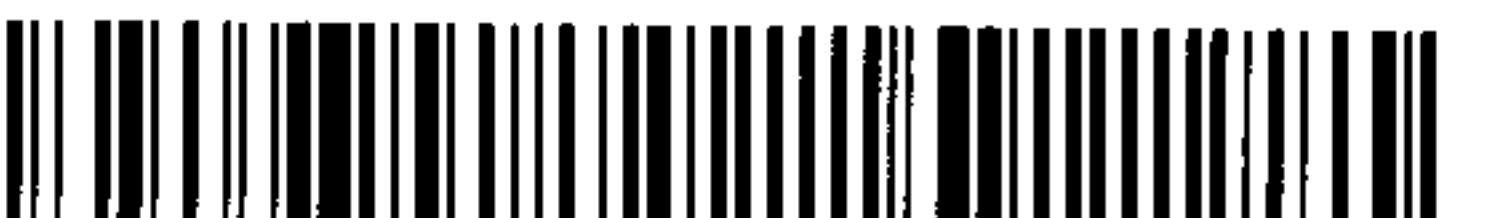


**FEDERAL HOME LOAN BANK OF ATLANTA
First-Time Home Buyer Program**

MORTGAGE


20080721000293240 1/7 \$44.00
Shelby Cnty Judge of Probate, AL
07/21/2008 01:54:22PM FILED/CERT

STATE OF ALABAMA)
SHELBY COUNTY)

THIS MORTGAGE (this "Mortgage") is made as of this 6TH day of June, 2008 by Gary W. Kirksey, Jr., an Unmarried Person (the "Borrower") in favor of **FIRST AMERICAN BANK**, an Alabama banking corporation (the "Lender"), whose mailing address is P.O. Box 37, Birmingham, Alabama 35201.

Recitals

A. Lender is participating in the Federal Home Loan Bank of Atlanta's ("FHLB") First-Time Home Buyer Program (the "Program"). FHLB's mailing address is P. O. Box 105565, Atlanta, Georgia 30348-5565.

B. The Lender has agreed to make a loan to the Borrower pursuant to the Program in the maximum principal amount of \$ 10,000.00 (the "Loan"), which Loan shall be evidenced by a certain Repayment Agreement and Note dated of even date herewith executed by the Borrower in favor of the Lender (the "Note"). The Note is payable by (i) continuous residency and ownership of the Property (defined herein) by Borrower for a period of five (5) years from the date of this Mortgage or (ii) if Borrower's residency or ownership terminates prior to the expiration of five (5) years from the date of this Mortgage, repayment of all sums advanced under the Note, less a twenty percent (20%) credit for each year of continuous residency and ownership of the Property by Borrower.

C. To secure the Loan, and to induce the Lender to extend such credit to the Borrower, the Borrower has agreed to grant a mortgage to the Lender covering certain improved real property located at 274 Park Place Way, Alabaster, Alabama 35007 in Shelby County, Alabama and more particularly described on Exhibit A attached hereto (the "Property").

Agreement

NOW, THEREFORE, in consideration of the premises, and to secure the payment of (a) the Loan and all indebtedness of the Borrower under the Note, or any extension or renewal thereof; (b) all interest and finance charges payable from time to time on the Loan and/or indebtedness, or any part thereof; (c) all other charges, costs and expenses now or hereafter owing by the Borrower to the Lender pursuant to any instrument executed in connection with the Note or the Loan; and (d) all advances by the Lender under the terms of this Mortgage (the aggregate amount of all such items described in (a) through (d) above being hereinafter collectively called the "Debt") and the compliance with all the stipulations herein contained, the Borrower hereby grants, bargains, sells, assigns and conveys unto the Lender, and hereby grants to the Lender a security interest in, all of the

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Borrower's right, title and interest in, to and under the Property, together with all the rights, privileges, tenements, appurtenances and fixtures appertaining to the Property.

To have and to hold the Property unto the Lender, its successors and assigns forever. The Borrower covenants with the Lender that the Borrower is lawfully seized in fee simple of the Property and has a good right to mortgage, assign and convey the Property as aforesaid; that the Property is free of all encumbrances except the lien of current ad valorem taxes; and that the Borrower will warrant and forever defend the title to the Property unto the Lender, against the lawful claims of all persons, except that this Mortgage is subject and inferior to a prior mortgage from the Borrower to the Lender dated of even date herewith (the "Prior Mortgage"), securing a debt evidenced by a note or notes specifically described in the Prior Mortgage, and Borrower agrees that a default under the terms and provisions of the Prior Mortgage shall, at the option of the Lender, constitute a default hereunder and render immediately due, payable and collectible all of the Debt less any allowable credit as described herein.

