

AT

ELI LILLY HOME EQUITY REAL ESTATE MORTGAGE  
(Closed End)

Mortgagor (last name first):

Mortgagee:

SCANLON GILLIAM, ,MARGARET AND RONALD

ELI LILLY FEDERAL CREDIT UNION

Lilly Corporate Center

1038 OAK TREE RD

Indianapolis, Indiana 46285

Mailing Address

BIRMINGHAM AL 35244  
City State ZIP

This instrument was prepared by:

**THE STATE OF ALABAMA**

MARSHA D KING

225 SOUTH EAST ST SUITE 300

SHELBY County

INDIANAPOLIS, IN 46202

KNOW ALL MEN BY THESE PRESENTS: That whereas Ronald B Gilliam and Margaret A Scanlon Gilliam Husband and Wife as Joint Tenants with Right of Survivorship

(whether one or more, hereinafter called "Borrowers") have entered into a Variable Rate Home Equity Lending Agreement (hereinafter called "the Agreement") dated December 17, 2008 with Eli Lilly Federal Credit Union, of Indianapolis, Indiana (hereinafter called "Mortgagee") in the amount of \$ 67,800.00 having a final due date of 01/15/2024; that the rate of interest payable on such loans made under the agreement is a variable interest rate which may change each month based on changes in the "Index" (as defined in the Agreement); and that the Agreement will continue in effect until terminated in accordance with its terms.

NOW, THEREFORE, in consideration of the Agreement and in order to secure the payment of all loans now hereafter made to or at the request of the Borrowers named above, or, if more than one Borrower is named, all loans now or hereafter made to or at the request of any one or more of the Borrowers, and any extensions or renewals of all such loans (including any agreement or instrument hereafter given to evidence the Borrower's obligation to repay any

such indebtedness, or any extension or renewal thereof), the payment of all interest and finance charges on such loans whenever incurred, the payment and performance of all obligations of the Borrowers under the Agreement, (including any amendment, modification, extension, or supplement of or to the Agreement), and compliance with all the covenants and stipulations hereinafter contained, the undersigned

(whether one or more, hereinafter called "Mortgagor") does hereby assign, grant, bargain, sell and convey unto Mortgagee, subject only to any mortgage set forth below, the following described real property situated in SHELBY County, State of Alabama, viz:

THE FOLLOWING DESCRIBED REAL ESTATE, SITUATED IN SHELBY COUNTY, ALABAMA, TO-WIT: LOT 3106, ACCORDING TO THE SURVEY OF RIVERCHASE COUNTRY CLUB 31ST ADDITION AS RECORDED IN MAP BOOK 18, PAGE 122, INSTRUMENT NO. 1994-23360, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA. SUBJECT TO RESTRICTIONS, RESERVATIONS, EASEMENTS, COVENANTS, OIL, GAS OR MINERAL RIGHTS OF RECORD, IF ANY.

This conveyance is subject to a mortgage indebtedness in favor of ("MERS") COMPASS BANK, AN ALABAMA STATE BANK, of Dated 8/04/2003, recorded 08/14/2003, in the principal sum of \$280,000.00.

Together with all rents and other revenues thereof and all rights, privileges, easements, tenements, interests, improvements and appurtenances thereunto belonging or in anywise appertaining, including any after-acquired title and easements and all rights, title and interest now or hereafter owned by Mortgagor in and to all buildings and improvements, storm and screen windows and doors, gas, steam, electric, solar and other heating, lighting, ventilation, air-conditioning, refrigerating and cooking apparatus, elevators, plumbing, sprinkling, smoke, fire, and intrusion detection devices, and other equipment and fixtures now or hereafter attached or appertaining to said premises, all of which shall be deemed to be real property and conveyed by this mortgage, and all of which real property, equipment and fixtures are sometimes hereinafter called the "Mortgaged Premises".

TO HAVE AND TO HOLD the same and every part thereof unto Mortgagee, its successors and assigns forever.

