STATE OF ALABAMA)
)
COUNTY OF SHELBY)

20061006000495860 1/4 $141.10
Shelby Cnty Judge of Probate,AL
10/06/2006 08:31:38AM FILED/CERT

THIS MORTGAGE, made and entered into this 21st day of Sept, 2006 by and between **Timothy Bruce Schrader, an unmarried man** (hereinafter referred to as "Mortgagee" whether one or more), and **Robert Clay Schrader, Jr., a married man and Claude James Schrader, and wife Faye N. Schrader** (herein referred to as Mortgagor)

WITNESSETH:

Whereas, the said Mortgagor is justly indebted to Mortgagee in the sum of Eighty-Five Thousand Three Hundred Thirty-Three and no/100 ($85,333.33) plus interest at the rate of Prime plus 1% as established by Regions Bank not to exceed an increase of 1.5% per year. There is a down payment being made in the amount of $5,973.33 which leaves a remaining balance in the sum of Seventy-Nine Thousand Three Hundred Sixty & no/100 ($79,360.00) Dollars as evidenced by a Promissory Note of even date herewith which bears interest as provided therein which is payable in accordance with its terms. Payments are due on the 1st day of each month and will considered late if not received before the 10th of each month.

NOW, THEREFORE, in consideration of the premises, and to secure the payment of the debt evidenced by said Promissory Note and any and all extensions and renewals thereof, or of any part thereof, and any additional interest that may become due on any such extensions and renewals, or any part thereof (the aggregate amount of such debt, including any extensions and renewals and interest due thereon, is hereinafter collectively called "Debt") and compliance with all the stipulations herein contained, the Mortgagor does hereby grant, bargain, sell and convey unto the Mortgagee, the following described real estate, situated in Shelby County, Alabama (said real estate being hereinafter called "Real Estate"), to-wit:

Exhibit "A" Legal Description
The above described property does not constitute the homestead property of Robert Clay Schrader, Jr., or his spouse.

Together with all the rights, privileges, tenements, appurtenances and fixtures appertaining to the Real Estate, all of which shall be deemed Real Estate and shall be conveyed by this mortgage.

TO HAVE AND TO HOLD the Real Estate unto the Mortgagee, its successors and assigns forever. The Mortgagor covenants with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the Real Estate and has a good right to sell and convey the Real Estate as aforesaid; that the Real Estate is free of all encumbrances, except the lien of current ad valorem taxes, and the Mortgagor will warrant and forever defend the title to the Real Estate unto the Mortgagee, against lawful claims of all persons, except as otherwise herein provided.

For the purpose of further securing the payment of the debt, the Mortgagor agrees to;(1)pay promptly when due all taxes, assessments, and other liens taking priority over this mortgage (hereinafter jointly called "Liens"), when imposed legally upon the Real Estate and if default is made in the payment of Liens, or any part thereof the Mortgagee, at its option, may pay the same;(2)keep the Real Estate continuously insured, in such manner and in such companies as may be satisfactory to the Mortgagee, against any loss by fire, vandalism, malicious mischief and other perils usually covered by a fire insurance policy with standard extended coverage endorsements, with loss, if any, payable to the Mortgagee, as interest may appear; such insurance to be in an amount sufficient to cover the debt. The original insurance policy, and all replacements thereof, shall be delivered to and held by the Mortgagee until the debt is paid in full. The original insurance policy and all replacement therefore must provide that they may not be canceled without the insurer giving at least fifteen days prior written notice of such cancellation to the Mortgagee. The Mortgagor hereby assigns and pledges to the Mortgagee, as further security for the payment of the debt, each and every policy of hazard insurance now or hereafter in effect which insures said improvements, or any part thereof; together with all the right, title and interest of the Mortgagor in an to each and every such policy, including but not limited to all of the Mortgagor's right, title and interest in and to any premiums paid on such hazard insurance, including all rights to return premiums. If Mortgagor fails to keep the Real Estate insured as specified above then, at the election of the Mortgagee and without notice to any person, the Mortgagee may declare the entire debt due and payable and this mortgage subject to foreclosure, and this mortgage may be foreclosed as hereinafter provided; and, regardless of whether the Mortgagee declares the entire debt due and payable, the Mortgagee may, but shall not be obligated to, insure the Real Estate for its full insurable value (or for such lesser amount as the Mortgagee may wish) against such risk of loss, for its own benefit the proceeds from such insurance (less cost of collecting same), if collected, to be credited against the debt, or at the election of the Mortgagee, such proceeds may be used in repairing or reconstructing the improvements located on the Real Estate. All amounts spent by the Mortgagee for insurance or for the payment of Liens shall become a debt due by the Mortgagor to the Mortgagee and at once payable without demand upon notices to the Mortgagor, and shall be secured by the lien of this mortgage, and shall bear interest from the date of payment by the Mortgagee until paid at the then current mortgage rates. The Mortgagor agrees to pay promptly when due the debt and keep and perform every other covenant and agreement of the Promissory Note secured hereby.

