

REAL ESTATE MORTGAGE
(With Provision for Additional Advances)

Lender's Name and Address (Including County) The Peoples Bank of Mt. Washington P.O. Box 95 Mt. Washington, KY 40047-0095 (referred to as "Mortgagee")	Date of Mortgage <u>May 24, 1994</u>	Mortgagor's Name and Address Barry Brent Armstrong Dana R. Hatfield 1110 Berwick Road Birmingham, Alabama 35242 (referred to as "Mortgagor")
	Date(s) of Note <u>May 24, 1994</u>	
	Principal Amount of Note <u>\$144,552.56</u>	
	Final Maturity Date <u>May 24, 2024</u>	

THIS MORTGAGE is made and entered into on the Date of Mortgage shown above between the above-named Mortgagor and Mortgagee.

WITNESSETH, That for the purpose of securing payment of the indebtedness herein mentioned, any and all renewals, extensions and modifications thereof, any additional advances made pursuant to paragraph 19 hereof, any amounts expended or incurred by Mortgagee to protect the security of this mortgage, and for the purpose of securing fulfillment of all covenants and conditions herein contained, Mortgagor hereby mortgages, grants and conveys to Mortgagee with covenant of general warranty the following described property:

Lot 6, according to the Survey of Greystone Ridge Garden Homes, as recorded in Map Book 16, Page 31, in the Office of the Judge of Probate of Shelby County, Alabama.

The proceeds of this loan have been applied on the purchase price of the property described herein, conveyed to mortgagors simultaneously herewith.

The mortgagors herein, Barry Brent Armstrong and Dana R. Hatfield, are both unmarried persons.

See Planned Unit Development Rider attached hereto and made a part hereof for all purposes.

06/09/1994-18610
02:41 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
JOS. H. JONES

TOGETHER with all buildings and improvements now or to be erected thereon, and all rights, privileges and appurtenances thereto belonging, and all fixtures, movable and immovable, now or hereafter on or affixed to the realty or its improvements, replacements of such property and additions thereto (all of which is hereinafter referred to collectively as the "Property"), together with all rents, issues and profits therefrom.

Mortgagor warrants and covenants that Mortgagor is lawfully seized of the Property and has the right to mortgage and convey same; that the Property is free from all encumbrances, liens, claims and charges, except the following encumbrances of record _____

None

and that Mortgagor's heirs, executors, administrators, successors, and assigns will defend generally the title to the Property against all other claims and demands.

TO HAVE AND TO HOLD same unto Mortgagee, its successors and assigns forever.

NOW, THEREFORE, the condition and consideration of this mortgage is that Mortgagor is justly indebted to Mortgagee for the principal sum shown above as Principal Amount of Note with interest thereon as provided in a promissory note or notes (hereafter, whether one or more, called the "Note") of the date or dates shown above as Date(s) of Note. Said Note has been executed and delivered by Mortgagor to the order of Mortgagee, with payment of principal and interest to be made as shown therein, and with other provisions and obligations, all of which Mortgagor hereby recognizes. Said Note is incorporated herein by this reference, and bears the Final Maturity Date shown above.

Mortgagor, in order to more fully protect the security of this mortgage, covenants and agrees as follows:

