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Shelby Cnty Judge of Probate, AL
04/03/2006 12:23:49PM FILED/CERT

CEFCU
HOME EQUITY DEPT
PO BOX 1715
PEORIA IL 61656

SPACE ABOVE THIS LINE FOR RECORDER'S USE

REVOLVING CREDIT MORTGAGE

THIS MORTGAGE CONTAINS A DUE-ON-SALE PROVISION AND SECURES INDEBTEDNESS UNDER A CREDIT AGREEMENT WHICH PROVIDES FOR A REVOLVING LINE OF CREDIT AND MAY CONTAIN A VARIABLE RATE OF INTEREST.

THIS MORTGAGE ("Security Instrument") is made on FEBRUARY 24, 2006.
The Grantor is ARTHUR J. GAY III AND ELISABETH S. GAY, HUSBAND AND WIFE ("Borrower").
The Mortgagee is CITIZENS EQUITY FIRST CREDIT UNION,
a corporation organized and existing under the laws of THE ILLINOIS CREDIT UNION ACT,
whose address is 5401 W DIRKSEN PKWY, PEORIA, IL 61604 ("Lender").

WHEREAS, Borrower is indebted to Lender as described in this paragraph;
TO SECURE to Lender:

- (1) The repayment of all indebtedness due and to become due under the terms and conditions of the LOANLINER® Home Equity Plan Credit Agreement and Truth-in-Lending Disclosures made by Borrower and dated the same day as this Security Instrument, and all modifications, amendments, extensions and renewals thereof (herein "Credit Agreement"). Lender has agreed to make advances to Borrower under the terms of the Credit Agreement, which advances will be of a revolving nature and may be made, repaid, and remade from time to time. Borrower and Lender contemplate a series of advances to be secured by this Security Instrument. The total outstanding principal balance owing at any one time under the Credit Agreement (not including finance charges thereon at a rate which may vary from time to time, and any other charges and collection costs which may be owing from time to time under the Credit Agreement) shall not exceed ONE HUNDRED THOUSAND (\$100,000.00). That sum is referred to herein as the Maximum Principal Balance and referred to in the Credit Agreement as the Credit Limit. On the Final Payment Date, 02/24/2029 years from the date of this Security Instrument, the entire indebtedness under the Credit Agreement, if not paid earlier, is due and payable.
- (2) The payment of all other sums advanced in accordance herewith to protect the security of this Security Instrument, with finance charges thereon at a rate which may vary as described in the Credit Agreement.
- (3) The performance of Borrower's covenants and agreements under this Security Instrument and under the Credit Agreement.

BORROWER does hereby mortgage, grant and convey to Lender, with power of sale upon breach of the terms hereof, the following described property located in the County of SHELBY, State of Alabama:

SITUATED IN SHELBY COUNTY, ALABAMA, TO-WIT: LOT 1446, ACCORDING TO THE MAP OF HIGHLAND LAKES, 14TH SECTOR, AN EDDLEMAN COMMUNITY, AS RECORDED IN MAP BOOK 30, PAGE 74A & B, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA

which has the address of 1016 LOCKSLEY CIRCLE,
(Street)

BIRMINGHAM, Alabama 35242 (herein "Property Address");
(City) (Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and fixtures, all of which shall be deemed to be and remain a part of the property covered by this Security Instrument; and all of the foregoing, together with said property (or the leasehold estate if this Security Instrument is on a leasehold) are hereinafter referred to as the "Property."

Complete if applicable:

This Property is part of a condominium project known as _____.

This Property includes Borrower's unit and all Borrower's rights in the common elements of the condominium project.

This Property is in a Planned Unit Development known as _____.

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Finance Charges and Other Charges. Borrower shall promptly pay when due all amounts borrowed under the Credit Agreement, all finance charges and applicable other charges and collection costs as provided in the Credit Agreement.