As further security for the payment of the debt, the Mortgagor hereby assigns and pledges to the Mortgagee, the following described property rights, claims, rents, profits, issues and revenues.

1. All rents, profits, issues, and revenues of the Real Estate from time to time accruing, whether under leases or tenancies now existing or hereafter created reserving to the Mortgagor, so long as the Mortgagor is not in default hereunder, the right to receive and retain such rents, profits, issues and revenues.

2. All judgements, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of Real Estate, or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Real Estate, or any part thereof, in lieu of the exercise of the power of eminent domain, shall be paid to the Mortgagee. The Mortgagee is hereby authorized on behalf of and in the name of the Mortgagor to execute and deliver valid acquittance, for appeal from, any such judgements or awards. The Mortgagee may apply all such sums received, or any part thereof, after the payment of all the Mortgagee's expenses incurred after the payment of all Mortgagee's expenses incurred in connection with any proceeding or transaction described in this subparagraph received any be released or may be used to rebuild, repair or restore any or all of the improvements located on the Real Estate.

The Mortgagor hereby incorporates by reference into this Mortgage all of the provisions of the Promissory Note of even date herewith. Mortgagor agrees that in the event that any provision or clause of this Mortgage or the Promissory Note conflict with applicable law, such conflict shall not affect any other provisions of this Mortgage or of the Promissory Note which can be given effect. It is agreed that the provisions of this Mortgage and the Promissory Note are severable and that, if any one or more of the provisions contained in this Mortgage or in the Promissory Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, this Mortgage shall be construed if such invalid, illegal, or unenforceable provision has never been contained herein.

The Mortgagor agrees to take good care of the Real Estate and all improvements located thereon and not to commit or permit any waste thereon, and at all times to maintain improvements in as good condition as they are, reasonable wear and tear excepted.

If all or any part of the Real Estate or any interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage (b) the creation of purchase money security interest for household appliances (c) the transfer by device, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all of the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall waive such option to accelerate if, prior to the sale or transfer, Mortgagee and the person to whom the Real Estate is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagee shall request.

The Mortgagor agrees that no delay or failure of the Mortgagee to exercise any option to declare the debt due and payable shall be deemed a waiver of the Mortgagee's right to exercise such option, either as to any past or present default, and it is agreed that no terms or conditions contained in this mortgage may be waived, altered or changed except by a written instrument signed by the Mortgagor and signed in behalf of the Mortgagee by one of its duly authorized representatives.

After default on the part of the Mortgagor, the Mortgagee, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this mortgage, shall be entitled to the appointment by any competent court, without notice to any part, of a receiver for the rents, issues and profits of the Real Estate, with power to lease and control the Real Estate, and with such other powers as may be deemed necessary.

