

2003

This instrument was prepared by  
(Name) ALAN ATKINS  
(Address) 200 CORPORATE RIDGE NORTH BHAM, AL. 35242

✓ **JEFFERSON FEDERAL SAVINGS  
& LOAN ASSOCIATION**  
215 NORTH 21ST STREET  
BIRMINGHAM, ALABAMA 35203

**MORTGAGEE**  
"You" means the mortgagee, its successors and assigns.

GARVICE NICHOLSON  
BETH NICHOLSON  
3628 CHESIRE ROAD  
BIRMINGHAM, AL. 35242  
**MORTGAGOR**  
"I" includes each mortgagor above.

**REAL ESTATE MORTGAGE:** For value received, I, GARVICE NICHOLSON AND WIFE, BETH NICHOLSON  
mortgage, grant, bargain, sell and convey to you, with power of sale,  
to secure the payment of the secured debt described below, on 8-20-90, the real estate described below and all rights,  
easements, appurtenances, rents, leases and existing and future improvements and fixtures (all called the "property").  
**PROPERTY ADDRESS:** 3628 CHESIRE ROAD BIRMINGHAM, AL., Alabama 35242  
(Street) (City) (Zip Code)

**LEGAL DESCRIPTION:** LOT 29, ACCORDING TO THE SURVEY OF MEADOW BROOK, FIFTH SECTOR-FIRST  
PHASE, AS RECORDED IN MAP BOOK 8 PAGE 109 IN THE PROBATE OFFICE OF SHELBY COUNTY,  
ALABAMA; BEING SITUATED IN SHELBY COUNTY, ALABAMA.  
  
MINERAL AND MINING RIGHTS EXCEPTED.  
  
SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

located in SHELBY County, Alabama.  
**TITLE:** I covenant and warrant title to the property, except for \_\_\_\_\_

**SECURED DEBT:** This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in  
this mortgage and in any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts I owe you  
under this mortgage or under any instrument secured by this mortgage and all modifications, extensions and renewals thereof.

The secured debt is evidenced by (List all Instruments and agreements secured by this mortgage and the dates thereof.):

- ☐ \_\_\_\_\_
- ☐ **Future Advances:** All amounts owed under the above agreement are secured even though not all amounts may yet be  
advanced. Future advances under the agreement are contemplated and will be secured and will have priority to the same  
extent as if made on the date this mortgage is executed.
- ☒ **Revolving credit loan agreement** dated AUGUST 20, 1990. All amounts owed under this agreement are secured even  
though not all amounts may yet be advanced. Future advances under the agreement are contemplated and will be secured and  
will have priority to the same extent as if made on the date this mortgage is executed.

The above obligation is due and payable on AUGUST 20, 2000 if not paid earlier.  
The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of: \$20,000.00  
TWENTY THOUSAND AND NO/100 Dollars (\$ \_\_\_\_\_),  
plus interest, plus any disbursements made for the payment of taxes, special assessments, or insurance on the property, with interest  
on such disbursements.

- ☒ **Variable Rate:** The interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.  
☒ A copy of the loan agreement containing the terms under which the interest rate may vary is attached to this mortgage and  
made a part hereof.

**RIDERS:** ☐ Commercial ☐ \_\_\_\_\_ ☐ \_\_\_\_\_

**SIGNATURES:** By signing below, I agree to the terms and covenants contained in this mortgage (including those on the reverse side which  
are hereby incorporated onto this side of this mortgage form) and in any riders described above signed by me.

