
ADDITIONAL TERMS OF THE NOTE

DEFINITIONS - "I" means each borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay the note. The term "note total" means the total amount I am obligated to pay on the note.

APPLICABLE LAW - I agree that this note and any agreement securing this note will be governed by the law of the State of Alabama, including the Uniform Commercial Code. If property securing the payment of this note is located in another state, the security agreement may, in some circumstances, be governed by the law of that state.

To the extent permitted by law, the terms of this note and security agreement may vary applicable law. If any provision of applicable law may not be varied by agreement, any term of this note and security agreement that does not comply with that law will not be effective. If any part of this note or security agreement cannot be enforced, this fact will not affect the rest of the note or security agreement.

POST-MATURITY INTEREST - Interest will accrue at the rate specified on the reverse side on the balance of this note remaining unpaid after maturity, until paid in full. For purposes of this section, maturity occurs:

- If the note is payable on demand, on the date you make demand for payment;
- If the note is payable on demand with an alternate payment date(s), on the date you make demand for payment, on the final alternate payment date, or on the date you prelate the due date of the note, whichever is earlier; and
- In all other cases, on the date of the last scheduled payment of principal or on the date you prelate the due date of the note, whichever is earlier.

DEFAULT - I will be in default on this note and any agreement securing this note if any one or more of the following occur:

- I fail to make one or more payments on time or in the amount due;
- I am declared incompetent, or become insolvent (either because my liabilities exceed my assets or because I am unable to pay my debts as they become due);
- I fail to keep any promise contained in this note, any agreement securing this note, or any other written agreement with you;
- I make any written statement or provide any financial information that is untrue or inaccurate at the time it was made or provided;
- Any other creditor attempts, with or without legal process, to gain possession or control of any money or property of mine;
- The collateral is damaged, destroyed, or stolen;
- I fail to provide any additional security you may require;
- Any legal entity (such as a partnership or corporation) that has agreed to pay this note merges, dissolves, reorganizes, terminates its business or existence, or a partner or properly stockholder dies or is declared incompetent; or
- Any fact appears or event occurs that causes you to consider yourself insecure, or the prospect of payment performance, or realization on the collateral is impaired.

If any of us are in default on this note or any security agreement, you may exercise your remedies against any or all of us.

REMEDIES - If I am in default on the note or any agreement securing this note, you have the following remedies:

- You may, without notice, accelerate the due date of the note, and, subject to any rebate required by law, make all unpaid principal, interest and all other agreed charges immediately payable;
- You may, without prior demand or notice, set off this debt as provided below:

 - You may require additional security or parties obligated to pay this note (or both);
 - As a condition of waiving, for any period of time, any other remedy you may have;
 - You may use any remedy you may have under state or federal law;
 - You may use any remedy given to you under any agreement securing this note.

By choosing any one or more of these remedies, you do not waive your right to later use any other remedy. You do not waive a default if you choose not to use any remedy and; by electing not to use any remedy, you do not waive your right to later consider the event a default and to immediately use any remedy if it continues or occurs again. No modification of this note or any agreement securing the note is effective unless in writing and signed by you and me.

SET-OFF - I agree that you may set off any amount I owe you under this note against any right I have to receive money from you. This includes:

- any deposit account balance I have with you, including savings, checking, and NOW accounts, and any time deposit (including certificates of deposit);
- any money owed to me on an item presented to you or in your possession for collection or exchange; and
- any repurchase agreement or other non-deposit obligation.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withhold on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a beneficiary. It also does not apply to any IRA account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off this debt against any of my accounts. I agree to hold you harmless from any claims arising as a result of your exercise of your right of set-off.

OTHER SECURITY - I agree that any present or future agreement securing any other debt I owe you will also secure the payment of this note. However, property securing another debt will not secure this note to the extent that:

- you fail to make any disclosure of the existence of a security interest in such property required by law for this transaction;
- such property is my principal dwelling and you fail to provide (to all persons entitled any notice of right of rescission required by law for this transaction;
- this is a "consumer" loan and such property securing the other debt is "household goods" (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices); or
- such property is margin stock subject to the requirements of 12 C.F.R. Section 207 or 221.

OBLIGATIONS INDEPENDENT - I understand that I am obligated to pay this note even if any other person has also agreed to pay it. I agree that you may, without notice, release any of us, release or substitute any collateral, fail to perfect any security interest or otherwise impair any collateral, waive any right you may have against any of us, extend new credit to any of us, or renew or modify this note without affecting my obligation to pay the note. I also agree that I will remain obligated to pay this note even if any other person who is obligated to pay this note has such obligation discharged in bankruptcy.

WAIVER - I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

PRIVACY - I understand and agree that from time to time, you may receive credit information concerning me from others and furnish credit and experience information regarding my loan to others seeking such information. To the extent permitted by law, I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

FINANCIAL STATEMENTS - I agree to provide to you, upon request, any financial statements or information you may deem necessary. I warrant that all financial statements and information I provide to you are or will be accurate, correct, and complete.

PREPAYMENT - In the event I prepay this note in full, unearned finance charges (other than any interest surcharge) will be refunded under the "rule of 78's" method computed to the nearest scheduled payment date, except no refund of less than \$1.00 will be made. However, if this note is renewed or refinanced within 90 days from the date it is made, the unearned finance charges (other than any interest surcharge) will be refunded on a pro rata basis computed as of the date of such renewal or refinancing.

If an interest surcharge is shown on the reverse side, and the note is prepaid by any means within 90 days of the date of this note, the surcharge I have paid will be prorated and refunded or credited to the balance of this note, except that in such event you may retain no less than \$2.00. Otherwise, any interest surcharge will not be refunded.

