

WRAP AROUND MORTGAGE

STATE OF ALABAMA)
)
SHELBY COUNTY)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, SUSAN L. RICE, married, hereinafter called mortgagor, are justly indebted to HAROLD RANDAL EADES AND TERESSA LOFTIN EADES, hereinafter called Mortgagee, in the principal sum of FIFTY THREE THOUSAND Dollars (\$53,000.00) with interest thereon at -0-%, as evidenced by a promissory note, bearing even date herewith and payable as follows:

In 108 monthly installments of principal and interest in the amount of \$462.07 each, commencing on the 1st day of MAY, 2001, and a like installment of \$462.07 on the 1st day of each and every succeeding and successive month thereafter until the principal and interest are fully paid except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the 1st day of APRIL, 2010.

NOW, in order to secure the prompt payment of said note when due, we the said SUSAN L. RICE, hereinafter called "Mortgagor," for and in consideration of the premises, and the sum of Five Dollars to them this day in hand paid by the said HAROLD RANDAL EADES AND TERESSA LOFTIN EADES, hereinafter called "Mortgagee," the receipt whereof is hereby acknowledged, do hereby, GRANT, BARGAIN, SELL, AND CONVEY unto the said SUSAN L. RICE the following described real estate, lying and being situated in SHELBY County, State of Alabama, to-wit:

[SEE ATTACHED LEGAL DESCRIPTION]

It is understood that this is a "Wrap Around" Mortgage and being "Wrapped Around" that certain existing mortgage to Mortgage Investors, Inc. recorded on May 13, 1997 in the Probate Office of SHELBY County, Alabama, in Book 1997 at Page 14944 (hereinafter referred to as "existing mortgages").

The following agreements are made as to the said existing and "Wrap Around" Mortgages:

1. Mortgagor, in addition to the payments of the aforesaid principal and interest, agree to pay to Mortgagee, on the day said payments are due, until the aforesaid existing first mortgage is paid in full or same is assumed by Mortgagee, a sum equal to one-twelfth of the yearly taxes, assessments, and insurance (hereinafter stated), all as reasonable estimated initially and from time to time by Mortgagee on the basis as established or required by Mortgagee of said existing first mortgage, or on the basis of assessments, bills, and reasonable estimates thereof. It is further

The proceeds of this loan have been applied on the purchase price of the property described herein, conveyed to the mortgagors simultaneously herewith. This is a purchase money mortgage.

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understood that all "escrow accounts," "impound accounts," and similar funds held by the said existing mortgagees of the existing mortgages for the payment of taxes, assessments, and insurance, shall be transferred to the Mortgagor; but, in the event Mortgagor fails to pay the amounts due under this "Wrap Around" Mortgage or otherwise defaults hereunder and Mortgagee accelerates this debt or forecloses as hereinafter provided, all such funds shall be that of Mortgagee.

2. Mortgagee agrees to timely pay all of the amounts, charges, and monthly mortgage payments due under said existing mortgages, and to timely perform all of the terms, provisions, and conditions thereof as long as said mortgages are in existence.

3. Mortgagee agrees to cause said existing mortgages to be satisfied in full and such satisfaction duly and properly recorded should said existing mortgages be paid in full by prepayment or otherwise, but such payment in full prior to the payment in full of this "Wrap Around" Mortgage and Note shall not abrogate or diminish Mortgagor's payments or obligations under this "Wrap Around" Mortgage and the Note.

4. In the event Mortgagee fails to pay any of the said amounts, charges, or monthly mortgage payments or fails to perform in accordance with the terms of the aforesaid existing mortgages, on or before fifteen (15) days after due date, Mortgagor may at Mortgagor's sole option and election, without notice to Mortgagee, do any act or thing necessary to cure the monthly "Wrap Around" Mortgage payments any amounts expended by Mortgagor to cure such failure or default; provided, however, that such right of set off or deduction shall be cumulative and in addition to all other rights and remedies permitted by law or equity.

5. In the event Mortgagee fails to pay any of the said amounts, charges, or monthly mortgage payments or fails to perform as aforesaid for a period of thirty (30) days or longer after the due date, Mortgagee may at Mortgagor's sole option and election, on a month-to-month basis thereafter or for each month thereafter, without notice to Mortgagee, pay same directly to said existing mortgagees of the existing mortgages and set off or deduct from the monthly "Wrap Around" Mortgage payment any amounts expended by Mortgagor for same; provided, however, that such right of set off or deduction shall be cumulative and in addition to all other rights and remedies provided by law or equity.

