Return To:
Merrill Lynch Credit
Corporation
9700 Bissonnet Street ,
Suite #1500, HOUSTON, TX
77036

[Space Above This Line For Recording Data]

# MORTGAGE

Loan #: 7101980873

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

**(A) "Security Instrument"** means this document, which is dated August 16, 2007 , together with all Riders to this document.

**(B) "Borrower"** is
Gene L. McKinney, individually, as an unmarried person and
Gene L. McKinney, Trustee of The McKinney Living Trust dated January 23, 1992 as amended and restated May 17, 2005 .

Borrower is the mortgagor under this Security Instrument.

**(C) "Lender"** is Merrill Lynch Credit Corporation .

Lender is a Corporation
organized and existing under the laws of Delaware .



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Lender's address is 5201 Gate Parkway Jacksonville, FL 32256

Lender is the mortgagee under this Security Instrument.

**(D) "Note"** means the promissory note signed by Borrower and dated August 16, 2007 . The Note states that Borrower owes Lender One Hundred Ninety-Eight Thousand Eight Hundred Thirty-Six Dollars and Zero Cents Dollars (U.S. $198,836.00 ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than September 1st, 2037 .

**(E) "Property"** means the property that is described below under the heading "Transfer of Rights in the Property."

**(F) "Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

**(G) "Riders"** means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

| | | |
|---|---|---|
| [x] Adjustable Rate Rider | [x] Condominium Rider | [ ] Second Home Rider |
| [ ] Balloon Rider | [ ] Planned Unit Development Rider | [ ] 1-4 Family Rider |
| [ ] VA Rider | [ ] Biweekly Payment Rider | [ ] Other(s) [specify] |

**(H) "Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

**(I) "Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

**(J) "Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

**(K) "Escrow Items"** means those items that are described in Section 3.

**(L) "Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

**(M) "Mortgage Insurance"** means insurance protecting Lender against the nonpayment of, or default on, the Loan.

**(N) "Periodic Payment"** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

**(O) "RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

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**(P) "Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the COUNTY of SHELBY :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

Being the same premises conveyed to the mortgagors herein by deed being recorded simultaneously herewith; this being a purchase money mortgage given to secure the purchase price of the above described premises.

PLEASE SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION

Parcel ID Number: which currently has the address of
1140 PORTOBELLO ROAD [Street]
BIRMINGHAM [City] , Alabama 35242 [Zip Code]
("Property Address"):

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 seised of the estate hereby conveyed and has the right to 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, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this



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Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts



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due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the



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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property 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 including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

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. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

**(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.**

**(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.**

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

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**12. 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 Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to 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 any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer'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 can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan 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 (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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**16. Governing Law; Severability; Rules of Construction.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrower's Copy.** Borrower shall be given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 15 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.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment 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 had 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and 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 Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might 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 which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

**22. 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 Section 18 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 Section 22, 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 Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in SHELBY 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.**

**23. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

**24. Waivers.** Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property.

By signing below/above, the undersigned, acknowledges all of the terms and covenants contained in the Security Instruments and any riders thereto and agrees to be bound thereby, Gene L. McKinney

Witnesses:

Gene L. McKinney, Trustee of the McKinney Living Trust, under trust instrument dated January 23, 1992 as amended and restated May 17, 2005, for the benefit of Gene L. McKinney

_______________ (Seal)
Gene L McKinney -Borrower

_______________

_______________ (Seal) -Borrower

_______________ (Seal) -Borrower

_______________ (Seal) -Borrower

_______________ (Seal) -Borrower

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Shelby Cnty Judge of Probate,AL
08/20/2007 11:32:55AM FILED/CERT

**STATE OF ALABAMA,** JEFFERSON **County ss:**

On this 16th day of August, 2007 , I,
John L. Hartman, III ,
a Notary Public in and for said county and in said state, hereby certify that Gene L McKinney,individually and as trustee of the McKinney Living Trust under trust instrument dated 01/23/1992,for the benefit of Gene L McKinney

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

Given under my hand and seal of office this 16th day of August, 2007 .

