

Inst # 1996-05422

02/20/1996-05422
01:14 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

(Space Above This Line For Recording Data)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on February 6, 1996
The grantor is **PARKER, RALPH C., PARKER, KRISTI L.**, his wife

("Borrower"). This Security Instrument is given to Collateral Mortgage, Ltd, an Alabama Limited Partnership, which is organized and existing under the laws of the State of Alabama, and whose address is 1900 Crestwood Boulevard, Birmingham, AL 35283-0180 ("Lender"). Borrower owes Lender the principal sum of **SEVENTY THREE THOUSAND**

RCP KLP
Dollars (U.S. \$ **73,000.00**). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on

August 1, 2026

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns, with power of sale, the following described property located in **SHELBY**

County, Alabama:

Lot 17, according to the Survey of Greystone, 5th Sector, Phase II, as recorded in Map Book 17, Page 118, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama. Together with the nonexclusive easement to use the private roadways, Common Areas, and Hugh Daniel Drive, all as more particularly described in the Greystone Residential Declaration of Covenants, Conditions and Restrictions dated November 6, 1990 and recorded in Real 317 Page 260 in the Probate Office of Shelby County, Alabama and all amendments thereto.

Which has the address of
Alabama

542 CASTLEBRIDGE LANE
("Property Address");

BIRMINGHAM

[City,

State],

35242

[Zip Code]

Alabama Adjustable Rate Second Mortgage

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, appurtenances, and 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 seized 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 encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with 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 a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage and deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall 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 Mortgage.

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

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied; first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. This Mortgage is second, junior and subordinate to that mortgage or deed of trust of even date herewith of Borrower to Lender in the amount of \$ **207,000.00**. Borrower shall perform all of borrower's obligations under said mortgage, deed of trust or other security instrument with a lien which has priority over this mortgage including borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the property which may attain a priority over this mortgage, and leasehold payments or ground rents, if any.

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 such other hazards, including floods or flooding, as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgagee clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any security deed, mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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. Lender, at Lender's option, may apply any insurance proceeds to either the restoration or repair of the property or to the sums secured by this mortgage.

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

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

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections to the Property; Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for this inspection.

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

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 16. 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 that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection 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 under 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.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by 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 in this paragraph.

14. 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 Note conflicts with applicable law, such a 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 Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and Security Instrument.

16. 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 federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period 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.

17. 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 paragraph 16 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 17, 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 13. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in **SHELBY** *REC KLP* 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.

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 other such 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 judgement 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 as if no acceleration has 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 paragraph 16.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There may also be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender 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 Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosine, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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.

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

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

encumbrance and of any sale or other foreclosure action.

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 Instrument.

[Check applicable box(es)]

(XX) Adjustable Rate Rider () Condominium Rider () 1-4 Family Rider
() Graduated Payment Rider (XX) Planned Unit Development Rider () Biweekly Payment Rider
() Balloon Rider () Rate Improvement Rider () Second Home Rider
(XX) Other(s) [specify] **COMPLIANCE RIDER AND RIDER TO SECURITY INSTRUMENT NON-ESCROW LOAN**

TRP
KLP

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.

Witnesses:

 (Seal)
PARKER, RALPH C. -Borrower
 (Seal)
PARKER, KRISTI L. -Borrower
____ (Seal)
____ -Borrower
____ (Seal)
____ -Borrower

STATE OF ALABAMA, Jefferson County:

On this 6th day of February, 1996 I, Clayton T. Sweeney
a Notary Public in and for said county and in said state, hereby certify that

Ralph C. Parker and Kristi L. Parker

, whose name(s) are signed to the foregoing conveyance, and who are known to me, acknowledged before me that, being informed of the contents of the conveyance, they executed the same voluntarily and as their act on the day the same bears date.

Given under my hand and seal of office this 6th day of February, 1996

My commission expires: 5/29/99

ADJUSTABLE RATE RIDER
(1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 6th day of February, 1996 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 Adjustable Rate Note (the "Note") to **COLLATERAL MORTGAGE, LTD** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

542 Castlebridge Lane, Birmingham, AL 35242
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.375%. The Note provides for changes in the initial rate and the monthly payments, as follows:

1. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of September, 1996 and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Three and a Quarter percentage points (3.25%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payments that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The Interest Rate I am required to pay at the first Change Date will not be greater than % 8.375 or less than 6.375 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one percentage point (1.0%) from the rate of interest I have been paying for the preceding

twelve months. My interest rate will never be greater than 12.375 %, nor less than 5.50 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer questions I may have regarding the notice.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Ralph C. Parker (Seal)
Ralph C. Parker -Borrower