6. It is expressly understood that Mortgagors do not by this instrument or deed of even date, assume the payments of said existing mortgagees.

7. Mortgagee may make any payments for taxes, assessments, and repairs to subject property authorized by said existing mortgages and said payments shall be secured by this "Wrap Around" Mortgage.

8. Mortgagor may prepay in full this "Wrap Around" Mortgage and the Note without penalty or any scheduled payment date, by either (a) paying in full the existing mortgages and remitting to Mortgagee the difference between the payoff of the existing mortgages and the payoff of this "Wrap Around" Mortgage, or (b) paying in full this "Wrap Around" Mortgage in which case Mortgagee shall immediately pay in full the existing mortgages.

9. In the event this "Wrap Around" Mortgage is for a shorter term than the remaining term(s) on the existing mortgages at the time of the execution of this "Wrap Around" Mortgage, such that (assuming there is not prepayment as above stated) in accordance with the expressed curtailment schedules and pay-out periods this "Wrap Around" Mortgage is paid in full prior to the existing mortgages, Mortgagor understands the above stated property has been conveyed subject to said existing mortgages and understands that should the payments on same not be

continued after this "Wrap Around" Mortgage is paid in full, is released, relinquished, and discharged of and from any and all further or future payments and obligations to and for said existing mortgages and said existing mortgagees with respect to this "Wrap Around" Mortgage.

TO HAVE AND TO HOLD, the aforegranted premises, together with improvements and appurtenances thereunto belonging, unto the said Mortgagee, their heirs and assigns, forever.

And the said Mortgagors do hereby covenant with the said Mortgagee, his heirs and assigns, that they are lawfully seized in fee simple of said premises; that they are free of and from all encumbrances; and that they will warrant and forever defend the same against the lawful claims and demands of all persons, however, Mortgagors do not warrant any better title to mortgagees than conveyed to them by deed of even date.

BUT THIS CONVEYANCE IS MADE UPON THE FOLLOWING CONDITIONS, NEVERTHELESS, that is to say: If Mortgagors shall well and truly pay, or cause to be paid, the said note and interest thereon, when due, then this conveyance shall become null and void, but if the Mortgagor shall fail to pay, or cause to be paid, as it matures, the indebtedness hereby secured or any part hereof, according to the terms thereof, or if the Mortgagor shall fail to do or perform any other act or thing herein required or agreed to be done or performed, or if the interest of the Mortgagee in said property becomes endangered by reason of the enforcement of any prior lien or encumbrance thereon, then, in any such event, the whole indebtedness hereby secured shall immediately become due and payable and Mortgagee, without notice; and the Mortgagee shall have the right and is hereby authorized to enter upon and take possession of said property, and after or without taking possession, to sell the same before the Courthouse door in the City of Montgomery, County of Montgomery, Alabama, at public outcry, for cash, first given notice of the time, place, and terms of said sale by publication once a week for three successive weeks prior to said sale in some newspaper of general circulation published in said county, and, upon the payment of the purchase money, the Mortgagee or any person conducting said sale for it is authorized to execute to the purchaser, at said sale, a deed to the property so purchased, and such purchaser shall not be held to inquire as to the application of the proceeds of such sale; and out of the proceeds of said sale, Mortgagee shall first pay all expenses incident thereto, together with a reasonable attorney's fee, then retain enough to pay said note and interest thereon, and the balance, if any, pay over to Mortgagors.

In the event of such sale, the said Mortgagee, his heirs, assigns, personal representatives, agents, and attorneys are hereby authorized and empowered to purchase the said property the same as if they were strangers to this conveyance, and the auctioneer or person making the sale is hereby empowered and directed to make and execute a deed to the purchaser in his name.

It is also agreed that in case the Mortgagee herein, his heirs, assigns, or personal representatives, see fit to foreclose this mortgage in a court having jurisdiction thereof, Mortgagors will pay a reasonable attorney's fee therefore, which fee shall be and constitute a part of the debt hereby secured.

Mortgagors further represent and declare to said Mortgagee, that the titles to said real estate are in Mortgagor's own right, and that the representations herein made as to titles and encumbrances are so made with the intent and for the purpose of making this loan.

Mortgagors further specially waive all exemptions which they have or to which they may be entitled under the Constitution and Laws of Alabama in regard to the collection of the above date.