My Commission Expires: 08/04/09

Notary Public John L. Hartman, III

Prepared By:
Kathy Noel, Merrill Lynch Credit Corporation
5201 Gate Parkway Jacksonville, FL 32256

# ADJUSTABLE RATE RIDER

**(1, 3 or 6-Month LIBOR Index - Rate Caps)**

THIS ADJUSTABLE RATE RIDER is made this 16th day of August, 2007, 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 the Borrower's Adjustable Rate Note (the "Note") to Merrill Lynch Credit Corporation (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1140 PORTOBELLO ROAD, BIRMINGHAM, AL 35242

[Property Address]

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE MAXIMUM INTEREST RATE THE BORROWER MUST PAY. THE NOTE PROVIDES FOR 15 YEARS OF INTEREST-ONLY PAYMENTS FOLLOWED BY 15 YEARS OF FULLY AMORTIZING PAYMENTS. DURING A PORTION OF THE INTEREST-ONLY PERIOD, THE NOTE PROVIDES THE BORROWER WITH AN OPTION TO CONVERT THE BORROWER'S ADJUSTABLE INTEREST RATE TO A FIXED INTEREST RATE FOR A SET PERIOD OF TIME.**

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

**A. INITIAL INTEREST RATE**

The Note provides for an initial interest rate of 6.500%.

**B. MONTHLY PAYMENTS**

Sections 3(A), 3(B) and 3(C) of the Note provide as follows:

**"(A) Time and Place of Payments**

Beginning on October 1st, 2007, and thereafter on the first day of each month, I will pay monthly payments of interest only on the unpaid Principal balance of this Note and will continue to do so through 08/31/2022. Thereafter, I will pay monthly payments of Principal and Interest, as provided below, on the first day of each month beginning 09/01/2022. I will make these payments every month until I have paid all of the Principal and Interest and any other fees and charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on September 1st, 2037, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date".

I will make my monthly payments at Mortgage Services Center, P.O. Box 371458 Pittsburgh, PA 15250-7458 , or at a different place if required by the Note Holder.

**(B) Amount of My Initial Monthly Payments**

Each of my initial monthly payments will be in the amount of U.S. $1,077.03. This amount may change.

**(C) Monthly Payment Changes**

Changes in my monthly payment will reflect changes in the unpaid Principal of my loan, changes in the interest rate that I must pay, and the change from interest-only payments to payments that include both interest and Principal. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 of this Note (and Section 5 of this Note, if I exercise my Conversion Option described below)."

**C. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

Section 4 of the Note provides as follows:

**"4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

Except as provided in Section 5 of this Note, the interest rate I will pay may change on the first day of November, 2007, and on that same day every 1 -month(s) thereafter. Each date on which my adjustable 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 1 -month London Interbank Offered Rate ("LIBOR"), which is the average of interbank offered rates for 1 -month U.S. dollar denominated deposits in the London market, as published in *The Wall Street Journal*. If the Index stated in this Section 4(B) is the one-month LIBOR or the three-month LIBOR, then the most recent

Index figure available as of the date twenty-five (25) days before each Change Date is called the "Current Index". If the Index stated in this Section 4(B) is the six-month LIBOR, then the most recent Index figure available as of the first Business Day (as defined below) of the calendar month immediately preceding the calendar month in which each Change Date occurs is called the "Current Index". For purposes of this Note, "Business Day" shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which the New York Stock Exchange or banking institutions in the State of New York are authorized or obligated by law or executive order to be closed.

If the Index or any substitute index is no longer available, the Note Holder will choose a new index that 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 Eight Hundred Seventy-Five / Thousandths percentage point(s) (0.875%) (the "Margin") 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.

In the event a new index is selected in accordance with Section 2(B) above, a new Margin may be established. The new index and Margin will result in an interest rate that is substantially similar to the interest rate that was in effect at the time that the old index became unavailable.

**(i) Interest-Only Period.** The "Interest-Only Period" is the period from the date of this Note through 08/31/2022. For the Interest-Only Period, after calculating my new interest rate as provided above, the Note Holder will then determine the amount of the monthly payment that would be sufficient to pay the interest which accrues on the unpaid Principal balance of this Note. The result of this calculation will be the new amount of my monthly payment. However, because my monthly payment during the Interest-Only Period is equal to the interest that accrues on my unpaid Principal, my monthly payments during the Interest-Only Period will also change if the unpaid Principal changes. This may occur, for example, following a partial Prepayment (as that term is defined in Section 6 of this Note).

**(ii) Amortization Period.** The "Amortization Period" is the period after the Interest-Only Period. For the Amortization Period, after calculating my new interest rate as provided above, the Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid Principal that I am expected to owe at the Change Date, together with interest at the new interest rate, in full in substantially equal installments through the Maturity Date. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

My interest rate will never be greater than 12.000% (the "Maximum Interest Rate") or be less than the amount of the original Margin stated in Section 4(C) of this Note (the "Minimum Interest Rate").

**(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 before the date that a monthly payment resulting from an interest rate change is due at a new level. 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 any question I may have regarding the notice."