Kristi L. Parker (Seal)
Kristi L. Parker -Borrower

____ (Seal)
____ -Borrower

____ (Seal)
____ -Borrower

RIDER TO SECURITY INSTRUMENT
NON-ESCROW LOAN

THIS RIDER is made this 6th day of February, 1996 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 COLLATERAL MORTGAGE LTD., an Alabama Limited Partnership (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

542 Castlebridge Lane, Birmingham, AL 35242
(Property Address)

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

UNIFORM COVENANT 2 of the Security Instrument requires escrow funds for taxes and insurance unless a "written waiver" is given by Lender. This Rider to the Security Instrument is to be considered such "written waiver." If all the terms and conditions of this Rider are not met by Borrower and Borrower is in default of the terms and conditions of either this Rider to Security Instrument or of the Security Instrument itself, then this Rider ("written waiver") shall be null and void and the terms of Uniform Covenant 2 of the Security Instrument shall be substituted in its entirety therefore, all as set out in Paragraph C. below.

A. FUNDS FOR TAXES AND CHARGES. Borrower agrees to pay, within sixty (60) days after they shall come due and payable, and before any penalty or interest shall be charges thereon, all general and special taxes, charges, and assessments of every kind and nature that may be levied, assessed, or be or become a lien on the property herein described whether the same be for state, county, or city purposes, and to furnish annually to Lender, immediately after payment, certificates or receipts of the proper authorities showing full payment of the same.

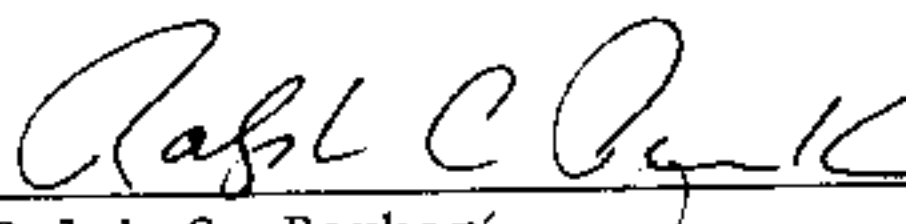
If Borrower fails or neglects to pay the taxes or assessments now levied on or against the property, or that may hereafter during the continuance hereof be laid or imposed thereon, Lender is hereby given the right to pay and discharge such taxes or assessments, without notice, to Borrower. All amounts so expended by Lender for any of the above purposes, shall be charged hereunder as principal money secured by the Security Instrument and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Lender may determine. After any such advances are made, Lender may apply any funds received hereunder to principal, advances, or interest, as Lender may determine, and Lender will not be held to have waived any rights accruing to Lender by the payment of any sum hereunder and particularly the right to declare this Security Instrument in default by the reason of failure of performance of this condition or the nonpayment of the indebtedness secured.

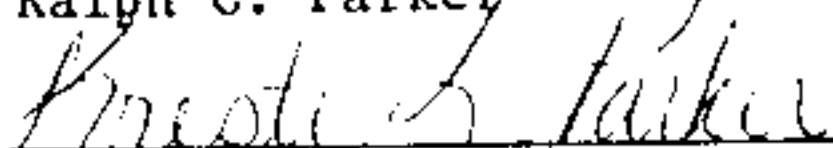
B. FUNDS FOR INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the period required by the Lender. The insurance carrier or carriers providing the insurance shall be chosen by the Borrower subject to Lender's approval, which approval shall not be withheld unreasonably. Borrower shall deliver to Lender an original invoice marked "paid in full" by the insurer of the Property thirty (30) days prior to the renewal date of the insurance policy insurance the Property. The terms of Uniform Covenant 5 of the Security Instrument are in no way abrogated by this Rider and remain in full force and effect.

In the event Borrower fails to pay all of the aforesaid insurance premiums and/or fails to deliver to Lender evidence of such payment, as hereinabove provided, Lender shall have the option to advance the necessary funds to pay said insurance premiums, and all amounts so expended by Lender for insurance premiums, as herein provided, shall be charged hereunder as principal money secured by the Security Instrument and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Lender may determine. After any such advances are made, Lender may apply any funds received hereunder to principal, advances, or interest, as Lender may determine, and Lender will not be held to have waived any rights accruing to Lender by the payment of any sum hereunder and particularly the right to declare the Security Instrument in default by reason of the failure of performance of this condition or the nonpayment of the indebtedness secured.