UPON CONDITION, HOWEVER, that if the Mortgagor pays the debt (which includes the indebtedness evidenced by the Promissory Note herein above referred to and any renewals thereof and any interest due on such extensions and renewals) and all other indebtedness secured hereby and reimburses the Mortgagee for any amounts the Mortgagee has paid in payment of Liens or insurance premiums, and interest thereon, and fulfills all of Mortgagor's obligations under this mortgage, this conveyance shall be null and void. But if:(1) any warranty or representation made in this mortgage is breached or proves false in any material respect; (2) default is made in the sue performance of any covenant or agreement or the Mortgagor under this mortgage; (3) default is made in the payment to the Mortgagee of any sum paid by the Mortgagee under the authority of any provision of this mortgage; (4) the debt, or any part thereof, remains unpaid at maturity; (5) the interest of the Mortgagee in the Real Estate becomes endangered by the reason of enforcement of any prior lien or encumbrance; (6) any statement of lien is filed against the Real Estate or any part thereof, under the statues of Alabama relating to the liens of mechanics and materialmen (without regard to the existence or nonexistence of the debt or the lien on which such statement is based); (7) any law is passed imposing or authorizing the imposition of any specific tax upon this mortgage or debt or permitting or authorizing the deduction of any such tax from the principal or interest of the debt, or by virtue of which any tax lien or assessment upon the Real Estate shall be chargeable against the owner of this mortgage; (8) any of the stipulations contained in this mortgage is declared invalid or inoperative by any court of competent jurisdiction; (9) Mortgagor or any of them (a) shall apply for or consent to the appointment of receiver, trustee or liquidator thereof or of the Real Estate or of all or a substantial part of such Mortgagor's assets, (b) be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, (c) fail, or admit in writing such Mortgagor's inability, generally to pay such Mortgagor's debt as they come due, (d) make a general assignment for the benefit of creditors, (e) file a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law, (f) file an answer admitting the material allegations of, or consent to, or default in answering a petition filed against such Mortgagor in any bankruptcy, reorganization or insolvency proceedings; or (10) an order for relief or other judgement or decree shall be entered by any court of competent jurisdiction, approving a petition to seeking liquidation or reorganization of the Mortgagor, or any of them, if more than one, or appointing a receiver, trustee or liquidator of any Mortgagor or of the Real Estate or of all or a substantial part of the assets of any Mortgagor; then, upon the happening of any one or more of said events, at the option of the Mortgagee, the unpaid balance of the debt shall at once become due and payable and this mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages; and the Mortgagee shall be authorized to take possession of the Real Estate and, after giving at least twenty-one days notice of time, place and terms of sale by publication once a week for three consecutive weeks in some newspaper published in the county in which the Real Estate is located, to sell the Real Estate in front of the courthouse door of said county, at public outcry, to the highest bidder for cash, and to apply the proceeds of said sale as follows: first to the expense of advertising, selling and conveying the Real Estate and foreclosing this mortgage, including a reasonable attorney's fee; second, to the payment of any amounts that have been spent, or that it may then be necessary to spend, in paying insurance premiums, Liens or other encumbrances, with interest thereon; third to the payment in full of the balance if the debt and interest thereon, 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 any unearned interest shall be credited to the Mortgagor; and fourth, the balance if any, to be paid to party or parties appearing of record to the owner of the Real Estate at the time of sale, after deducting the cost of ascertaining who is such owner. The Mortgagor agrees that the Mortgagee may bid at any sale had under the terms of this mortgage and may purchase the Real Estate if the highest bidder thereof. At the foreclosure sale the Real Estate may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner the Mortgagee may elect. The Mortgagor agrees to pay all cost, including reasonable attorney's fees, incurred by the Mortgagee in collecting or securing or attempting to collect or secure the debt, or any part thereof, or in defending or attempting to defend the priority of this mortgage against any lien or encumbrance on the Real Estate, unless this mortgage is herein expressly made subject to any such lien or encumbrance; and/or cost incurred in the foreclosure of this mortgage, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction. The full amount of such cost incurred by the Mortgagee shall be a part of the debt and shall be secured by this mortgage. The purchaser at any such sale shall be under no obligation to the proper application of the purchase money. In the event of a sale hereunder, the Mortgagee, or the owner of the debt and mortgage, or auctioneer, shall execute to the purchaser for and in the name of the Mortgagor a deed to the Real Estate.

Plural or singular words used herein to designate the undersigned shall be construed to refer to the maker or makers of this mortgage, whether one or more natural persons. All covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the under signed, and every option and privilege herein reserved or secured to the Mortgagee, shall inure to the benefit of the Mortgagee's successors and assigns.

IN WITNESS WHEREOF, the undersigned Mortgagor has (have) executed this instrument on the date first written above.

Robert Clay Schrader, Jr. (SEAL)
Robert Clay Schrader, Jr.

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Claude James Schrader (SEAL)
Claude James Schrader

Faye N. Schrader (SEAL)
Faye N. Schrader

ACKNOWLEDGEMENT

STATE OF ALABAMA)
)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public, in and for said County in State, hereby certify that Robert Clay Schrader, Jr., a married man, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day of same bears date.

Given under my hand and official seal this 13 day of Sept, 2006.

Violet B. Powell
NOTARY PUBLIC
My Commission Expires:

STATE OF ALABAMA)
)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public, in and for said County in State, hereby certify that Claude James Schrader, a married man, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day of same bears date.

