

Please Return to:  
COLONIAL BANK  
Post Office Box 5627  
Montgomery, Alabama 36103-5627

2982474

## RENEWAL, EXTENSION AND MODIFICATION AGREEMENT

(1 Year Treasury Index - Rate Caps)

This Agreement is made and entered into to be effective the 28th day of JUNE, 2002, by and between COLONIAL BANK (hereinafter referred to as "Note Holder") and JAMES L. HOLZHAUER, A MARRIED PERSON

JOINED HEREIN BY CELETA HOLZHAUER

(hereinafter referred to as "Borrower" whether one or more), said Borrower being legally obligated to pay the hereinafter described Promissory Note.

A. On MAY 21, 2002, JAMES L. HOLZHAUER, A MARRIED PERSON

executed that one certain Promissory Note (the "Note") payable to the order of COLONIAL BANK

in the original principal sum of \$ 132,855.49. Payment of Note is secured by, among other instruments, a Deed of Trust/Mortgage/Security Deed ("Security Instrument") of even date therewith duly recorded in INST #1997-11712 of

SHELBY County, ALABAMA, which instrument encumbers and creates liens against the following described property ( the "Property") located at 420 HOWARD HILL DRIVE, WILSONVILLE, ALABAMA 35186, to-wit:

LOT 12, SECTOR "B", ACCORDING TO THE SURVEY OF "THE HOMESTEAD" AS RECORDED IN MAP BOOK 8, PAGE 167, SHELBY COUNTY, ALABAMA.

X  
X  
CA

(The above referenced Note, Security Instrument and all other instruments evidencing and/or securing the subject indebtedness being herein collectively referred to as either the "Loan" or the "Loan Instruments", as the context may require.)

B. Note Holder and Borrower have determined it would be mutually advantageous and desirable to renew, extend and modify the terms of the Loan as set forth in this Agreement.

Now, therefore, in consideration of the mutual agreements contained herein, Borrower and Note Holder hereby agree as follows (notwithstanding anything to the contrary contained in the Loan Instruments):

1. The foregoing recitals are true and accurate and are incorporated herein by reference.
2. The Loan and the instruments evidencing and/or securing same shall be and are hereby renewed, extended and modified as follows:
  - (i) It is expressly agreed that as of the effective date of this Agreement, the unpaid principal balance of the Loan is \$ 132,855.49 .
  - (ii) Interest will be charged on unpaid principal until the full amount of principal has been paid. Interest will accrue at a yearly rate of 7.2500 %. The interest rate may change in accordances with the provisions set forth below. The interest rate required by this Section (ii) and Section (iv) hereof is the rate at which interest will accrue both before and after any default described herein or in the Loan Instruments.
  - (iii)
    - (a) Principal and interest payments will be made every month. The monthly payments will be made on the 28th day of each month beginning on JULY 28, 2002 . The payments will be made every month until all of the principal and interest and any other charges described herein or that may be owed under the Note have been paid in full. The monthly payments will be applied to interest before principal. If, on JUNE 28, 2027 , any amounts are still owed under the Note, those amounts will be paid in full on that date, which is called the "Maturity Date". Monthly payments will be made at 671 South Perry Street, 3rd Floor Montgomery, Alabama 36104 or at a different place if required by the Note Holder.
    - (b) Each of the initial monthly payments will be made in the amount of U.S. \$ 960.29 . This amount may change.

A handwritten signature, possibly reading 'X [illegible]', is written over the 'Initials:' label. Below the signature, the initials 'CAT' are handwritten.

- (c) Changes in monthly payment will reflect changes in the unpaid principal of the Loan and in the interest rate that must be paid. The Note Holder will determine the new interest rate and the changed amount of the monthly payment in accordance with Section (iv) hereof.
- (iv) (a) The interest rate that will be paid may change on the 28th day of JUNE, 2007, and on that day every 12 months thereafter. Each date on which the interest rate could change is called a "Change Date."
- (b) Beginning with the first Change Date, the interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before the Change Date is called the "Current Index". If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.
- (c) Before each Change Date, the Note Holder will calculate the new interest rate by adding TWO AND SEVEN-EIGHTHS ----- percentage point(s) ( 2.8750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limit stated in Section (iv) (d) below, this rounded amount will be the new interest rate until the next Change Date. The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the Maturity Date at the new interest rate in substantially equal payments. The result of this calculation will be the new amount of the monthly payments
- (d) The interest rate cannot increase or decrease by more than TWO ----- percentage points ( 2.0000 %) at the first adjustment or more than TWO ----- percentage points ( 2.0000 %) per subsequent interest rate adjustments. The interest rate will never be greater than 13.2500 % per annum, which is called the "Maximum Rate".
- (e) The new interest rate will become effective on the Change Date. Borrower will pay the amount of the new monthly payment beginning on the first monthly payment after the Change Date until the amount of the monthly payment changes again.

