

Shelby County, AL \$1,400,000.00  
Denton County, TX \$100,000.00

Prepared by & Return to:  
Matthew Bradsher, J.D.  
Apperson Crump  
6000 Poplar Ave., Suite 150  
Memphis, TN 38119

### MORTGAGE

THIS MORTGAGE is made on February 5, 2024, between David Lawrence Lee and Sally Beamont Lee, husband and wife ("**Borrower**"), whose address is 516 Meadow Lake Farms, Calera, AL 35040, and Sand Hill Funding, LLC ("**Mortgagee**"), whose address is 5099 Old Summer Road, Memphis, TN 38122.

#### ARTICLE I RECITALS

##### Execution and Delivery of Note

1.01. Borrower has executed and delivered to Mortgagee an On Demand Promissory Note ("**Note**") bearing the same date as this Mortgage, promising to pay to the Mortgagee the principal sum of \$1,700,000.00, with interest on the principal sum at the rate and according to the terms and conditions specified in the Note. The terms of the Note are incorporated into this Mortgage by this reference.

##### Property Mortgaged

1.02. In consideration of this loan, and as security for repayment to the Mortgagee of the principal, interest, and any other sums provided for in the Note and the Mortgage, according to the terms and conditions of the Note and Mortgage, and as security for performance of the agreements and conditions contained in the Note and the Mortgage, the Borrower mortgages to the Mortgagee the real estate described as follows:

**Lot 2B, according to the McMillan Resurvey as recorded in Map Book 37, Page 10, in the Probate Office of Shelby County, Alabama.**

**Tax Parcel Identification Number: 28-1-02-0-000-015-012**

**Lot 5, of Country Oaks Estates, Phase II, an addition to the City of Bartonville, Denton County, Texas according to the plat thereof recorded in Cabinet Q, Page 309, Plat Records, Denton County, Texas.**

**Tax Parcel Identification Number: 215468**

Together with the following:

- (1) All buildings and improvements erected or to be erected on the property;
- (2) All fixtures installed in, attached to, or situated on the real estate or in the buildings and improvements to be erected on the real estate, or used or intended to be used in connection with the real estate, or in the operation of the buildings and improvements on the real estate;
- (3) All streets, alleys, passages, water courses, easements, and covenants existing or to be created for the benefit of the Borrower or any subsequent owner or tenant of the mortgaged real estate over ground adjoining the mortgaged real estate, and all rights to enforce their maintenance;
- (4) All other appurtenances rights and privileges, reversions, and remainders, and all the income, rents, and profits arising from them, and all other interest or right of the Borrower in the real estate; and
- (5) The replacements, additions, or proceeds from the sale of any of the above.

All of the above-mentioned real estate, improvements, personal property, and other property and interests will be referred to in this instrument as the "**Mortgaged Property.**"

**Conveyance of Property**

1.03. Borrower conveys a security interest in the Mortgaged Property to the Mortgagee and its successors and assigns. This conveyance is subject to the express condition that if the Borrower pays the Mortgagee the principal sum of the Note, the interest, and all other sums owed that are secured by this Mortgage, in accordance with the provisions of the Note and the Mortgage, at the times and in the manner specified, without deduction, fraud, or delay, then this Mortgage and the conveyance of the Mortgaged Property will cease and become void. The Borrower must perform and comply with all the agreements, conditions, covenants, provisions, and stipulations contained in this Mortgage and in the Note.

**ARTICLE II COVENANTS OF BORROWER**

**Warranty of Title**

2.01. The Borrower has good and marketable fee simple title to the Mortgaged Property.

**Payment and Performance**

2.02. The Borrower will pay to the Mortgagee, in accordance with the terms of the Note and this Mortgage, the principal, interest, and all other sums, and will perform and comply with all the agreements, conditions, covenants, provisions, and stipulations of the Note and this Mortgage.