\_\_\_\_\_  
(Seal)  
\_\_\_\_\_  
(Seal)  
Garvice Nicholson (Seal)  
Beth Nicholson (Seal)  
**BETH NICHOLSON**

**WITNESSES:** Alan P. Atkins

**ACKNOWLEDGMENT:** STATE OF ALABAMA, SHELBY County ss:  
I, ALAN P. ATKINS, a Notary Public in and for said county and in said state, hereby certify that

GARVICE NICHOLSON AND WIFE BETH NICHOLSON

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

Corporate ☐ whose name(s) as \_\_\_\_\_ of the \_\_\_\_\_  
a corporation, \_\_\_\_\_ signed to the foregoing conveyance and who \_\_\_\_\_ known to me, acknowledged before me on  
this day that, being informed of the contents of the conveyance, \_\_\_\_\_ he \_\_\_\_\_, as such officer and with full authority,  
executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 20th day of AUGUST 1990  
My commission expires: 8-27-93

Alan P. Atkins  
(Notary Public)

## COVENANTS

1. **Payments.** I agree to make all payments on the secured debt when due. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe you on the secured debt (exclusive of interest or principal), second, to interest and then to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any scheduled payment until the secured debt is paid in full.
2. **Claims against Title.** I will pay all taxes, assessments, liens and encumbrances on the property when due and will defend title to the property against any claims which would impair the lien of this mortgage. You may require me to assign any rights, claims or defenses which I may have against parties who supply labor or materials to improve or maintain the property.
3. **Insurance.** I will keep the property insured under terms acceptable to you at my expense and for your benefit. All insurance policies shall include a standard mortgage clause in favor of you. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.
4. **Property.** I will keep the property in good condition and make all repairs reasonably necessary.
5. **Expenses.** I agree to pay all your expenses, including reasonable attorneys' fees if I break any covenants in this mortgage or in any obligation secured by this mortgage. Attorneys' fees include those awarded by an appellate court. I will pay these amounts to you as provided in Covenant 10 of this mortgage.
6. **Default and Acceleration.** If I fail to make any payment when due or break any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment and exercise any other remedy available to you. This mortgage gives you the power of sale, which you may also invoke under the circumstances described in the previous sentence. If you invoke the power of sale, you will give notice of the sale by publication once a week for three successive weeks in some newspaper published in the county in which the property or any portion of it is located. This notice will give the time, place and terms of the sale, and a description of the property. After this notice is given, the property will be sold to the highest bidder at public auction at the front door of the County Courthouse of the county in which the notice of sale was published.
7. **Assignment of Rents and Profits.** I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. If I default, you, your agent, or a court appointed receiver may take possession and manage the property and collect the rents. Any rents you collect shall be applied first to the costs of managing the property, including court costs and attorneys' fees, commissions to rental agents, and any other necessary related expenses. The remaining amount of rents will then apply to payments on the secured debt as provided in Covenant 1.
8. **Waiver of Homestead.** I hereby waive all right of homestead exemption in the property.
9. **Leaseholds; Condominiums; Planned Unit Developments.** I agree to comply with the provisions of any lease if this mortgage is on a leasehold. If this mortgage is on a unit in a condominium or a planned unit development, I will perform all of my duties under the covenants, by-laws, or regulations of the condominium or planned unit development.
10. **Authority of Mortgagee to Perform for Mortgagor.** If I fail to perform any of my duties under this mortgage, you may perform the duties or cause them to be performed. You may sign my name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.  
Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.  
Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect on the secured debt.
11. **Inspection.** You may enter the property to inspect if you give me notice beforehand. The notice must state the reasonable cause for your inspection.
12. **Condemnation.** I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.
13. **Waiver.** By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later consider the event a default if it happens again.
14. **Joint and Several Liability; Co-signers; Successors and Assigns Bound.** All duties under this mortgage are joint and several. If I co-sign this mortgage but do not co-sign the underlying debt I do so only to mortgage my interest in the property under the terms of this mortgage. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.  
The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.
15. **Notice.** Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.  
Any notice shall be deemed to have been given to either of us when given in the manner stated above.
16. **Transfer of the Property or a Beneficial Interest in the Mortgagor.** If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment if the mortgagor is not a natural person and a beneficial interest in the mortgagor is sold or transferred. However, you may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.
17. **Release.** When I have paid the secured debt in full and all underlying agreements have been terminated, this mortgage will become null and void and you will release this mortgage.