initials: 

- (f) The Note Holder will deliver or mail to Borrower a notice of any changes in the interest rate and the amount of the monthly payment before the effective date of any change. The notice will include information required by law to be given to Borrower and also the title and telephone number of a person who will answer any questions Borrower may have regarding the notice.
- (v) Uniform Covenant 17 of the Security Instrument is described as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Initials: The block contains the word 'Initials:' followed by a handwritten signature and the initials 'CA'.



- (vi) Borrower also will comply with all other covenants, agreements, and requirements of the Loan Instruments as modified hereby, including without limitations, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Loan Instruments.

3. Except as expressly provided herein, the Loan and all instruments evidencing same shall remain unchanged and unimpaired. By entering into this Agreement, the parties hereto have no intention whatsoever to extinguish or discharge the indebtedness or liens evidenced by the Loan Instruments or to effect any novation rather, the parties hereto intend merely to renew, extend and modify the obligations of Borrower contained in the Loan Instruments and carry forward all liens securing the Loan (which are acknowledged by Borrower to be valid and subsisting, as expressly provided in this Agreement).

4. The provisions of this Agreement shall bind and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

5. A breach or other default of any of the terms of this Agreement by Borrower shall constitute a breach or default under the Note and Security Instrument, and Note Holder shall thereupon have the right to seek all remedies available to it under the aforesaid Loan Instruments.

6. Borrower covenants and agrees that the rights and remedies of the Note Holder under this Agreement are cumulative of, are not in lieu of but are in addition to, and their exercise or the failure to exercise them shall not constitute a waiver of, any other rights and remedies which Note Holder shall have under the Note or the Security Instrument.

7. It is agreed that time and the unimpaired security of Note Holder are of the essence of this agreement.

8. Borrower covenants and agrees that this Agreement represents the final agreement between Borrower and Note Holder relating to the above described subject matter and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties hereto. Borrower further covenants and agrees that there are no unwritten oral agreements between the parties hereto relating to the above described subject matter.

9. As used herein "Note Holder" shall mean the undersigned Note Holder or any future holder, whether one or more, of the Note.

10. This Agreement shall be of no force or effect until such time as Note Holder has received the monthly installment due on the Note on the effective date of this Agreement and until such time as this Agreement has been duly executed by Note Holder.

SEE ADJUSTABLE RATE NOTES, ADDENDUMS AND RIDERS ATTACHED AS EXHIBITS ONLY

In Witness whereof, this Agreement has been executed the date of the acknowledgements but to be effective as of JUNE 28, 2002 .

NOTE HOLDER:  
COLONIAL BANK

By: Joy E Woodh  
Name: Joy E Woodham  
Title: Loan Officer

BORROWER(S):

James L. Holzhauser (Seal)  
JAMES L. HOLZHAUSER -Borrower

X Celeta Holzhauser (Seal)  
CELETA HOLZHAUSER -Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

STATE OF Alabama

County of Chilton

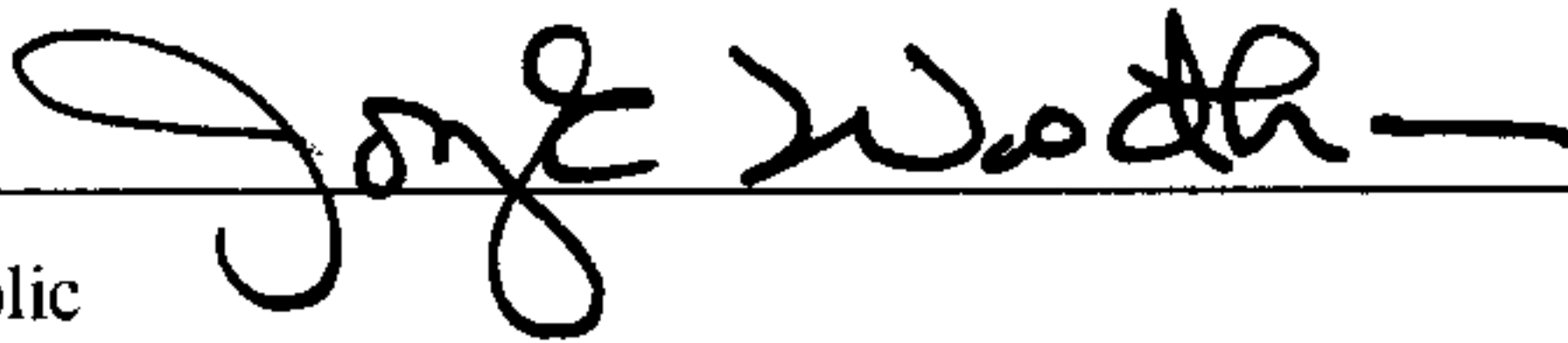
Before me Joy E. Woodham on this day personally appeared  
JAMES L. HOLZHAUER and CELETA HOLZHAUER