**D. FIXED INTEREST RATE CONVERSION OPTION**

Section 5 of the Note provides as follows:

**5. FIXED INTEREST RATE CONVERSION OPTION**

**(A) Option to Convert to Fixed Interest Rate During a Portion of the Interest-Only Period**

I have an option to convert the interest rate I am required to pay during a portion of the Interest-Only Period from an adjustable interest rate to a fixed interest rate that is calculated under Section 5(B) below. This option is called my "Conversion Option." Anything in this Note to the contrary notwithstanding, I may not exercise my Conversion Option if the new fixed interest rate, calculated as set forth in Section 5(B) below, would otherwise exceed the Maximum Interest Rate or would otherwise be less than the Minimum Interest Rate stated in Section 4(D) of this Note. If I exercise my Conversion Option, the change of my interest rate from an adjustable interest rate to a fixed interest rate is called a "Conversion." The term of the Conversion that I choose is called the "Conversion Period." Except as provided in Section 5(B) below, if I exercise my Conversion

Option, I will be able to choose from among a one year Conversion Period, a two year Conversion Period, a three year Conversion Period, a four year Conversion Period, or a five year Conversion Period. My ability to exercise my Conversion Option is subject to my meeting all of the conditions described in Section 5(E) below.

If I exercise a Conversion Option, I will be able to choose when the Conversion will commence, subject to the limitations of this paragraph. A Conversion can only commence on a Change Date. A Change Date on which a Conversion commences is called a "Conversion Date." I must choose a Conversion Date that is no earlier than the first Change Date and no later than a Change Date that will allow the entire scheduled Conversion Period to be completed before the commencement of the Amortization Period.

Subject to the other conditions and restrictions of this Section 5, there is no limit on the number of times that a Conversion Option may be exercised.

**(B) Calculation of New Fixed Interest Rate**

If I exercise a Conversion Option, my new fixed interest rate will be calculated by (i) adding the "Conversion Margin" described below to the "1-year Interest rate swap" if I choose a one year Conversion Period, the "2-year Interest rate swap" if I choose a two year Conversion Period, the "3-year Interest rate swap" if I choose a three year Conversion Period, the "4-year Interest rate swap" if I choose a four year Conversion Period, or the "5-year Interest rate swap" if I choose a five year Conversion Period, respectively, and (ii) then rounding the result of this addition to the nearest one-eighth of one percentage point (0.125%). For purposes of this Note, the 1-year Interest rate swap, 2-year Interest rate swap, 3-year Interest rate swap, 4-year Interest rate swap, and 5-year Interest rate swap, respectively, will be equal to the amounts stated for those items in the most recent Internet web site posting (currently found at http://www.federalreserve.gov/releases/H15/update/) of the Board of Governors of the Federal Reserve System's Federal Reserve Statistical Release H.15 - Selected Interest Rates (Daily) on the Reservation Date described in Section 5(E) below (or, as applicable, on the Termination Notification Date described in Section 5(F) below or the Full Prepayment Date or Partial Prepayment Date described in Section 5(G) below). The 1-year Interest rate swap, 2-year Interest rate swap, 3-year Interest rate swap, 4-year Interest rate swap, and 5-year Interest rate swap are individually referred to as an "Interest rate swap" and collectively referred to as the "Interest rate swaps." The "Conversion Margin" will be equal to two and one-half percentage points (2.50%). The Note Holder may, in its sole discretion, elect to provide a lower Conversion Margin at the time I exercise a Conversion Option, and the Note Holder and I will sign any necessary documentation to establish the lower Conversion Margin. In no event will the Conversion Margin be greater than the amount stated above. The Note Holder will issue periodic announcements of the Conversion Margin it is willing to offer on its Internet web site (currently found at http://mlcc.ml.com/MLCCClient).

If any Interest rate swap (or any substitute index) is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice. In the event a new index is selected in accordance with this paragraph, a new Conversion Margin may be established. The new index and Conversion Margin will result in an interest rate that is substantially similar to the interest rate that would have been in effect at the time that the Interest rate swap (or substitute index) became unavailable. If, however, the Note Holder determines that there is no new index that both (i) is based upon comparable information as the unavailable Interest rate swap (or substitute index), and (ii) complies with all applicable regulatory requirements, then a conversion to the Conversion Period that is associated with the unavailable Interest rate swap (or substitute index) will no longer be permitted from and after that time.