**No Waste**

2.03. The Borrower will not commit or permit the commission of waste in or about the Mortgaged Property.

**Condemnation Awards**

2.04. All awards made to the owners of the Mortgaged Property by any governmental or other lawful authorities for taking or damaging the Mortgaged Property by eminent domain, or for taking any easement in the property, including any awards for any changes of grade of streets, are assigned to the Mortgagee, who is authorized to collect and receive the proceeds from the authorities and to give proper receipts for those awards. The Mortgagee will apply these payments (after deduction of attorneys' fees and other costs of collecting the funds) toward the payment of the amount owed on this Mortgage and the accompanying Note, even though the amount owed may not then be due and payable. The Borrower agrees, on request, to make any assignments or other instruments needed to assign the awards to the Mortgagee, free and clear of any encumbrances. The Borrower agrees to give the Mortgagee immediate notice of the actual or threatened commencement of any eminent domain proceedings affecting the Mortgaged Property, and will give the Mortgagee copies of any papers served on the Borrower in connection with those proceedings. The Borrower will not make any settlement for damages sustained without the Mortgagee's prior written approval, which approval will not be unreasonably withheld. Upon payment in full of all amounts owed by Borrower pursuant to the Note and this Mortgage, the other provisions of this paragraph shall no longer apply, and Borrower shall have exclusive control and possession of all condemnation awards.

**Insurance**

2.05.(a) The Borrower will keep the buildings hereafter constructed on the Mortgaged Property continuously insured against loss or damage by fire and extended coverage in a sum at least equal to the amount owed on the Note.

(b) All policies of insurance will be issued by companies and in amounts satisfactory to the Mortgagee. All policies of insurance will contain a mortgagee clause in favor of the Mortgagee, not subject to contribution, and a Mortgagee's loss payable endorsement for the benefit of the Mortgagee, all in forms satisfactory to the Mortgagee. The Borrower will furnish the Mortgagee with a signed duplicate original policy with respect to all required insurance coverage. At least 5 days prior to the expiration of each policy, the Borrower will furnish the Mortgagee with evidence satisfactory

to the Mortgagee of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. If all or any part of the insurance will expire, or be withdrawn, or become void or unsafe, by reason of the Borrower's breach of any condition, or become void or unsafe by reason of the value or impairment of the capital of a company in which the insurance may then be carried, or if for any reason whatever the insurance will be unsatisfactory to the Mortgagee, the Borrower will place new insurance on the premises, satisfactory to the Mortgagee.

(c) In the event the Borrower fails to provide, maintain, or deliver and furnish to the Mortgagee the policies of insurance required by this Mortgage, the Mortgagee may procure insurance for the risks, covering the Mortgagee's interest. The Borrower will pay all premiums on insurance procured by the Mortgagee promptly on demand. Until payment is made by the Borrower, the amount of all premiums, together with annual interest at The Wall Street Journal Prime Rate plus 3 percent with a minimum rate of 12% will be secured by this Mortgage.

(d) In the event of loss, the Borrower will give immediate notice to the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by the Borrower. Each insurance company is hereby authorized and directed to make payment under the insurance, including return of unearned premiums, directly to the Mortgagee instead of to the Borrower and the Mortgagee jointly, and the Borrower appoints the Mortgagee, irrevocably, as the Borrower's attorney-in-fact to endorse any insurance draft. The Mortgagee will have the right to retain and apply the proceeds of any insurance, at its election, to reduction of the indebtedness secured by this Mortgage, or to restoration or repair of the property damaged. If the Mortgagee becomes the owner of any part of the Mortgaged Property by foreclosure or otherwise, the policies, including all rights, title, and interest of the Borrower under those policies, will become the absolute property of the Mortgagee.

(e) In the event of total loss, each insurance company is hereby directed to make payment under the insurance, including return of unearned premiums, directly to the Mortgagee instead of to the Borrower.