known to me (or proved to me on the oath of \_\_\_\_\_  
or through \_\_\_\_\_)  
to be the person(s) whose name(s) are \_\_\_\_\_ subscribed to the foregoing instrument and acknowledged to  
me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 28<sup>th</sup> day of JUNE  
2002

(Seal)

Notary Public



NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: May 2, 2006  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF Alabama

County of Chilton

Before me \_\_\_\_\_ on this day personally appeared  
\_\_\_\_\_, of  
COLONIAL BANK

known to me (or proved to me on the oath of \_\_\_\_\_  
or through \_\_\_\_\_)  
to be the person(s) whose name(s) \_\_\_\_\_ subscribed to the foregoing instrument and acknowledged to  
me that \_\_\_\_\_ executed the same for the purposes and consideration therein expressed and in the  
capacity therein stated.

Given under my hand and seal of office this \_\_\_\_\_ day of JUNE  
2002

(Seal)

Notary Public



NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Aug 14, 2004  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Prepared By: Schwartz & Associates, 1446 Heritage Drive, McKinney, TX 75069 (972) 562-1966  
JARMMOD2 (03/98)

initials: 

# FIXED/ADJUSTABLE RATE RIDER

(One-Year Treasury Index - Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this 28th day of JUNE, 2002, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to COLONIAL BANK

("Lender") of the same date and covering the property described in the Security Instrument and located at:

420 HOWARD HILL DRIVE, WILSONVILLE, ALABAMA 35186

[Property Address]

THE NOTE PROVIDES FOR A CHANGE IN BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

## A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 7.2500 %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

### 4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the 28th day of JUNE, 2007, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

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MULTISTATE FIXED/ADJUSTABLE RATE RIDER - ONE-YEAR TREASURY INDEX- Single Family -  
Fannie Mae Uniform Instrument

Form 3182 1/01

Page 1 of 4

VMP 843R (0006)

VMP MORTGAGE FORMS - (800)521-7291

Initials:





**(B) The Index**

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND SEVEN-EIGHTHS** ..... percentage points ( **2.8750** %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than **9.2500** % or less than **5.2500** %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than **TWO** ..... percentage points from the rate of interest I have been paying for the preceding **12** months. My interest rate will never be greater than **13.2500** %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument shall read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