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

SECURED OBLIGATIONS - This agreement secures the payment of the note and any additional amounts I am or will become obligated to pay to you under the terms of the note (including all extensions, renewals, refinancings and modifications of the note) and the security agreement. This agreement also secures all other debts I may now or later owe you (including notes, insurance premiums, overdrafts, letters of credit, guaranties, and all extensions, renewals and modifications of such debts). However, this agreement will not secure another debt:

- if you fail to make any disclosure of the existence of this security interest required by law for such other debt;
- if this security interest is in my principal dwelling and you fail to provide (to all persons entitled) any notice of right of rescission required by law for such other debt;
- to the extent that this security interest is in "household goods" and the other debt to be secured is a "consumer" loan (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices); or
- to the extent that this security interest is in margin stock subject to the requirements of 12 C.F.R. Section 207 or 221.

This security agreement remains in effect, even if the note is paid and I owe no other debt to you, until discharged in writing.

For the sole purpose of determining the extent of a purchase money security interest arising under this security agreement, (a) payments on any non-purchase money loan also secured by this agreement will not be deemed to apply to the purchase money loan, and (b) payments on the purchase money loan will be deemed to apply first to the non-purchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items of collateral were acquired. No security interest will be terminated by application of this formula. "Purchase money loan" means any loan the proceeds of which, in whole or in part, are used to acquire any collateral securing the loan and all extensions, renewals, consolidations and refinancings of such loan.

PROPERTY - As used in this agreement, "property" means all property that is described in the "Security" section on the reverse side. It includes all of my property specifically listed and, if a general description is used, all of my property fitting the general description. "Property" also means all benefits that arise from the described property (including all proceeds, insurance benefits, payments from others, interest, dividends, stock splits and voting rights). It also means all property that is now or later becomes attached to a part of, or results from the described property.

OWNERSHIP AND DUTIES TOWARD PROPERTY - I represent and agree to the following:

- I own the property, that no other person has any claim to the property, and I will defend the property against a claim made by any other person;
- Your security interest in the property is superior to the claims of any other creditor. I will execute any documents or provide any information you require to protect your interest in the property. I will not do anything to interfere with your interest in the property;
- I will keep the property in my possession (except if pledged and delivered to you in good condition and repair, and use it only for its intended purposes. I will provide you reasonable access in order to inspect the property and notify you of any loss or damage to the property. Unless otherwise agreed in writing, the property will be kept at my address shown on the reverse side;
- I will not sell or transfer any rights in the property without your written permission (unless it is inventory and specified as such on the reverse side). I will not permit the property to become attached to any real estate without first allowing you to protect your interest in the property;
- I will pay all taxes and assessments on the property as they become due.

INSURANCE - I agree to insure the property against the risks and for the amounts you require. I will buy the insurance only from a company that is acceptable to you and authorized to do business in Alabama. I will maintain this insurance until all of the secured obligations are paid in full.

I will name you as loss payee so that any benefits arising from the insured risks will be paid to you and applied to the secured obligations. In the event of loss or damage to the property, you may require additional security or assurances of payment before allowing any insurance benefits to be used to repair or replace the property.

DEFAULT AND REMEDIES - I will be in default on this agreement if any event specified in the "Default" paragraph of the note occurs. If I am in default on this agreement or on any secured obligation, you have all of the remedies provided in the note or other obligation and all of the remedies provided below and by law.

- You may pay taxes, assessments or liens, buy insurance to protect your interest in the property, or have repairs made, if I fail to pay such taxes, assessments or other liens, fail to obtain or maintain any required insurance, fail to have you named loss payee on such insurance, or fail to make repairs to the property. If you do, the amount you pay will be added to the secured obligations, will be immediately due, and will accrue interest at a rate equal to the rate this note would produce over its full term if each scheduled payment were paid on the due date, until paid in full;
- You may require me to gather the property and any related books and records and make them available to you at any place you choose that is reasonably convenient to you and me;
- You may take immediate possession of the property and sell, lease or dispose of it as provided by law. You may apply the proceeds of the disposition to your expenses (including costs of repossession, attorneys' fees (if permitted), repairs (if necessary) and costs of sale) and then to payment of the secured obligations. Except where prohibited by law, you may obtain a deficiency judgment if the proceeds do not satisfy the debt. If any items not otherwise subject to this agreement are contained in the property when you take possession, you may hold these items for me at my risk and you will not be liable for taking possession of them.

I agree that when you must give notice to me of your intended sale or disposition of the property, the notice is reasonable if it is sent to me at the address on the reverse side by first class mail 10 days before the date of the intended disposition.

PLEDGES - Pledged property is property I am giving to you to keep in your possession to secure the payment of the secured obligations. You may keep this property until the secured obligations are paid in full. You do not have to protect any rights I may have against any prior parties to the property. You or someone you select may be shown as the owner of the property. You may have any prior party make payments on the property to you. You are not liable for any decline in value of the property.

FILING - I agree that a carbon, photographic or other reproduction of this security agreement may be filed as a financing statement to the extent permitted by law.

NOTICE TO THE COSIGNER

You (the cosigner) are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

GUARANTEE - For good and valuable consideration received, I unconditionally guarantee the payment of the note and any amounts agreed to be paid under the terms of the security agreement. I also agree that all of the terms of the note and, to the extent applicable, the security agreement will apply to me.

NAME _____

X _____

Attach FTC "Preservation of Consumer Claims and Defenses" Notice if Applicable