1. **Payment of Indebtedness.** Mortgagor shall promptly pay when due the principal of and interest on the Note, any fees, charges, costs and expenses due under the Note, and any other indebtedness secured hereby.
2. **Subrogation to Prior Liens.** Mortgagee shall be subrogated for further security to the lien, though released, of any prior encumbrance, lien or charge of any kind, against the Property paid out of the proceeds of the loan for which the Note is executed.
3. **Taxes and Assessments.** Mortgagor shall pay all taxes and assessments now or hereafter levied against the Property. In default thereof, Mortgagee may pay such taxes and assessments and Mortgagor shall reimburse Mortgagee therefor together with interest thereon at the highest rate allowed in the Note.
4. **Insurance.** Mortgagor shall maintain insurance on the Property against damage by fire and the other hazards covered by a standard extended-coverage insurance policy, and shall maintain any additional insurance coverage specified in paragraph 21 hereof, for the full insurable value of the Property (which, unless Mortgagee otherwise agrees in writing, means full repair and replacement value thereof without reduction for depreciation or co-insurance).
Mortgagor shall keep the Property insured against loss by flood if the Property is located in an area which has been, or is hereafter, identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any successor Act thereto) in an amount at least equal to the outstanding indebtedness or the maximum limit of coverage available with respect to the buildings under said Act, whichever is less.
In addition, Mortgagee may require Mortgagor to carry such other insurance on the Property, in such amounts as may from time to time be reasonably required by institutional lenders, against insurable casualties (including without limitation earthquake) that at the time are commonly insured against in the case of property similarly situated, due regard being given to the site and type of buildings, construction, location, utilities, and occupancy of the Property.
In addition, from time to time, upon the occurrence of any change in use, operation, or value of the Property, or in availability of insurance in the area in which the Property is located, Mortgagor shall, within five days after demand by Mortgagee, take out such additional amounts and/or such other kinds of insurance as Mortgagee may reasonably require. Otherwise, Mortgagor shall not take out any separate or additional insurance that is contributing in the event of loss unless it is properly endorsed and otherwise satisfactory to Mortgagee in all respects.
Mortgagor will pay the premiums on such policies when due, deliver to Mortgagee upon its request the official receipt for such premium payments, cause such policies to be issued and promptly deposit same with Mortgagee. Delivery to Mortgagee of policies of insurance hereunder, or renewals thereof, shall constitute an assignment to Mortgagee of all unearned premiums thereon as further security for the payment of the indebtedness secured hereby.
Mortgagor further covenants to deliver to Mortgagee at least ten days before expiration of any such insurance policy, a renewal of such policy, together with official receipt for payment of the premium thereon. All insurance required hereunder shall be written in such form and by such companies as are satisfactory to Mortgagee, with waiver of subrogation and a standard form of mortgage clause payable to Mortgagee, and shall not be cancellable except upon not less than 30 days prior written notice to Mortgagee.

In the event of any loss or damage, Mortgagor will give immediate notice to Mortgagee, and Mortgagee may thereupon make proof of such loss or damage, if same is not promptly made by Mortgagor. All proceeds of insurance, in the event of such loss or damage, shall be payable to Mortgagee, and any affected insurance company is authorized and directed to make payment thereof directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly. Mortgagee is authorized and empowered to settle, adjust or compromise any claims for loss, damage or destruction under any policy of insurance. All such insurance proceeds may, at the sole discretion of Mortgagee, be applied to the restoration, repair, replacement or rebuilding of the Property, or to reduction of any indebtedness secured by this mortgage.

Should Mortgagor fail to maintain such insurance or to keep the policies therefor deposited with Mortgagee, Mortgagee may at its option procure and pay for such insurance and Mortgagor shall reimburse Mortgagee for all sums expended therefor together with interest at the highest rate allowed in the Note.

5. **Maintenance of Property.** Mortgagor will keep the Property in good condition and repair, and will not commit or permit any waste, impairment or deterioration beyond natural wear and tear of the Property. Mortgagor shall not destroy or remove any part of the Property, nor erect any new buildings or improvements on the Property, nor add to or alter existing improvements without prior written consent of Mortgagee. Mortgagee shall have the right to inspect the Property upon reasonable notice and at reasonable times to ensure compliance with this covenant and Mortgagee may effect any repairs Mortgagee deems proper, the cost thereof to be reimbursed to Mortgagee by Mortgagor together with interest thereon at the highest rate allowed in the Note.

6. **No Further Encumbrances.** Mortgagor shall not further encumber the Property and shall keep the Property free of all liens and encumbrances not specifically mentioned herein as being of record this date. Mortgagor shall not increase the amount of indebtedness secured by any mortgage prior or superior to the lien of this mortgage and Mortgagor shall, upon request of Mortgagee, obtain a release of record of any lien prior to this mortgage securing additional but unadvanced indebtedness.