The Borrower agrees to take good care of the Property and all improvements located thereon and not to commit or permit any waste thereon, and at all times to maintain such improvements in as good condition as they now are, reasonable wear and tear excepted.


The Borrower agrees that if the Borrower fails to perform any one or more of the agreements or covenants herein or in the Note or in the Prior Mortgage to be kept and performed by Borrower, then or in any of such events, the Debt in its entirety shall at once become due and payable, at the option of the Lender, less any allowable credit as described herein.

The Lender may, at its option, declare immediately due and payable, less a twenty percent (20%) credit for each full year of continuous residency and ownership by Borrower since the date of this Mortgage, the Debt upon the sale or transfer without the Lender's prior written consent of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest, lease-option contract, or by any other method of conveyance of real estate interest. However, this option shall not be exercised by the Lender if such exercise is prohibited by federal law or by Alabama law.

The Borrower agrees that the Property shall be subject to the following covenants and restrictions: (a) each of FHLB and Lender is to be given notice of any sale or transfer of the Property occurring prior to that date which is five (5) years from the date first set forth above (the "Retention Period"); (b) in the case of a sale of the Property prior to the end of the Retention Period, (i) with respect to a direct subsidy, an amount equal to the pro rata share of the direct subsidy reduced for every year Borrower owned the Property, and (ii) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation of (and not permanent financing for) the Property, an amount equal to the pro rata portion of the interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the Property; reduced for every year Borrower occupied the Property, shall be repaid to FHLB from any net gain realized upon

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the sale of the Property after deduction for the sales expenses, unless the purchaser is a low-or-moderate-income household, as defined in the federal regulations promulgated by the Federal Housing Finance Board (or any successor regulator); (c) in the case of a refinancing prior to the end of the Retention Period, (i) with respect to a direct subsidy, an amount equal to a pro rata share of the direct subsidy, reduced for every year the occupying household has owned the Property, (ii) with respect to a subsidized advance the proceeds of which were used to provide permanent financing for the Property, the full amount of the interest rate subsidy imputed to the subsidized advance during the period the owner owned the property prior to the refinancing, and (iii) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation of (and not permanent financing for) the Property, an amount equal to the pro rata portion of the interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the Property, reduced for every year the owner occupied the Property, shall be repaid to FHLB from any net gain realized upon the refinancing; unless the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, as described herein; and (d) the obligation to repay any Program subsidy to FHLB shall terminate after any foreclosure of the Property.

The Borrower agrees that no delay or failure of the Lender to exercise any option to declare the Debt due and payable shall be deemed a waiver of the Lender's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in this Mortgage may be waived, altered or changed except by a written instrument signed by the Borrower and signed on behalf of the Lender by one of its partners.


Except for any notice required under applicable law to be given in another manner, any notice under this Mortgage (a) may be given to the Borrower by delivering such notice to the Borrower (or any one of them if more than one) or by mailing such notice by first class mail addressed to the Borrower at the most recent address on the Lender's records or at such other address as the Borrower shall designate by notice to the Lender as provided herein and (b) shall be given to the Lender and FHLB by first class mail to the addresses stated herein or to such other address as the Lender or FHLB may designate by notice to the Borrower as provided herein. Any notice under this Mortgage shall be deemed to have been given to the Borrower, the Lender or FHLB when given in the manner designated herein.

If: (a) the Borrower fulfills all of the Borrower's obligations under this Mortgage and the Note; (b) the Lender has no obligation to extend any further credit to the Borrower thereunder; and (c) the Lender has executed an appropriate written instrument in satisfaction of this Mortgage; this conveyance shall be null and void.

If, however, (1) any warranty or representation made in this Mortgage or the Note is breached or proves false in any material respect; (2) default is made in the due performance of any covenant or agreement of the Borrower under this Mortgage, the Note or the Prior Mortgage; (3) default is made in the payment to the Lender of any sum paid by the Lender under the authority of any provision of this Mortgage; (4) the interest of the Lender in the Property becomes endangered by reason of the

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enforcement of any prior Lien or encumbrance thereon; or (5) any other default occurs under the Note; then an event of default shall have occurred hereunder.