C. **FAILURE TO PAY.** Upon Borrower's failure to pay the aforesaid taxes, assessments, charges, insurance premiums, or any part of them when due, or upon failure of Borrower to comply with each and every covenant as set out in paragraph "A" and "B" above, or upon any default in the terms of the Security Instrument by the Borrower, then this Rider shall become null and void and **UNIFORM COVENANT 2** of the Security Instrument establishing the "escrow items" will be substituted in its entirety therefor.

Additionally, if there is any default as set out above and if required by Lender, Borrower shall fund the "escrow items" in order that there shall be sufficient funds in the escrow account to pay future taxes and insurance as and when they become due. Failure to fully fund such estimated amounts shall constitute an event of default hereunder.

 (Seal)
Ralph C. Parker -Borrower

 (Seal)
Kristi L. Parker -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 6th day of February, 1996, 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
COLLATERAL MORTGAGE, LTD., AN ALABAMA LIMITED PARTNERSHIP (the "Lender")
of the same date and covering the Property described in the Security Instrument and located at:

542 CASTLEBRIDGE LANE, BIRMINGHAM, AL 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
COVENANTS, CONDITIONS, & RESTRICTIONS

(the "Declaration"). The Property is a part of a planned unit development known as

Greystone
[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.

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;

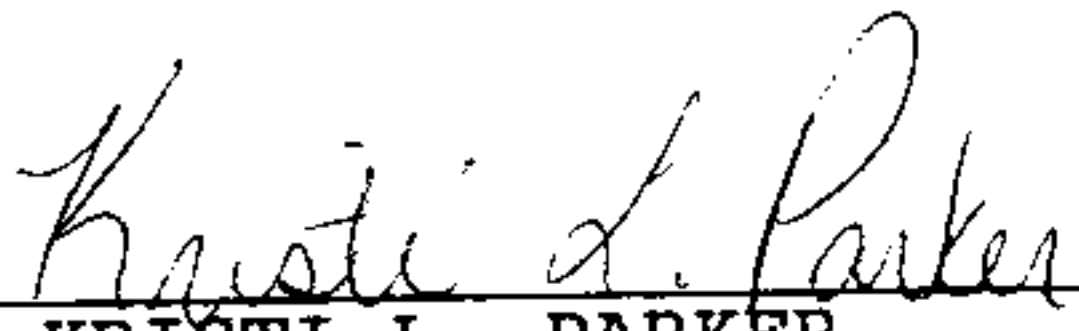
(iii) termination of professional management and assumption of self-management of the Owners Association; or

(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 pages 1 and 2 of this PUD Rider.


RALPH C. PARKER (Seal)
-Borrower


KRISTI L. PARKER (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

SECURITY INSTRUMENT RIDER

(Construction/Permanent Loan)

THIS SECURITY INSTRUMENT RIDER is given this 6th day of February, 1996, and is hereby incorporated into and made a part of that certain Security Instrument executed by Ralph C. Parker and Kristi L. Parker, ("Borrower") in favor of COLLATERAL MORTGAGE, LTD., ("Lender"), dated of even date herewith. Unless modified by this Security Instrument Rider, the remaining terms and conditions of the Security Instrument are ratified, confirmed and renewed in all respects. In further consideration for the indebtedness evidenced by the Note, the Borrower covenants and agrees that the Security Instrument is modified as follows:

1. Additional Covenants to Security Instrument. In addition to the covenants and agreements made in the Security Instrument, the Borrower further covenants and agrees as follows:

A. Construction/Permanent Loan Agreement. The terms and conditions of that certain Construction /Permanent Loan Agreement executed by the Builder, the Lender and the Borrower simultaneously herewith, is incorporated herein by reference thereto. A default by the Borrower in the performance of the terms, covenants and conditions of the Construction/Permanent Loan Agreement shall constitute a default under this Security Instrument Rider and the Security Instrument.

B. Future Advances. This Security Instrument Rider and the Security Instrument also secure all advances made under the Note and the Construction/Permanent Loan Agreement.

C. Security Agreement and Financing Statement. Borrower grants to Lender a present and continuing security interest in (i) all building materials, fixtures, personal property and equipment now or hereafter installed or intended to be installed on the Property, (ii) all plans and specifications for the improvements to be erected on the Property, (iii) building permits and licenses issued in connection with the construction of the improvements, (iv) all deposit accounts and the proceeds therein pledged to Lender for the Equity Payment and/or Additional Deposit, as more particularly described in the Construction/Permanent Loan Agreement.