Any deficiency in the amount of any aggregate monthly payment shall, unless made good

by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding five percentum (5%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

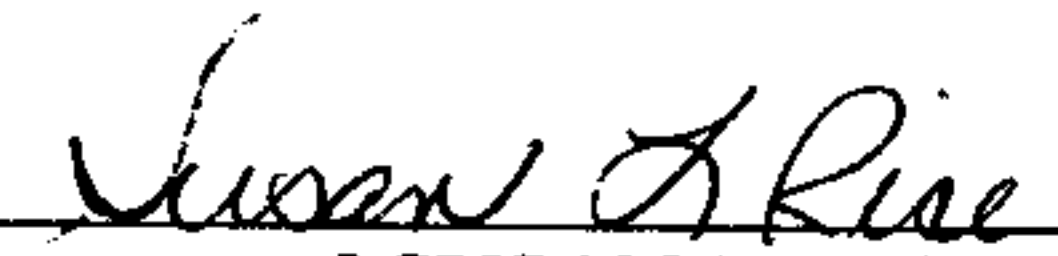
Mortgagors further agree to keep said property insured in good and responsible companies for not less than \$53,000.00 and have the policies payable to SUSAN L. RICE and Mortgagee as their interest may appear in said property, and deliver copies of same to them; and should they fail to insure said property, then Mortgagors authorize said Mortgagee to do so, and the premiums so paid by Mortgagee shall be and constitute a part of the debt secured hereby.

The Mortgagors herein agree to pay all taxes and assessments, general or special, levied upon the said real estate herein conveyed before the same becomes delinquent.

It is further understood that should the Mortgagors fail to pay said taxes and assessments, or insure the property, as hereinabove stipulated, the Mortgagee may pay the same, and without notice, declare the whole debt secured by this mortgage to be due and payable, and proceed to foreclose at once. All taxes and assessments paid by the Mortgagee shall constitute a part of the debt secured by this mortgagee.

Pursuant to specific negotiations between Mortgagor and Mortgagee, and in order to advance the financial interest of Mortgagee, Mortgagor grants and allows to Mortgagee the further right that if all or any part of the property or an interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, and (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant, the Mortgagee may at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, prior to the sale or transfer, Mortgagee, and the person to whom the property is to be sold or transferred reach an agreement in writing in such form and content satisfactory to Mortgagee that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at a rate satisfactory to the Mortgagee. The Mortgagee may make a reasonable charge to Mortgagor in effecting such change of ownership. Mortgagor further agrees that said property is to be owner-occupied until sold and/or all sums secured by this mortgage paid in full.

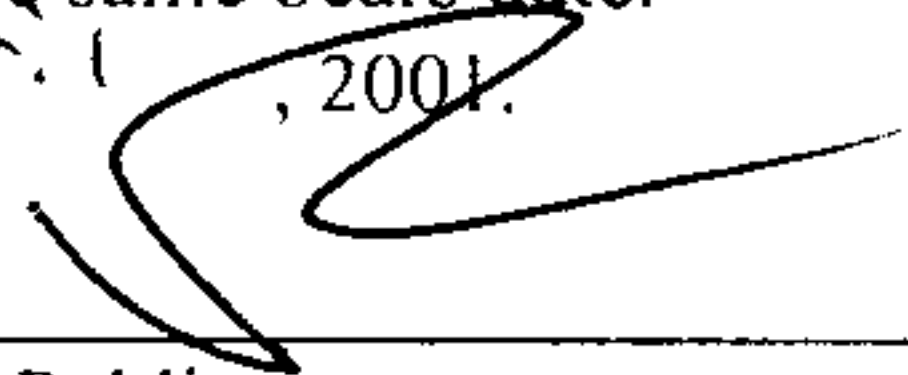
IN WITNESS WHEREOF, the said SUSAN L. RICE [mortgagor] and HAROLD RANDAL AND TERESSA LOFTIN EADES [mortgagee] have hereunto set their hands, on this the 20th day of March, 2001.


[mortgagor] SUSAN L. RICE

STATE OF ALABAMA)
)
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that SUSAN L. RICE, MARRIED, whose name is signed to the foregoing mortgage, and who is known to me, acknowledged before me on this day that, being informed of the contents of the mortgage, they executed the same voluntarily, on the day the same bears date.

Given under my hand, this the 23 day of APR. 1, 2004.



Notary Public

My Commission Expires: 2-25-05

BALLOON NOTE ADDENDUM

THIS BALLOON NOTE ADDENDUM is made this 21st day of February, 2001, and is incorporated into and shall be deemed to amend and supplement the Balloon NOTE made by the undersigned (the "*Borrower*") in Favor of **Randal Eades and Teressa Eades** (the "*Lender*") and dated as of even date herewith (the "*Note*"). The interest rate stated on the Note is called the "*Note Rate*." The date of the Note is called the "*Note Date*."