#### **Taxes and Other Charges**

2.06. The Borrower will pay all taxes, assessments, water and sewer rents, and other charges or claims assessed, levied, or filed against the Borrower, the Mortgaged Property, or the interest of the Mortgagee in the Mortgaged Property, or that, by law, may have priority over the indebtedness secured by this Mortgage. These expenses will be paid when due and payable and before interest or penalties accrue. The Borrower will provide the Mortgagee with receipts for payments of these amounts no later than the payment dates.

#### **Compliance with Law and Regulations**

2.07. The Borrower will comply with all laws, ordinances, regulations, and orders of all federal, state, municipal, and other governmental authorities relating to the Mortgaged Property.

#### **Declaration of No Set-Off**

2.08. Within three (3) days after a request by the Mortgagee, the Borrower will certify to the Mortgagee or to any proposed assignee of this Mortgage, in a duly acknowledged writing, the amount of principal, interest and other charges owing on the obligation secured by this Mortgage. The Borrower will also indicate whether there are any set-offs or defenses against the Mortgage.

#### **Defaults and Right to Remedy**

2.09. If the Borrower fails to pay taxes, water and sewer charges, other lienable claims (not including contested claims), or insurance premiums, permits waste, or otherwise fails to comply with its obligations under the Mortgage, the Note, or any other document executed in connection with the Mortgage, then the Mortgagee, at its election and upon written notice to the Borrower, has the right to make any payment or expenditure that the Borrower should have made, or that the Mortgagee deems advisable, to protect the security of this Mortgage or the Mortgaged Property. Any payment by the Mortgagee will not prejudice the Mortgagee's rights or remedies under this Mortgage. All sums, as well as costs, advanced by the Mortgagee pursuant to this Mortgage will be due immediately from the Borrower to the Mortgagee, will be secured by this Mortgage, and will bear annual interest at 15% per annum from the date of payment by the Mortgagee until the date of repayment.

### **ARTICLE III DEFAULT AND REMEDIES**

#### **Events of Default**

3.01. Any of the following will constitute an "Event of Default":

- (1) Failure of the Borrower to pay any installment of principal or interest, or any other sum, on the date it is due under the Note or this Mortgage subject to any applicable grace period provided in the Note;
- (2) The Borrower's failure to perform any of the other agreements, conditions, or covenants in the Note, the Mortgage, or any other document executed in connection with the Mortgage;
- (3) The entry of a decree by a court having jurisdiction over the Mortgaged Property with respect to the Borrower in an involuntary case under the federal bankruptcy laws, or any other applicable federal or state bankruptcy, insolvency, or similar laws;
- (4) The appointment of a receiver, liquidator, custodian, trustee, or similar official for any substantial part of the Borrower's property;
- (5) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency, or other similar law;
- (6) The consent by the Borrower to the appointment of a receiver, liquidator, trustee, custodian, or other similar official for any substantial part of the Borrower's property;
- (7) The Borrower's making any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as they become due.

#### **Remedies**

3.02.(a) If any Event of Default occurs, the entire unpaid balance of principal, accrued interest, and all other sums secured by this Mortgage will become immediately due and payable, without further notice or demand.

(b) 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 the said Mortgagee or assigns, or should said indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid at maturity, 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 be subject to foreclosure as now provided by 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 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 of Shelby and State of Alabama, sell the same in lots or parcels or en masse as Mortgagee, agents or assigns deem

best, in front of the Court House door of said County, (or the 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 it 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 sale; and Fourth, the balance, if any, to be turned over to the said Mortgagor and undersigned further agree that said Mortgagee, agents or assigns may bid at said sale and purchase said property, if the highest bidder therefor; and undersigned further agree to pay a reasonable attorney's fee to said Mortgagee or assigns, for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