7. **Assignment of Rents, Issues and Profits.** Mortgagor hereby assigns to Mortgagee the rents, issues and profits of the Property as further security, and Mortgagor grants to Mortgagee, upon default under any covenant, condition or agreement contained herein, the right to enter upon the Property for the purpose of collecting the rents, issues and profits. After paying all expenses of such collections, and a reasonable compensation for itself, Mortgagee shall apply the money collected to payment of the indebtedness secured hereby.

8. **Appointment of Receiver.** In the event of any default hereunder, Mortgagee may at its option apply to any court of competent jurisdiction for appointment of a receiver of the Property to manage same and to collect the rents, issues and profits therefrom, and after deducting the costs and expenses of such receivership, including without limitation receiver's fees, premiums on receiver's bonds and reasonable attorney fees, shall apply the remainder of such rents, issues and profits collected to payment of the indebtedness secured hereby. The grounds for appointment of a receiver herein set out shall be in addition to and not in limitation of the statutory remedy of receivership and may be invoked either in aid of or without proceeding for foreclosure and sale of the Property.

9. **Condemnation of Property.** If the Property or any part thereof is condemned and/or taken under the power of eminent domain, or if any award for any change of grade of streets affecting the Property is made, or any conveyance is made in lieu of condemnation, all damages and awards for the Property so taken, damaged or conveyed shall be paid to Mortgagee, to the extent of the unpaid balance of the indebtedness hereby secured, regardless of whether the unpaid balance is then due and payable; and the amount so paid shall be credited against the indebtedness and, if insufficient to pay the entire amount thereof, may, at Mortgagee's option, be applied to the last maturing installments. Mortgagor agrees to execute such further assignment of any compensation, award, damages, rights of actions and proceeds as Mortgagee may require.

10. **Forbearance Not a Waiver.** Any forbearance by Mortgagee in exercising any of its options, rights or remedies hereunder shall not be a waiver of or preclude exercise of same. In the event of a waiver of any one of the obligations assumed by Mortgagor hereunder, it shall not at any time thereafter be held to be a waiver of any of the terms or conditions hereof, except such as are expressly waived in writing by Mortgagee.

11. **Compliance with Laws and Regulations.** Mortgagor will comply with all laws, ordinances, and regulations (including without limitation those that relate to use, health, safety and environmental protection), and all covenants, conditions and restrictions affecting the Property, and will not suffer or permit any violation thereof.

12. **Hazardous Materials; Indemnity.** Neither Mortgagor nor, to the best knowledge of Mortgagor, any other person has ever caused or permitted any Hazardous Material (as hereinafter defined) to be located or disposed of on, under or at the Property or any part thereof, and neither the Property nor any part thereof has ever been used (whether by Mortgagor or, to the best knowledge of Mortgagor, by any other person) as a dump site or permanent or temporary storage site for any Hazardous Material.

Mortgagor agrees to indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses (including without limitation reasonable attorney and consultant fees), claims for damage to the environment, claims for fines or civil penalties, costs of any settlement or judgement, and claims of any and every kind whatsoever, paid, incurred or suffered by Mortgagee, or asserted against Mortgagee by any person, entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under the Property of, or the actual or threatened escape, spillage, discharge, emission, or release from the Property of, or transportation of, any Hazardous Material or any noncompliance with any Environmental Law. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of Mortgagee or any other person, and shall survive payment of the indebtedness hereby secured, satisfaction and release of this mortgage, foreclosure of this mortgage or conveyance of the Property in lieu thereof.

For purposes of this mortgage, "Environmental Law" shall mean any Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect. "Hazardous Material" shall mean any hazardous, toxic or dangerous waste, substance or material defined as such in, or for purposes of, any Environmental Law.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Material or Environmental Law.

13. **Transfers; Maintenance of Existence.** Except as prohibited by law, if all or any part of the Property or any interest therein is sold, leased or transferred by Mortgagor without Mortgagee's prior written consent (including without limitation a contract for deed or any other conveyance, legal or equitable, of the Property by operation of law or otherwise), or if Mortgagor is not a natural person, any of the actual or beneficial ownership of Mortgagor is transferred, Mortgagee may, at its option, declare all sums secured by this mortgage to be immediately due and payable and may forthwith proceed to collect same and enforce this mortgage by suit or otherwise.

