

State of Alabama

# Mortgage

FHA Case No.

011:304108-2

25-

The State of Alabama, } ss:  
SHELBY County, }

Know All Men by These Presents:  
That whereas the undersigned MICHAEL J. DURRETT and wife, ANNETTE M. DURRETT  
, of the City of Pelham , County of Shelby  
and State of Alabama , party of the first part (hereinafter called the Mortgagor),  
has become justly indebted unto ALTUS MORTGAGE CORP.  
, a corporation organized and existing under the laws of Alabama  
, party of the second part (hereinafter called the Mortgagee), in the full  
sum of SIXTY-SEVEN THOUSAND FIFTY-FOUR AND NO/100 ----- Dollars (\$ 67,054.00 )  
-----

money lent and advanced, with interest at the rate of nine and one-eighth per centum ( 9.125 %)  
per annum until paid, for which amount the Mortgagor has signed and delivered unto the said Mortgagee a certain promissory note  
bearing even date with these presents, the said principal and interest to be payable at the office of P. O. Drawer 5740  
in Dothan, Alabama 36302 , or at such other place as the holder  
may designate in writing, in monthly installments of FIVE HUNDRED SIXTY-TWO AND 85/100 -----  
----- Dollars (\$ 562.85 ) commencing on the first day of October  
19 88 , and on the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of  
principal and interest, if not sooner paid, shall be due and payable on the first day of September , 20 14.

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Whereas the said Mortgagor is desirous of securing the prompt payment of said note and the several installments of principal, interest, and monthly payments hereinafter provided for, and any additional indebtedness accruing to the Mortgagee on account of any future payments, advances, or expenditures made by the Mortgagee as hereinafter provided:  
Now, Therefore, in consideration of the premises and the sum of One Dollar (\$1) to the undersigned Mortgagor in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, and for the purpose of securing the prompt payment of said indebtedness as it becomes due the said Mortgagor does hereby grant, bargain, sell, and convey unto the said Mortgagee the following described real property situated in Shelby County, Alabama, to wit:

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION, INCORPORATED HEREIN.

ATTACHED AND INCORPORATED HEREIN ARE THE FOLLOWING ADDENDUMS TO THE MORTGAGE:

MD  
HMD  
MD  
HMD  
AHFA 1987 Series A Addendum to Mortgage  
AHFA 1987 Series A Uniform Mortgage Rider  
Exhibit "Y" - Assumption Rider to Security Instrument on Owner Occupied Property  
This mortgage includes range/oven, fan/hood, wall to wall carpet, attached or used in connection with the premises herein described.

together with the hereditaments and appurtenances thereunto belonging, and also together with all equipment and fixtures for heating and lighting now or hereafter installed therein by the Mortgagor.

To Have and to Hold the same with all the rights, privileges, and appurtenances thereunto belonging or in anywise appertaining unto the said Mortgagee and assigns of the Mortgagee forever.

And the Mortgagor hereby covenants that we are seized of said real property in fee simple, and have a good right to sell and convey the same; that the property is free from all encumbrances and that the Mortgagor, and Mortgagor's heirs, executors, administrators, next-of-kin, and assigns will forever defend the same unto the Mortgagee and assigns against the claims of all persons whomsoever;

This form is used in connection with mortgages insured under the one-to-four family provisions of the National Housing Act which require a One-Time Mortgage Insurance Premium payment including section 203(b) and (l) in accordance with regulations for those programs.

Previous Editions Are Obsolete

L-1607

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HUD-92100M-1 (3-88 Edition)

CL 8543

This Mortgage is Made, however, subject to the following covenants, conditions, and agreements, that is to say:

1. That the Mortgagor will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided. Privilege is reserved to pay the debt, in whole or in part, on any installment due date.

2. Together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each month until said note is fully paid, the following sums:

(a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefore divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments; and

(b) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:

- (I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the note secured hereby;
- (III) amortization of the principal of said note; and
- (IV) late charges

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the Mortgagor under (a) of paragraph 2 preceding shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, assessments and insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on the subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under (a) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor will pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby or if the Mortgagee acquired the property otherwise after

default, the Mortgagee shall apply, at the time of commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (a) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note.