<b>GARVICE NICHOLSON</b> <b>BETH NICHOLSON</b> <b>3628 CHESTRE ROAD</b> <b>BIRMINGHAM, AL. 35242</b> <b>Borrower's Name and Address</b> "You" means each borrower above, jointly and severally.	<b>JEFFERSON FEDERAL SAVINGS &amp; LOAN ASSOCIATION</b> <b>215 NORTH 21ST STREET</b> <b>BIRMINGHAM, ALABAMA 35203</b> <b>Lender's Name and Address</b> "We" or "us" means the lender named above.
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No. <u>30-35-100024</u>	Initial Advance \$ _____	Maturity Date <u>AUGUST 20, 2000</u>
Date <u>8-20-90</u>	Minimum Advance \$ <u>500.00</u>	Billing Cycle: Ends <u>the 25th day</u>
Trans. Acct. # _____	Minimum Balance \$ _____	of every <u>month</u>
Line of Credit \$ <u>20,000.00</u>	Draw Period <u>120 MONTHS</u>	Payment Date <u>the 10th day</u>
Triggering Balance \$ _____	Repayment Period <u>36 months</u>	of every <u>month</u>

HOME EQUITY LINE OF CREDIT

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**GENERALLY:** This is an agreement about your home equity line of credit. Many of the terms we use in this agreement have special meanings. The term "loan account balance" means the sum of the unpaid principal of loans made under this plan, plus unpaid but earned finance charges, plus any credit insurance premiums that are due. "Transaction Account" means an account you carry with us. The number of this account is listed at the top of the form on the line labeled "Trans. Acct. #." "Line of Credit" means the maximum amount of principal we will ordinarily allow you to owe us under this plan at any time. "Triggering Balance" is the amount you must keep in your transaction account to prevent us from lending you money under this plan. In addition, we will use the following terms for this home equity plan: "Initial Advance" means the amount of money we will require you to accept as an advance to open the plan. "Minimum Advance" means the smallest amount of money we will advance to you at your request. The "Minimum Balance" is the amount of principal of loans we will require you to maintain outstanding during the plan. If the principal balance outstanding falls below the minimum balance, you may have to pay a fee described below. "Draw Period" is the time during the plan that you may request loans. The "Repayment Period" is the time during the plan that you must repay your loan account balance. You cannot obtain new loans during this time. If any term of this agreement violates any law or for some other reason is not enforceable, that term will not be part of this agreement. This agreement is subject to the laws of the state where we are located.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges under this home equity plan.

**REQUESTING A LOAN:** You request a loan under this plan whenever you:

- write a check for at least the minimum advance listed above using one of the special checks you have for that purpose.
- request in person that you be advanced directly an amount at least as large as the minimum advance listed above.

**HOW THE LOAN IS ADVANCED:** When you request a loan, we will, subject to any limitations contained in this agreement, advance exactly the amount you request, so long as the requested amount equals or exceeds the minimum advance listed above. We will make the advance by depositing the amount in your transaction account, by advancing the money directly to you, or by paying a designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your loan account.

If your request is for less than the minimum advance, we may, at our option, grant the request. However, granting the request does not mean we will be required to grant requests for less than the minimum advance in the future. We always have the option to deny any such request.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than the Line of Credit listed above. We may, at our option, grant such a request without obligating ourselves to do so in the future.

**LIMITATIONS:** The following additional limitations apply:

- During the draw period, you may not request advances totaling more than \$ \_\_\_\_\_ per \_\_\_\_\_
- During the draw period, you will be limited to a total of \_\_\_\_\_ advances per \_\_\_\_\_
- During the term of the plan, you may not request advances totaling more than \$ \_\_\_\_\_ per \_\_\_\_\_
- During the term of the plan, you will be limited to a total of \_\_\_\_\_ advances per \_\_\_\_\_

**HOW FINANCE CHARGES ARE COMPUTED:** Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge, we will apply a periodic rate of finance charge each billing cycle to the "average daily balance" of your loan account for the billing cycle. The "average daily balance" is computed as follows: First, we take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums, if any.) Then we add any new loans made that day. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The periodic rate of **FINANCE CHARGE** is .958 % which is equal to an **ANNUAL PERCENTAGE RATE** of 11.50 %. The annual percentage rate includes interest and not other costs.

money to you to make the payment. All the terms of this agreement would apply to such a loan.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic minimum payment.