If Mortgagor is not a natural person, Mortgagor will do all things necessary to preserve and keep in effect its existence, franchises, rights and privileges under the laws of the state of its incorporation, or formation, as the case may be.

14. **Acceleration of Indebtedness.** Should: (a) Mortgagor fail to pay any installment or other amounts due under, or otherwise fail to comply with any and all terms of, or otherwise be in default under, the Note or other agreement relating to the indebtedness secured hereby; or (b) Mortgagor fail to keep or perform any covenant or stipulation of this mortgage; or (c) proceedings be instituted involving title to the Property or any part thereof, including foreclosure of any second or other inferior mortgage or any other lien against the Property; or (d) Mortgagor or any obligor on the Note or other agreement evidencing the indebtedness hereby secured (1) file a voluntary petition under, or is the subject of an involuntary petition filed under, the Bankruptcy Act of the United States, or (2) be adjudicated a bankrupt under such Act, or (3) be the subject of a petition filed in Federal or State court for appointment of a trustee or receiver in bankruptcy or insolvency, or (4) make a general assignment for the benefit of creditors, then and on the occurrence of any such conditions, at Mortgagee's option, the entire balance of the principal sum secured hereby, together with all accrued interest, shall become immediately due and payable, and Mortgagee may forthwith proceed to collect same and enforce this mortgage by suit or otherwise.

15. **Protection of Mortgagee's Interest.** If any action or proceeding is commenced, including without limitation an action to foreclose this mortgage or collect the indebtedness secured hereby, in which it is necessary to defend or assert the lien of this mortgage or Mortgagee's rights hereunder, whether or not Mortgagee is made or becomes a party to such action or proceeding, all costs and expenses incurred or expended by or on behalf of Mortgagee in such prosecution or defense of the rights and lien created by this mortgage, including without limitation reasonable attorney fees, shall be reimbursed to Mortgagee by Mortgagor together with interest thereon at the highest rate allowed in the Note.

Any amounts expended or incurred by Mortgagee to protect the security of this mortgage, including without limitation amounts expended or incurred by Mortgagee in exercise of its rights hereunder, are to be reimbursed to Mortgagee by Mortgagor and shall become additional debt secured hereby, but shall not constitute or be deemed to be additional advances pursuant to paragraph 19 hereof.

16. **Releases and Extensions.** Without affecting the liability of any person, including Mortgagor, for payment of any indebtedness secured hereby, or the lien of this mortgage on the remainder of the Property for the full amount of any indebtedness unpaid, Mortgagee may from time to time and without notice: (a) release any person liable for payment of any indebtedness secured hereby; (b) extend the time of or otherwise alter the terms of payment of any such indebtedness; (c) accept additional security therefor of any kind, including deeds of trust or mortgages; (d) alter, substitute or release any property securing such indebtedness; or (e) join in any subordination or other agreement affecting this mortgage or the lien thereof.

17. **Financial Statements.** Mortgagor agrees to furnish Mortgagee from time to time and upon Mortgagee's request, current financial statements which shall, at Mortgagee's option, be certified without qualification by audit or certified public accountants approved by Mortgagee. Mortgagee may further, at its option, require such financial statements on any parent company, subsidiary and/or guarantor of Mortgagor.

18. **Construction-Purpose Mortgage.** If checked here (), this mortgage is made for the purpose of erecting, improving, or adding to a building on the Property or improving the Property.

In the event such construction should cease or progress of construction be so slow that construction may be said to have ceased, determination of whether or not construction has ceased shall rest entirely with Mortgagee. Mortgagee may, at its option, as an alternative remedy, enter upon the Property and complete construction, Mortgagor hereby giving to Mortgagee full power and authority to make such entry, and to enter into such contracts or arrangements as may be necessary to complete construction; and the moneys expended by Mortgagee in connection with such completion of construction shall be added to the principal amount advanced under the terms of the Note and be secured hereby and shall be payable by Mortgagor on demand, with interest at the rate set forth in the Note, with every interest, right, lien and security held by Mortgagee continued in full force and effect.