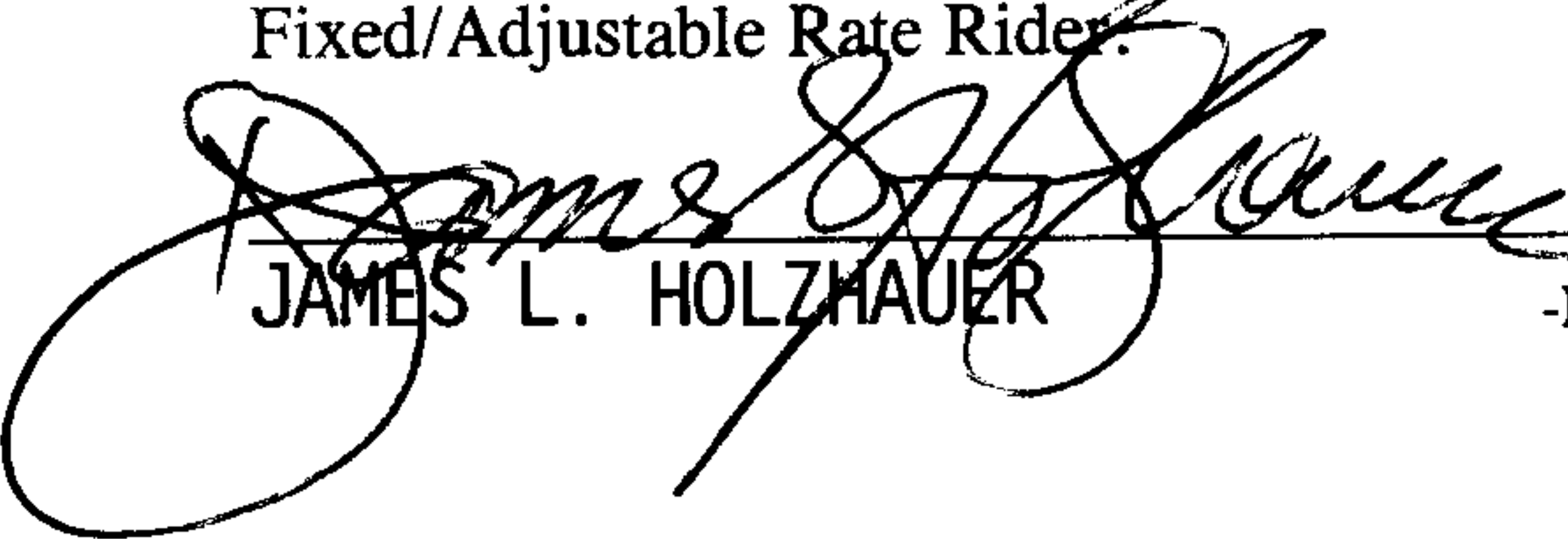
If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.


To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all

sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider:

 (Seal)  
JAMES L. HOLZHAUSER -Borrower

 (Seal)  
CELETA HOLZHAUSER -Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_ (Seal)  
-Borrower

2982474

-843R (0006)

Return To:  
COLONIAL BANK

Post Office Box 5627  
Montgomery, Alabama 36103-5627



## RIDER TO ADJUSTABLE RATE RIDER

THIS RIDER TO ADJUSTABLE RATE RIDER is made this 28th day of JUNE 2002, and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider (the "Rider") of the same date, said Rider being incorporated into and deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date and given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to COLONIAL BANK

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

420 HOWARD HILL DRIVE, WILSONVILLE, ALABAMA 35186  
[Property Address]

Paragraph B of the Rider is hereby restated in its entirety as follows:

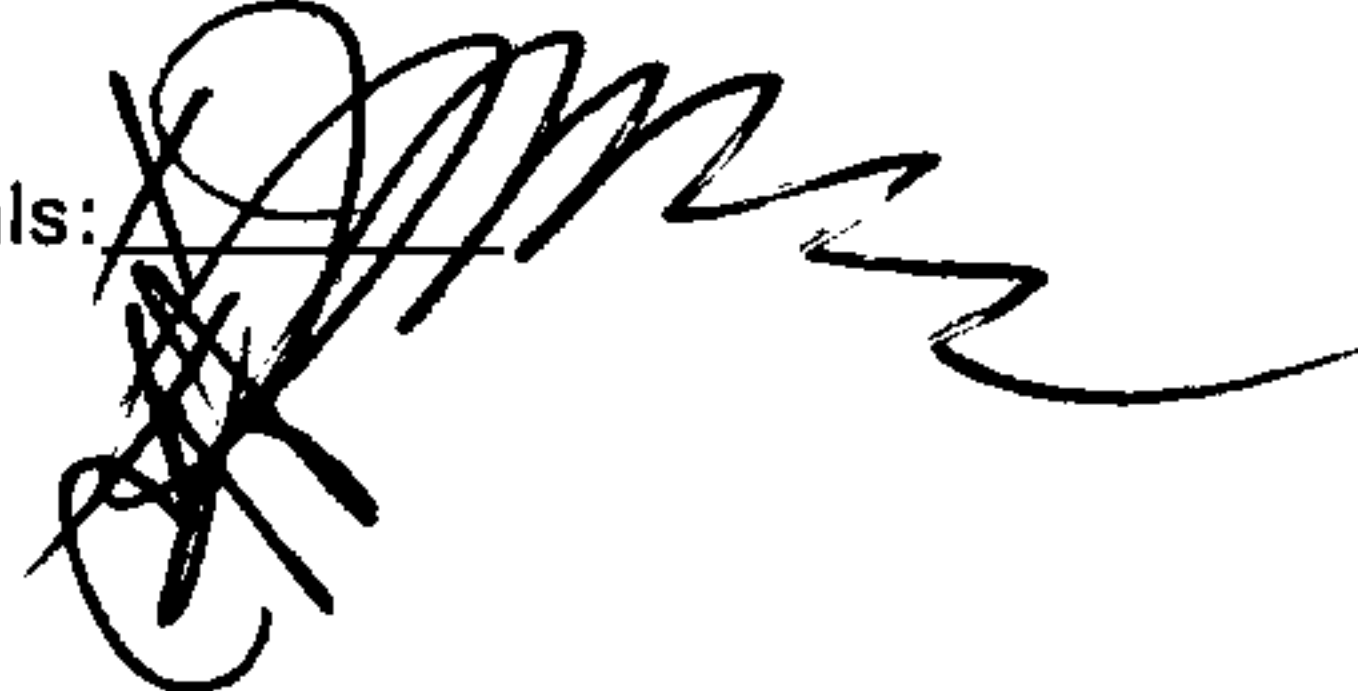
### **B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