(c) When the entire indebtedness becomes due and payable, because of maturity or because of any Event of Default, the Mortgagee will be entitled to appointment of a receiver without regard to the solvency of the Borrower or any other person liable for the debt secured by this Mortgage, and regardless of whether the Mortgagee has an adequate remedy at law. Either the Mortgagee or a receiver may rent the Mortgaged Property for any period and on any terms and conditions that the Mortgagee or receiver may see fit. The Mortgagee or the receiver may collect rents, and, after deducting all costs of collection and administration expense, apply the net rentals to the payment of taxes, water and sewer rents, other lienable charges and claims, and insurance premiums, and to the maintenance, repair, or restoration of the Mortgaged Property, or to the reduction of the principal or interest, as the Mortgagee or the receiver may elect. For that purpose, the Borrower assigns to the Mortgagee all rentals due under any existing or future lease of the Mortgaged Property, as well as all rights and remedies provided in the lease or at law or in equity for the collection of the rentals. Any lease or leases entered into by the Mortgagee or the receiver pursuant to this paragraph will survive foreclosure of the Mortgage and repayment of the debt, unless the lease provides otherwise.

(d) The Mortgagee has the right to bring an appropriate action to recover any sums due under the terms of this Mortgage, as they become due, without regard to whether or not the principal indebtedness or any other sums secured by the Note and this Mortgage will be due. The right to bring these actions will not affect the right of the Mortgagee to subsequently bring an action to foreclose this Mortgage for any default by the Borrower existing at the time the earlier action was commenced.

#### **Attorneys' Fees**

3.03. If the either the Borrower or the Mortgagee becomes a party to any suit or proceeding affecting or related to the Mortgaged Property, the lien created by this Mortgage, the Mortgagee's interest in the Mortgaged Property, or the Borrower's or Mortgagee's rights and obligations under the Note or Mortgage, the prevailing party's costs, expenses, and reasonable trial and appellate attorneys' fees will be paid by the non-prevailing party, on demand, with interest at the rate provided in the Note. Until paid they will be deemed to be part of the indebtedness evidenced by the Note and secured by this Mortgage.

#### **ARTICLE IV ADDITIONAL PROVISIONS**

##### **Notices**

4.01. All notices permitted or required under this Mortgage or the Note will be in writing, and will be sent (i) by registered or certified mail, postage prepaid, addressed to the addressee at the address set forth in this Mortgage or in the Note, or at such other address as the addressee may designate in writing from time to time, and (ii) to the email address for copies, if such email address is provided.

Notice to Borrower: David Lawrence Lee and Sally Beamont Lee

Notice to Mortgagee: Sand Hill Funding, LLC

5099 Old Summer Road,  
Memphis, TN 38122  
With an email copy to Whitaker.jack63@gmail.com

**Interpretation**

4.02. This Mortgage shall be construed under and in accordance with the laws of the State of Alabama. If any provision of this Mortgage or its application to any person or situation is deemed invalid or unenforceable for any reason, the remainder of this Mortgage will not be affected. Rather, this Mortgage is to be enforced to the extent permitted by law. Legal counsel for Borrower drafted this Mortgage. Mortgagee acknowledges it has a right, and has had sufficient opportunity, to consult with its own legal counsel for the purpose of accepting this signed Mortgage. Neither this Mortgage nor the Note shall be construed against the Borrower due to the Borrower's or its attorney's participation in the drafting of this Mortgage.

**Amendment**

4.03. This Mortgage may not be changed or amended except by agreement in writing signed by the party against whom enforcement of the change is sought.

**Parties Bound**

4.04. This Mortgage will be binding on and inure to the benefit of the parties and their respective heirs, personal representatives, successors, and assigns.

**Interest Rate**

4.06. Regardless of any provision in this Mortgage or in the Note, the Borrower's liability for interest will not exceed the limits imposed by the then applicable usury law. If any clause in the Note or this Mortgage requires interest payments in excess of the highest rate permitted by the then applicable usury law, the clause in question will be deemed to require payment at the highest interest rate allowed by that law.

**Captions**

4.07. The captions preceding the text of the paragraphs or subparagraphs of this Mortgage are inserted only for convenience of reference and will not constitute a part of this Mortgage, nor will they in any way affect its meaning, construction, or effect.