19. **Additional Advances.** Prior to release of this mortgage, Mortgagee, at its option, may make additional advances to Mortgagor. Such additional advances, with interest thereon, shall be secured by this mortgage unless Mortgagee expressly waives such security, provided, however, that if any particular advance would confer upon any person the right to rescind the transaction pursuant to Section 125 of the federal Truth in Lending Act (15 U.S.C. 1635) or its implementing Regulation Z (12 C.F.R. 226.23), that particular advance shall be secured by this mortgage only if Mortgagee timely delivers to each person who has the right to rescind at least one copy of the disclosures and two copies of the notice of the right to rescind required by said Act. At no time shall the principal amount of the indebtedness secured by this mortgage, not including sums advanced in accordance herewith to protect the security of this mortgage, exceed the original amount of the Note, plus \$ _____. All additional advances secured by this mortgage shall be due and payable on or before the Final Maturity Date of the Note, or such time as demand for payment may be made by Mortgagee.

20. Submission of Interest in Property Only. If checked here (), _____ joins herein solely to submit his or her interest in the Property, if any, and/or release his or her dower or curtesy interest in the Property, and to waive, release and renounce any appraisal, exemption, or homestead rights now provided or which may hereafter be provided by the Constitution or laws of the United States or any State against enforcement of the obligations evidenced hereby, but does not assume any further liability with regard to the Note or other indebtedness secured hereby or this mortgage by execution hereof.

21. Additional Insurance Required. If checked here (), Mortgagor shall maintain the following insurance coverage on the Property in addition to that required by, and subject to the covenants and conditions of, paragraph 4 hereof: _____

22. Notices. Any notice, demand or request to Mortgagor under this mortgage shall be given by delivery in person or by first class mail, unless applicable law requires use of another method, and shall be directed to the Property address or such other address Mortgagor designates by written notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's address stated herein or any other address Mortgagee designates by written notice to Mortgagor.

23. Governing Law; Severability. This mortgage shall be governed by the law of the State of Kentucky and any applicable Federal law. In the event any provision or clause of this mortgage or the Note or other agreement evidencing debt secured hereby conflicts with applicable law, such conflict shall not affect other provisions of this mortgage, the Note or such other agreement which can be given effect without the conflicting provision. To this end the provisions of this mortgage and the Note and other agreements evidencing debt secured hereby are declared to be severable.

24. Waivers. Mortgagor waives, releases and renounces any appraisal, exemption or homestead rights now provided or which may hereafter be provided by the Constitution or laws of the United States or any State against enforcement of the obligations evidenced hereby.

25. Sale in One Parcel. In the event of a foreclosure sale, the Property, or so much thereof as may at that time be affected by this mortgage, may be sold in one parcel.

26. General Provisions. This mortgage may not be modified or terminated orally. If there is more than one Mortgagor herein, their obligations hereunder shall be joint and several. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of Mortgagor and Mortgagee, and wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The paragraph captions used herein are for ease of reference only, and if any such caption is deemed to conflict with the text hereof, the text shall control.

PROVIDED, IF MORTGAGOR KEEPS AND PERFORMS ALL COVENANTS AND STIPULATIONS OF THIS MORTGAGE AND PAYS THE ENTIRE OUTSTANDING BALANCE OF THE NOTE AND ALL OTHER INDEBTEDNESS SECURED HEREBY, MORTGAGEE SHALL RELEASE THIS MORTGAGE.

IN WITNESS WHEREOF, Mortgagor has executed this mortgage on the Date of Mortgage shown above.

Mortgagor Barry Brent Armstrong Mortgagor Dana R. Hatfield

STATE OF Alabama COUNTY OF Jefferson

The foregoing mortgage was acknowledged before me this 24th day of May, 19 94, by Barry Brent Armstrong and Dana R. Hatfield

by William H. Halbrooks, Notary Public, State of Alabama
My Commission Expires: 4/21/96

William H. Halbrooks
NOTARY PUBLIC, Kentucky

(Instruction to Preparer: Paragraphs 18 through 21 are optional provisions and must be completed to be effective).

