



20141216000394050 1/4 \$23.00
Shelby Cnty Judge of Probate, AL
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AGREEMENT

This Agreement was entered into on the 12th day of December, 2014, by and between The Passive Income Spoke, LLC with Allen W. Kessler as its managing member (hereinafter called the "Mortgagee") and DiAnne S. Taylor (hereinafter called the "Mortgagor").

The parties recite and declare:

1. The Mortgagor presently operates or intends to conduct operation of a Daycare business known as Lighthouse Child Development Center, LLC located at 3965 Parkwood Road, Bessemer, AL 35022;

2. The Mortgagor is seeking working capital to continue operation and expansion of the daycare business;

3. That the Mortgagee desires to make provision, by way of a loan secured by a mortgage, the necessary working capital for the Mortgagor to conduct said operations;

4. That the parties have executed a Letter of Intent stating the terms and conditions that are agreeable to both parties and desire to reduce such terms and conditions into a written agreement as set out hereinbelow.

3. In consideration of the mutual covenants and promises of the parties, the mortgagor and mortgagee covenant and agree as follows:

OPERATION OF BUSINESS

The Mortgagor covenants that she is operating or intends to operate a daycare business known as Lighthouse Child Development Center, LLC.

CONSIDERATION

In consideration for the mortgagee providing the necessary mortgage loan, the parties agree that the mortgagor execute a real estate mortgage note to the mortgagee with said note be structured in the following manner:

A. The real estate mortgage note will be a thirty-six month note with an interest rate of Ten (10%) percent simple interest;

B. The first twelve (12) payments will be interest only payments each and every month with no change to the principal balance shown on the real estate mortgage note;

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C. The following twenty-four (24) payments will be based upon an amortization schedule of ten (10) years.

D. A balloon payment will be due with thirty (30) days of the final payment, but said payment can be made within the thirty (30) day period with no penalty.

E. There will be no pre-payment allowed on this loan during the thirty-six (36) month term;

COLLATERAL

As additional consideration for the faithful performance under the agreement, the mortgagor shall convey to the mortgagee certain properties to secure the payment of said real estate mortgage note. Those properties are described below and will be subject to an execution of a Second Mortgage against each property:

Lot 364, according to the survey of the Map and Survey of Old Cahaba, Oak Ridge Sector, Second Addition, as recorded in Map Book 27, Page 52, in the Probate Office of Shelby County, Alabama

Property address: 1640 Old Cahaba Court, Helena, AL 35080
Source of Title: Deed Book 2004-644350 filed 11-23-04

Lot 103, according to the Survey of Wyndham, Wellington Sector, Phase II, as recorded in Map Book 23, Page 64, in the Probate Office of Shelby County, Alabama.

Property address: 7806 Wellwood Circle, Helena, AL 35080
Source of Title: Deed 2004-Page 93030 filed 2-24-04

Lot 8, according to the Survey of St. Charles Place, Jackson Square, Phase Two, Sector One, as recorded in Map Book 18, Page 76, in the Probate Office of Shelby County, Alabama.

Property address: 506 Baronne Street, Helena, AL 35080
Source of Title: Deed 2004-153190 filed 3-25-04

Mortgagor acknowledges that each property presently has a first mortgage loan. The second mortgage executed by the mortgagor will be recorded in the Office of the Judge of Probate of Shelby County, Alabama.

CLOSING

This Agreement shall close on the 12th day of December 2014, at 11:00 o'clock a.m., at the office of William P. Sproule, Attorney for the Mortgagor, at 705 Pleasant Grove Road, Suite 110, Pleasant Grove, Alabama 35127.



The costs of closing this transaction are the following and are to be paid by the mortgagor as shown:

Attorney's fee - \$ 450.00
Title Work \$ 150.00
Recording Fees \$ 116.20

INSURANCE

During the loan term, the mortgagor shall maintain a policy of fire/hazard insurance on each of the three properties described above as the collateral and shall show The Passive Income Spoke, LLC as an additional loss payee/mortgagee. Said endorsement shall be in effect on the date of the execution of this agreement and will show the mortgagee on said respective policy as follows: The Passive Income Spoke, LLC, 300 Ascott Road, Homewood, AL 35209, Each property shall be fully insured by the mortgagor in such amount as will protect the interest of the mortgagee, but in no case shall it be less than the unpaid balance under this agreement pursuant to the repayment of the real estate mortgage note executed simultaneously herewith. A copy of the insurance policies and endorsements shall be furnished to the mortgagee.

OTHER TERMS AND CONDITIONS

A. The parties agree that should the mortgagor sale any of the properties described hereinabove, that proper and timely notice be given to the mortgagee and that the mortgagee be offered another property owned by the mortgagor as a substitution for the collateral being sold. Upon acceptance of the substituted property by the mortgagee, the mortgagee shall release the subject property being sold as a partial release in the public record and substitute the new property as collateral in the public record.

B. The mortgagor acknowledges that a lien has been placed upon the property known as 506 Baronne Street, Helena, AL 35080 by the St. Charles Place Homeowners Association for the non-payment of homeowner association dues in the estimated amount of \$ 433.00. Said lien has been recorded in the Office of the Judge of Probate of Shelby County, Alabama. Mortgagor agrees to payoff said lien to remove this encumbrance from the subject property and provide evidence that said lien has been paid and satisfied.

BINDING EFFECT

This agreement shall be binding on and shall inure to the benefit of the parties and their successors and assigns. This contract constitutes the entire agreement of the parties concerning the subject matter. No promise or undertaking has been made by any party, and no understanding exists except as expressly set forth in this contract. All prior and



contemporaneous negotiations and understandings between the parties are embodied in the contract.

In witness whereof, the parties have executed this agreement at Pleasant Grove, Alabama, on the day and year first above written.

WITNESS

WITNESS

MORTGAGOR- DIANNE S. TAYLOR

MORTGAGEE- ALLEN W. KESSLER
AS MANAGING PARTNER OF
THE PASSIVE INCOME SPOKE, LLC

This instrument prepared by:
William P. Sproule, Attorney at Law
P.O. Box 492
Pleasant Grove, AL 35127
(205) 744-8700

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