2. Funds for Taxes and Insurance. Subject to applicable law, Lender, at Lender's option, may require Borrower to pay to Lender on the day monthly payments of principal and finance charges are payable under the Credit Agreement, until all sums secured by this Security Instrument are paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Security Instrument, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance and flood insurance, if applicable, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Security Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 22 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Credit Agreement and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, second, (in the order Lender chooses) to any finance charges, other charges and collection costs owing, and third, to the principal balance under the Credit Agreement.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument, including Borrower's covenants to make payments when due. Except to the extent that any such charges or impositions are to be paid to Lender under paragraph 2, Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any. Within five days after any demand by Lender, Borrower shall exhibit to Lender receipts showing that all amounts due under this paragraph have been paid when due.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," floods and such other hazards as Lender may require and in such amounts and for such periods as Lender may require. Unless Lender in writing requires otherwise, the policy shall provide insurance on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the hazard insurance policy, and the amount of coverage shall be no less than the Maximum Principal Balance plus the full amount of any lien which has priority over this Security Instrument.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. All insurance proceeds are hereby assigned to Lender and shall be paid to Lender to the extent of all sums secured by this Security Instrument, subject to the terms of any mortgage, deed of trust or security agreement with a lien which has priority over this Security Instrument. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restore or repair the Property, if it is economically feasible to do so.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Security Instrument.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Security Instrument is on a leasehold. If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and the constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. Any amounts disbursed by Lender pursuant to this paragraph 7, with finance charges thereon, at the rate provided in the Credit Agreement, shall become additional indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder. Any action taken by Lender under this paragraph shall not cure any breach Borrower may have committed of any covenant or agreement under this Security Instrument. Borrower agrees that Lender is subrogated to all of the rights and remedies of any prior lienor, to the extent of any payment by Lender to such lienor.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, to the extent of any indebtedness under the Credit Agreement, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Security Instrument.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 21 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Security Instrument, but does not execute the Credit Agreement, (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Security Instrument, (b) is not personally liable under the Credit Agreement or under this Security Instrument, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations or amendments with regard to the terms of this Security Instrument or the Credit Agreement, without that Borrower's consent and without releasing that Borrower or modifying this Security Instrument as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and local laws applicable to this Security Instrument shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Security Instrument. In the event that any provision or clause of this Security Instrument or the Credit Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Credit Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Security Instrument and the Credit Agreement are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Prior Mortgage or Deed of Trust; Modification; Future Advance. Borrower shall not enter into any agreement with the holder of any mortgage, deed of trust or other security agreement which has priority over this Security Instrument by which that security agreement is modified, amended, extended, or renewed, without the prior written consent of the Lender. Borrower shall neither request nor accept any future advance under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Lender.

15. Borrower's Copy. Borrower shall be furnished a copy of the Credit Agreement and of this Security Instrument at the time of execution or after recordation hereof.

16. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower may enter into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

17. Waiver of Homestead Exemption. To the extent permitted by law, Borrower hereby waives the benefit of the homestead exemption as to all sums secured by this Security Instrument.

18. Waiver of Statutes of Limitation. To the extent permitted by law, Borrower hereby waives statutes of limitation as a defense to any demand or obligation secured by this Security Instrument.

19. Merger. There shall be no merger of the interest or estate created by this Security Instrument with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

20. Notice of Transfer of the Property. Borrower shall give notice to Lender, as provided in paragraph 12 hereof, prior to any sale or transfer of all or part of the Property or any rights in the Property. Any person to whom all or part of the Property or any right in the Property is sold or transferred also shall be obligated to give notice to Lender, as provided in paragraph 12 hereof, promptly after such transfer.

Even if Borrower transfers the Property, Borrower will continue to be obligated under the Credit Agreement and this Security Instrument unless Lender releases Borrower in writing. As a condition to Lender's consent to any proposed transfer or as a condition to the release of Borrower, Lender may require that the person to whom the Property is transferred sign an assumption agreement satisfactory to Lender and Lender may impose an assumption fee. The assumption agreement will not entitle the person signing it to receive advances under the Credit Agreement.