This Instrument Prepared By:

William H. Halbrooks NAME
704 Independence Plaza ADDRESS
Birmingham, Alabama 35209 CITY, STATE, ZIP
William H. Halbrooks SIGNATURE

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 24th day of May, 1994, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to The Peoples Bank of Mt. Washington

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

1110 Berwick Road, Birmingham, Alabama 35242

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in Real Volume 301, Page 799 and Instrument #1992-4720. (the "Declaration").

The Property is a part of a planned unit development known as

Greystone Ridge

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association"), and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. 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 insuring the Property 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:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance 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 provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds 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.

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

Form 3150 9/90

WILLIAM H. HALBROOKS
SUITE 704
#1 INDEPENDENCE PLAZA
BIRMINGHAM, AL 35209

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 or the common areas and facilities of the PUD, 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 10.

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 PUD, 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;

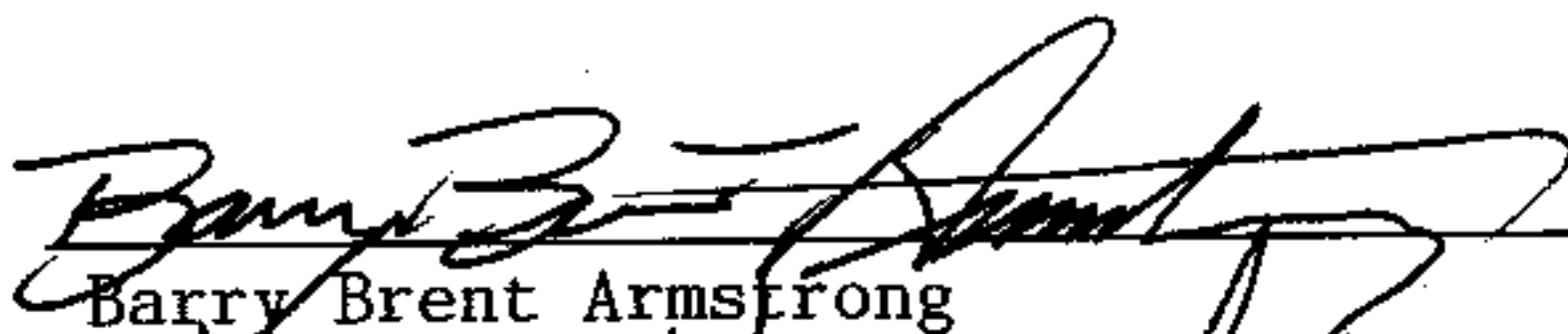
(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;

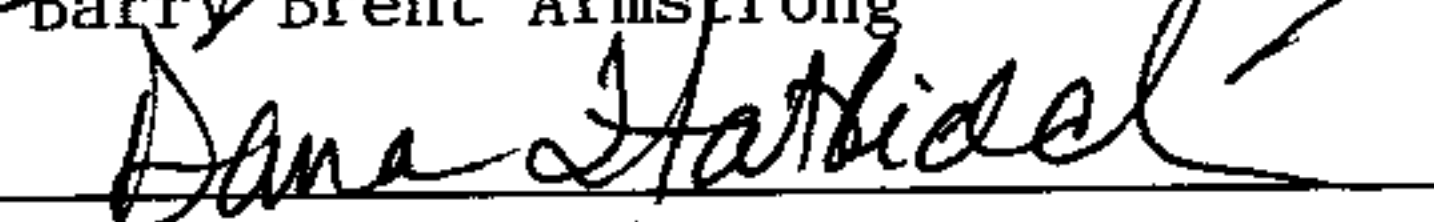
(iii) termination of professional management and assumption of self-management of the Owners Association; or

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

F. Remedies. If Borrower does not pay PUD dues and assessments 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 PUD Rider.

 (Seal)
Barry Brent Armstrong -Borrower

 (Seal)
Dana R. Hatfield -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

Inst # 1994-18610

Form 3150 9/90

06/09/1994-18610
02:41 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
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