

SECOND MORTGAGE

STATE OF ALABAMA
COUNTY OF SHELBYWHEREAS, LARRY W. PARMLEY JR AN UNMARRIED MAN

("Mortgagor") is/are justly indebted to New South Federal Savings Bank ("Mortgagee") in the principal sum of Two thousand 00/00 Dollars (\$ 2,000.00) at zero percent interest, as evidence by the Promissory note executed by Mortgagor(s) under even date herewith, and payable under the terms as provided in said Note.

NOW, to secure the prompt of said note, Mortgagor(s) for and in consideration of the premises, and the sum of Five Dollars to the undersigned in hand paid by the said Mortgagee this day, the receipt of which is hereby acknowledged, do/does hereby Grant, Bargain, Sell and Convey to the said Mortgagee the following described real estate lying and situated in SHELBY County, Alabama, to wit:

This Mortgage is second and subordinate to the certain first mortgage of even date herewith executed by the Mortgagor herein in favor of New South Federal Savings Bank ("Mortgagee"). The term hereof shall run concurrent with the term of the above referenced first mortgage.

And said Mortgagor(s) do hereby covenant with the said Mortgagee that Mortgagor(s) are lawfully seized in fee of said premises; that they are free of and from all encumbrances except as noted above and the Mortgagor(s) will warrant and defend the same against the lawful claims and demands of all persons.

If Mortgagor(s) shall well and truly pay, or cause to be paid, said Note, when due, then this conveyance shall become null and void. Should Mortgagor(s) fail to pay and Note when due, Mortgagee is authorized and empowered to sell said property at auction for cash at the SHELBY County Courthouse door in the City of BIRMINGHAM, Alabama, first having given notice thereof as required by law, and execute proper conveyance to the purchaser.

EXHIBIT A ATTACHED

This second mortgage shall not be assumable.

CAUTION: It is important that you thoroughly read the contract before you sign it.

IN WITNESS WHEREOF, Mortgagor(s) have hereunto set their hands and official seals this 22ND day of MAY, 2000.

BORROWER(S):

LARRY W. PARMLEY JR

STATE OF ALABAMA
COUNTY OF JEFFERSON

I, THE UNDERSIGNED, a Notary Public in and for said State hereby certify that LARRY W. PARMLEY, JR. whose name(s) are signed to the foregoing mortgage, and who known to me, acknowledge before me on this day that being informed of the contents of this mortgage, HE executed the same volutarily on the day the same bears date.

Given under my hand this 22ND day of MAY, 2000.

(Seal)

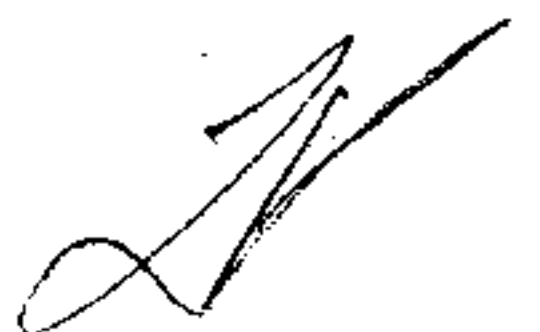
Notary Public
My Commission expires 3/3/2004

Inst # 2000-20373

06/19/2000-20373
10:56 AM CERTIFIEDSHELBY COUNTY JUDGE OF PROBATE
003 HHS 14.50

EXHIBIT "A" LEGAL DESCRIPTION

Lot B, Block 12, according to a resurvey of Lots A, B, C, and D, Block 12, Riverwood, 7th Sector, said resurvey recorded in Map Book 10, page 81, in the Probate Office of Shelby County, Alabama, together with an undivided interest in the common areas as set forth in Declaration recorded in Misc. Volume 39, page 880, in said Probate Office.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a single name.

ALABAMA HOUSING FINANCING AUTHORITY
Single-Family Mortgage Revenue Bond Program

FHA TAX-EXEMPT FINANCING RIDER

THIS TAX-EXEMPT FINANCING RIDER is incorporated into and shall be deemed to amend and supplement the mortgage of the same date given by the undersigned ("Borrower" or "Mortgagor") to ("Lender" or "Mortgagee") and covering the property described in the Mortgage and located at 3084 RIVERWOOD TERRACE BIRMINGHAM AL 35242. In addition to the covenants and agreements made in the Mortgage, Mortgagor and Lender further covenant and agree as follows:

Lender, or such of its successors and assigns as may be separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Tax Exempt Financing Rider, may require immediate payment in full of all sums secured by this Mortgage if:

- (a) All or part of the property described in the Mortgage is sold or otherwise transferred (other than by devise, descent or operation of law) by Mortgagor to a purchase 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 143 and (i)(2) of the Internal Revenue Code; 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 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent") shall be substituted for "95" percent or more "where the latter appears in Section 143(d)(i); or
 - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences, all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
 - (iv) Who has a gross family income in excess of 115% of the applicable median family income (140% of the applicable median family income for a purchase or transferee or a residence in a target area), except that 100% and 120% shall be substituted for 115% and 140%, respectively, if the purchaser or other transferee has a family or fewer than 3 individuals, all as provided in Sections 143(f) and (i)(2) of the Internal Revenue Code; or
- (b) Mortgagor fails to occupy the property described in the Mortgage without prior written consent of Lender or its successors or assigns described at the beginning of this Tax Exempt Financing Rider, or
- (c) Mortgagor omits or misrepresents a fact that is material, including without limitation, with respect to the provisions of Section 143 of the Internal Revenue code in an application for the loan secured by this Mortgage.

References are to the 1986 Internal Revenue code in effect on the date of execution of the Mortgage and are deemed to include the implementing regulations.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

IN WITNESS WHEREOF, the Mortgagor has executed this Tax-Exempt Financing Rider and Addendum on this 22ND day of MAY, 2000.

Signature: Larry W. Parmley Jr.
LARRY W. PARMLEY JR

Signature: _____

State of Alabama, County of Jefferson

I, the undersigned, a notary public in and for said county, in said state, hereby certify that LARRY W. PARMLEY, JR. signed the foregoing Rider and know to me, acknowledged before me on this day that, being informed of the contents of the foregoing Rider, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this 22ND day of MAY, 2000.

(Seal)

Notary Public

My Commission expires: 3/3/2004

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Revised 11/95

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