**(C) Calculation of New Payment Amount**

If I exercise my Conversion Option, the Note Holder will calculate the amount of the monthly payment that would be sufficient to pay the interest which accrues on the unpaid Principal balance of this Note at the new fixed rate calculated under Section 5(B) above. The result of this calculation will be my monthly payment for the applicable Conversion Period. However, because my monthly payment is equal to the interest that accrues on my unpaid Principal, my monthly payments for the Conversion Period will change if the unpaid Principal changes. This may occur, for example, following a partial Prepayment (as that term is defined in Section 6 below).

**(D) Effective Dates**

If I exercise my Conversion Option, the fixed interest rate calculated under Section 5(B) above will become effective on the Conversion Date and will remain in effect until the date (called the "Resumed Adjustable Rate Change Date") that is one year after the Conversion Date if I choose a one year Conversion Period, two years after the Conversion Date if I choose a two year Conversion Period, three years after the Conversion Date if I choose a three year Conversion Period, four years after the Conversion Date if I choose a four year Conversion Period, or five years after the Conversion Date if I choose a five year Conversion Period, respectively. Beginning with the first monthly payment date after the Conversion Date, I will pay my new monthly payment calculated under Section 5(C) above.

On the Resumed Adjustable Rate Change Date (which is treated as a Change Date for this purpose), and on each Change Date that follows, the interest rate that I will pay under this Note will change in accordance with Section 4 of this Note (with the timing of each Change Date after the Resumed Adjustable Rate Change Date being determined solely in accordance with the first sentence of Section 4(A) of this Note). On the monthly payment dates following the Resumed Adjustable Rate Change Date and following each Change Date thereafter during the Interest-Only Period, the monthly payments that I am required to pay will be determined in accordance with Section 4(C)(i) of this Note. However, if I later exercise another Conversion Option, then the interest rate that I am required to pay under this Note and my monthly payment will again be determined in accordance with Section 5(B), (C) and (D) above.

**(E) Conditions that Must be Met to Exercise the Conversion Option**

My exercise of my Conversion Option will be valid and effective only if I meet each of the following conditions: (i) I give the Note Holder telephonic notice of my exercise of my Conversion Option (the "Telephonic Notice") by calling the telephone number that the Note Holder designates from time to time for this purpose. If I provide the Telephonic Notice prior to 4:00 p.m. Eastern Time (the "Cut-Off Hour") on a Business Day, the day that the Telephonic Notice is received by the Note Holder will be the "Reservation Date." If I provide the Telephonic Notice after the Cut-Off Hour on a Business Day, or if I provide the Telephonic Notice on other than a Business Day, the Reservation Date will be the next following Business Day. As provided in Section 5(B), the Interest rate swap on the Reservation Date will be used to calculate my fixed interest rate for the Conversion Period, but only if I give the Note Holder a written confirming notice of my exercise of my Conversion Option (the "Conversion Notice"), in the manner provided in Section 9 of this Note, and the Note Holder receives the Conversion Notice within three (3) Business Days following the Reservation Date. If the Conversion Notice is received by the Note Holder after that date, or is not received by the Note Holder at all, my exercise of my Conversion Option will be null and void, and I may then exercise my Conversion Option only by providing a new Telephonic Notice as set forth above and fulfilling the other conditions of this Section 5(E). The written Conversion Notice must consist of the Note Holder's then current official form, must be fully completed, and must be signed and dated by me. Both the Telephonic Notice and the Conversion Notice must be received by the Note Holder not less than fifteen (15) and not more than twenty-five (25) days before the Conversion Date identified in the Conversion Notice. Both the Telephonic Notice and the Conversion Notice shall be deemed given only if and when actually received by the Note Holder, and the Note Holder's records in this regard shall be deemed conclusive. If more than one person has signed this Note, any one of them may exercise a Conversion Option by providing a Telephonic Notice and Conversion Notice, and the Conversion will be legally binding on all of the persons who have signed this Note; (ii) I pay a conversion fee (the "Conversion Fee") to the Note Holder. The Conversion Fee will be $500 if the unpaid Principal that I am expected to owe on the Conversion Date stated in the Conversion Notice is $500,000 or less. The Conversion Fee will be $1,000 if the unpaid Principal that I am expected to owe on the Conversion Date stated in the Conversion Notice is more than $500,000. The Note Holder must receive my Conversion Fee together with the Conversion Notice; (iii) the Note Holder determines that I am not in default on the Reservation Date (a) as described in Section 8(B) of this Note, (b) under the Security Instrument described in Section 12 of this Note, or (c) under the Mortgage 100® Pledge Agreement for Securities Account relating to the Loan, if applicable; and (iv) I sign and date any documents that the Note Holder requires with respect to the Conversion and return them to the Note Holder no later than the time required by the Note Holder. My exercise of a Conversion Option is irrevocable, although I will have the right to terminate my fixed interest rate prior to the scheduled Resumed Adjustable Rate Change Date in accordance with Section 5(F) below. I acknowledge that I must pay an additional Conversion Fee to the Note Holder for each Conversion Option that I exercise.