Section 18 of the Security Instrument is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

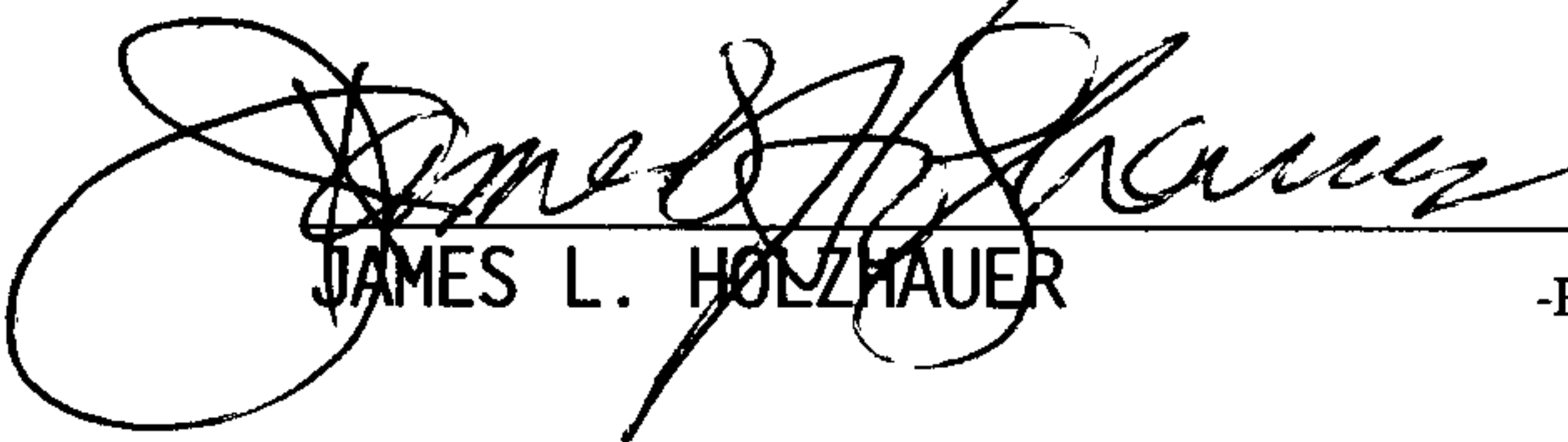
If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

2982474  
Initials: 



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Rider to Adjustable Rate Rider.

  
\_\_\_\_\_  
JAMES L. HOLZHAUSER (Seal)  
-Borrower

  
\_\_\_\_\_  
CELESTA HOLZHAUSER (Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

2982474

Return To:  
COLONIAL BANK

Post Office Box 5627  
Montgomery, Alabama 36103-5627

## SECOND HOME RIDER

THIS SECOND HOME RIDER is made this 28<sup>th</sup> day of JUNE, 2002, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to COLONIAL BANK

(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:

420 HOWARD HILL DRIVE, WILSONVILLE, ALABAMA 35186

[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

**6. Occupancy.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.

2982474

MULTISTATE SECOND HOME RIDER - Single Family -  
Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