4. If the Mortgagee shall be made a party to any suit involving the title to the property hereby conveyed and employs an attorney to represent it therein, or if the Mortgagee employs an attorney to assist in settling or removing any cloud on the title to the property hereby conveyed that purports to be superior to the lien of this mortgage in any respect, the Mortgagor will pay to the Mortgagee, when the same becomes due, such attorney's fee as may be reasonable for such services, and if such fee is paid or incurred by the Mortgagee the same shall be secured by the lien of this mortgage in addition to the indebtedness specially secured hereby and shall bear interest from the date it is paid or incurred and shall be at once due and payable.

5. So long as any of the indebtedness secured hereby shall remain unpaid, in whole or in part, the Mortgagor agrees to keep said premises and the improvements thereon in good condition, and to pay all assessments that may be levied or accrue upon said property, and all other charges that may become liens upon said premises, and not to permit any lien, which might take precedence over the lien of this mortgage, to accrue and remain on said premises, or any part thereof, or on the improvements thereon.

6. The Mortgagor agrees to pay all taxes and assessments that may be assessed upon said property and all taxes except income taxes that may be assessed upon the Mortgagee's interest thereon or upon this mortgage or the moneys secured hereby, any law to the contrary notwithstanding. Upon any violation of this undertaking, or the passage of any law imposing upon the Mortgagee the payment of any part of the taxes aforesaid, or upon the rendition by any court of last resort of a decision that the undertaking to pay the taxes as aforesaid is legally inoperative, then, in any such event, the debt hereby secured shall at the Mortgagee's option, become immediately due and payable, without deduction, any law heretofore or hereafter enacted to the contrary notwithstanding.

7. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

8. If the Mortgagor fails to insure said property as hereinabove provided, or to pay all or any part of the taxes or assessments levied, accrued, or assessed upon or against said property or the indebtedness secured hereby, or any interest of the Mortgagee in either, or fails to pay immediately and discharge any and all liens, debts, and/or charges which might become liens superior to the lien of this mortgage, the Mortgagee may, at its option, insure said property and/or pay said taxes, assessments, debts, liens, and/or charges, and any money which the Mortgagee shall have so paid or become obligated to pay shall constitute a debt to the Mortgagee additional to the debt hereby specially secured, shall be secured by this mortgage, shall bear legal interest from date paid or incurred, and, at the option of the Mortgagee shall be immediately due and payable.

9. No failure of the Mortgagee to exercise any option herein given to declare the maturity of the debt hereby secured shall be taken or construed as a waiver of its right to exercise such option or to declare such maturity by reason of any past or present default on the part of the Mortgagor; and the procurement of insurance or the payment of taxes or other liens, debts, or charges by the Mortgagee shall not be taken or construed as a waiver of its right to declare the maturity of the indebtedness hereby secured by reason of the failure of the Mortgagor to procure such insurance or to pay such taxes, debts, liens, or charges.

10. As long as any of the indebtedness hereby secured shall remain unpaid the Mortgagor will neither commit nor permit waste on the premises hereby conveyed; and upon the commission of any waste thereon the Mortgagee may, at its option, declare the entire indebtedness hereby secured to be at once due and payable. Nor will the Mortgagor remove any of the fixtures on the premises hereby conveyed so long as any of the indebtedness hereby secured shall remain unpaid.

11. If the Mortgagor shall make default in the payment of any of the indebtedness hereby secured, or in the performance of any of the terms or conditions hereby, all the rents, income, and profits from the premises are hereby transferred, assigned, set over, and conveyed to the Mortgagee, and the Mortgagee may proceed to collect the rent, income, and profits from the premises upon such default, either with or without the appointment of a receiver; but the Mortgagee shall not hereby become bound by the terms of any lease then existing on the premises by electing to collect the rents thereunder, but may at any time terminate the same. Any rents, income, and profits collected by the Mortgagee prior to foreclosure of this indebtedness, less the cost of collecting the same, including any real estate commission or attorney's fee incurred, shall be credited first, on the advances with interest thereon, then upon the interest, and the remainder, if any, upon the principal debt hereby secured.

12. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebtedness secured hereby, whether due or not.

13. Any promise made by the Mortgagor herein to pay money may be enforced by a suit at law, and the security of this mortgage shall not be waived thereby, and as to such debts the Mortgagor waives all right of exemption under the Constitution and laws of Alabama as to personal property and agrees to pay a reasonable attorney's fee for the collection thereof.