**(F) Right to Terminate the Fixed Interest Rate**

If I exercise a Conversion Option, I will have the right to terminate my fixed interest rate prior to the scheduled Resumed Adjustable Rate Change Date in accordance with this Section 5(F). If I terminate my fixed interest rate prior to the scheduled Resumed Adjustable Rate Change Date, I will pay the Note Holder a Breakage Fee if I am required to do so by Section 5(G) below. My fixed interest rate can only be terminated effective on the first day of a calendar month, and that day is called a "Termination Date." The termination of my fixed interest rate will be valid and effective only if I meet each of the following conditions: (i) I give the Note Holder written notice of the termination (the "Termination Notice") as provided in Section 9 of this Note. The Termination Notice must consist of the Note Holder's then current official form, must be fully completed, and must be signed and dated by me. The Termination Notice must be received by the Note Holder not less than fifteen (15) and not more than twenty-five (25) days before the Termination Date identified in the Termination Notice. The date that the Termination Notice is received by the Note Holder is called the "Termination Notification Date". The Termination Notice shall be deemed given only if and when actually received by the Note Holder, and the Note Holder's records in this regard shall be deemed conclusive. If more than one person has signed this Note, any one of them may terminate the fixed interest rate by providing the Termination Notice, and the termination will be legally binding on all of the persons who have signed this Note; (ii) I pay the Note Holder a Breakage Fee if I am required to do so by Section 5(G) below. The Termination Notice form provided by the Note Holder will contain an estimate of the Breakage Fee I will owe (which estimate may include an extra amount to cover the possibility that the Actual Breakage Fee described below will be a somewhat larger sum) (the "Estimated Breakage Fee") on the Termination Date. I must pay the Estimated Breakage Fee to the Note Holder together with the Termination Notice; and (iii) I sign and date any documents that the Note Holder requires with respect to the termination of the fixed interest rate and return them to the Note Holder no later than the time required by the Note Holder. My termination of the fixed interest rate is irrevocable, although I will have the right to exercise additional Conversion Options if I may otherwise do so in accordance with this Section 5.

If I terminate my fixed interest rate then, effective on the Termination Date (the "Reestablished Adjustable Rate Change Date," which is treated as a Change Date for this purpose), and on each Change Date that follows, the interest rate that I will pay under this Note will change in accordance with Section 4 of this Note (with the timing of each Change Date after the Reestablished Adjustable Rate Change Date being determined solely in accordance with the first sentence of Section 4(A) of this Note). On the monthly payment dates following the Reestablished Adjustable Rate Change Date and following each Change Date thereafter during the Interest-Only Period, the monthly payments that I am required to pay will be determined in accordance with Section 4(C)(i) of this Note. However, if I later exercise another Conversion Option, then the interest rate that I am required to pay under this Note and my monthly payment will again be determined in accordance with Section 5(B), (C) and (D) above.

**(G) Breakage Fee**

**(i)** If I terminate my fixed interest rate before the scheduled Resumed Adjustable Rate Change Date in accordance with Section 5(F) above, then I may be required to pay a fee to the Note Holder, which is called the "Breakage Fee." I will pay a Breakage Fee to the Note Holder if the Interest rate swap that is associated with my Conversion Period (as described in Section 5(B) above) is lower on the Termination Notification Date than it was on the Reservation Date. The Note Holder will calculate the actual Breakage Fee that I will owe on the Termination Date (the "Actual Breakage Fee") by (a) subtracting the Interest rate swap on the Termination Notification Date from the Interest rate swap on the Reservation Date, (b) multiplying the result of that subtraction by the unpaid Principal that is anticipated to be unpaid on the Termination Date, (c) dividing the result of that multiplication by 365, and (d) multiplying the result of that division by the number of days from and including the Termination Date until the scheduled Resumed Adjustable Rate Change Date. If the Actual Breakage Fee is larger than the Estimated Breakage Fee that I previously paid, I will pay to the Note Holder the amount of the Underpayment in the next billing cycle following the Termination Date. If the Actual Breakage Fee is less than the Estimated Breakage Fee that I previously paid, the Note Holder will, in its sole discretion, either credit the amount of the overpayment to this Note or mail me a refund of the overpayment. If the Note Holder elects to credit the overpayment to this Note, the credit shall be treated as a partial Prepayment (as that term is defined in Section 6 of this Note).

