[Space Above This Line For Recording Data]

MORTGAGE

MORTGAGE ("Security Instrument") is given on
MODICAGE ("Security Instrument") is given on
Eugene R. Sheppard
grantor is ("Borrower"). This Security Instrument is given increase and existing
YOUTCACE ITD an Alabama limited partnership
MORTGAGE ("Security Instrument is given to "Borrower"). This Security Instrument is given to "Borrower"). This Security Instrument is given to "Borrower"). This Security Instrument is given to "Borrower"). AL MORTGAGE, LTD., an Alabama limited partnership "which is organized and containing and whose address is "Lender"). As Avenue North Birmingham, Alabama Nine Hundred and no/100
North Rirmingham, Alabama
rst Avenue Not the Thirty Thousand Nine Hundred and No. 100.100.
rst Avenue Not the Difference of Thirty Thousand Nine Hundred and not the principal sum of Thirty Thousand Nine Hundred and not the evidenced by Borrower's note. This Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not This Security Instrument
Dollars (U.S. S.
Lender the principal sum of
me date as this Security Instrument (1, 2002) June 1, 2002 due and payable on
and and payment of the debt evidenced by the Note, with the paragraph 7 to protect the security of this
ender. (a) the repulsion of the course with interest, advanced under paragraph.
is; (b) the payment of an engineer of Borrower's covenants and agreements under and Lender's successors and
ender: (a) the repayment of the debt evidences, advanced under paragraph / to protect the sources, so is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources is advanced under paragraph / to protect the sources i
or this purpose, Borrower described property located in
trument; and (c) the performance of Borrower's covenants and agreements under this Security Institution and trument; and (c) the performance of Borrower's covenants and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for the purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and for the purpose of the purpo

See attached "Exhibit A" for legal description.

Subject to existing easements, restrictions, set-back lines, rights of way, limitations,

The proceeds of this loan have been applied toward the purchase price of the property described herein, conveyed to mortgagor(s) simultaneously herewith.

,

THE REPORT OF THE PARTY OF THE

which has the address of902 Ga		Birmingham
902 Ga	bles Drive	(City)
which has the address of	[Street]	
35244	("Property Address");	
Alahama		

To HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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 any

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with encumbrances of record. limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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 the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, 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 that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires 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 payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any

amount necessary to make up the deficiency in one or more payments as required by Lender.

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 19 the Property is sold or 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 paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the

Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an prevent the enforcement of the lien or fortesture of any part of the Property, or to secure the determines that any part of agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of agreement satisfactory to Lender subordinating the lien to this Security Instrument. Lender may give Borrower a the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

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" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be

unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, florrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security

Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

If Borrower fails to perform the 7. Protection of Lender's Rights in the Property; Mortgage Insurance. covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower

requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender

shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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 Property, or for conveyance in lieu of condemnation, are hereby

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security assigned and shall be paid to Lender. Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to paid to Borrower. make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or

to the sums secured by this Security Instrument, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

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 the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest 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 or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan that Borrower's consent. Deharges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in Econnection with the 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 Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed Junder the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. If enactment or expiration of applicable laws has the effect of

Erendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, Emay require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of

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14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by paragraph 17. mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the in this paragraph. Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the

16. Berrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. Note are declared to be severable. 17. 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

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period federal law as of the date of this Security Instrument. 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.

18. 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: (a) 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 (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all 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 paragraphs 13 or 17.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the 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. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in paragraph 14. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Shelby FRSIII. County, Alabama, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its 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 expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or

persons legally entitled to it. 20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

22. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of

curtesy and dower in the Property. 23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security

Instru	ment. [Check applicable box(es)] Adjustable Rate Rider Graduated Payment Rider Other(s) [specify]	Condominium Rider Planned Unit Development Rider	2-4 Family Ride
		•	contained in this S

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. 101 mm

***************************************	Eugene R. Sheppard, Chi	·
**************************************	**************************************	(Scal) —Borrower
[Space Below This i	Line For Acknowledgment]	

STATE OF ALABAMA JEFFERSON COUNTY

Witnesses:

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On this 18th day of May, 1987, I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that Eugene R. Sheppard, III, whose name(s) is signed to the foregoing conveyance, and who is known to me, acknowledged before me that, being informed of the contents of the conveyance, he executed the same voluntarily and as his act on the day the same bears date.

Given under my hand and seal of office this the 18th day of May, 1987.

NOTARY PUBLIC

My Commission expires: 15/89

This instrument was prepared by Thomas L. Foster 1201 19th Street North Birmingham, Alabama 35234 Unit 902, Building 9, in The Gables, a Condominium, a condominium located in Shelby County, Alabama, as established by Declaration of Condominium and By-Laws thereto as recorded in Real Volume 10, page 177 and amended in Real Volume 27, page 735, Real Volume 50, Page 327 and Real Volume 50, page 340 and re-recorded in Real 50, page 942 and Amended in Real 59, page 19 and further admended by Corporate Volume 30, page 407 and in Real 96, page 855 and Real 97, page 937 and By-Laws as shown in Real Volume 27, page 733 and then amended in Real Volume 50, page 325 together with an undivided interest in the common elements, as set forth in the aforesaid mentioned Declaration, said Unit being more particularly described in the floor plans and architectural drawings of The Gables Condominium as recorded in Map Book 9, page 41 thru 44, and amended in Map Book 9, page 135 and further amended by Map Book 10, page 49 in the Probate Office of Shelby County, Alabama.

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CONDOMINIUM RIDER

This Condominium Rider is made this 18th day of May 19 87, and is incorporated into and shall be deemed and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Collateral Mortgage Ltd. (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 902 Gables Drive Birmingham, Alabama 35244
(Property Address)
The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as: The Gables

(Name of Condominium Project) (the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

Condominium Obligations. Borrower shall perform all of Borrower's follows: obligations under the Condominium Project's Constituent Documents. "Constituent Documents" are the (i) Declaration or any other document which ₹ creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (1v) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(1) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard Mnsurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard

insurance coverage. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security instrument as provided in Uniform Covenant 9.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) The abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

MULTISTATE CONDOMINIUM RIDER - Single Family-FNMA/FHLMC UNIFORM INSTRUMENT Form 3140 12/83

(ii) Any amendment to any provision of the Constituent Documents 1f the provision is for the express benefit of Lender;

(iii) Termination of professional management and assumption of self-

management of the Owners Association; or

(iv) Any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable

F. Remedies. If Borrower does not pay condominium dues and assessments to Lender. when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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

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(Seal) Borrower