

INVESTOR NUMBER: 222260542659

PRINCIPAL RESIDENTIAL LOAN NUMBER: 001753092

MORTGAGOR(S): Charles Cottingham and Verica Cottingham

THIS INSTRUMENT PREPARED BY:

Stephen G. Collins
Sirote & Permutt, P.C.
2311 Highland Avenue South
P. O. Box 55727
Birmingham, AL. 35255-5727

STATE OF ALABAMA)

COUNTY OF SHELBY)

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: That, for and in consideration of One Dollar (\$1.00) and other valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Grantor, **Principal Residential Mortgage, Inc.**, does hereby grant, bargain, sell, and convey unto Grantee, **The Secretary of Veterans Affairs, an Officer of the United States of America, his/her successors and/or assigns, as their interest may appear**, the following described real estate situated in the County of Shelby, State of Alabama, to-wit:

Lot 15 and 16, Block 77, according to J. H. Dunstan's Map of the Town of Calera, on
file in the Probate Office of Shelby County, Alabama.

TO HAVE AND TO HOLD, the above-described property together with all and singular the tenements, hereditaments, and appurtenances thereupon belonging or in any wise appertaining unto the said Grantee, its successors and assigns, forever.

IT IS EXPRESSLY UNDERSTOOD AND AGREED by and between the parties hereto that this conveyance is subject to any outstanding rights of redemption from foreclosure sale, and that this deed contains no warranty except against the acts of the said Grantor, and all persons claiming by, through, or under it.

IN WITNESS WHEREOF, **Principal Residential Mortgage, Inc.**, a corporation, has caused this conveyance to be executed by Stephen G. Collins as Shareholder of Sirote & Permutt, P.C. pursuant to that certain Limited Power of Attorney attached hereto as Exhibit A and fully incorporated herein. This Special Warranty Deed is executed on the 23rd day of July, 2003.

PRINCIPAL RESIDENTIAL MORTGAGE, INC.

By: Sirote & Permutt, P.C.
as Attorney-in-Fact for Principal Residential Mortgage, Inc.

By: [Signature]
Its Shareholder

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Stephen G. Collins, whose name as Shareholder of Sirote & Permutt, P.C., a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as shareholder, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in its capacity as attorney-in-fact as aforesaid.

Given under my hand and official seal this the 23rd day of July, 2003.

[Signature]
NOTARY PUBLIC

My Commission Expires:

AGREEMENT FOR SIGNING AUTHORITY

MERSCORP, INC. ("MERS") and its subsidiary, MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., Principal Residential Mortgage, Inc. ("Member") and Sirote and Permutt ("Law Firm") hereby agree as follows:

1. The purpose of this Agreement is to define the rights and obligations of the parties when an officer of the Law Firm executes documents as an officer of MERS for the purposes of foreclosing on a mortgage loan that is registered on the MERS® System and shown on the MERS® System to be serviced by Member.
2. The parties acknowledge that Principal Residential Mortgage, Inc. is a member of MERS, and has signed an agreement of membership that is incorporated herein by reference. Member has entered into a separate contract with the Law Firm to perform certain obligations of foreclosing mortgage loans on mortgages that are serviced by Member. References herein to "mortgage(s)" and "mortgagee of record" shall include deed(s) of trust and beneficiary under a deed of trust, respectively, and any other form of security instrument under applicable state law.
3. The parties further acknowledge that Mortgage Electronic Registration System, Inc. may be the mortgagee of record on mortgages that Member instructs the Law Firm to foreclose upon. Therefore, in order for the Law Firm to perform its contractual duties to Member, MERS by corporate resolution will grant employees of the Law Firm the limited authority to sign all necessary documents and act on behalf of MERS in performing said foreclosures. Such authority is set forth in the attached form of corporate resolution, which is made a part of this Agreement.
4. The parties agree that Member will provide all necessary information and instructions to the Law Firm to foreclose upon mortgage loans where Mortgage Electronic Registration Systems, Inc. acts as the mortgagee of record. All parties agree that MERS and Mortgage Electronic Registration Systems, Inc. are not responsible for the accuracy of any information provided by Member to the Law Firm, or any information entered into the MERS® System by or on behalf of Member. Any problems regarding the information or instructions between Member and Law Firm must be resolved between those two parties.
5. Member and Law Firm agree to indemnify and hold harmless MERS and Mortgage Electronic Registration Systems, Inc. ("MERS Party"), and any employee, director, officer, agent or affiliate of MERS Party from and against any and all third-party claims, losses, penalties, fines, forfeitures, reasonable attorney fees and related costs, judgments, and any other costs, fees and expenses that result from the negligence, errors and omissions, breach of confidentiality or willful misconduct of the Law Firm in foreclosing on mortgage loans where Mortgage Electronic Registration Systems, Inc. is the mortgagee of record.