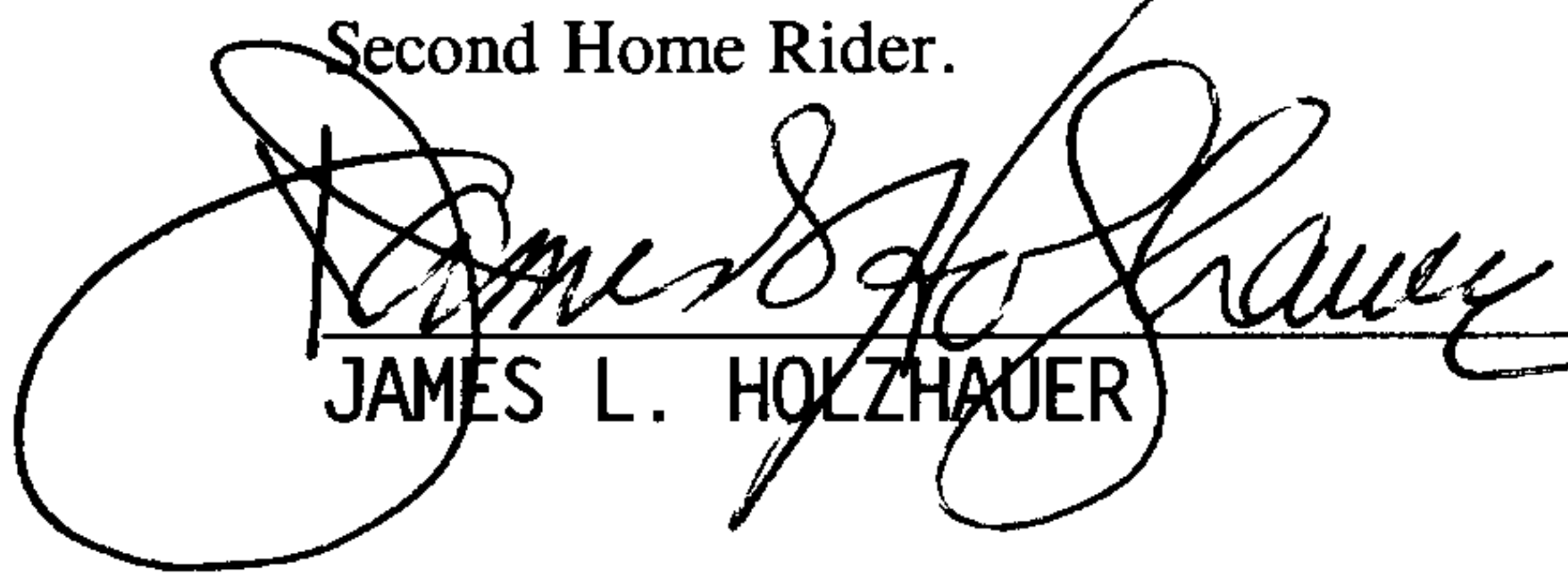
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VMP 365R (0011)

VMP MORTGAGE FORMS - (800)521-7291

Form 3890 1/01  
Initials: 

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this  
Second Home Rider.

  
\_\_\_\_\_  
JAMES L. HOLZHAUSER (Seal)  
-Borrower

  
\_\_\_\_\_  
CELETA HOLZHAUSER (Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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(Seal)  
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(Seal)  
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(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

2982474

-365R (0011)

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Form 3890 1/01

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COLONIAL BANK

Post Office Box 5627  
Montgomery, Alabama 36103-5627

# FIXED/ADJUSTABLE RATE NOTE

(One-Year Treasury Index - Rate Caps)

THIS NOTE PROVIDES FOR A CHANGE IN MY FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THIS NOTE LIMITS THE AMOUNT MY ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY.

JUNE 28, 2002  
[Date]

CLANTON  
[City]

ALABAMA  
[State]

420 HOWARD HILL DRIVE, WILSONVILLE, ALABAMA 35186  
[Property Address]

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 132,855.49 (this amount is called "Principal"), plus interest, to the order of Lender. Lender is COLONIAL BANK

I will make all payments under this Note in the form of cash, check or money order.

I understand that Lender may transfer this Note. Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

## 2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 7.2500 %. The interest rate I will pay may change in accordance with Section 4 of this Note.

The interest rate required by this Section 2 and Section 4 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

## 3. PAYMENTS

### (A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payments on the 28th day of each month beginning on JULY 28, 2002

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on JUNE 28, 2027, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 671 South Perry Street, 3rd Floor  
Montgomery, Alabama 36104

or at a different place if required by the Note Holder.

### (B) Amount of My Initial Monthly Payments

Each of my initial monthly payments will be in the amount of U.S. \$ 960.29 . This amount may change.

### (C) Monthly Payment Changes

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note.

## 4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

### (A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the 28th day of JUNE, 2007, and the adjustable interest rate I will pay may change on that day every 12th month thereafter.

