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## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **January 7, 2005**. The grantor is **Eddie Sharit Enterprises, Inc.**, ("Mortgagor" whether one or more). This Security Instrument is given to **Cyrus B. Fulton, Jr. and Janet B. Fulton**, and whose address is **24 The Oaks Circle, Birmingham AL 35244** ("Mortgagee"). Mortgagor owes Mortgagee the principal sum of **Two Hundred Seventy Thousand and 00/100 Dollars (U.S.\$270,000.00)**. This debt is evidenced by Mortgagor's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on **January 1st, 2010**. This Security Instrument secures to Mortgagee (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Mortgagor's covenants and agreements under this Security Instrument and the Note. For this purpose, Mortgagor does hereby mortgage, grant and convey to Mortgagee and Mortgagee's successors and assigns, with power of sale, the following described property located in **Shelby County, Alabama**.

**See Exhibit "A" Attached for Legal Description**

**The mortgage loan proceeds have been applied toward the purchase price of the above described real property conveyed to the Mortgagor(s) simultaneously herewith.**

**TOGETHER WITH THE BALLOON PAYMENT RIDER ATTACHED HERETO AND MADE A PART HEREOF**

which has the address of  
**6929 Lyndon Drive, Birmingham, Alabama 35242.**  
("Property Address")

TO HAVE AND TO HOLD this property unto said Mortgagee, Mortgagee 's successors, heirs and assigns, forever; and for the purpose of further securing the payment of said indebtedness, Mortgagor agrees to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, the Mortgagee may at the Mortgagee's option pay off the same; and to further secure said indebtedness, Mortgagor agrees to keep improvements on said real estate insured against loss or damage by fire, lightning, and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to the Mortgagee, with loss, if any, payable to said Mortgagee, a s Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if Mortgagor fail to keep said property insured above specified, or fail to deliver said insurance policies to said Mortgagee, then said Mortgagee, or assigns, may at Mortgagee's option insure said property for said sum, for Mortgagee's own benefit, the policy if collected, to be credited on said indebtedness, less cost of collecting same; all amounts so expended by said Mortgagee for taxes, assessments or insurance, shall become a debt to said Mortgagee or assigns, additional to the debt, hereby specially secured, and shall be covered by this Mortgage, and bear interest from the date of payment by said Mortgagee or assigns, and be at once due and payable.

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."

Upon condition, however, that if the said Mortgagor pays said indebtedness, and reimburses said Mortgagee or assigns for any amounts Mortgagees may have expended for taxes, assessments and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by said Mortgagee or assigns, or should default be existing in any payment required under the underlying Note for which this security is given and said default be existing thirty (30) days, or should said indebtedness hereby secured, or any part thereof, or interest thereon, remain unpaid at maturity, or should the Mortgagor convey or transfer any beneficial interest in the subject property, or should the interest of said Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or encumbrance thereon, so as to endanger the debt hereby secured, then in any one of said events, the whole of said indebtedness hereby secured shall at once become due and payable, and this Mortgage shall be subject to foreclosure as now provided at law in case of past due mortgages, and the said Mortgagee, agents or assigns shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving twenty-one (21) days' notice by publishing once a week for three consecutive weeks, the time place and terms of sale, by publication in some newspaper published in said County and State, sell the same in lots or parcels or en masse as Mortgagee, agents or assigns deem best, in

front of the Courthouse door of said County (or division thereof), where said property is located, at public outcry, to the highest bidder for cash and apply the proceeds of the sale; First, to the expense of advertising, selling and conveying, including a reasonable attorney's fee; Second, to the payment of any amounts that may have been expended, or that may then be necessary to expend, in paying insurance, taxes or other encumbrances, with interest thereon; Third, to the payment of said indebtedness in full, 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 the sale; and Fourth, the balance, in any, to be turned over to the said Mortgagor and, the Mortgagor further agree that said Mortgagee, agents and assigns may bid at said sale and purchase said property, if the highest bidder therefor; and the Mortgagor further agree to pay a reasonable attorney's fee to said Mortgagee or assigns, for foreclosure of this Mortgage in Chancery, should the same be so foreclosed, said fee to be part of the debt hereby secured.

MORTGAGOR COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms contained in this Security Instrument.

Witnesses:

Eddie Sharit Enterprises, Inc.