21. Transfer of the Property. Subject to applicable law, Lender shall have the right to accelerate, that is, to demand immediate payment in full of all sums secured by this Mortgage or Deed of Trust, if Borrower, without the written consent of Lender, sells or transfers all or part of the Property or any rights in the Property.

If Lender exercises the option to accelerate, Lender shall give Borrower notice of acceleration in accordance with paragraph 12 hereof. The notice shall provide a period of not less than 30 days from the date of the notice within which Borrower may pay the sums declared due. If Borrower fails to pay those sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 22 hereof.

22. **Default; Termination and Acceleration; Remedies.** Each of the following events shall constitute an event of default ("event of default") under this Security Instrument: (1) Borrower commits fraud or makes a material misrepresentation in connection with this Security Instrument or the Credit Agreement; (2) Borrower does not meet the repayment terms of the Credit Agreement; or (3) Borrower's action or inaction adversely affects the Lender's rights in the Property secured by this Security Instrument. If an event of default occurs, then prior to exercising any right or remedy provided for in this Security Instrument and prior to acceleration, Lender shall give notice as provided in paragraph 12 hereof and as required by applicable law. The notice shall specify: (a) the event of default; (b) the action required to cure the event of default; (c) a date not less than ten days (or any longer period required by applicable law) from the date the notice is given to Borrower by which the event of default must be cured; (d) that failure to cure the event of default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property; and (e) any other information required by applicable law. The notice shall further inform Borrower of the right to reinstate after acceleration, if applicable, and the right to bring a court action to assert the nonexistence of an event of default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, without further notice or demand, may declare default, may declare all sums secured by this Security Instrument to be immediately due and payable, and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 22, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall mail a copy of a notice of sale to Borrower in the manner provided in paragraph 12 hereof. Lender shall publish the notice of sale once a week for three consecutive weeks in some newspaper published in SHELBY County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of said County. Lender shall deliver to the purchaser Lender's deed conveying the Property so sold. Lender or Lender's designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorneys' fees and costs of title evidence; (b) to all sums secured by this Mortgage; and (c) the excess, if any, to the person or persons legally entitled thereto.

23. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of (i) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument or (ii) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which would then be due under this Security Instrument and the Credit Agreement had no acceleration occurred; (b) cures all events of default under this Security Instrument and the Credit Agreement; (c) pays all reasonable expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 21.

24. **Release.** This Security Instrument secures a revolving line of credit and advances may be made, repaid, and remade from time to time, under the terms of the Credit Agreement. When according to the terms of the Credit Agreement, no more advances will be made, and Borrower has paid all sums secured by this Security Instrument (or earlier if required by applicable law), Lender shall discharge this Security Instrument, and until the written discharge is delivered to Borrower, this Security Instrument shall remain in full force and effect. To the extent permitted by law, Lender may charge Borrower a fee for the discharge and require Borrower to pay costs of recordation, if any.

25. **Waiver of Dower and Curtesy.** Borrower hereby relinquishes all right of dower and curtesy in the Property.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Security Instrument to give Notice to Lender, at Lender's address set forth on page one of this Security Instrument, of any default under the superior encumbrance and of any sale or other foreclosure action.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

STATE OF ALABAMA, SHELBY
I, VANESSA J. FISHER
a Notary Public in and for said state, hereby certify that ARTHUR J. GAY III AND ELISABETH S. GAY, whose name(s) ARE signed to the foregoing conveyance, and who ARE known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.
Given under my hand and seal of office this the 24 day of FEBRUARY, 2006.
My Commission expires: 9-9-2008
NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Sept 9, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS
This instrument was prepared by JENNIFER YOUNG PO BOX 1715, PEORIA, IL 61656
(Name and Address of Preparer)

Arthur J. Gay III (Seal)
Borrower
Elisabeth S. Gay (Seal)
Borrower
ELISABETH S. GAY
County ss:

CEFCU®
P.O. Box 1715
Peoria, IL 61656

20060403000152560 5/7 \$30.00
Shelby Cnty Judge of Probate, AL
04/03/2006 12:23:49PM FILED/CERT

HOME EQUITY ADDENDUM

This Addendum is incorporated into and becomes a part of your LOANLINER® Credit Agreement and Truth in Lending Disclosure.