For the purpose of further securing the payment of said indebtedness Mortgagor does hereby warrant, covenant and agree with Mortgagee, its successors and assigns, as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Mortgagor shall pay when due all sums and charges, principal and interest on any indebtedness which mortgagor incurs under the Agreement



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or Mortgage, late charges as provided in the Agreement, and the principal of and interest on any Future Advances secured by this mortgage.

2. TAXES; CHARGES; LIENS. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Mortgaged Premises.
3. FEE SIMPLE OWNERSHIP; FIRST MORTGAGE RESTRICTIONS ON SECOND MORTGAGE; LIENS. Mortgagor warrants to and covenants with Mortgagee, that Mortgagor is the fee simple owner of the Mortgaged Premises, subject only to the mortgage recited herein, and current taxes and assessments. Mortgagor further warrants and covenants that the mortgage includes no prohibition against the Mortgagor's entering this Mortgage or requirements with which Mortgagor has not complied before entering this second Mortgage. Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor:
  - (a) agrees in writing to the payment of the obligations secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Mortgagee's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Mortgaged Premises; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the Mortgaged Premises is subject to a lien which may attain a priority over this Mortgage, Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving or notice to Mortgagor of the existence thereof.
4. REPAIR OF MORTGAGED PREMISES; INSURANCE. Mortgagor shall keep the mortgaged premises in good repair and shall not commit waste thereon. The Mortgagor shall procure and maintain adequate insurance in effect at all times against loss, damage to, or destruction of the Mortgaged Premises because of fire, windstorm or other such hazards in such amounts as the Mortgagee may reasonably require from time to time; all such insurance policies shall be placed with reliable companies acceptable to Mortgagee and shall contain proper clauses making all proceeds of such policies payable to all Mortgagees and the Mortgagor as their respective interests may appear. Copies of such policies of insurance shall be delivered to and retained by the Mortgagee until the indebtedness secured hereby is fully paid.

If Mortgagor shall fail to maintain said premises or insurance, Mortgagee, At its sole option may purchase such insurance coverage, or make said repairs, and all costs associated therewith shall be immediately due and payable by Mortgagor; if not so paid they shall be added to the balance owing on all obligations to Mortgagee by Mortgagor, secured by this Mortgage. Failure to maintain repairs or insurance shall also constitute default under Paragraph 7, hereof, whether or not Mortgagee has undertaken to purchase insurance or make such repairs. All such costs, so added, shall bear interest at the same rate as the remaining balances outstanding on all advances under the Agreement.
5. APPLICATION OF INSURANCE PROCEEDS. Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the property damaged, if the restoration or repair is economically and Mortgagee's security is not lessened. If the restoration or repair is not economically feasible or Mortgagee's security would be lessened by such repair, the insurance proceeds shall be applied to the sums secured by this Mortgage and the first mortgage, in order of priority, whether or not then due, with any excess paid to Mortgagor. Mortgagee may act as attorney-in-fact for Mortgagor in making, adjusting and settling claims under the insurance policies and endorsing Mortgagor's name on any drafts drawn by insurers of the Mortgaged Premises if Mortgagor fails to timely adjust or settle, or if Mortgagor has abandoned said premises.
6. ADVANCEMENTS TO PROTECT SECURITY. Mortgagee may, at its option, advance and pay all sums necessary to protect and preserve the security intended to be given by this Mortgage. All sums so advanced and paid by Mortgagee shall become a part of the indebtedness secured hereby and shall bear interest at the same rate as the remaining balance outstanding on all advances under the Agreement. Such sums may include, but are not limited to, insurance premiums, taxes, assessments, and liens which may be or become prior and senior to this Mortgage as a lien on the Mortgaged Premises, or any part thereof, and all costs, expenses and attorney's fees incurred by the Mortgagee in



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respect of any and all legal or equitable proceedings which relate to this Mortgage or the Mortgaged Premises.