I (the Borrower) understand the Lender may transfer the Note, the related Mortgage, Deed of Trust or Deed to Secure Debt (the "*Security Instrument*") and this Addendum. The Lender or anyone who takes the Note, Security Instrument and the Addendum by transfer and who is entitled to receive payments under the Note is called the "*Note Holder*."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

1. **BALLOON PAYMENT DUE DATES**

The following will be a balloon payment schedule:

- (A) The first balloon payment shall become due and payable within 24 months from the date of the Note, Security Instrument and the Addendum in the amount of \$17,000.00. This amount can be prepaid without a prepayment penalty.
- (B) The second balloon payment shall become due and payable after 96 months from the date of the Note, Security Instrument and the Addendum in the amount of \$8,000.00, and must be paid in full 108 months following the date of the original Note, Security Instrument and the Addendum. This amount can be prepaid without a prepayment penalty.


SUSAN L. RICE

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land located in the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, Section 4, Township 22 South, Range 1 West, Shelby County, Alabama, bounded on the West by the West boundary of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$; on the South by the South boundary of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$ and Kimberly - Clark Corporation property; on the East by a road with a 30 foot easement, Kimberly - Clark Corporation property and a road known as the Butter and Eggs Road; the East boundary being described by tangents of said road, where bounded by such, more specifically described as: Beginning at the Southwest corner of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$, Section 4, Township 22 South, Range 1 West, run East along the South boundary of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$ a distance of 869.2 feet; thence turn an angle of 90 degrees 00 minutes to the left; thence run North 105.0 feet; thence turn an angle of 90 degrees 00 minutes to the right; thence run East 440.6 feet to a point on the tangent of said 30 foot road; thence turn an angle of 29 degrees 47 minutes to the left; thence run 84.6 feet Northeast along tangent of said 30 foot road; thence turn an angle of 11 degrees 45 minutes to the left; thence run 199.2 feet along tangent of said 30 foot road; thence turn an angle of 86 degrees 38 minutes to the left; thence run 309.9 feet along tangent of said 30 foot road to a point on the tangent of said Butter and Eggs Road; thence turn an angle of 12 degrees 37 minutes to the left; thence run North 7.1 feet along tangent of said Butter and Eggs Road; thence turn an angle of 90 degrees 43 minutes to the left; thence run West 684.6 feet; thence turn an angle of 69 degrees 50 minutes to the left; thence run Southwest 329.1 feet; thence turn an angle of 69 degrees 50 minutes to the right; thence run West a distance of 503.5 feet to a point on the West boundary of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$; thence turn an angle of 88 degrees 19 minutes to the left; thence run South 245.8 feet along the West boundary of said Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$, to the point of beginning. Situated in Shelby County, Alabama.

LESS AND EXCEPT:

Commence at the Southwest corner of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 22 South, Range 1 West; thence run North along the West line of said $\frac{1}{4}$ - $\frac{1}{4}$ for 245.8 feet; thence 88 degrees 19 minutes right run 503.5 feet; thence 69 degrees 50 minutes left run 329.1 feet; thence 69 degrees 50 minutes right run 384.6 feet to the point of beginning; thence continue last described course for 300.0 feet to the center line of Butter and Eggs Road; thence 90 degrees 43 minutes right run 7.1 feet along said road; thence 12 degrees 37 minutes right run 146.86 feet down the center line of a gravel road; thence 76 degrees 40 minutes right run 266.04 feet; thence 90 degrees 00 minutes right run 150.00 feet to the point of beginning. Situated in Shelby County, Alabama.

ALSO:

Grantor reserves a 30 foot easement for ingress and egress, the centerline of which is described as follows: Commence at the Southwest corner of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 4, Township 22 South, Range 1 West; thence run North along the West line of said $\frac{1}{4}$ - $\frac{1}{4}$ for 245.8 feet; thence 88 degrees 19 minutes right run 503.5 feet; thence 69 degrees 50 minutes left run 329.1 feet; thence 69 degrees 50 minutes right run 684.6 feet to the centerline of Butter and Eggs Road; thence 90 degrees 43 minutes right run 7.1 feet along said road to the Point of Beginning; thence 12 degrees 37 minutes right and run 146.86 feet along the center of a gravel road and the Point of Ending.

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