14. In consideration of the making of the loan secured by this mortgage, the Mortgagor, being all of the undersigned, covenant and agree that, in respect of the indebtedness secured hereby, they will forever waive, and they do hereby waive and give up all benefits, privileges, options, and rights of every kind and nature given to or which inure to the benefit or advantage of the undersigned, or either of the undersigned if more than one, under and by virtue of House Bill No. 422 of the Legislature of Alabama of 1935, enacted into law and approved on June 24, 1935, commonly referred to as the Deficiency Judgment Act; and further agree to waive and forego any like or similar rights, benefits, and options hereafter conferred upon mortgage debtors by law hereafter enacted; and further covenant and agree that the indebtedness hereby secured, and all extensions and renewals thereof, and this mortgage shall each be enforceable in accordance with their respective terms and conditions, without reference to and in spite of any provisions to the contrary in said Act of the Legislature of Alabama, and any and all other laws of like or similar purport which may hereafter be enacted.

15. The covenants, conditions, and agreements herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

16. The Mortgagor further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within sixty days from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the sixty days' time from the date of this mortgage, declining to insure said note and this mortgage being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable. Notwithstanding the foregoing, this option may not be exercised by the Mortgagee when the ineligibility for insurance under the National Housing Act is due to the beneficiary's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

17. If the Mortgagor shall well and truly pay and discharge the indebtedness hereby secured as it shall become due and payable and shall do and perform all acts and agreements to be done and performed by the Mortgagor under the terms and provisions of this mortgage, then this conveyance shall be and become null and void.

18. But if the Mortgagor shall fail to pay, or cause to be paid, as it matures, the indebtedness hereby secured or any part thereof, according to the terms thereof, or if the Mortgagor shall fail to do or perform any other act or thing herein required or agreed to be done or performed, or if the interest of the Mortgagee in said property becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon, then, in any such event, the whole indebtedness hereby secured shall immediately become due and payable and this mortgage subject to foreclosure, at the option of the Mortgagee, without notice; and the Mortgagee shall have the right and is hereby authorized to enter upon and take possession of said property, and after or without taking possession, to sell the same before the Courthouse door in the city of Columbiana  
County of Shelby , Alabama,

at public outcry, for cash, first giving notice of the time, place, and terms of said sale by publication once a week for three successive weeks prior to said sale in some newspaper of general circulation published in said county, and, upon the payment of the purchase money, the Mortgagee or any person conducting said sale for it is authorized to execute to the purchaser at said sale a deed to the property so purchased, and such purchaser shall not be held to inquire as to the application of the proceeds of such sale. The Mortgagee may bid at the sale and purchase said property, if the highest bidder therefor.

19. The proceeds of said sale shall be applied: First, to the expenses of advertising and selling, including reasonable attorney's fees; second, to the repayment of any money, with interest thereon, which the Mortgagee may have paid or become liable to pay or which it may then be necessary to pay for taxes, assessments, insurance and/or other charges, liens, or debts hereinabove provided; third, to the payment and satisfaction of the indebtedness hereby specially secured with interest, but interest to date of sale only shall be charged; fourth, the balance, if any, shall be paid to the Mortgagor. If this mortgage be foreclosed in Chancery, reasonable attorney's fees for foreclosing the same shall be paid out of the proceeds of the sale.

Given under our hands and seal s

  
Michael J. Durrett

[Seal]

[Seal]

this the 24th day of August, 1988.

  
Annette M. Durrett

[Seal]

[Seal]

State of Alabama,  
SHELBY County } ss:

I, the undersigned, a notary public in and for said county, in said State, hereby certify that Michael J. Durrett and wife, Annette M. Durrett

whose names 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 this conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 24th

day of August 1988.  
  
Notary Public

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This instrument was prepared by:

(Name) Daniel M. Spitler, Attorney at Law

(Address) 108 Chandalar Drive, Pelham, AL 35124

State of Alabama,

County } ss:

I, conveyance was filed for registration in this office on the and was recorded in Vol. , Record of Deeds, pages at o'clock M.

Judge of Probate Court of said County, do hereby certify that the foregoing day of , 19 on the day of , 19