**(ii)** I may also have to pay a Breakage Fee to the Note Holder if I make a full Prepayment (as that term is defined in Section 6 of this Note) in excess of $500 at a time when a Conversion to a fixed interest rate is in effect. I will give written notice (the "Full Prepayment Notice") of the full Prepayment to the Note Holder as provided in Section 9 of this Note. The Full Prepayment Notice must consist of the Note Holder's then current official form, must be fully completed, and must be signed and dated by me. The Full Prepayment Notice shall be deemed given only if and when actually received by the Note Holder, and the Note Holder's records in this regard shall be deemed conclusive. If more than one person has signed this Note, any one of them may provide the Full Prepayment Notice, and the Full Prepayment Notice will be legally binding on all of the persons who have signed this Note. Whether or not I provide a Full Prepayment Notice, the date that the Note Holder receives the full Prepayment will be the "Prepayment Date". I will pay a Breakage Fee to the Note Holder on the Prepayment Date if the Interest rate swap that is associated with my Conversion Period (as described in Section 5(B) above) is lower on the Prepayment Date than it was on the Reservation Date. The Breakage Fee will be calculated by (a) subtracting the Interest rate swap on the Prepayment Date from the Interest rate swap on the Reservation Date, (b) multiplying the result of that subtraction by the amount of the full Prepayment, (c) dividing the result of that multiplication by 365, and (d) multiplying the result of that division by the number of days from and including the Prepayment Date until the scheduled Resumed Adjustable Rate Change Date. If the Note Holder exercises its right to require me to pay immediately the entire unpaid Principal balance due under this Note in accordance with Section 8(C) of this Note below or in accordance with any provision of the Security Instrument (described in Section 12 of this Note), or if the Note Holder exercises its right under the Mortgage 100® Pledge Agreement for Securities Account for the Loan, if applicable, to sell collateral and apply the proceeds thereof to pay the entire unpaid Principal balance due under this Note, then any such payment of the unpaid Principal shall be treated as a full Prepayment for purposes of this Section 5(G)(ii) and I will be required to pay a Breakage Fee to the Note Holder in respect of such payment in accordance with this Section 5(G)(ii). If I make a full Prepayment, the full Prepayment will be applied to any Breakage Fee I owe as described in Section 6 below.

**(iii)** I may also have to pay a Breakage Fee to the Note Holder if I make a partial Prepayment (as that term is defined in Section 6 of this Note below) in excess of $500 at a time when a Conversion to a fixed interest rate is in effect. If I make a partial Prepayment, the date that the Note Holder receives the partial Prepayment will be the "Prepayment Date." I will pay a Breakage Fee to the Note Holder on the Prepayment Date if the Interest rate swap that is associated with my Conversion Period (as described in Section 5(B) above) is lower on the Prepayment Date than it was on the Reservation Date. The Breakage Fee will be calculated by (a) subtracting the Interest rate swap on the Prepayment Date from the Interest rate swap on the Reservation Date, (b) multiplying the result of that subtraction by the amount of the partial Prepayment, (c) dividing the result of that multiplication by 365, and (d) multiplying the result of that division by the number of days from and including the Prepayment Date until the scheduled Resumed Adjustable Rate Change Date. I must pay the Note Holder a Breakage Fee, as determined in this Section 5(G)(iii), for each partial Prepayment in excess of $500 that I make while a Conversion to a fixed interest rate is in effect, except that no Breakage Fee shall be payable for a partial Prepayment that occurs under Section 5(G)(i) or Section 7 of this Note. If the Note Holder exercises its right under the Mortgage 100® Pledge Agreement for Securities Account for the Loan, if applicable, to sell collateral and apply the proceeds thereof to pay a portion of the unpaid Principal balance due under this Note, then any such payment of the unpaid Principal balance shall be treated as a partial Prepayment for purposes of this Section 5(G)(iii), and I will be required to pay a Breakage Fee to the Note Holder in respect of such payment in accordance with this Section 5(G)(iii). If I make a partial Prepayment, the partial Prepayment will be applied to any Breakage Fee I owe as described in Section 6 below.

**(iv)** Anything in this Section 5(G) to the contrary notwithstanding, any Breakage Fee will not exceed the maximum amount that is allowed by applicable law.

