

Curtis L. Watkins  
 Paula B. Watkins  
 128 Co. Rd. 337  
 Chelsea, AL 35043

**MORTGAGOR**  
 "I" includes each mortgagor above.

This instrument was prepared by  
 (Name) First National Bank of Columbiana  
 (Address) P. O. Box 977 Columbiana, Al 35051

**FIRST NATIONAL BANK OF COLUMBIANA**  
 P. O. BOX 977  
 COLUMBIANA, AL 35051

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

**REAL ESTATE MORTGAGE:** For value received, I, Curtis L. Watkins and Paula B. Watkins, HUSBAND AND WIFE, mortgage, grant, bargain, sell and convey to you, with power of sale, to secure the payment of the secured debt described below, on May 25, 1994, 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:** 128 Co. Rd. 337 (Street), Chelsea (City), Alabama 35043 (Zip Code)

**LEGAL DESCRIPTION:** Lot Number Seven (7) according to the Map and Survey of Spring Meadow Farms as recorded in Map Book 9, Page 61, in the Office of the Judge of Probate of Shelby County, Alabama.  
 Situated in Shelby County, Alabama.

Inst # 1994-16941  
 05/25/1994-16941  
 03:33 PM CERTIFIED  
 SHELBY COUNTY JUDGE OF PROBATE  
 DCS MCD 64.50

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.):  
 Home Equity Line of Credit Agreement and Disclosure Statement

**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 May 25, 1994. 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 May 25, 2014 if not paid earlier.  
 The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of: THIRTY THOUSAND and NO/100 \* \* \* \* \* Dollars (\$ 30,000.00), 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  Home Equity Line of Cr. Rider  \_\_\_\_\_

**SIGNATURES:** By signing below, I agree to the terms and covenants contained in this mortgage (including those on page 2 which are hereby incorporated onto page 1 of this mortgage form) and in any riders described above and signed by me.

x Curtis L. Watkins (Seal)  
 x Paula B. Watkins (Seal)

**WITNESSES:** \_\_\_\_\_

**ACKNOWLEDGMENT:** STATE OF ALABAMA, Shelby County as:  
 I, William R. Justice, a Notary Public in and for said county and in said state, hereby certify that

Curtis L. Watkins and Paula B. Watkins, HUSBAND AND WIFE

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 25th day of May, 1994  
 My commission expires: 9/12/95  
William R. Justice (Notary Public)  
**ALABAMA**

## 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 page 1 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.

## HOME EQUITY LINE OF CREDIT RIDER

(FORM OCP-MTG-AL)

This Home Equity Line of Credit Rider is made this 25th day of May, 1994, and is incorporated into and shall be deemed to amend and supplement the Mortgage of the same date given by the undersigned ("Borrower" or "Mortgagor") to secure Borrower's Home Equity Line of Credit Agreement ("Note" or "Agreement") to First National Bank of Columbiana ("Lender" or "Mortgagee") of the same date and covering the property described in the Mortgage.

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**NOTICE: THE MORTGAGE SECURES AN OPEN-END (REVOLVING) CREDIT PLAN WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE ANNUAL PERCENTAGE RATE. INCREASES IN THE ANNUAL PERCENTAGE RATE MAY RESULT IN INCREASED MINIMUM MONTHLY PAYMENTS AND INCREASED FINANCE CHARGES. DECREASES IN THE ANNUAL PERCENTAGE RATE MAY RESULT IN LOWER MINIMUM MONTHLY PAYMENTS AND LOWER FINANCE CHARGES. PROCEEDS OF THE CREDIT PLAN WILL BE ADVANCED BY LENDER UNDER THE TERMS OF A HOME EQUITY LINE OF CREDIT AGREEMENT BETWEEN LENDER AND BORROWER. THE AGREEMENT WILL BE REFERRED TO IN THE MORTGAGE AND ANY RIDERS ATTACHED THERETO AS "NOTE" OR "AGREEMENT."**

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1. **Home Equity Line of Credit Agreement.** All references in the Mortgage and Riders attached thereto to "revolving credit loan agreement" are changed to "Home Equity Line of Credit Agreement."

2. **Payment of Principal and Interest; Prepayment and Late Charges.**

A. **Rate and Payment Changes.** The Note provides for finance charges to be computed on the unpaid balance outstanding from time to time under the Note at an adjustable annual percentage rate. The annual percentage rate may be increased or decreased on the first day of each billing cycle based on changes in the prime rate as published daily in the Wall Street Journal's Money Rates Table (the Index). The annual percentage rate charged under the Note during each billing cycle will be 2.0% above the Index in effect on the first day of that billing cycle, although a discounted rate may be charged for an initial period. The initial annual percentage rate provided in the Note is 6.75%. The annual percentage rate will increase if the Index in effect on the first day of a billing cycle increases and will decrease if the Index in effect on the first day of a billing cycle decreases; however, the annual percentage rate will never exceed the maximum rate stated in the Note nor will it ever be lower than the minimum rate stated in the Note. Any increase in the annual percentage rate may result in increased finance charges and increased minimum payment amounts under the Note. Any decrease in the annual percentage rate may result in lower finance charges and lower minimum monthly payments.

B. **Maturity Date.** If not sooner terminated as set forth in the Note, the loan will terminate twenty years for the date of the Note, and all sums payable thereunder (including, without limitation, principal, interest, expenses and charges) shall become due and payable in full.