This Security Instrument shall constitute a financing statement and security agreement between the Borrower, as debtor, and Lender, as the secured party, and provide the Lender with all remedies under the Uniform Commercial Code of the State in which the Property is situated. Information concerning the security interest created by this Security Instrument Rider may be obtained from Lender, as secured party, at the address of Lender stated in the Security Instrument. The mailing address of the Borrower, as debtor, is as stated in the Security Instrument.

2. Modifications to Security Instrument. Borrower hereby agrees to amend the following Uniform Covenants contained in the Security Instrument, as follows:

A. Paragraph 2, entitled "**Funds for Taxes and Insurance**", is amended to provide that until the maturity of the construction phase has occurred, the Borrower is not required to pay the sums set forth in such paragraph. However, at the closing of the loan, the Lender may require certain amounts be held in escrow for taxes, insurance, private mortgage insurance and other charges that Lender, in its sole discretion, deems necessary.

B. Paragraph 6, entitled "**Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds**", is amended to provide that the Borrower will not occupy the Property until all improvements have been completed to the Lender's satisfaction and Borrower has fully complied with the terms of the Construction /Permanent Loan Agreement.

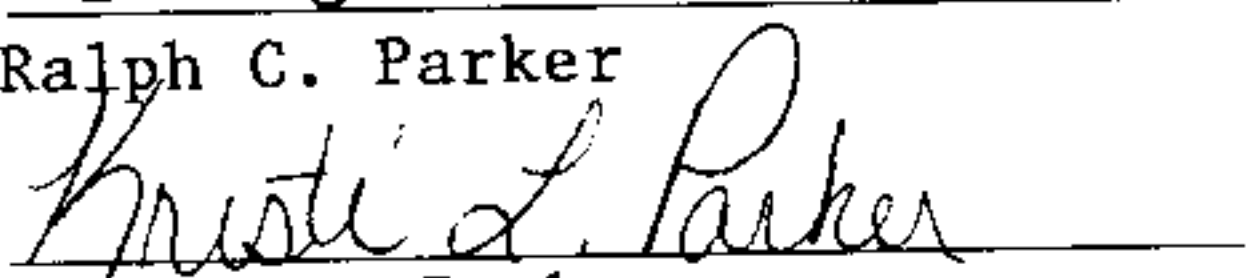
3. **No Impairment.** Nothing herein invalidates or shall impair or release any covenant, condition, agreement or stipulation in the Security Instrument, and the same, except as herein modified, shall continue in full force and effect, and the undersigned further covenant and agree to perform and comply with and abide by each of the covenants, agreements, conditions and stipulations of the Security Instrument which are not inconsistent herewith. Termination of this Rider as described in paragraph 4 below shall not impair, release or invalidate the covenants, conditions and agreements of the Security Instrument.

4. **Termination of Security Instrument Rider.** This Rider shall terminate without the requirement of further notice on the latter to occur of: (i) maturity of the construction phase as described in the Construction/Permanent Loan Agreement; or (ii) the day which the Lender determines, in its sole discretion, that (a) the construction of the improvements to the Property as described in the Construction/Permanent Loan Agreement has been completed and (b) all terms and conditions of the Construction/Permanent Loan Agreement have been fully satisfied.

IN WITNESS WHEREOF, this Security Instrument Rider has been duly executed by the parties hereto the day and year first above written.

Signed, sealed and delivered
in the presence of:

"Borrower(s)"