OPENING DATE	MATURITY DATE	CREDIT LIMIT	ACCOUNT NUMBER
02/24/2006	02/24/2029	100,000.00	569233-604

BORROWER NAME AND ADDRESS

ARTHUR & ELISABETH GAY
1016 LOCKSLEY CIRCLE
BIRMINGHAM, AL 35242

ADDRESS OF PROPERTY SECURING ACCOUNT

1016 Locksley Circle, Birmingham, AL 35242

INITIAL DISCOUNTED RATE:

The initial discounted rate will be in effect until March 31, 2006 and, at the credit union's option, for a longer period of time.

ANNUAL PERCENTAGE RATE

6.74 %

DAILY PERIODIC RATE

.01846575%

The current rate that would have applied without the discount is:

INDEX RATE	MARGIN ADDED TO INDEX	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
4.34%	4.00%	8.34%	.02284931%

SCHEDULE OF CLOSING COSTS:

Description	Amount	Description	Amount
Appraisal	\$.00		\$
Lien Search	\$.00		\$
Recording Fee	\$.00		\$
	\$		\$
	\$		\$

PAYMENT INFORMATION: You can obtain advances of credit for 8 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends. You will be required to make monthly payments during both the draw and repayment periods. At the time of each credit advance a payoff period will be established. The payoff period may change depending on the amount of your outstanding credit balance after you obtain an advance. The payoff period is shown in the following table:

Range of Balances	Payoff Period
Up to \$10,000.00	60 Monthly Payments
\$10,000.01 - \$25,000.00	120 Monthly Payments
\$25,000.01 - and Above	180 Monthly Payments

The payoff period after a credit advance will always be the shorter of the payoff period for your outstanding balance or the time remaining to the final payment date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases. If, after the increase, your payment is insufficient to repay the balance within the existing payoff period, but is sufficient to repay the balance within the shorter of 180 months or the time remaining to the final payment date, then your payment will not change. Instead, we will extend the payoff period by the number of months needed to ensure that your payment will repay the balance. If, after the increase, your payment is insufficient to repay the balance within the shorter of 180 months or the time remaining to the final payment date, then we will increase your payment. The payment will increase by the amount necessary to ensure that the balance will be repaid within the shorter of those two periods. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$100.00, or the full amount that you owe.

PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE: We will determine the periodic rate and the

corresponding annual percentage rate as follows. We start with an independent index, (the "Index"), which is the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one year. We will use the most recent index value available to us as of 15 days before the date of any annual percentage rate adjustment. To determine the periodic rate that will apply to your account, we add a margin, as disclosed above, to the value of the Index. Then we divide this sum by the number of days in a year (365). To obtain the annual percentage rate we will multiply the periodic rate by the number of days in a year (365). This result is the annual percentage rate.

The annual percentage rate can change quarterly on the first day of January, April, July, and October. There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% or the maximum permitted by law, whichever is less.

OTHER CHARGES:

Late Charges: If you are 10 or more days late, you will be charged 5% of the payment due or \$5.00 whichever is smaller.

Check Printing Fee: We may charge you \$7.50 per order for printing checks or sharedrafts to be used to obtain advances under this plan.

