr.
JUDGE OF PROBATE

1. Doc. Fee	\$ -
2. Notary Fee	169.50
3. Recording Fee	20.00
4. Indexing Fee	1.00
TOTAL	190.50