

DOUGLAS B SEGREST JR & MICHELLE G SEGREST

This instrument was prepared by

(Name) LESLIE WELLS KING

(Address) 251 JOHNSTON ST DECATUR, AL 35601

729 DIVIDING RIDGE DR

BIRMINGHAM AL 35244 0000

MORTGAGOR

"I" includes each mortgagor above.

First American Bank, an Alabama
Banking Corporation
251 Johnston Street
Decatur, Alabama 35601

MORTGAGEE

"You" means the mortgagee, its successors and assigns

REAL ESTATE MORTGAGE: For value received, I, DOUGLAS B SEGREST JR & MICHELLE G SEGREST

, mortgage, grant, bargain, sell and convey to you, with power of sale to secure the payment of the secured debt described below, on February 26, 1999, 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: 729 DIVIDING RIDGE DR BIRMINGHAM Alabama 35244
(Street) (City) (Zip Code)

LEGAL DESCRIPTION:

Lot 25, according to the Survey of Riverchase West Dividing Ridge, First Addition, as recorded in Map Book 7, page 3, in the Probate Office of Shelby County, Alabama.

This Mortgage is Second & Subordinate to that certain prior Mortgage to Compass Bank (and its assigns), dated 7-10-97, filed for record in Instrument 1997-23900 in the Probate Office of Shelby County, Alabama.

located in SHELBY County, Alabama.

TITLE: I covenant and warrant title to the property, except for 1ST MORTGAGE DESCRIBED ABOVE

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.):

☒ PROMISSORY NOTE OF EVEN DATE

☐ 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 2/26/99. 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 _____ 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 TWO THOUSAND FIVE HUNDRED AND NO/100 Dollars (\$ 32,500.00).

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 page 2 which are hereby incorporated onto page 1 of this mortgage form) and in any riders described above and signed by me.

Douglas B. Segrest Jr (Seal)

Michelle G Segrest (Seal)

MICHELLE G SEGREST

WITNESSES:

[Signature]

Inst # 1999-09946

03/10/1999-09946
08:31 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
903 CRH 62.25

ACKNOWLEDGMENT: STATE OF ALABAMA, SHELBY County ss:

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

DOUGLAS B SEGREST JR & MICHELLE G SEGREST

Individual

whose name(s) IS/ARE signed to the foregoing conveyance, and who IS/ARE known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, HE/SHE 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 26th day of February, 1999

My commission expires: 5/27/01

[Signature]
(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. *and

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.

*you and your agents or assigns, may bid at said sale and purchase said property if the highest bidder therefore.

DOUGLAS B SEGREST JR
MICHELLE G SEGREST
729 DIVIDING RIDGE DR
BIRMINGHAM AL 35244 0000

Borrower's Name and Address
"You" means each borrower above, jointly and severally.

FIRST AMERICAN BANK
251 Johnston Street
Decatur, Alabama 35601

Lender's Name and Address
"We" or "us" means the lender named above.

No. _____
Date February 26, 1999
Trans. Acct. # 71006765
Line of Credit \$ 32500.00
Triggering Balance \$ _____

Initial Advance \$ _____
Minimum Advance \$ 100.00
Minimum Balance \$ _____
Draw Period _____
Repayment Period _____

Maturity Date February 20, 2014
Billing Cycle: Ends 10th
of every month
Payment Date 20th day
of every month

EQUITY LINE OF CREDIT

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.

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 or by phone 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 in this agreement. 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 in this agreement. We may, at our option, grant such a request without obligating ourselves to do so in the future.

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 "principal balance" of your loan account each day.

To figure the "principal balance" for each day, we first 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. The final figure is the "principal balance."

The daily periodic rate of **FINANCE CHARGE** is .021288 % which corresponds to an **ANNUAL PERCENTAGE RATE** of 7.766 %. The annual percentage rate includes interest and not other costs.

The periodic rate and corresponding annual percentage rate described above are the initial rates assessed under this plan, and are not based on the relationship used for later rate adjustments. Had these rates been based on that relationship, the daily periodic rate of

FINANCE CHARGE would have been n/a % which corresponds to an **ANNUAL PERCENTAGE RATE** of n/a %.

The initial rate will be in effect until _____. At that time the rates will be subject to further adjustments and limitations, and produce the effects described below.

VARIABLE RATE: The annual percentage rate may change, and will be .000% PLUS the following "base rate": the highest base rate at large U.S. money center commercial banks that The Wall Street Journal publishes as the prime rate. The annual percentage rate may increase if this "base rate" increases. An increase will take effect immediately.

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 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 18.000 %, and will never exceed the highest allowable rate for this type of agreement as determined by applicable state or federal law.

The **ANNUAL PERCENTAGE RATE** will never decrease below 6.000 %.

MINIMUM CHARGE: If, during a billing cycle, you have any outstanding principal balance at all and if the finance charge computed above is less than \$.50, you will be charged a minimum **FINANCE CHARGE** of \$.50 for that billing cycle.

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 1.50 % of your loan account balance on the last day of the billing cycle.

☐ **FINAL PAYMENT:** On the maturity date listed in this agreement, you must pay the amount of any remaining loan account balance outstanding. The minimum payments will not repay the principal that is outstanding on your line. You will be required to pay the entire outstanding balance in a single balloon payment.

We are not obligated to refinance your loan at that time, 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.

☒ **FINAL PAYMENT:** On the maturity date listed in this agreement, you must pay the amount of any remaining loan account balance outstanding. The minimum payments may not be sufficient to fully repay the principal that is outstanding on your line. If they are not, you will be required to pay the entire outstanding balance in a single balloon payment.

SHELBY COUNTY JUDGE
003 CRH 62.25

(page 1 of 2)
MGS