Upon the occurrence of an event of default hereunder, then, the Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law: (1) The Lender may obtain a judicial decree foreclosing the Borrower's interest in all or any part of the Property. (2) The Lender may take possession of the Property and, with or without taking such possession, after giving notice of the time, place and terms of sale, together with a description of the Property to be sold, by publication once a week for three (3) successive weeks in some newspaper published in the county or counties in which the Property to be sold is located, to sell the Property (or such part or parts thereof as the Lender may from time to time elect to sell) at the front or main door of the courthouse of the county in which the Property to be sold, or a substantial and material part thereof, is located, at public outcry, to the highest bidder for cash. If there is Property to be sold under this Mortgage in more than one county, publication shall be made in all counties where the Property to be sold is located, and if no newspaper is published in any county in which any Property to be sold is located, the notice shall be published in a newspaper published in an adjoining county for three (3) successive weeks. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale under this Mortgage. The Lender may bid at any sale had under the terms of this Mortgage and may purchase the Property if the highest bidder therefore. The proceeds of any such sale shall be applied as follows: *first*, to the expense of advertising, selling and conveying the Property and foreclosing this Mortgage, including reasonable attorneys' fees; *second*, to the payment in full of the balance of the Debt in whatever order and amounts the Lender may elect, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale; *third*, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, Liens, any prior mortgages or other encumbrances related to the Property, with interest thereon; and, *fourth*, the balance, if any, to be paid to the party or parties appearing of record to be the owner of the Property at the time of the sale, after deducting the costs of ascertaining who is such owner. The Borrower hereby waives any and all rights to have the property marshalled. In exercising its rights and remedies, the Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. In the event of a sale hereunder, the Lender, or the owner of the Debt and mortgage, or auctioneer, shall execute to the purchaser, for and in the name of the Borrower, a deed to the Property. (3) The Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity. The Lender shall be entitled to bid at any public sale on all or any portion of the Property or other property pledged hereunder.

Whether or not any court action is involved, all expenses incurred by the Lender that, in the Lender's opinion, are necessary at any time for the protection of the Lender's interest, required under applicable laws or regulations or necessary in the enforcement of its rights and remedies hereunder, shall become a part of the Debt, payable on demand and shall bear interest from the date of expenditure until repaid at the rate set forth in the Note. Expenses covered by this paragraph include, without limitation, the Lender's attorneys' fees and legal expenses whether or not there is a lawsuit,

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including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), foreclosure sales, appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisals, environmental site assessment reports and title insurance, all to the extent permitted by applicable law. The Borrower also will pay any court costs, in addition to all other sums provided by law.

Plural or singular words used herein to designate the Borrower(s) or the undersigned shall be construed to refer to the maker or makers of the Note and this Mortgage, respectively, whether one or more. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of the Lender in any capacity, without the written consent of the Lender. All obligations of the Borrower under this Mortgage shall be joint and several, and all references to the Borrower shall mean each and every Borrower. This means that each of the persons signing below is responsible for all obligations in this Mortgage. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable. Subject to the limitations stated in this Mortgage on transfer of the Borrower's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than the Borrower, the Lender, without notice to the Borrower, may deal with the Borrower's successors with reference to this Mortgage and the Debt by way of forbearance or extension without releasing the Borrower from the obligations of this Mortgage or liability under the Debt. Time is of the essence in the performance of this Mortgage. **THE BORROWER HEREBY RELEASES AND WAIVES ALL RIGHTS AND BENEFITS OF THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF ALABAMA AS TO ALL DEBT SECURED BY THIS MORTGAGE.** No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by the Lender, nor any course of dealing between the Lender and the Borrower, shall constitute a waiver of any of the Lender's rights or any of the Borrower's obligations as to any future transactions. Whenever consent by the Lender is required in this Mortgage, the granting of such consent by the Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

*[Remainder of Page Left Intentionally Blank]
[Signatures on Following Pages]*


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IN WITNESS WHEREOF, the undersigned has executed this Mortgage as of the date first set forth above.

BORROWER:

Signature: Gary W. Kirksey Jr.
Printed Name: Gary W. Kirksey, Jr.

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Gary W. Kirksey Jr. whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she executed the same voluntarily on the day the same bears date.


Given under my hand and official seal, this 6th day of June, 2008.

KELLY B. FURGERSON
Notary Public - Alabama State At Large
My Commission Expires 10/27/2010

Kelly B. Ferguson
Notary Public

AFFIX SEAL

My commission expires: 10-27-2010


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This instrument prepared by:

Katherine Payne
P.O. Box 37
Birmingham, Alabama 35201

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Exhibit A

(Legal Description of Property)

**Lot 14, according to the Survey of Park Place, Second Addition, as recorded in Map Book 17,
Page 16, in the Probate Office of Shelby County, Alabama.**



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