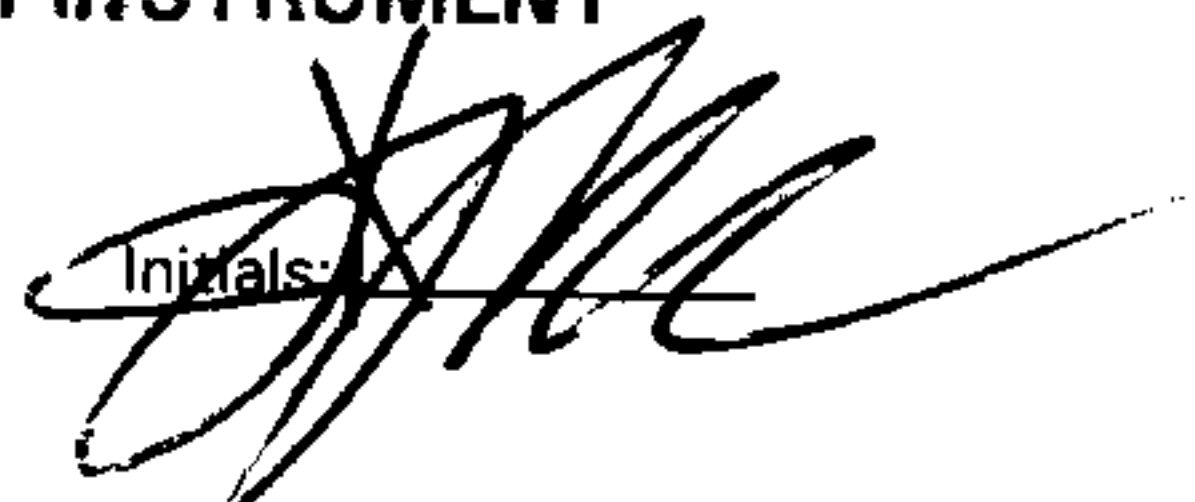
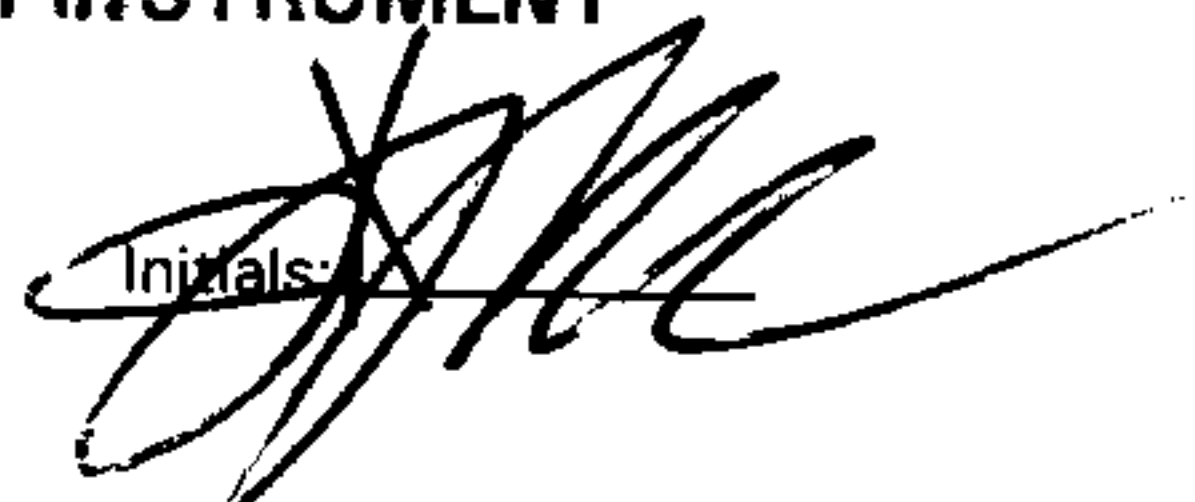
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MULTISTATE FIXED/ADJUSTABLE RATE NOTE - ONE-YEAR TREASURY INDEX - Single Family - Fannie Mae UNIFORM INSTRUMENT  
Form 3522 1/01

VMP MORTGAGE FORMS - (800)521-7291

 843N (0005).01

Page 1 of 5

  
Initials: 



The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

**(B) The Index**

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND SEVEN-EIGHTHS ----- percentage points ( 2.8750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 9.2500 % or less than 5.2500 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than TWO ----- percentage points from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 13.2500 %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**5. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of this Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial Prepayment may reduce the amount of my monthly payments after the first Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