The amounts you pay will first reduce the amount owed for credit insurance (if any), then will reduce the finance charges, and finally will reduce the amount of unpaid loans.

**ROUNDING RULE:** The minimum payment will be rounded UP to the nearest \$ 1.00

☐ **AUTOMATIC WITHDRAWAL:** If checked, you authorize us to automatically withdraw your payment from your transaction account on each payment date. If your transaction account does not have enough money in it to make the minimum payment, we may, but are not required to, lend you money to make the payment. All the terms of this agreement will apply to such a loan. If your loan account balance is less than the minimum payment amount, we will withdraw only the amount necessary to reduce your loan account balance to zero.

**SECURITY:** To secure the payment of what you owe, we have the right of set-off. This means we can pay the amount you owe us out of money that we are required to pay you (such as money in your savings or checking account). However, we cannot use in this way money in your IRA or other tax-deferred retirement account. State law may further limit our right of set-off.

However, we will have no right of set-off against your loan account balance if you can obtain credit under this plan by using a debit or a credit card.

We have also secured your obligations under this plan by taking a security interest (by way of a separate security agreement, mortgage or other instrument dated \_\_\_\_\_) in the following property, described by item or type:

**REAL PROPERTY AT 3628 CHESTRE ROAD, BIRMINGHAM, AL 35242**

☐ If checked, collateral securing other loans you have with us may also secure loans under this agreement.

**Filing fees \$ \_\_\_\_\_**  
You may buy property insurance from anyone you want who is acceptable to us, or you may provide the insurance through an existing policy. If you buy the insurance from or through us, your premium will be \_\_\_\_\_

**CREDIT INSURANCE:** Credit life insurance and credit disability insurance are not required to obtain credit. We will provide no coverage unless you sign and agree to pay the additional cost. The rates listed below are applied to determine the premium you owe

		TYPE	RATE
You	<input type="checkbox"/> do <input checked="" type="checkbox"/> do not want	single credit life	\$1.54/\$1000.00
You	<input type="checkbox"/> do <input checked="" type="checkbox"/> do not want	joint credit life	\$2.31/\$1000.00
You	<input type="checkbox"/> do <input type="checkbox"/> do not want	credit disability	

**CHANGING THE TERMS OF THIS AGREEMENT:** Generally, we may not change the terms of this agreement. However, we may change the terms in the following circumstances:

- If this is a variable rate plan, we may change the index and margin if the original index described above becomes unavailable. Any new index will have a historical movement similar to the original, and, together with a new margin, will produce a similar interest rate.
  - We may make changes that you have agreed to in writing.
  - We may make changes that unequivocally benefit you.
  - We may make changes to insignificant terms of this agreement.
- In addition, we may make the following specific changes, upon the occurrence of the events described:
- We will increase the **ANNUAL PERCENTAGE RATE** \_\_\_\_\_ % if you leave your position with us.

• write a check for at least the minimum advance listed above using one of the special checks you have for that purpose.

• request in person that you be advanced directly an amount at least as large as the minimum advance listed above.

**HOW THE LOAN IS ADVANCED:** When you request a loan, we will, subject to any limitations contained in this agreement, advance exactly the amount you request, so long as the requested amount equals or exceeds the minimum advance listed above. We will make the advance by depositing the amount in your transaction account, by advancing the money directly to you, or by paying a designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your loan account.