(v) If I am required to pay a Breakage Fee under both (a) Section 5(G)(i) and (b) either Section 5(G)(ii) or Section 5G(iii) on the same date, then the only Breakage Fee that I will be required to pay with respect to such events shall be determined under Section 5(G)(i) above, which shall be computed on the full unpaid Principal balance of this Note that is anticipated to be unpaid on the Termination Date prior to the application of any Prepayment.

(vi) I will pay a separate Breakage Fee to the Note Holder for each Conversion if I am required to do so by this Section 5(G).

**(H) Notice of Changes**

The Note Holder will deliver or mail to me a notice before the date that a monthly payment resulting from an interest rate change is due at a new level. 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 any question I may have regarding the notice."

**E. BORROWER'S RIGHT TO PREPAY**

Section 6 of the Note provides as follows:

**6. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal before it is due is called a "Prepayment." If I make a Prepayment of the entire Principal balance that I owe under this Note, this is called a "full Prepayment." If I make a Prepayment of less than the entire Principal balance that I owe under this Note, this is called a "partial Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note. If I make a full or partial Prepayment, I will have to pay a Breakage Fee if I am required to do so in accordance with Section 5(G) of this Note.

The Note Holder will use my Prepayments to reduce the Principal balance that I owe under this Note. However, the Note Holder will apply my Prepayment (including, without limitation, any payment that is treated as a Prepayment under Section 5(G)(i), (ii) or (iii) or Section 7 of this Note) to the accrued and unpaid interest on the Prepayment amount, to any Breakage Fees due with respect to the Prepayment, and to other fees and charges due to the Note Holder under this Note before applying the Prepayment to reduce the unpaid Principal balance of this Note. As a result, I will have to pay an additional amount to the Note Holder to cover all of these items if I wish to make a full Prepayment. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial Prepayment may reduce the amount of my monthly payments. However, any reduction due to my partial Prepayment may be offset or exceeded by an interest rate increase.

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

(Seal)
Gene L McKinney -Borrower

(Seal)
-Borrower

(Seal)
Gene L. McKinney, Trustee of the McKinney Living Trust, under trust instrument dated January 23, 1992 as amended and restated May 17, 2005, for the benefit of Gene L. McKinney -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

20070820000390960 28/34 $408.35
Shelby Cnty Judge of Probate, AL
08/20/2007 11:32:55AM FILED/CERT

# INTER VIVOS REVOCABLE TRUST AS BORROWER - ACKNOWLEDGMENT

Loan #: 7101980873

BY SIGNING BELOW, the undersigned, Settlor(s) of the McKinney Living Trust

Trust under trust instrument dated January 23rd, 1992 , for the benefit of Gene L McKinney ,
acknowledges all of the terms and covenants contained in this Security Instrument and any rider(s) thereto and agrees to be bound thereby.

Gene L McKinney -Trust Settlor

-Trust Settlor

-Trust Settlor

-Trust Settlor

-Trust Settlor

-Trust Settlor

-Trust Settlor

-Trust Settlor



Original

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Shelby Cnty Judge of Probate,AL
08/20/2007 11:32:55AM FILED/CERT

**Loan #: 7101980873**

# SIGNATURE PAGE ATTACHMENT

BY SIGNING BELOW, the Borrower(s) accept(s) and agree(s) to the terms and covenants set forth herein and in any rider(s) executed by Borrower(s) here attached.

Gene L McKinney ,
Trustee of the McKinney Living Trust Trust
under trust instrument dated January 23rd, 1992 for the benefit of
Gene L McKinney .

_______________________________ ,
Trustee of the Trust
under trust instrument dated for the benefit of
.

_______________________________ ,
Trustee of the Trust
under trust instrument dated for the benefit of
.

_______________________________ ,
Trustee of the Trust
under trust instrument dated for the benefit of
.



Original

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Shelby Cnty Judge of Probate, AL
08/20/2007 11:32:55AM FILED/CERT

BY SIGNING BELOW, the undersigned, Settlor(s) of the **McKinney Living Trust** Trust under trust instrument dated **January 23rd, 1992** for the benefit of **Gene L McKinney**, acknowledge(s) all of the terms and covenants contained in this document and in any rider(s) thereto and agree(s) to be bound thereby.

Gene L McKinney - Trust Settlor

- Trust Settlor

- Trust Settlor

- Trust Settlor

- Trust Settlor

- Trust Settlor

- Trust Settlor

- Trust Settlor

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Shelby Cnty Judge of Probate,AL
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# CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 16th day of August, 2007 , 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 Merrill Lynch Credit Corporation

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1140 PORTOBELLO ROAD, BIRMINGHAM, AL 35242

[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

EDENTON

[Name of Condominium Project]

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

**A. Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Property Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, 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, whether of the unit or of the common elements, 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 Section 11.

