

This instrument was prepared by: Michael T. Atchison, Attorney At Law PO Box 822, Columbiana, AL 35051

MORTGAGE DEED

STATE OF ALABAMA COUNTY of Shelby

KNOW ALL MEN BY THESE PRESENTS: That Whereas,

James R Payton, a single man, (hereinafter called "Mortgagors", whether one or more are justly indebted to

George H. Schrader (hereinafter called "Mortgagee", whether one or more),

in the sum of \$175,040.00 evidenced by a real estate mortgage note of even date.

And whereas, Mortgagors agreed, in incurring said indebtedness, which this mortgage should be given to secure the prompt payment thereof.

NOW THEREFORE, in consideration of the premises, said Mortgagors, James R Payton, and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate, situated in Shelby County, State of Alabama, to wit:

Commence at the Northeast corner of the NW ¼ of the NW ¼ of Section 28, Township 24 North, Range 15 East, Shelby County, Alabama, said point being the point of beginning of this Parcel 4; thence run Southerly along the East line of said ¼ - ¼ Section for 125.0 feet to a point; thence turn an angle of 62 degrees 12 minutes right and run Southwesterly for 1, 197.81 feet to a point on the edge of the water at the 397 foot contour line; thence run Northwesterly along the waters edge and the 397 foot contour line to the West line of Section 28; thence run Northerly along the said West line of Section 28 to a point on the waters edge at the 397 foot contour line; thence run along the said 397 foot contour line Northeasterly and thence Westerly to an Alabama Power Company concrete monument on the West line of said Section 28; thence run Northerly along said West line of said Section 28 for 60.0 feet to the Northwest corner of said Section 28; thence continue Northerly along the West line of Section 21 for 260.07 feet to a point; thence turn an angle of 84 degrees 12 minutes 52 seconds right and run Easterly 684.31 feet to a point; thence 7 degrees 42 minutes right and run Easterly 648.18 feet to a point on the East line of the SW ¼ of the SW ¼ of Section 21; thence 87 degrees 19 minutes 49 seconds right and run Southerly along said East line of said ¼ - ¼ Section for 292.82 feet to the point of beginning.

LESS AND EXCEPT those portions previously conveyed by deeds recorded in Real Record 245, Page 181; Instrument #1997-23007; and Instrument #20051028000562240, in the Probate Office of Shelby County, Alabama.

Said property is warranted free from all encumbrances and against any adverse claims, except as stated above.

To Have And To Hold the above granted property unto the said Mortgagee, Mortgagee's successors, heirs, and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agrees to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, the said Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, first above named undersigned agrees to keep the 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, as Mortgagee's interest may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if undersigned fail to keep said property insured as above specified, or fail to deliver said insurance policies to said Mortgagee, then the 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

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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 date of payment by said Mortgagee, or assigns, and be at once due and payable.

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 and State, 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 Shelby 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 therefore; 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.

IN WITNESS WHEREOF the undersigned James R Payton, have hereunto set his signature and seal, this 21st day of August 2006.

James R Payton

STATE OF ALABAMA COUNTY of Shelby

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that James R Payton, whose name(s) is/are signed to the foregoing conveyance, and who are known to me acknowledged before me on this day, that being informed of the contents of the conveyance he/she/they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21st day of August 2006.

Notary Public

My commission expires: 10/16/08

