

DECLARATION SETTING ASIDE MORTGAGE FORECLOSURE

STATE OF ALABAMA )

COUNTY OF SHELBY )

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, heretofore on the 22nd day of July, 1994, George O'Neal Littleton, Jr. and Angela Michelle Merget, now known as Angela Littleton (hereafter "Borrowers"), executed a certain mortgage to South States Mortgage Corporation, which said mortgage is recorded in Instrument No. 1994-23320, in the Office at the Judge of Probate of Shelby County, Alabama; and

WHEREAS, said mortgage was executed by Borrowers, to secure a promissory note, of even date with said mortgage in the original principal amount of Ninety Eight Thousand Fifty Seven and 00/100 DOLLARS (\$98,057.00); and

WHEREAS, said mortgage was transferred and assigned to Principal Residential Mortgage, Inc., by instrument recorded in Instrument No. 1995-11301, re-recorded in Instrument No. 1995-25279 and modified at Instrument 2000-20865, in the aforesaid Probate Office; and

WHEREAS, there was a purported foreclosure of said mortgage under the power of sale contained therein on the 1st day of November, 2002, which purported foreclosure is evidenced by a mortgage foreclosure deed dated the 1st day of November, 2002., recorded in Doc. #20021101000541480, in said Probate Office, purportedly conveying the property to Principal Residential Mortgage, Inc.; and

WHEREAS, Borrowers and Principal Residential Mortgage had entered into a repayment plan agreement (a copy of which is attached hereto as Exhibit A and hereinafter referred to as "Repayment Plan Agreement") to cure the default under the mortgage on or about October 28, 2002 which was prior to the purported foreclosure sale dated November 1, 2002, and said Repayment Plan Agreement contemplated that said foreclosure sale would not be conducted, and due to an administrative error, auctioneer conducting said foreclosure sale was not made aware of said Repayment Plan Agreement, and due to said administrative error, said foreclosure sale should never occurred nor been conducted, and since the parties have entered into the Repayment Plan Agreement, said parties are desirous of making this Declaration Setting Aside Mortgage Foreclosure Sale and recording same with the Probate office.

NOW, THEREFORE, in consideration of the premises and the sum of One Dollars (\$1.00) and other good and valuable consideration, the receipt, adequacy and sufficiency whereof are hereby acknowledged, Principal Residential Mortgage, Inc. covenants and agrees as follows:

1. That the foreclosure of said mortgage and all proceedings pursuant thereto and in support thereof, are hereby set aside, vacated and held for naught to the same extent as if said foreclosure had never occurred and said mortgage foreclosure deed had not been executed and filed for record in said Probate Office.
2. That the mortgage foreclosure deed recorded in Doc. #20021101000541480, in the aforesaid Probate Office is hereby set aside, vacated and held for naught to the same extent as if said mortgage foreclosure deed had never been executed or filed for record in the aforesaid Probate Office.
3. That the said mortgage note and mortgage referred to herein shall remain in full force and effect to the same extent as if the same foreclosure had never occurred and said mortgage foreclosure deed had not been executed and filed for record in the aforesaid Probate Office.

*File*

4. That the aforesaid mortgage continues to constitute a first, valid and prior lien on the property described therein, and the aforesaid promissory note shall otherwise remain in full force and effect, with said property being located and situated in Shelby County, Alabama, and more particularly described as follows:

Lot 24, according to the survey of Laurel Woods, as recorded in Map Book 16, Page 24, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

5. Borrowers hereby ratify and affirm that they have no defense, set-off, counter-claim, recoupment or other reason to delay the full enforcement of the obligations arising from or relating to the above referenced property, Note and Mortgage. The Borrowers, jointly and severally agree that the above referenced Note and Mortgage are valid and enforceable against the Borrowers, and this Agreement is not intended to operate as a waiver of any default by Principal Residential Mortgage, Inc., and Borrowers hereby release Principal Residential Mortgage, Inc., its employees, agents and attorneys from any and all claims, causes of action, demands and liabilities of any kind whatsoever, whether direct or indirect, which relate in any way to any action or failure to act beginning with the mortgage loan application process to the date of this Declaration Setting Aside Mortgage Foreclosure Sale.

TO HAVE AND TO HOLD the above described property to George O'Neal Littleton, Jr. and Angela Littleton, their heirs, successors and assigns, forever

IN WITNESS WHEREOF, Principal Residential Mortgage, Inc. the Borrowers have caused this instrument to be executed this the 2<sup>nd</sup> day of December, 2002.