**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 Condominium Project, 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 condominium 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.

Initials: [signature]

20070820000390960 33/34 $408.35
Shelby Cnty Judge of Probate, AL
08/20/2007 11:32:55AM FILED/CERT

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

(Seal) Gene L McKinney -Borrower

(Seal) -Borrower

(Seal) -Borrower
Gene L. McKinney, Trustee of the McKinney Living Trust, under trust instrument dated January 23, 1992 as amended and restated May 17, 2005, for the benefit of Gene L. McKinney

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower



Customer

# EXHIBIT "A"

Unit 40, Building 11, in Edenton, a Condominium, as established by that certain Declaration of Condominium, which is recorded in Instrument 20070420000184480, in the Probate Office of Shelby County, Alabama, First Amendment to Declaration of Condominium of Edenton as recorded in 20070508000215560, Second Amendment to the Declaration of Condominium of Edenton as recorded in 20070522000237580, Third Amendment to the Declaration of Condominium of Edenton as recorded in Instrument 20070606000263790, Fourth Amendment to the Declaration of Condominium of Edenton as recorded in Instrument 20070626000297920 and any amendments thereto, to which Declaration of Condominium a plan is attached as Exhibit "C" thereto, and as recorded as the Condominium Plat of Edenton a Condominium, in Map Book 38, page 77, and any future amendments thereto, Articles of Incorporation of Edenton Residential Owners Association, Inc. as recorded in Instrument 20070425000639250 in the Office of the Judge of Probate of Shelby County, Alabama, and to which said Declaration of Condominium the By-Laws of Edenton Residential Owners Association Inc. are attached as Exhibit "B" thereto, together with an undivided interest in the Common Elements assigned to said Unit, by said Declaration of Condominium set out in Exhibit "D". Together with rights in and to that certain Non-Exclusive Roadway Easement as set out in Instrument 20051024000550530 in the Office of the Judge of Probate of Shelby County, Alabama.

SUBJECT TO: (1) Current taxes; (2) Right of Way granted to Alabama Power Company by instrument recorded in Deed Book 126, Page 187, Deed Book 185, page 120, Real 105, page 861 and Real 167, page 335 in the Probate Office of Shelby County, Alabama; (3) Roadway Easement Agreement as recorded in Instrument 20051024000550530 and Instrument 20061024000523450 in the Probate Office of Shelby County, Alabama; (4) Restrictive Use Agreement between JRC Lakeside Limited Partnership and Cahaba Beach Investments, LLC as recorded in Instrument 20051024000550540 and in Instrument 20061024000523460 in the Probate Office of Shelby County, Alabama; (5) Easement for grading and slope maintenance recorded in Instrument 20060817000404390 in the Probate Office of Shelby County, Alabama; (6) Easement to BellSouth, as recorded in Instrument 20060920000466950 in the Probate Office of Shelby County, Alabama; (7) Easement to Alabama Power Company recorded in Instrument 20061212000601050, Instrument 20061212000601060, Instrument 20060828000422250 and Instrument 20061212000601460 in the Probate Office of Shelby County, Alabama; (8) Declaration of Condominium of Edenton, a Condominium which is recorded in Instrument 20070420000184480 in the Probate Office of Shelby County, Alabama, First Amendment to Declaration of Condominium of Edenton as recorded in 20070508000215560, Second Amendment to the Declaration of Condominium of Edenton as recorded in 20070522000237580, Third Amendment to the Declaration of Condominium of Edenton as recorded in Instrument 20070606000263790, Fourth Amendment to the Declaration of Condominium of Edenton as recorded in Instrument 20070626000297920 and any amendments thereto; (9) Articles of Incorporation of Edenton Residential Owners Association Inc. as recorded in Instrument 20070425000639250 in the Office of the Judge of Probate of Shelby County, Alabama; (10) Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Real 41, page 83 and Deed Book 176, Page 186 in the Probate Office of Shelby County, Alabama; (11) Restrictions as set out in Real 54, page 199, in the Office of the Judge of Probate of Shelby County, Alabama; (12) Assignment and Conveyance with Development Agreements and Restrictive Covenants by and between Cahaba Land Associates LLC and Cahaba Beach Investments LLC as recorded in Instrument 20051024000550520, in the Office of the Judge of Probate of Shelby County, Alabama; (13) Rights of others in and to the non-exclusive easement as set out in Easement Agreement in Instrument 20051024000550530 in the Office of the Judge of Probate of Shelby County, Alabama.