**Assignment**

4.08. Except as provided otherwise in this instrument, the Mortgagee may assign this mortgage, together with the Note and any and all notes or bonds representing the obligation of the Borrower to make payments, at any time without the prior consent of the Borrower. However, the Mortgagee must give the Borrower actual notice of any assignment by certified mail, return receipt requested, with an email copy, before the due date of the next installment payment that is to be paid after the effective date of the assignment.



Filed and Recorded  
Official Public Records  
Judge of Probate, Shelby County Alabama, County  
Clerk  
Shelby County, AL  
02/12/2024 03:13:02 PM  
\$2590.00 PAYGE  
20240212000035690

*Allie S. Byrd*

Signed and witnessed on 5<sup>th</sup> FEBRUARY, 2024 at DENTON TEXAS AS Shelby County, Alabama.

Signed, sealed, and delivered in the presence of:

BORROWER

By: *David Lawrence Lee*

David Lawrence Lee

By: *Sally Beaumont Lee*

Sally Beaumont Lee

ACKNOWLEDGMENT

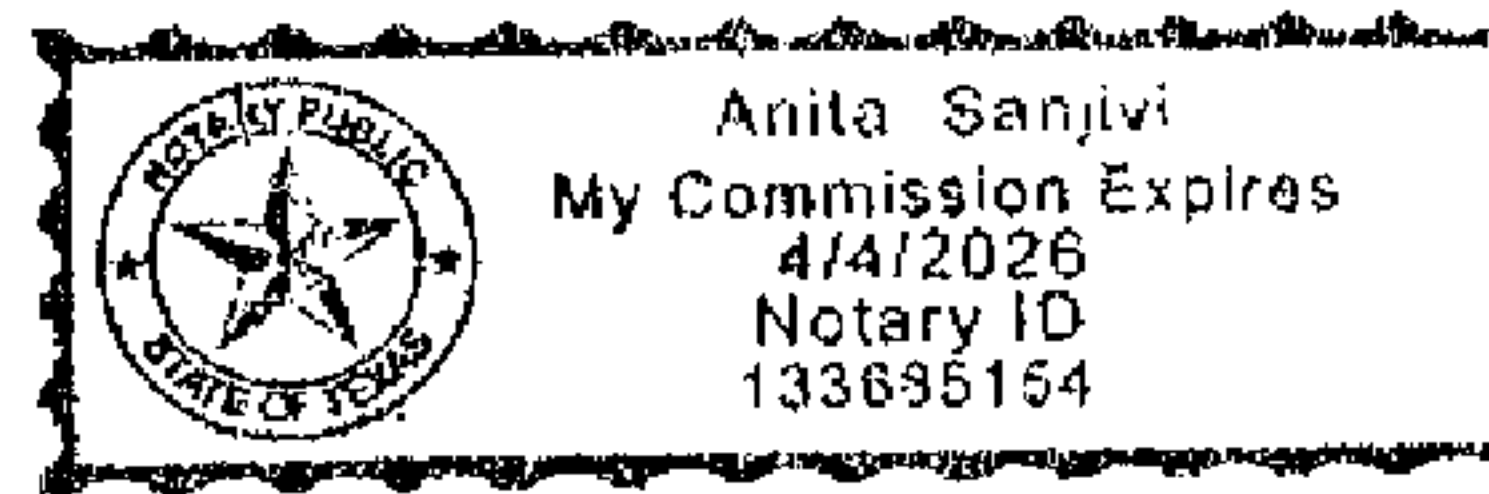
STATE OF ~~ALABAMA~~ <sup>TEXAS</sup>  
COUNTY OF ~~SHELBY~~ <sup>DENTON</sup>

I, ANITA SANJIVI, a Notary Public in and for said County, in said State, hereby certify that, DAVID LAWRENCE LEE & SALLY BEAUMONT LEE, 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 the instrument they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 5<sup>th</sup> day of FEBRUARY, 2024.

*Anita Sanjivi*  
Notary Public

My commission expires: 04/04/2026



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COUNTY OF ~~SHELBY~~ <sup>DENTON</sup>

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