

James H. Ray
Sandra H. Ray
6769 Remington Circle
Pelham, AL 35124

MORTGAGOR
"I" includes each mortgagor above.

This instrument was prepared by
(Name) Charles Waldrop
(Address) 3449 Lorna Road Birmingham, AL
UNION STATE BANK
3449 Lorna Road
Birmingham, AL 35216
35216

MORTGAGEE

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

REAL ESTATE MORTGAGE: For value received, I, James H. Ray and wife Sandra H. Ray, mortgage, grant, bargain, sell and convey to you, with power of sale, to secure the payment of the secured debt described below, on 11/15/95, 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: 6769 Remington Circle, Pelham, Alabama 35124
(Street) (City) (Zip Code)

LEGAL DESCRIPTION:

Lot 34, according to the survey of Quail Run, Phase 3, as recorded in Map 1, Book 7, page 159, in the Probate Office of Shelby County, Alabama.

located in Shelby County, Alabama.

TITLE: I covenant and warrant title to the property, except for
N/A

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.):

Union State Bank Home Equity Line

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 11/15/95. 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 DEMAND if not paid earlier.

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of:

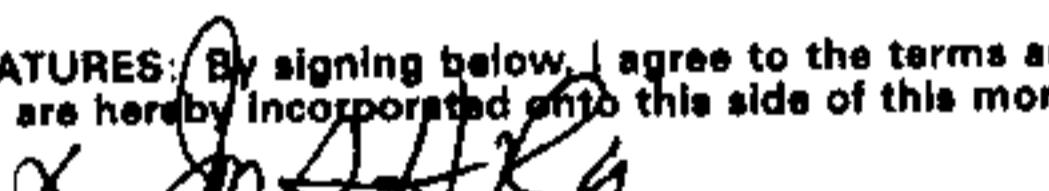
Twenty five thousand and 00/100ths Dollars (\$ 25,000.00), plus interest, plus any disbursements made for the payment of taxes, special assessments, or insurance on the property, with interest on such disbursements.

Variable Rate: The interest rate on the obligation secured by this mortgage may vary according to the terms of that obligation.

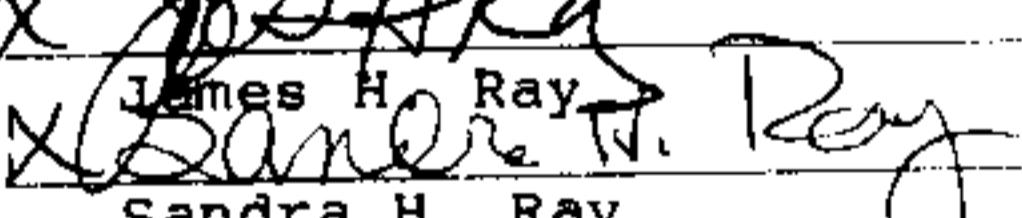
A copy of the loan agreement containing the terms under which the interest rate may vary is attached to this mortgage and made a part hereof.

RIDERS: Commercial _____ _____

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)

 (Seal)

(Seal)

WITNESSES:

01/03/1996 -00179
02:45 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 MCD 51.00

ACKNOWLEDGMENT: STATE OF ALABAMA, Jefferson, County ss:
, the undersigned, a Notary Public in and for said county and in said state, hereby certify that

James H. Ray and wife Sandra H. Ray

Individual

whose name(s) are assigned 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.

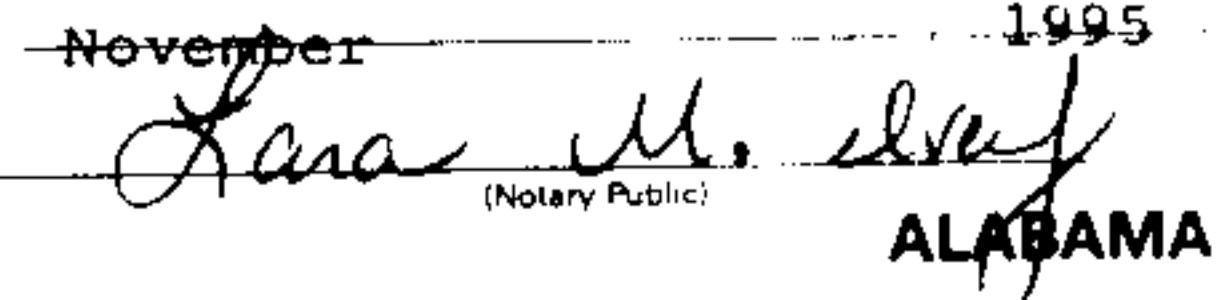
Corporate

whose name(s) as a corporation, 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, 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 15th day of November 1995

My commission expires:

MY COMMISSION EXPIRES APRIL 7, 1999


(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 Mortgagor 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.

50380250 / n U44U170

James H. Ray
Sandra H. Ray
6769 Remington Circle
Pelham, AL 35124
Borrower's Name and Address
"You" means each borrower above, jointly and severally

UNION STATE BANK
3449 Lorna Road
Birmingham, AL 35216
"We" or "us" means the lender named above

Ac. 84000559
Date 11/15/95
Trans. Acct. # 84000559
Line of Credit \$ 25,000.00

Maturity Date 11/10/2010
Minimum Advance \$ 250.00

Billing Cycle Ends on the last day
of every month
Payment Date the 10th day
of every month

UNION STATE EQUITY SIGNATURE LINE

GENERAL: 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.

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.

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

QUESTION 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

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 for a billing cycle, we apply a daily periodic rate of finance charge to the "average daily balance" of your loan account for the billing cycle. We then multiply that figure by the number of days in 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 daily periodic rate of **FINANCE CHARGE** is 0.0267 % which is equal to an **ANNUAL PERCENTAGE RATE** of 9.75 %. The annual percentage rate includes interest and not other costs.

VARIABLE RATE: The annual percentage rate may change, and will be

1.00% greater than the following "base rate" the highest base rate on corporate loans at large U.S. money center commercial banks that The Wall Street Journal publishes as the prime rate. The resulting annual percentage rate will be rounded up to the nearest .125%. The annual percentage rate may increase if this "base rate" increases. An increase will take effect on the day the rate changes. 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 day. A decrease will have the opposite effect of an increase described 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 17%, 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: On or before each payment date you agree to make a minimum payment to reduce your debt. The minimum payment amount is 2% 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 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.

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 11/15/95 in the following property, described by item or type

6769 Remington Circle

Pelham, AL 35124

Inst # 1996-00179

01/03/1996-00179
02:45 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
003 MCD 51.00

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 _____.

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.
- 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 \$50.00 per year in order to participate in this plan. We will add this amount to your loan account balance on an annual basis.

• A late charge on any payment not paid within 10 days of the payment date of 5% of the payment or \$100.00, whichever is less.

• A charge of \$20.00 for any advance made in an amount less than the minimum advance.

• Appraisal \$ _____; Official Fees \$ 22.00.

Property Survey \$ _____; Title Search \$ _____.

Origination Fee \$ _____; Title Insurance \$ 125.00.

(Other) _____ **TOTAL** \$ 147.00

ATTORNEY'S FEES: If you default on this agreement and 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 X James H. Ray

Signature X Sandra H. Ray

By _____