Judge of Probate

Fee \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Commence at the Southwest corner of the Northeast quarter of the Southwest quarter of Section 18, Township 20 South, Range 2 West, Shelby County, Alabama and run thence North 0 Degrees 10 Minutes 25 Seconds East along the West line of said quarter-quarter a distance of 281.74 feet to the point of beginning of the property being described; thence continue along last described course a distance of 382.58 feet to a point; thence run North 89 Degrees 25 Minutes 35 Seconds East a distance of 614.84 feet to a point; thence run South 27 Degrees 40 Minutes 35 Seconds West a distance of 123.01 feet to a point; thence run North 89 Degrees 25 Minutes 35 Seconds East a distance of 294.17 feet to a point on the Westerly right-of-way line of Shelby County Highway No. 35, said point being in a curve to the left having a central angle of 3 Degrees 44 Minutes 33 Seconds and Radius of 2,389.02 feet; thence run in a southwesterly direction along said curve an arc distance of 156.05 feet to the P.C. of said curve; thence run South 24 Degrees 45 Minutes 37 Seconds West and continue along said Westerly right-of-way line a distance of 111.46 feet to a point; thence run North 57 Degrees 38 Minutes 18 Seconds West a distance of 46.74 feet to a point; thence run North 48 Degrees 12 Minutes 33 Seconds West a distance of 103.65 feet to a point; thence run North 89 Degrees 55 Minutes 21 Seconds West a distance of 247.17 feet to a point; thence run South 0 Degrees 04 Minutes 39 Seconds West a distance of 136.99 feet to a point; thence run North 89 Degrees 55 Minutes 21 Seconds West a distance of 372.25 feet to the point of beginning.

**SUBJECT TO:**

Transmission Line Permit to Alabama Power Company as shown by instrument recorded in Deed Book 127 page 395 in Probate Office of Shelby County, Alabama.  
Right of Way granted to Shelby County by instrument recorded in Deed Book 145 page 272 and Deed Book 202 page 448 in Probate Office of Shelby County, Alabama.  
Mineral and mining rights if not owned by Grantor.

BOOK 202 PAGE 446

Single Family Mortgage Revenue Bond Program  
1987 Series AADDENDUM TO MORTGAGE  
(FHA LOANS ONLY)

The Mortgagee, ALTUS MORTGAGE CORP., or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Addendum, may declare all sums secured by this mortgage to be immediately due and payable if:

(a) all or part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by Borrower ("Mortgagor") to a purchaser or other transferee:

- (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 103A(d) and (j)(2) of the Internal Revenue Code of 1954; or
- (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 103A(e) and (j)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "90 percent or more" where the latter appears in Section 103A(e)(1); or
- (iii) at an acquisition cost which is greater than 110 percent of the average area purchase price (greater than 120 percent for targeted area residences), all as provided in Section 103A(f) and (j)(2) of the Internal Revenue Code; or
- (iv) who has an income in excess of that established by the Alabama Housing Finance Authority under its applicable regulations or program guidelines in effect on the date of the sale or transfer; or

(b) Borrower ("Mortgagor") fails to occupy the property described in the Mortgage without Lender's ("Mortgagee's") prior written consent; or

(c) Borrower ("Mortgagor") omits or misrepresents a material fact in an application for this mortgage.

In witness whereof, the Borrower ("Mortgagor") has executed this Addendum on this 24th day of August, 1988.

Signature:

Michael J. Durrett

Signature:

Annette M. Durrett

Printed:

Michael J. Durrett

Printed:

Annette M. Durrett

STATE OF ALABAMA )  
:   
SHELBY COUNTY )

I, the undersigned, a notary public in and for said county, in said State, hereby certify that Michael J. Durrett and wife, Annette M. Durrett, whose name(s) is/are signed to the foregoing Addendum to Mortgage, and who is/are known to me, acknowledged before me on this day that, being informed of the contents of the foregoing Addendum to Mortgage, ~~executed~~ they executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this 24th day of August, 1988.

Daniel M. Spitler  
Notary Public

(SEAL)

My Commission expires: 1/24/90

This instrument was prepared by: Daniel M. Spitler, Attorney at Law  
Address: 108 Chandalar Drive, Pelham, AL 35124

BOOK 202 PAGE 447

ALABAMA HOUSING FINANCE AUTHORITY

Single Family Mortgage Revenue Bond Program  
1987 Series A

UNIFORM MORTGAGE RIDER

The rights and obligations of the parties to the Mortgage to which this Rider is attached and the Note which it secures are expressly made subject to this Rider. In the event of any conflict between the provisions of this Rider and the provisions of the Mortgage or Note, the provisions of this Rider shall control. To the extent they are not modified by this Rider, all the terms, conditions and other provisions of the Mortgage and Note remain in full force and effect.