By: Eddie Sharit  
Eddie Sharit, President

\_\_\_\_\_(Space Below This Line For Acknowledgment)\_\_\_\_\_

STATE OF ALABAMA, SHELBY COUNTY ss:

On this 7th day of January, 1905, I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, Eddie Sharit, whose name as President of Eddie Sharit Enterprises, Inc., is signed to the foregoing conveyance, and who is known to me, acknowledged before me this day that, being informed of the contents of the conveyance, he/she as such officer, and with full authority, executed the same voluntarily for and as the act of said Eddie Sharit Enterprises, Inc. on the day the same bears date.

Given under my hand and seal of office this 7th day of January, 1905.

(SEAL)

W. Russell Beals, Jr.  
Notary Public  
My Commission expires: 09/21/06

Loan #:  
File #: 05002RB

This instrument was prepared by:  
W. Russell Beals, Jr., Attorney at Law  
BEALS & ASSOCIATES, P.C.  
4898 Valleydale Road #B3  
Birmingham, AL 35242



EXHIBIT "A"

PARCEL I:

Beginning at the SE corner of the SE  $\frac{1}{4}$  of the SE  $\frac{1}{4}$  of Section 31, Township 18, Range 1 West, run North 580 feet to the point of beginning of land herein described; then continue North for a distance of 125 feet; thence turn 90° to the left for a distance of 100 feet; thence turn 90° to the left for a distance of 125 feet; thence turn 90° to the left for a distance of 100 feet to the point of beginning.

PARCEL II:

The South 250 feet to the North 500 feet of the following described property, to wit:

A part of the SE  $\frac{1}{4}$  of the SE  $\frac{1}{4}$ , Section 31, Township 18, Range 1 West, Shelby County, Alabama, more particularly described as follows:

Begin at the SE corner of the said SE  $\frac{1}{4}$  of SE  $\frac{1}{4}$  of said Section; thence run North along the East boundary of said  $\frac{1}{4}$   $\frac{1}{4}$  Section to a point where the Florida Short Route Highway intersects said East boundary; thence along said Florida Short Route in a Westerly direction 100 feet; thence run South and parallel with the East boundary of said  $\frac{1}{4}$   $\frac{1}{4}$  Section to the Southern boundary of said  $\frac{1}{4}$   $\frac{1}{4}$  Section; thence along said Southern boundary in an East direction to the Southeast corner of the said SE  $\frac{1}{4}$  of SE  $\frac{1}{4}$  to the point of beginning.

LESS AND EXCEPT:

That portion of subject property described to Dewey S. Harris and wife, Weleene Harris by instrument recorded in Deed Book 223, Page 514, in the Probate Office of the Shelby County, Alabama, more particularly described as follows:

Beginning at the SE corner of the SE  $\frac{1}{4}$  of the SE  $\frac{1}{4}$  of Section 31, Township 18, Range 1 West, run North 580 feet to the point of beginning of land herein described; then continue North for a distance of 125 feet; thence turn 90° to the left for a distance of 100 feet; thence turn 90° to the left for a distance of 125 feet; then turn 90° to the left for a distance of 100 feet to the point of beginning.

## BALLOON PAYMENT RIDER TO NOTE AND SECURITY INSTRUMENT

THIS BALLOON RIDER is made January 7th, 2005 and amends a note in the amount of \$270000 (the "Note") made by the person(s) who sign below ("Borrower") to CyrusB . Fulton, Jr. and Janet B. Fulton ("Lender") and the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") date the same date and given by Borrower to secure the Note.

In addition to the agreements and provisions made in the the Note and Security Instrument, both the Borrower and Lender further agree as follows:

THIS LOAN IS PAYABLE AT THE END OF January 1st, 2010. BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND THE UNPAID INTEREST THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. BORROWER WILL THEREFORE BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS BORROWER MAY OWN, OR BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER BORROWER HAS THIS LOAN WITH, WILLING TO LEND THE MONEY AT THE PREVAILING INTEREST RATES, WHICH MAY BE CONSIDERABLY HIGHER OR LOWER THAN THE INTEREST RATE ON THIS LOAN. IF BORROWER REFINANCES THIS LOAN AT MATURITY, BORROWER MAY HAVE TO PAY SOME OR ALL CLOSING COSTS NORMALLY ASSOCIATED WITH THE NEW LOAN, EVEN IF BORROWER OBTAINS REFINANCING FROM THE SAME LENDER.

### NOTICE OF MATURITY

At least ninety (90), but no more than one hundred twenty (120) days prior to the maturity date, Lender must send Borrower a notice which states the Maturity Date and the amount of the "Balloon Payment" which will be due on the maturity date (assuming al scheduled payments due between the date of the notice and the Maturity Date are made on time).

Eddie Sharit Enterprises, Inc.

By: 