**Borrowers**

George O'Neal Littleton, Jr.  
George O'Neal Littleton, Jr.

Angela Littleton  
Angela Littleton

**ACKNOWLEDGMENT OF BORROWERS**

STATE OF ALABAMA  
COUNTY OF Shelby

I, the undersigned authority, a Notary Public in and for said state and county, hereby certify that George O'Neal Littleton, Jr. and Angela Littleton whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they executed the same on the day the same bears date.

Given under my hand and official seal on this the 2<sup>nd</sup> day of December, 2002.

[Signature]  
Notary Public  
My Commission Expires: 2/17/06

**Principal Residential Mortgage, Inc.**

By:

V.S. Jaksich

Its:

Vickie Jaksich, Dir.  
Director - Default

**V.S. Jaksich, Dir. and Sec. Default Adm.**

**ACKNOWLEDGMENT OF PRINCIPAL RESIDENTIAL MORTGAGE, INC.**

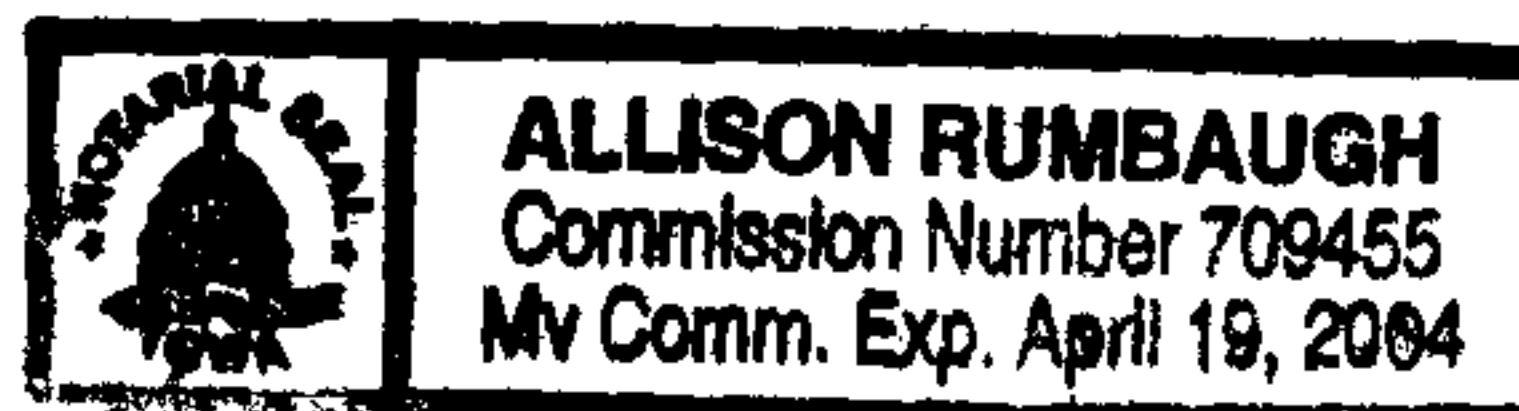
STATE OF Iowa )  
COUNTY OF Polk )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Vickie Jaksich, whose name as Director - Default of **Principal Residential Mortgage, Inc.** is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that being informed of the contents of said conveyance, he/she, as such officer and with full authority, executed the same voluntarily as and for the act of said corporation.

Given under my hand and official seal this 16 day of Dec., 2002.

Allison Rumbaugh  
Notary Public

My Commission Expires



THIS INSTRUMENT WAS PREPARED BY:  
Stephen G. Collins, Esq.  
SIROTE & PERMUTT, P.C.  
2311 Highland Avenue South  
P.O. Box 55727  
Birmingham, AL 35255-5727  
(205) 930-5151



## EXHIBIT "A"

**Principal****Residential  
Mortgage, Inc.***A member of the Principal  
Financial Group*

WE UNDERSTAND WHAT YOU'RE WORKING FOR™

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10/14/2002

GEORGE O LITTLETON JR or ANGELA M MERGET  
314 LAUREL WOODS LN  
HELENA AL 35080

Re: Loan No: 638532-2



Dear Mr. Littleton,

This letter agreement ("agreement") sets forth the terms and conditions upon which you ("mortgagor") and Principal Residential Mortgage, Inc. ("The Principal") have agreed that you will repay the delinquent amounts owing to The Principal under the above-referenced loan. Your account is presently due for the May 02 through the October 02 payments. The arrearage is \$6326.17, which includes late charges, attorney costs and fees, property preservation and any other credit for partial payments made.