**6. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

**7. BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charges for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.0000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

**(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal that has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

**(D) No Waiver By Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**8. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**9. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**10. WAIVERS**

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

**11. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions read as follows:

(A) Until my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 18 of the Security Instrument shall read as follows:



**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(B) When my initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section 4 above, Uniform Covenant 18 of the Security Instrument described in Section 11(A) above shall then cease to be in effect, and Uniform Covenant 18 of the Security Instrument shall instead read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

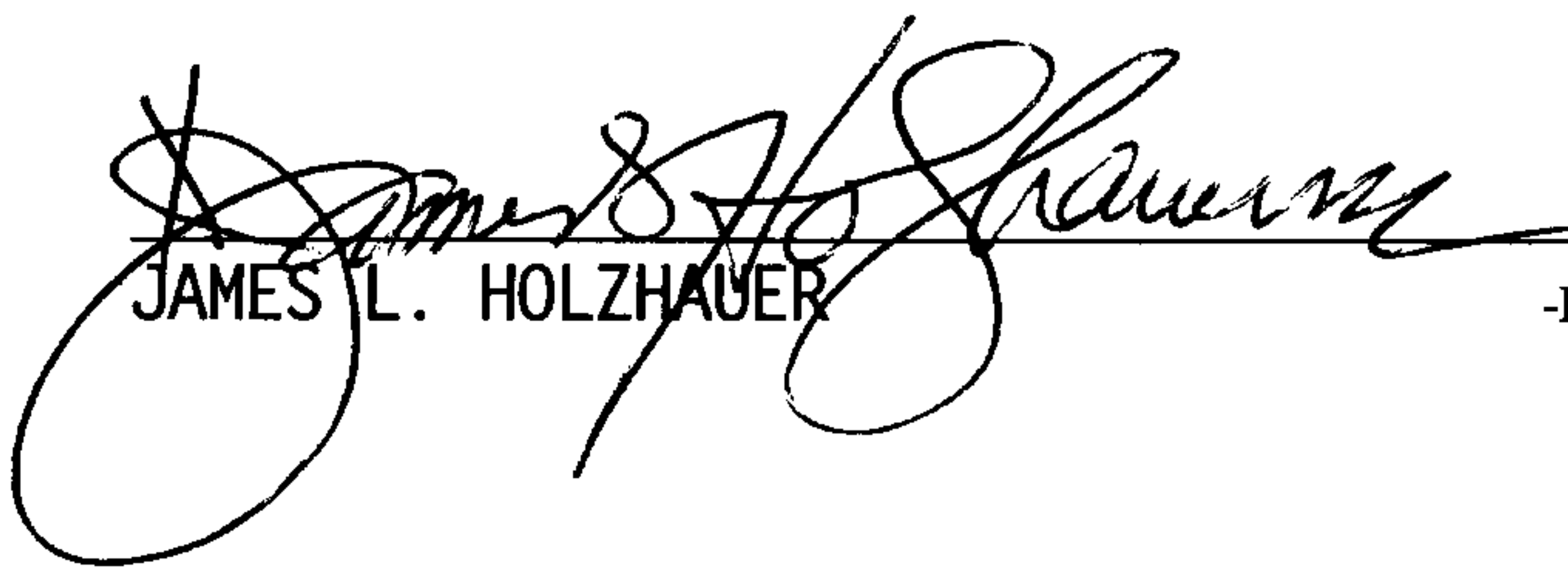
If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

CAUTION-It is important that you thoroughly read the contract before you sign it  
NOTES, ADDENDUMS AND RIDERS ARE ATTACHED AS EXHIBITS ONLY TO THE MODIFICATION

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.



(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

[Sign Original Only]

2982474



ADDENDUM TO ADJUSTABLE RATE NOTE

THIS ADDENDUM TO ADJUSTABLE RATE NOTE is made this 28th day of JUNE, 2002, and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Note (the "Note") of the same date given by the undersigned (the "Borrower") and made payable to the order of COLONIAL BANK

Paragraph 11 of the Note is hereby restated in its entirety as follows:

20020717000334330 Pg 21/21 72.00  
Shelby Cnty Judge of Probate, AL  
07/17/2002 14:02:00 FILED/CERTIFIED


11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Addendum to Adjustable Rate Note.

 _____ JAMES L. HOLZHAUSER (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

[Sign Original Only]

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