7. DEFAULT BY MORTGAGOR; REMEDIES OF MORTGAGEE. Any of the following shall be deemed to be an event of default:
- a. Failure of the Mortgagor to make any payment provided for herein or in the Agreement.
  - b. Failure of the Mortgagor to perform or comply with any covenant, agreement or condition contained herein or in the Agreement.
  - c. Acceleration of the indebtedness secured by this Mortgage for any reason.
  - d. Abandonment of the Mortgaged Premises by the Mortgagor.
  - e. If a petition in bankruptcy is filed by or against the Mortgagor or a trustee or receiver is appointed for the Mortgagor or for any part of the Mortgaged Premises or if the Mortgagor makes any assignment for the benefit of creditors.
  - f. Default by a Mortgagor under the terms of any other Mortgage or other instrument imposing a lien upon the Mortgaged Premises.

Upon the happening of any event of default, the entire indebtedness secured hereby shall become immediately due and payable at the sole option of the Mortgagee, without notice to any signatory hereto, together with attorney's fees and all costs of collection permitted by law (including all costs and attorney's fees as may be incurred on appeal), and this Mortgage may be foreclosed accordingly. Upon such foreclosure the Mortgagee may continue the abstract of title to the Mortgaged Premises or obtain other appropriate title evidence, or insurance upon such title, and may add the cost thereof to the principal balance due.

8. RECEIVERSHIP. Upon default hereunder or abandonment of the Mortgaged Premises, Mortgagee shall, subject to the claims of the first Mortgagee, if any, be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Mortgaged Premises and to collect the rents of the Mortgaged Premises including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Mortgaged Premises and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.
9. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Mortgaged Premises, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to all Mortgagees in order of priority, except to the extent such proceeds exceed the sums of the then existing balance on all indebtedness secured by all such mortgages, plus all charges, fees, assessments and costs then attributable to said balance, whether or not in default, said excess proceeds to be the property of the Mortgagor.
10. TRANSFER OF THE MORTGAGED PREMISES OR A BENEFICIAL INTEREST IN THE MORTGAGED PREMISES. If all or any part of the Mortgaged Premises or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage, and the Mortgage may be foreclosed.
11. INSPECTION. Mortgagee or its agent may make reasonable entries upon and inspection of the Mortgaged Premises. Mortgagees shall give Mortgagor notice at the time of or prior to an inspection.
12. FUTURE ADVANCES. Upon request of Mortgagor, Mortgagee, prior to the release of this Mortgage, may make Future Advances to Mortgagor. Pursuant to F.S. 697.04, such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby, or when said advances are made pursuant to any terms of the Agreement secured hereby.
13. NON\_WAIVER; REMEDIES CUMULATIVE. Time is of the essence of this Mortgage. No delay by the Mortgagee in the exercise of any of its rights hereunder shall preclude the



exercise thereof so long as the Mortgagor is in default hereunder, and no failure of the Mortgagee to exercise any of its rights hereunder shall be deemed a waiver of such rights, or shall preclude the exercise thereof in the event of a subsequent default by the Mortgagor hereunder. The Mortgages may enforce any one or more of its rights or remedies hereunder successively or concurrently.

14. EXTENSIONS; REDUCTIONS; RENEWALS; CONTINUED LIABILITY OF MORTGAGOR. The Mortgagee, at its option, may extend the time for the payment of the indebtedness or reduce the payments thereon, or accept a renewal note or notes therefore, without consent of any junior lien holder, and without consent of the Mortgagor if the Mortgagor has then parted with title to the Mortgaged Premises, and any such extension, reduction or renewal shall not affect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of the Mortgagor to Mortgagee.
15. GOVERNING LAW; SEVERABILITY. Except to the extent that federal laws and regulations control, this Mortgage shall be governed by the laws of the State of Indiana. Matters relating to the procedure by which this Mortgage may be foreclosed or enforced shall be governed by the laws of the jurisdiction in which the Mortgaged Premises is located. In the event that any provision or clause of this Mortgagor Lending Agreements conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the agreement are declared to be severable.
16. NOTICES. Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by first class mail. The notice shall be directed to the Mortgaged Premises or to such other address as Mortgagor may have last specified by written notice to Mortgagee. Any notice to Mortgagee shall be given by delivering it or by first class mail directed to Mortgagee's address stated herein or to such other address as Mortgagee may have last specified by written notice to Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.
17. GENERAL AGREEMENT OF THE PARTIES. All rights and obligations hereunder shall extend to and be binding upon the several heirs, representatives, successors and assigns of the parties to this Mortgage. When applicable, use of the singular form of any word also shall mean or apply to the plural and the masculine form shall mean and apply to the feminine or neuter. The titles of the several paragraphs of this Mortgage are for convenience only and do not define, limit or construe the contents of such paragraphs.