If your request is for less than the minimum advance, we may, at our option, grant the request. However, granting the request does not mean we will be required to grant requests for less than the minimum advance in the future. We always have the option to deny any such request.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than the Line of Credit listed above. We may, at our option, grant such a request without obligating ourselves to do so in the future.

**LIMITATIONS:** The following additional limitations apply:

• During the draw period, you may not request advances totaling more than \$ \_\_\_\_\_ per \_\_\_\_\_

• During the draw period, you will be limited to a total of \_\_\_\_\_ advances per \_\_\_\_\_

• During the term of the plan, you may not request advances totaling more than \$ \_\_\_\_\_ per \_\_\_\_\_

• During the term of the plan, you will be limited to a total of \_\_\_\_\_ advances per \_\_\_\_\_

**HOW FINANCE CHARGES ARE COMPUTED:** Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge, we will apply a periodic rate of finance charge each billing cycle to the "average daily balance" of your loan account for the billing cycle. The "average daily balance" is computed as follows: First, we take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums, if any.) Then we add up all new loans made that day. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The periodic rate of **FINANCE CHARGE** is .958 % which is equal to an **ANNUAL PERCENTAGE RATE** of 11.50 %. The annual percentage rate includes interest and not other costs.

**VARIABLE RATE:** The annual percentage rate may change, and will be 1.5% above the following "base rate": Chase Manhattan prime rate. The resulting annual percentage rate will be rounded up to the nearest 1/8%. The annual percentage rate may increase if this "base rate" increases. An increase will take effect the 25th day of every month. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The annual percentage rate will not increase more often than once a month. A decrease will have the opposite effect of an increase disclosed above.

If the base rate changes more frequently than the annual percentage rate, we will always use the base rate in effect on the day we adjust the annual percentage rate to determine the new annual percentage rate. In such a case, we will ignore any changes in the base rate that occur between annual percentage rate adjustments.

The "annual percentage rate" referred to in this section is the annual rate which corresponds to the periodic rate applied to the balance as described above. This corresponding **ANNUAL PERCENTAGE RATE** will never exceed 15%, and will never exceed the highest allowable rate for this type of agreement as determined by applicable state or federal law.

**HOW YOU REPAY YOUR LOANS-DRAW PERIOD:** On or before each payment date during the draw period, you agree to make a minimum payment to reduce your debt. The minimum payment amount is 1.5% of your loan account balance on the last day of the billing cycle, or \$100.00, whichever is greater.

**PRINCIPAL REDUCTION:** During the draw period the minimum payment will:

☐ not reduce the principal outstanding on your line.

☒ not fully repay the principal that is outstanding on your line.

**HOW YOU REPAY YOUR LOANS-REPAYMENT PERIOD:** On or before each payment date during the repayment period, you agree to make a minimum payment to reduce your debt. The minimum payment amount is 3.5% of your loan account balance on the last day of the billing cycle, or \$100.00, whichever is greater.

**FINAL PAYMENT:** On the maturity date listed above, you must pay the amount of any remaining loan account balance outstanding. The minimum payment will not fully repay the principal that is outstanding on your line. At that time you:

☒ may be required to pay the entire balance in a single balloon payment. (The amount of your line of credit, the timing of your payments and your pattern of advances all effect whether you will have to make such a payment.)

☐ will be required to pay the entire balance in a single balloon payment.

If you have any loan account balance at that time, we are not obligated to refinance your account, but will consider your request to do so. If you refinance this account at maturity, you may have to pay some or all of the closing costs normally associated with a new loan even if you obtain financing from us.

**ADDITIONAL REPAYMENT TERMS:** If your loan account balance on a payment date is less than the minimum payment amount, you must pay only the loan account balance.

If you fail to make a payment, we may, but are not required to, advance

balance if you can obtain credit under this plan by using a debit or a credit card.

We have also secured your obligations under this plan by taking a security interest (by way of a separate security agreement, mortgage or other instrument dated \_\_\_\_\_) in the following property, described by item or type:

REAL PROPERTY AT 3628 CHESIRE ROAD, BIRMINGHAM, AL 35242

☐ If checked, collateral securing other loans you have with us may also secure loans under this agreement.

