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Shelby Cnty Judge of Probate, AL
07/29/2004 10:23:00 FILED/CERTIFIED

THIS INSTRUMENT PREPARED BY:
Law Offices of Christopher R. Smitherman, LLC
725 West Street
Post Office Box 261
Montevallo, Alabama 35115
(205) 665-4357

STATE OF ALABAMA)
) REAL ESTATE MORTGAGE
SHELBY COUNTY)

KNOW ALL MEN BY THESE PRESENTS: THAT WHEREAS Phillip Barreras, a single person, hereinafter called "Mortgagor," is justly indebted to Alan T. Smith, a married man, hereinafter called "Mortgagee," in the principal sum of Thirty-Seven Thousand & 00/100 Dollars (\$37,000.00) together with interest at 8% percent as evidenced by a promissory note bearing even date herewith and payable in installments as follows: a first installment of Five Hundred Seventy-Six and 69/100 Dollars (\$576.69) due on or before the 19th day of August, 2004, and 82 subsequent installments of Five Hundred Seventy-Six and 69/100 Dollars (\$576.69) due on or before the 19th day of each month following the month of the initial installment, and a final installment of Five Hundred Seventy-Six and 68/100 Dollars (\$576.68) due on or before the 19th day of July, 2011.

NOW, in order to secure the prompt payment of said note, when due, the Mortgagor for and consideration of the premises, and for other good and valuable consideration received, to the Mortgagee by the Mortgagor, does hereby GRANT, BARGAIN, SELL AND CONVEY to the Mortgagee of the following described real estate situated in **Shelby County, Alabama**, to wit:

A parcel of land lying and being in the SW 1/4 of the SW 1/4 of Section 9, Township 22 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows: Commence at the NE corner of the SW 1/4 of the SW 1/4 of Section 9, Township 22 South, Range 2 West, Shelby County, Alabama; thence run South along East boundary of said 1/4-1/4, 565.0 feet to an iron pin and being the point of beginning; thence continue said course, 104.82 feet to an iron pin; thence turn an angle to the right 92 degrees 55 minutes and run westerly for 210.0 feet to an iron pin; thence turn an angle to the right 87 degrees 05 minutes and run northerly 104.82 feet to an iron pin; thence turn an angle to the right 92 degrees 55 minutes and run easterly 210.0 feet to the point of beginning; being situated in Shelby County, Alabama.

Note: This Mortgage is second and subservient to that certain first mortgage in favor of AmSouth Bank, dated the 9th day of October, 2001, and recorded in the Probate Office of Shelby County, Alabama in Instrument No. 2001-55924.

TO HAVE AND TO HOLD the aforegranted premises, together with the improvements and appurtenances thereunto belonging, unto the Mortgagee forever. And the Mortgagor does hereby covenant with the Mortgagee, and the heirs and assigns of the Mortgagee, that the Mortgagor, is lawfully seized in fee simple of said premises; that the said premises are free of and from all encumbrances except as otherwise noted above; and that the Mortgagor will warrant and forever defend the same against the lawful claims and demands of all persons.

BUT THIS CONVEYANCE IS MADE UPON THE FOLLOWING CONDITIONS NEVERTHELESS, that is to say. If the Mortgagor shall well and truly pay, or cause to be paid, the said promissory note, and each and every installment thereof, and interest thereon, when due and all other amounts which may become due hereunder when such become due then this conveyance shall become null and void. But should the

Mortgagor fail to pay said note, or any installment thereof when due or shall fail to pay any other sums that become due hereunder when due, then all of said indebtedness shall become due and payable at once, at the option of the Mortgagee. However, failure of the Mortgagee to enforce this provision as to one or more delinquent installments or other amounts due hereunder shall not be waiver of the right to subsequently invoke such provision. Upon any such default by the Mortgagor, the Mortgagee or the successors, heirs, assigns, agents, or attorneys of the authorized and empowered to sell the said property hereby conveyed at auction for cash at the Courthouse door of the County in which said property is situated, after first having given notice thereof for three (3) weeks by publication in any newspaper then published in the county in which said property is situated, and to execute a property conveyance to the purchaser and out of the sale proceeds to the Mortgagee shall first pay all expenses incident thereto, together with reasonable attorney's fee, then retain enough to pay said note and interest thereon and any sums advanced by the Mortgagee for taxes, assessments, insurance, and other encumbrances, if any. The balance, if any, shall be paid over to the Mortgagor. In the event of such sale, the Mortgagee, or successors, assigns, agents or attorneys of the Mortgagee, are hereby authorized and empowered to purchase the said property the same as if they were strangers to this conveyance and any such sale, and the auctioneer or person making the sale is empowered and directed to make and execute a deed to the purchaser at such sale in the name of the Mortgagor.