This mortgage shall continue in full force and effect until all of the indebtedness (including future advances) and other obligations secured by this mortgage shall have been paid in full, Mortgagee shall have no further commitment or agreement to extend any credit to the Borrowers, or otherwise incur any obligation or give value, under the Agreement, and Mortgagee shall have executed and delivered to the Mortgagor a release or satisfaction of this mortgage in recordable form, even though from time to time and for extended periods of time there may be no indebtedness owed to Mortgagee under the Agreement described above and no other indebtedness hereby secured, it being the intention of the Mortgagor that this mortgage and the title to the Mortgaged Premises hereby conveyed to Mortgagee shall remain in full force and effect and shall secure all indebtedness described above in this mortgage whether now owed or hereafter incurred at any time prior to termination of this mortgage by the means just described. Mortgagee agrees to execute and deliver to Mortgagor a release or satisfaction of this mortgage within a reasonable time after written demand therefore at any time there is no indebtedness secured by this mortgage and no obligation on the part of Mortgagee to extend any credit to the Borrowers under the Agreement. Upon termination of this mortgage by the means hereinabove described, the grant and conveyance herein made shall be and become null and void, but should any



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event of default (as provided in Paragraph 7 hereof) occur, then in any of said events the whole of the indebtedness hereby secured, or any portion or part thereof which may at said date not have been paid, with interest thereon, shall become immediately due and payable, and this mortgage subject to foreclosure, at the option of Mortgagee, notice of the exercise of such option being hereby expressly waived by Mortgagor, and Mortgagee shall have the right to enter upon and take possession of the Mortgaged Premises and after or without taking such possession to sell the same before the Court House door of the County (or the division thereof) where said property, or any substantial part of said property, is located, at public outcry for cash, after first giving notice of the time, place and terms of such sale by publication once a week for three consecutive weeks prior to said sale in some newspaper published in said County; and upon the payment of the purchase price, Mortgagee or the auctioneer at said sale is authorized to execute to the purchaser for and in the name of Mortgagor a good and sufficient deed to the property sold. Mortgagee shall apply the proceeds of said sale or sales under this mortgage as follows: First, to the expenses of advertising, selling and conveying, including a reasonable attorneys' fee if the unpaid debt after default exceeds \$300; second, to the payments of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes and other encumbrances, with interest thereon; third, to the payment of the indebtedness hereby secured and interest and finance charges thereon in such order as Mortgagee may elect, whether such debts shall or shall not have fully matured at the date of said sale; and fourth, the balance, if any, to be paid over to Mortgagor or to whomsoever then appears of record to be the owner of Mortgagor's interest in said property. Mortgagee may bid and become the purchase of the Mortgaged Premises at any foreclosure sale hereunder. Mortgagor hereby waives any requirement that the Mortgaged Premises be sold in separate tracts and agrees that Mortgagee may, at its option, sell said property en masse regardless of the number of parcels hereby conveyed.

  
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IN WITNESS WHEREOF, said Mortgagor has executed this Mortgage under seal this 17<sup>th</sup> day of December, 2008.

Margaret A Scanlon Gilliam Ronald B Gilliam  
Signature Signature

MARGARET A SCANLON GILLIAM  
Printed

RONALD B GILLIAM  
Printed

THE STATE OF ALABAMA,

Jefferson COUNTY

INDIVIDUAL ACKNOWLEDGEMENT

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Margaret A. Scanlon Gilliam  
and Ronald B. Gilliam

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 official seal this 17<sup>th</sup> day of December  
2008.

(Notarial Seal)

Jeannette Steward  
Notary Public

My Commission expires:

11-07-2011

Return to Eli Lilly Federal Credit Union, Lilly Corporate Center,  
Indianapolis, Indiana 46285

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