Filing fees \$ \_\_\_\_\_

You may buy property insurance from anyone you want who is acceptable to us, or you may provide the insurance through an existing policy. If you buy the insurance from or through us, your premium will be \_\_\_\_\_

**CREDIT INSURANCE:** Credit life insurance and credit disability insurance are not required to obtain credit. We will provide no coverage unless you sign and agree to pay the additional cost. The rates listed below are applied to determine the premium you owe for

		TYPE	RATE
You	<input type="checkbox"/> do <input checked="" type="checkbox"/> do not want	single credit life	\$1.54/\$1000.00
You	<input type="checkbox"/> do <input checked="" type="checkbox"/> do not want	joint credit life	\$2.31/\$1000.00
You	<input type="checkbox"/> do <input type="checkbox"/> do not want	credit disability	_____
X		X	

**CHANGING THE TERMS OF THIS AGREEMENT:** Generally, we may not change the terms of this agreement. However, we may change the terms in the following circumstances:

- If this is a variable rate plan, we may change the index and margin if the original index described above becomes unavailable. Any new index will have a historical movement similar to the original, and, together with a new margin, will produce a similar interest rate.
  - We may make changes that you have agreed to in writing.
  - We may make changes that unequivocally benefit you.
  - We may make changes to insignificant terms of this agreement.
- In addition, we may make the following specific changes, upon the occurrence of the events described:

- We will increase the **ANNUAL PERCENTAGE RATE** \_\_\_\_\_ % if you leave your position with us.
  - We will increase the margin \_\_\_\_\_ % if you leave your position with us.
  - We will increase the **ANNUAL PERCENTAGE RATE** \_\_\_\_\_ % if you fail to maintain a qualifying minimum balance of \$ \_\_\_\_\_ in a savings or money market account at our institution.
  - We will increase the margin \_\_\_\_\_ % if you fail to maintain a qualifying minimum balance of \$ \_\_\_\_\_ in a savings or money market account at our institution.
  - We will refuse to make additional extensions of credit or reduce your credit limit if the maximum annual percentage rate is reached.
- If we are required to send notice of a change in terms, we will send the notice to your address listed above. (You should inform us of any change in address.)

**ADDITIONAL CHARGES:** You agree to pay the following additional charges:

- You agree to pay an additional fee of \$40.00 per year in order to participate in this plan. We will add this amount to your loan account balance on an annual basis.
- Appraisal \$ 150.00 P.O.C. Official Fees \$ \_\_\_\_\_
- Property Survey \$ \_\_\_\_\_ Title Search \$ \_\_\_\_\_
- Credit Report Fees \$ \_\_\_\_\_ Title Insurance \$ 100.00
- Documentation Fees \$ \_\_\_\_\_ Taxes \$ \_\_\_\_\_

(Other) RECORDING \$53.00 LIBRARY 23.75 FIRE 5.00

**ATTORNEY'S FEES:** If you default on this agreement and of we are required to hire a lawyer to collect what you owe under this agreement, you agree to pay our reasonable attorney's fees not exceeding 15% of the unpaid debt after default. However if the unpaid debt does not exceed \$300.00, you do not agree to pay our reasonable attorney's fees.

**NOTICE:** See the reverse side for additional terms and for information about your rights in the event of a billing error.

**SIGNATURES:** By signing below, you agree to the terms on both sides of this agreement and you promise to pay any amounts you owe under this agreement. You also state that you received a completed copy of the agreement on today's date.