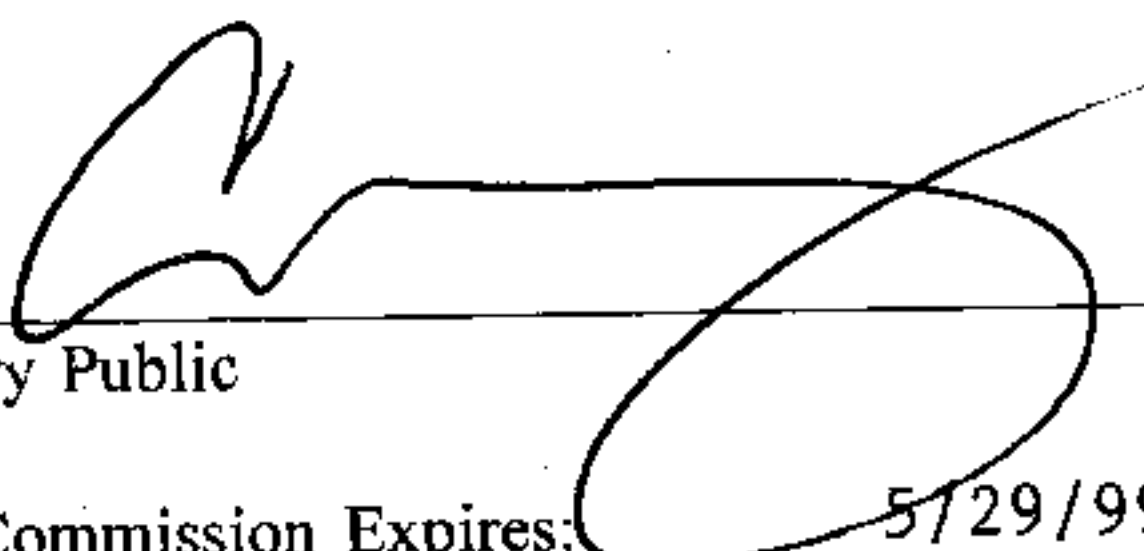

Ralph C. Parker

Kristi L. Parker

STATE OF Alabama)
) SS
COUNTY OF Jefferson)

I, Clayton T. Sweeney, a Notary Public in and for said County, in said State, hereby certify that Ralph C. Parker and Kristi L. Parker whose names are signed to the foregoing Security Instrument Rider, and who are known to me, acknowledged before me on this day, that, being informed of the contents of the Security Instrument Rider, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 6th day of February,

19 96.



Notary Public

My Commission Expires: 5/29/99

COMPLIANCE RIDER

This RIDER is a part of and incorporated into the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the 6th day of February , 1996 , made and entered into by Ralph C. Parker and Kristi L. Parker Borrower(s), and **Collateral Mortgage, Ltd. an Alabama Limited Partnership** , Lender.

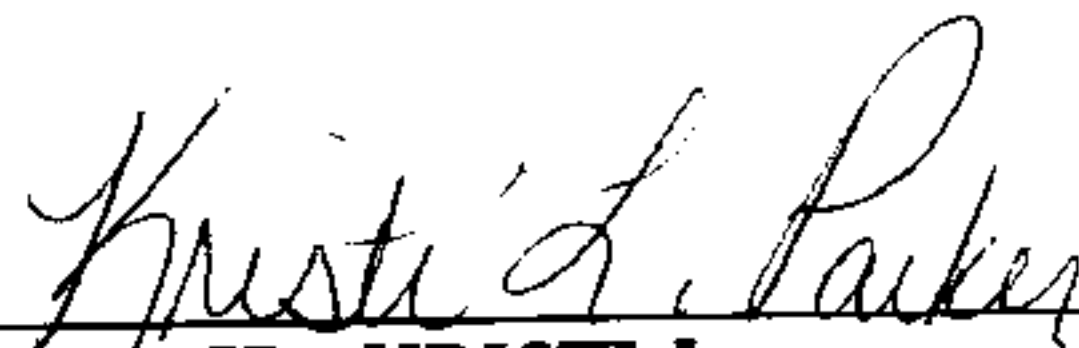
In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

The Security Instrument is amended to add the following:

THAT SHOULD THIS SECURITY INSTRUMENT AND THE NOTE SECURED HEREBY NOT QUALIFY FOR AND COMPLY WITH THE RULES, REGULATIONS, AND STANDARDS PERTAINING TO FNMA/FHLMC OR AN INSTITUTIONAL INVESTOR WITHIN SIXTY DAYS FROM THE DATE HEREOF, AND IF UPON REQUEST, THE BORROWERS FAIL TO COOPERATE IN CORRECTING ANY ERRORS OR OMISSIONS MADE IN CONNECTION THEREWITH, BY EXECUTING OR RE-EXECUTING, AS THE CASE MAY BE, ANY AND ALL LOAN CLOSING DOCUMENTATION, INCLUDING BUT NOT LIMITED TO, THE NOTE AND THE SECURITY INSTRUMENT, THEN THE HOLDER OF THE NOTE SECURED HEREBY MAY, AT ITS OPTION, DECLARE ALL SUMS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE.



PARKER, RALPH C. Borrower



PARKER, KRISTI L. Borrower

Inst # 1996-05422

02/20/1996-05422
01:14 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
014 MCD 150.50