The indebtedness in the captioned case is in default. In exchange for The Principal's extension of forbearance for a period of time, it is necessary that you indicate by signing this agreement, your acceptance of the following conditions:

- Down payment of \$ 1100.00 due October 25, 2002 in certified funds.
- You will make monthly payments in the amount of \$1722.80 from November 20, 2002 to April 20, 2003. (This is an estimated cure date). Additional late charges will not be assessed if you make payments according to the terms of this repayment/special forbearance agreement. The payment amount listed above is subject to change; you will be responsible for any payment change caused by an escrow, ARM adjustment or miscalculation. Receipt of payment coupons giving a new payment amount will not override the amount due each month under this agreement.
- Payments will be received by the 20th day of the month. In order to ensure prompt delivery, it is important that your payments be addressed to:

Kelli Marnin, Loss Mitigation Analyst  
Principal Residential Mortgage  
711 High Street  
Des Moines, IA 50392-0770

Principal reports your loan monthly to all respective credit reporting agencies. This agreement does not constitute an agreement by The Principal to waive any reporting of the delinquency status of your loan payments.

711 High Street, Des Moines, Iowa 50392-0770

**Principal****Residential  
Mortgage, Inc.***A member of the Principal  
Financial Group***WE UNDERSTAND WHAT YOU'RE WORKING FOR™****Loan # 638532-2**

Any forbearance by The Principal in exercising any right or remedy under this agreement or as otherwise afforded by applicable law shall not be a waiver or preclude the exercise of that or any other right or remedy. For example, if The Principal decides to accept a partial or untimely payment from you instead of terminating this agreement as provided herein, The Principal shall not be precluded from rejecting a subsequent partial or untimely payment, terminating this agreement, and commencing or continuing, as the case may be, foreclosure proceedings or taking any other action permitted by law.

All the provisions of the Note and security instrument, except as herein provided, shall remain in full force and effect. Upon the breach of any provisions of this agreement, such as failure to make any of the agreed payments shall constitute an event of default under this agreement and the terms of the Note and security instrument. In the event of default of the agreement, The Principal shall have the right to retain the funds received under this agreement. In the event of default, The Principal shall have the right to resume the foreclosure proceedings without further notice to the mortgagor to recover the accelerated loan balance and enforce it's rights in accordance with the terms of the Note and security instrument, including but not limited to the right to sell the mortgagor's right, title and interest in the real property.

Please acknowledge your acceptance of the terms and conditions of this Agreement by signing and dating the document below and returning it along with certified funds in the amount noted on the previous page. This must be in our office on or before October 25, 2002.

This written agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between parties.

**Receipt of Notice:** The undersigned hereby represents and warrants that I/we have each received and read a copy of this Notice on or before the execution of the "Written Agreement." "Written Agreement" means one or more promises, promissory notes, agreements, undertaking, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or any other thing of value or to otherwise extend credit or make a financial accommodation.

20021220000638290 Pg 6/6 30.00  
Shelby Cnty Judge of Probate, AL  
12/20/2002 14:41:00 FILED/CERTIFIED



WE UNDERSTAND WHAT YOU'RE WORKING FOR™

Loan # 638532-2

However, if you received a discharge of this debt in a Chapter 7 bankruptcy and if you have not reaffirmed this debt, then you no longer have any personal liability to us under the promissory note you signed.

Sincerely,

*Kelli Mamin*

Kelli Mamin

Loss Mitigation Analyst

1-800-962-4450, ext.21254

**I ACKNOWLEDGE THAT I HAVE READ AND AM FAMILIAR WITH THE TERMS AND CONDITIONS IN THIS AGREEMENT AND I AGREE TO ABIDE BY THEM.**

Signatures :

*[Signature]*

*Angela Mergert Littleton*

Date:

*10-24-2002*

*10/24/02*

**ACKNOWLEDGED BY PRINCIPAL RESIDENTIAL MORTGAGE, INC. :**

Signature:

*Kelli Mamin*

Date:

*10-28-02*

Please be advised that The Principal is a debt collector, we are attempting to collect a debt, and any information The Principal obtains will be used for that purpose.