1. The Borrower agrees that the mortgagee (the "Lender"), the Alabama Housing Finance Authority (the "Authority") or their successors or assigns may, at any time and without prior notice, accelerate all payments due under the Mortgage and Note and exercise any other remedy allowed by law or provided by the Mortgage for breach of the Mortgage or Note if:

(a) All or any part of the Property or any interest therein is sold or transferred by Borrower or by operation of law, excluding (1) the creation of a lien or encumbrance subordinate to this Mortgage under a UDAG loan permitted under the Authority's Program Guidelines, 1987 Series A, (ii) the creation of a purchase money security interest for household appliances, (iii) a transfer by operation of law upon the death of a joint tenant, or (iv) a transfer to a person assuming the Mortgage and the Note secured thereby in accordance with the terms and requirements of paragraph 2 hereof;

(b) The Borrower fails to abide by any agreements made with the Authority, or the Lender, or if the Lender or the Authority finds any statement contained in the Eligible Borrower Affidavit or any other document executed by the Borrower to be untrue, inaccurate or incomplete; or

(c) The Borrower fails to promptly supply any information or document which the Lender, or the Authority may request to verify compliance with the conditions of the Authority's Single Family Mortgage Revenue Bond Program, 1987 Series A, under which the loan as evidenced by the Mortgage and Note was provided.

The Borrower understands that the Authority and the Lender have relied upon statements contained in the Eligible Borrower Affidavit and all other documents submitted in support of the loan application in the processing, financing and granting of this loan. Upon discovery of fraud or misrepresentation by the Borrower with respect to any information provided by the Borrower in the loan application or Eligible Borrower Affidavit executed in connection with the Note, the Lender or the Authority may, in their sole discretion, by written notice to Borrower, declare all obligations secured by the Mortgage and all obligations payable under the Note immediately due and payable. Borrower shall notify the Lender and the Authority promptly in writing of any transaction or event which may give rise to a right of acceleration hereunder. Borrower shall pay to the Lender or the Authority, as the case may be, all damages sustained by reason of the breach of the covenant of notice set forth herein or by reason of such fraud or misrepresentation.

2. The Mortgage and the Note secured thereby may only be assumed by a person qualifying as an "Eligible Borrower" under the Authority's 1987 Series A Program Guidelines, as in effect as of the date of such assumption, and in connection with a transaction which meets all of the requirements of the assumption provisions of both the Program Guidelines and the Origination, Sale and Servicing Agreement, the qualification of such person and such transaction being subject to the prior written approval of the Trustee and the Administrator or their respective designees, which approval may be granted in the sole discretion of such parties.

3. Under the provisions of the Internal Revenue Code of 1954, as amended, and the Internal Revenue Code of 1986, as applicable, and the Procedures and Regulations promulgated thereunder (the "Tax Act"), the Authority has elected to credit certain investment earnings, if any, from the proceeds of its Bonds to mortgagors under its Single Family Mortgage Revenue Bond Program, 1987 Series A, for so long as such credit is required to keep the interest on the Bonds exempt from federal income taxation. As a mortgagor under the Program, the Borrower is entitled to receive a portion of the amount, if any, required by the Tax Act to be credited to such Borrower. The amount of the Borrower's credit shall be determined by the Authority in its sole discretion consistent with the Tax Act. The Borrower acknowledges and agrees that the amount credited to him, if any, will be treated for all purposes as a principal payment or prepayment on the Note secured by this Mortgage, and will not be paid directly to the Borrower. In so crediting, the

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Authority assumes no responsibility as to the treatment of this credit for purposes of the Borrower's federal income tax and the Borrower accepts full responsibility for same. The Authority will make credits, if any, on an annual basis or at more frequent intervals at its discretion or at the time the Mortgage is fully discharged. The Authority is under no obligation to maximize the credit or to earn any credit.

4. (a) If the credit set forth in paragraph 3 above is made on an annual basis, a determination as to the amount of the credit will be made on an annual basis established by the Authority with respect to mortgages outstanding as of the determination date. Credits will not be made with respect to any partial annual period the Mortgage is outstanding following the annual determination date unless it becomes necessary to so do in order to comply with the Tax Act. The amount of each annual credit will be treated as a principal payment or prepayment and will be credited by the Authority against the principal balance due on the Note. No reduction will be made in the level monthly payment stated in the Note. The allocation of the amount of the amortization payment will be adjusted as between principal and interest to take into account the prepayment. The Borrower will be advised annually as to the amount of any payment or prepayment which has been so credited, and the outstanding principal balance of the Note following the payment or prepayment. The Borrower must make monthly payments regardless of credits until the payments and credits completely amortize the Borrower's debt.