CALIFORNIA AND GEORGIA BORROWERS ONLY:

-DUE ON SALE: You promise to notify the credit union immediately if you enter into an agreement to sell or transfer ownership of all or any part of the property securing this account. If you sell or transfer ownership without first obtaining the written consent of the credit union, the credit union may exercise its rights described in the security instrument. The security instrument provides;

-TRANSFER OF THE PROPERTY: Subject to applicable law, Lender shall have the right to accelerate, that is, to demand immediate payment in full of all sums secured by this security instrument, if Borrower, without the written consent of Lender, sells

or transfers all or part of the Property or any rights in the Property. If Lender exercises the option to accelerate, Lender shall give Borrowers written notice of acceleration. The notice shall provide a period of not less than 30 days from the date of the notice within which Borrower may pay the sums declared due. If Borrower fails to pay those sums prior to the expiration of such period, Lender may without further notice or demand on Borrower, invoke any remedies provided for in this security instrument.

UPDATING INFORMATION: You promise that you will give us updated financial information and information about matters affecting the title and value of the property securing this Plan. You agree that we may obtain credit reports and appraisals at our option and expense for any reason.

WISCONSIN BORROWERS ONLY:

NOTE: The following section applies only if the mortgage used with this Plan secures a line of credit of \$25,000.00 or less and is a second mortgage. This section does not apply to any first mortgage or equivalent first mortgage loans.

MORTGAGE- This Plan is secured by a mortgage on your dwelling. However, we will not enforce the mortgage if the total amount(including unpaid finance charges) payable upon default or termination is less than \$1,000.00.

COLLECTION COSTS FOR ILLINOIS BORROWERS: You promise to pay, subject to applicable law, all costs of collecting what you owe under this agreement or realizing on security including court costs, collection agency fees and reasonable attorney's fees. We may enter into a contingent or hourly fee arrangement with an attorney or collection agency and you agree that such an agreement is reasonable. This provision also applies to bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR FLORIDA, MISSOURI, MINNESOTA, PENNSYLVANIA, KENTUCKY, NEVADA, NORTH CAROLINA, OHIO, MISSISSIPPI, ARIZONA, TENNESSEE AND VIRGINIA BORROWERS: You promise to pay all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR INDIANA BORROWERS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorney fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR CALIFORNIA BORROWERS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court

costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR ALABAMA BORROWERS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR GEORGIA BORROWERS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to 15% of the principal plus accrued interest as attorneys fees, if collected by or through an attorney at law, as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings. If not prohibited by applicable law you will also pay any court costs.

COLLECTION COSTS FOR COLORADO BORROWERS: You promise to pay, subject to any limits under applicable law, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees not to exceed 15% of the unpaid debt after termination or acceleration of your account and referral to an attorney who is not our salaried employee, as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings. If not prohibited by applicable law you will also pay any court costs.

COLLECTION COSTS FOR IOWA BORROWERS: You promise to pay, subject to any limits under the Iowa Uniform Consumer Credit Code, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.

COLLECTION COSTS FOR SOUTH CAROLINA BORROWERS: You promise to pay, subject to any limits under the South Carolina Consumer Protection Code, all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees not to exceed 15% of the unpaid debt upon referral to an attorney who is not our salaried employee, as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings. If not prohibited by applicable law you will also pay any court costs.

COLLECTION COSTS FOR WEST VIRGINIA BORROWERS: No Collection Costs.

COLLECTION COSTS FOR WISCONSIN BORROWERS: Unless this agreement is subject to the Wisconsin Consumer Act, you promise to pay all costs of collecting the amount you owe under this agreement. This includes but is not limited to reasonable attorneys fees and court costs as well as legal expenses for any bankruptcy, appeals or postjudgment proceedings.



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Exhibit "A"

Legal Description

The land referred to in this Report is situated in the **STATE OF ALABAMA, COUNTY OFSHELBY, CITY OFBIRMINGHAM**, and is described as follows:

SITUATED IN SHELBY COUNTY, ALABAMA, TO-WIT: LOT 1446, ACCORDING TO THE MAP OF HIGHLAND LAKES, 14TH SECTOR, AN EDDLEMAN COMMUNITY, AS RECORDED IN MAP BOOK 30, PAGE 74A & B, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA. PERMANENT PARCEL NUMBER: 092040006006000 FIRST AMERICAN ORDER NO: 8749929