CAUTION-IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

Signature Larissa Nicholson  
GARVICE NICHOLSON  
Signature Beth Nicholson  
BETH NICHOLSON

By: Alan P. Atkins - Jefferson Federal Savings  
© 1983 BANKERS SYSTEMS INC., ST. CLOUD, MN 56301 FORM OCP-HE-AL 9/5/89

## ADDITIONAL TERMS

**DEFAULT AND REMEDIES:** You will be in default on this agreement if any of the following occur:

- (1) You engage in fraud or material misrepresentation, by your actions or failure to act, in connection with any phase of this home equity line of credit;
- (2) Subject to any right to cure you may have, you do not meet the repayment terms;
- (3) Your action or inaction adversely affects the collateral or our rights in the collateral, including but not limited to: (a) failure to maintain required insurance on the dwelling; (b) your transfer of the property; (c) failure to maintain the property or use of it in a destructive manner; (d) commission of waste; (e) failure to pay taxes on the property or otherwise fail to act and thereby cause a lien to be filed against the property that is senior to our lien; (f) death; (g) the property is taken through eminent domain; (h) a judgment is filed against you and subjects you and the property to action that adversely affects our interest; or (i) a prior lien holder forecloses on the property and as a result, our interest is adversely affected.

We may terminate your account, require you to pay the entire outstanding balance in one payment and charge you a termination fee (if provided for on the other side of this agreement), and fees related to the collection of the amount owing, if you are in default in any manner described above. In that instance, we may take other action short of termination, such as charging you a fee if you fail to maintain required property insurance and we purchase insurance. If we elect to terminate and accelerate the amounts owing on your account, we may use our right to set-off, unless prohibited.

Even if we choose not to use one of our remedies when you default, we do not forfeit our right to do so if you default again. If we do not use a remedy when you default, we can still consider your actions as a default in the future.

In addition, we may temporarily prohibit you from obtaining additional extensions of credit, or reduce your credit limit if:

- (1) The value of the dwelling securing this home equity line of credit declines significantly below its appraised value for purposes of this line;
- (2) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (3) You are in default of a material obligation of this agreement, which shall include, but is not limited to, your ongoing obligation to supply us with information we feel we need to assess your financial condition;
- (4) A governmental action prevents us from imposing the annual percentage rate provided for in this agreement;
- (5) A governmental body adversely affects our security interest to the extent that the value of the security interest is less than 120% of the home equity line;
- (6) The annual percentage rate corresponding to the periodic rate reaches the maximum rate allowed under this plan (if provided for on the other side of this agreement); or
- (7) A regulatory agency has notified us that continued advances would constitute an unsafe business practice.

In the event that we suspend your right to additional advances or reduce your credit line, we will send you notice of our decision at the address listed on the front of this agreement. (You should inform us of any change in your address.) If we have based our decision to suspend or reduce your credit privileges on an assessment of your financial condition or performance under this plan, and you believe that your situation has changed, you must request that we re-evaluate your situation, and reinstate your credit privileges.

**CREDIT INFORMATION:** You agree to supply us with whatever information we reasonably feel we need to decide whether to continue this plan. We agree to make requests for this information without undue frequency, and to give you reasonable time in which to supply the information.

You authorize us to make or have made any credit inquiries we feel are necessary. You also authorize the persons or agencies to whom we make these inquiries to supply us with the information we request.

## YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

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

### Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill 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 bill automatically from your savings, checking or other 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 bill 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 bill 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 parts of your bill that are not in question.

If we find that we made a mistake on your bill, 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 bill. 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 finally is.

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

### Special Rule for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or, if not within your home state within 100 miles of your current mailing address; and
- (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

## LIABILITY FOR UNAUTHORIZED USE OF A CREDIT CARD

You may be liable for the unauthorized use of your credit card. You will not be liable for unauthorized use that occurs after you notify us at the address on the other side of this form. In no event will your liability exceed \$50.

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FORM OCP-HE BACKSIDE REVISION DATE 9/05/89  
HE-BS-1

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

90 AUG 28 AM 10:37

JUDGE OF PROBATE

1. Deed Tax	\$	30.00
2. Int. Tax	\$	7.50
3. Recording Fee	\$	3.00
4. ...	\$	...
5. ...	\$	1.00
Total	\$	41.50

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