It is also agreed that in case the Mortgagee, or the heirs, successors or assigns of the Mortgagor, see fit to foreclose this mortgage in a court having proper jurisdiction, that the Mortgagor will pay a reasonable attorney's fee for the bringing and prosecution of such foreclosure action and for any appeals therefrom, together with all costs of litigation incurred by the Mortgagee, all of which shall be and constitute a part of the debt hereby secured.

The Mortgagor specially waives all exemptions which Mortgagor now or hereafter may be entitled to under the Laws and Constitution of the State of Alabama in regard to the collection of the debt secured hereby.

The Mortgagor reserves unto the Mortgagor, and the heirs, successors and assigns of the Mortgagor the right of possession of the said property until after a foreclosure sale has been effected according to the terms of the conveyance.

The Mortgagor agrees to keep said property in good repair, normal wear and tear excepted, and further agrees to keep said property insured against fire, hail, flood, and windstorm with good and responsible companies acceptable to the Mortgagee for not less than an amount equal to the principal amount of this mortgage debt, and to have each such policy payable to the Mortgagee, as the Mortgagee's interest may appear in said property, and further agrees to deliver copies of such paid-up policies to the Mortgagee. Should the Mortgagor fail to insure said property, then the Mortgagee is hereby authorized to do so, and the premiums so paid by the Mortgagee shall be and constitute a part of the debt secured hereby.

The Mortgagor agrees to pay all taxes and assessments, general or special, levied upon such property before such become delinquent. Should the Mortgagor fail to pay any taxes or assessments before they become delinquent, then the Mortgagee is hereby authorized to do so, and all such payments shall thereupon constitute a part of the debt secured hereby.

Should the Mortgagor fail to procure proper insurance, or fail to pay any taxes or assessments, as hereinabove provided, and should the Mortgagee pay the same, then the Mortgagor shall be deemed to have materially breached the terms of this instrument if the Mortgagor fails to reimburse the Mortgagee for the same plus interest at the rate specified hereinabove within ten (10) days after the Mortgagee gives the Mortgagor written demand by first class mail of the amounts due.

Mortgagor reserves the right of possession of said premises until the law day.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage with seal affixed on the 19th day of July, 2004, at 725 West Street, Montevallo, Alabama.

MORTGAGORS

 (L.S.)
Phillip Barreras

STATE OF ALABAMA

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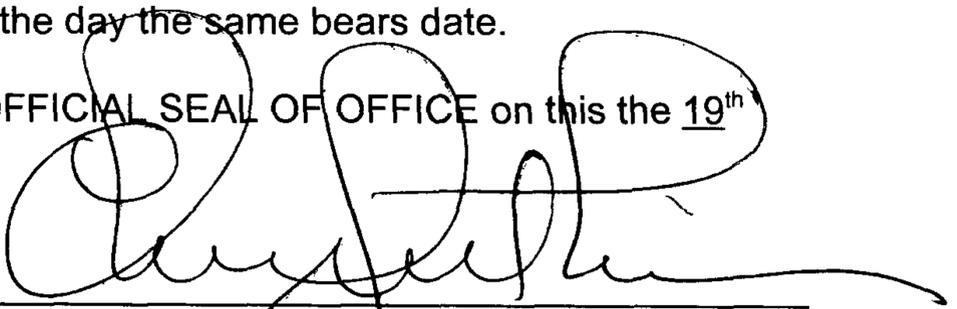
ACKNOWLEDGMENT

SHELBY COUNTY

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I, Chris Smitherman, a Notary Public for the State at Large, hereby certify that *Phillip Barreras*, whose name is signed to the foregoing Mortgage, who is known to me acknowledged before me on this day, that, being informed of the contents of the Mortgage, it was executed voluntarily on the day the same bears date.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this the 19th day of July, 2004.



Notary Public
My Commission Expires 05/13/08