6. The Law Firm shall maintain appropriate insurance coverage that shall include coverage for any negligence, errors and omissions or willful misconduct of all employees authorized to sign releases as officers of Mortgage Electronic Registration Systems, Inc.
7. Upon termination of the contract between Member and the Law Firm, this agreement shall concurrently terminate and the corporate resolution shall be revoked at such time.
8. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to its choice of law provisions.

The parties have executed this Agreement intending to be bound as of the dates indicated below.

MERSCORP, INC.

By: 

Title: Senior Vice President

Dated: William C. Hultman

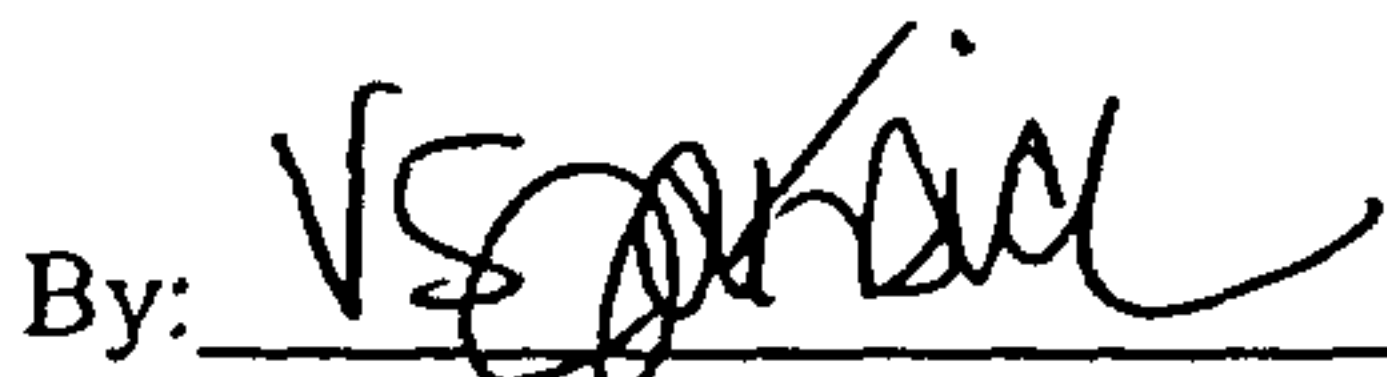
**MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.**

By: 

Title: Secretary and Treasurer

Dated: William C. Hultman

Principal Residential Mortgage, Inc.

By: 

Title: V.B. Jaksich, Dir. and Sec. Default Adm.

Dated: 5-28-02

Sirote and Permutt

By: 

Title: Shareholder

Dated: 5/23/02

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

CORPORATE RESOLUTION

Be it Resolved that attorneys that are employed by or partners of Sirote and Permutt are hereby appointed as assistant secretaries and vice presidents of Mortgage Electronic Registration Systems, Inc., and, as such, are authorized to:

execute any and all documents necessary to foreclose upon the property securing any mortgage loan registered on the MERS System that is shown to be registered to the Member, including but not limited to (a) substitution of trustee on Deeds of Trust, (b) Trustee's Deeds upon sale on behalf of MERS, (c) Affidavits of Non-military Status, (d) Affidavits of Judgment, (e) Affidavits of Debt, (f) quitclaim deeds, (g) Affidavits regarding lost promissory notes, and (h) endorsements of promissory notes to VA or HUD on behalf of MERS as a required part of the claims process;

I, William C. Hultman, being the Corporate Secretary of Mortgage Electronic Registration Systems, Inc., hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Directors of said corporation effective as of the 29th day of May 2002, which is in full force and effect on this date and does not conflict with the Certificate of Incorporation or By-Laws of said corporation.



Secretary

20030724000474600 Pg 5/5 24.00
Shelby Cnty Judge of Probate, AL
07/24/2003 12:16:00 FILED/CERTIFIED

(Corporate seal)