C. **Mortgage Tax.** The Mortgage secures open-end or revolving indebtedness with an interest in residential real property. Therefore, under § 40-22-2(1)b, Code of Alabama 1975, as amended, the mortgage filing privilege tax shall not exceed \$.15 for each \$100, or fraction thereof, of the credit limit or maximum principal indebtedness to be secured by the Mortgage at any one time, which is the principal sum stated in the Mortgage. Although the interest rate payable on the line of credit may increase if the Index increases, the increased finance charges that may result are

payable monthly under the Note and there is no provision for negative amortization, capitalization of unpaid finance charges or other increases in the principal amount secured hereby over and above the principal sum stated in the Mortgage. Therefore, the principal amount secured will never exceed the credit limit unless an appropriate amendment to the Mortgage is duly recorded and any additional mortgage tax due on the increased principal amount is paid at the time of such recording.

**3. Future Advances.** The Note provides for an open-end line of credit under which Borrower may borrow and repay, and reborrow and repay, amounts for the Lender up to a maximum principal amount at any one time outstanding not to exceed the credit limit. Multiple advances are contemplated and are secured by the Mortgage. The Note does not require that Borrower make any minimum initial advance or maintain any minimum balance under the line of credit; therefore, at times there may be no outstanding indebtedness under the Mortgage. However, the Mortgage shall become effective immediately notwithstanding the lack of any initial advance and shall not be deemed satisfied nor shall title to the Property be divested from Lender by the payment in full of all the indebtedness at any one time outstanding, since in each case further borrowings can thereafter be made from time to time by Borrower under the terms of the Note, and all such borrowings are to be included in the indebtedness secured hereby. The Mortgage shall continue in effect until all of the indebtedness shall have been paid in full, the Note and line of credit evidenced thereby shall have been terminated, Lender shall have no obligation to extend any further credit to Borrower thereunder, and an appropriate written instrument in satisfaction of this mortgage, executed by a duly authorized officer of Lender, shall have been duly recorded in the probate office in which the Mortgage was originally recorded. Lender agrees to execute such an instrument promptly following receipt of Borrower's written request therefor, provided that all of the conditions set forth above have been fulfilled. Nothing contained herein shall be construed as providing that the Mortgage shall secure any advances by Lender to Borrower under the Note in a maximum principal amount at any one time outstanding in excess of the credit limit or principal amount set forth in the Mortgage unless the Mortgage shall have been amended to increase the credit limit of principal amount by written instrument duly executed and recorded in the probate office in which the Mortgage was originally recorded.

#### **Paragraph 4 for Junior Mortgages Only**

**4. Prior Mortgages.** (Complete if applicable.) The Mortgage is junior and subordinate to a prior mortgage, lien, or other security instrument recorded in Book , page , or Instrument No. in the Probate Office of County, Alabama. Borrower shall perform all of Borrower's obligations under such mortgage or security instrument, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage.

Borrower hereby authorizes the holder of a prior mortgage or other security instrument encumbering the Property to disclose the Lender the following information: (1) the amount of indebtedness secured by such mortgage or other security instrument; (2) the amount of such indebtedness that is unpaid; (3) whether any amount owed on such indebtedness is or has been in arrears; (4) whether there is or has been any default with respect to such mortgage or other security instrument, or the indebtedness secured thereby; and (5) any other information regarding such mortgage or other security instrument, or the indebtedness secured thereby, which Lender may request from time to time. Borrower expressly agrees that if default should be made in the payment of principal, interest, or any other sum payable under the terms and provisions of any prior mortgage or other security instrument, or if any other event of default (or event which upon the giving of notice or lapse of time, or both, would constitute an event of default) should occur thereunder, Lender may, but shall not be obligated to, cure such

default, without notice to anyone, by paying whatever amounts may be due, or taking whatever other actions may be required under the terms of such prior mortgage or other security instrument so as to put the same in good standing.

**5. Rights of Enforcement.** Each of Lender's rights of enforcement under the Mortgage and the Note is separate. Lender may exercise and enforce one or more of these rights, as well as any of Lender's other rights under the law, one at a time or in combination.

**6. Authority of Mortgagee to Perform for Mortgagor.** Paragraph 10 entitle "Authority of Mortgagee to Perform for Mortgagor" is amended to include the following provision:

Furthermore, even if Lender obtains insurance, pays taxes, or does or pays for other things necessary to protect the value of the Property and Lender's rights in the Property, Lender may still treat Borrower's failure to perform the covenants and agreements contained in the Mortgage as a default.

**7. Default and Acceleration.** Paragraph 6 entitled "Default and Acceleration" is amended to include the following provision:

Lender may purchase the property at the sale if the highest bidder therefor. Lender, or its agent or auctioneer, may execute and deliver a deed conveying the property to the highest bidder.

**8. Notice.** Paragraph 15 entitled "Notice" is amended to include first class mail as additional an additional method of notice.

**9. Security Agreement.** This Mortgage constitutes a security agreement under the Uniform Commercial Code and creates a security interest in the personal property included in the Property. Borrower shall execute, deliver, file, and refile any financing statements or other security agreements that Lender may require from time to time to confirm and perfect the lien of this Mortgage with respect to that Property and shall pay all costs of filing. Without limiting the foregoing, Borrower irrevocably appoints Lender attorney-in-fact for Borrower to execute, deliver and file such writings for and on behalf of Borrower.

**10. Release.** Paragraph 17 entitled "Release" is amended to include the following provision:

Lender will discharge this Mortgage by delivering to Borrower a release stating that the Mortgage is satisfied. Borrower will not be required to pay for the release but will be responsible for paying the costs or recording the release in the proper official records.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Home Equity Line of Credit Rider and acknowledges receipt of copies of the Mortgage and any Riders attached thereto.

Curtis L. Watkins  
Curtis L. Watkins

Paula B. Watkins  
Paula B. Watkins

Inst # 1994-16941