(b) In the event the credit is made at the time the Mortgage is discharged, a determination as to the amount of credit will be made as of the annual determination date established by the Authority which precedes the date of discharge. Credits will not be made with respect to any partial annual period the Mortgage is outstanding following such annual determination date. To the extent necessary, any balance of the credit, remaining after the principal of the Note has been fully paid, will be applied against interest payments due on the Note. Notice will also be given to the Borrower if at any time the amount of the credit due the Borrower equals or exceeds the principal balance of the Note, and final settlement will be made accordingly.

NOTICE TO BORROWER:

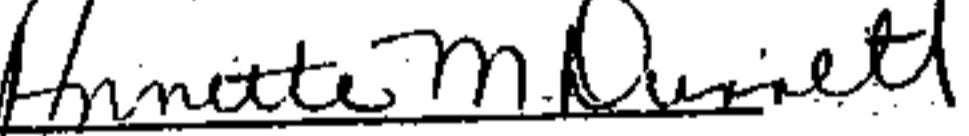
THIS DOCUMENT SUBSTANTIALLY MODIFIES THE TERMS OF THIS LOAN. DO NOT SIGN IT UNLESS YOU HAVE READ AND UNDERSTOOD IT.

I hereby consent to the modifications of the terms of the Mortgage and Note which are contained in this Rider.

Dated this 24th day of August

, 1988

Signature:



Printed:

Annette M. Durrett

Signature: Michael J. Durrett

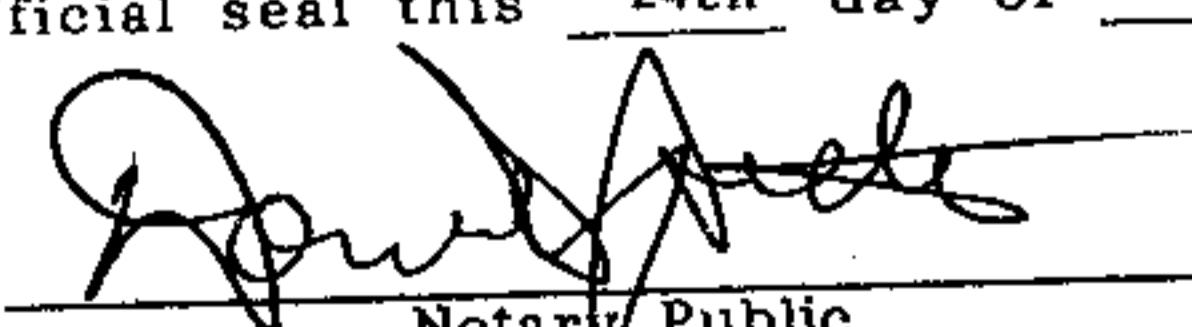
Printed: Michael J. Durrett

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STATE OF ALABAMA, )  
: )  
SHELBY County, )

I, the undersigned, a notary public in and for said county, in said State, hereby certify that Michael J. Durrett and wife, Annette M. Durrett whose name(s) are signed to the foregoing Rider, and who are known to me, acknowledged before me on this day that, being informed of the contents of the foregoing Rider, he/she/they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 24th day of August, 1988.

  
Notary Public

(SEAL)

My Commission expires: 1/25/90

This instrument was prepared by: Daniel M. Spitler, Attorney at Law  
108 Chandalar Drive, Pelham, AL 35124  
Address:

EXHIBIT Y

ASSUMPTION RIDER TO SECURITY INSTRUMENT ON OWNER OCCUPIED PROPERTY

This rider is a part of and incorporated into the Security Instrument (Mortgage, Deed of Trust, Security Deed) dated the 24th day of August, 1988 made and entered into by Michael J. Durrett and wife, Annette M. Durrett, borrower (mortgagor) and Altus Mortgage Corp., lender, (mortgagee).

The Security Instrument is amended to add the following:

The mortgagee shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this security instrument to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 12 months after the date on which the security instrument is endorsed for insurance, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner.

Michael J. Durrett  
Mortgagor Michael J. Durrett

(Typed name of above signatory)

Annette M. Durrett  
Mortgagor Annette M. Durrett

(Typed name of above signatory)

STATE OF ALA. SHELBY  
I CERTIFY THIS  
INSTRUMENT WAS FILED

88 SEP -1 AM 9:35

Theresa A. Shoultz  
JUDGE OF PROBATE

1. Deed Tax \$ 100.65  
2. Mtg. Tax 22.50  
3. Recording Fee 1.00  
4. Indexing Fee 1.00  
TOTAL 124.15