Given under my hand and official seal this 13 day of Sept, 2006.

Violet B. Powell
NOTARY PUBLIC
My Commission Expires:

This Document prepared by:
Mitchell & Graham, P.C.
P. O. Drawer 307
Childersburg, AL 35044

STATE OF ALABAMA)
)
COUNTY OF Shelby)

I, the undersigned authority, a Notary Public, in and for said County in State, hereby certify that Faye N. Schrader, a married woman, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day of same bears date.

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

NOTARY PUBLIC
My Commission Expires: 9/18/06

GREGORY GRAHAM
NOTARY PUBLIC
ALABAMA STATE AT LARGE

Commence at the Southeast corner of the SW 1/4 of the SW 1/4 of Section 21, Township 24 North, Range 15 East, Shelby County, Alabama; thence run Northerly along the East line of said 1/4-1/4 Section 292.82 feet to the point of beginning of this Parcel 1; thence continue along last described course 2,305.54 feet to the Northeast corner of the NW 1/4 of the SW 1/4 of said Section 21; thence 1 degree, 58 minutes, 59 seconds right and continue Northerly along the East line of the SW 1/4 of the NW 1/4 of said Section 21 for 589.18 feet to a point; thence 90 degrees, 0 minutes left and run Westerly 65.46 feet to a point on the waters edge at the 397 foot contour elevation; thence run Southwesterly for 1,296 feet, more or less, along the 397 elevation line at the waters edge to a point that is 2,537.39 feet North of and 635.15 feet West of the Southeast corner of the SW 1/4 of the SW 1/4 of said Section 21; thence run Southeasterly for 2,332.70 feet, more or less, to a point that is 292.82 feet North of and on the East line from the Southeast corner of the SW 1/4 of the SW 1/4 of Section 21, being the point of beginning. Containing 22.5 acres, more or less.

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AND ALSO

Commence at the Northeast corner of the SW 1/4 of the NW 1/4 of Section 21, Township 24 North, Range 15 East, Shelby County, Alabama, said point being the point of beginning of this Parcel 6; thence run Southerly along the East line of said 1/4-1/4 Section for 710.0 feet to a point; thence 90 degrees, 0 minutes right and run Westerly 65.46 feet to a point on the waters edge at the 397 foot contour elevation line; thence run Northerly along the 397 foot contour elevation line 603.21 feet, more or less, to the South right-of-way line of a public county road, known as the Bay Springs Road; thence run Northeasterly 199.76 feet along the said South right-of-way line of said public road to the point of beginning. Containing 1.2 acres, more or less.

AND ALSO

Situated in the County of Shelby, State of Alabama, to-wit:
Begin at Station 18 plus 50 on the north right of way line of a County H-way (proposed) Project No. APP-14, thence N 26°W. 250 ft., thence West 210 ft. thence S 26° E 342 ft., thence N 64°E along the north right of way line of said H-way 188 ft. to the point of beginning.
Containing 1.3 acres, more or less, lying and being in the SW 1/4 of the NW 1/4 of Sec. 21, Twp. 24, Rge. 15 of Shelby County, Alabama.

AND ALSO

Situated in the County of Shelby, State of Alabama, to-wit:
Commence at the NW corner of the SW 1/4 of the NW 1/4 of Section 21, Township 24, North, Range 15 East, Shelby County, Alabama; thence Easterly along the North line of said Quarter Quarter 261.38 feet to the point of beginning of the property being described; thence continue along last described course 976.59 feet to a point in the centerline of a public road; thence 135 deg. 36' right and Southeasterly along centerline of said road 292.99 feet to a point; thence 10 deg. 59' right and along centerline 238.42 feet to a point; thence 13 deg. 58' right and along centerline 159.66 feet to a point; thence 7 deg. 52' right and along centerline 346.57 feet to a point; thence 91 deg. 0' right and Northwesterly 475.53 feet to the point of beginning, containing 6.8 acres and marked on the corners as shown on the plat, less and except one half the right of way for a public road, subject to easements and restrictions of record.
According to survey of Joseph E. Conn, Jr., dated September 26, 1978.

LESS AND EXCEPT

From the NW corner of the SW¼ of the NW¼, Sec. 21, Twsp. 24 N, Range 15 E, run East along the North boundary a distance of 648.50 feet to the point of beginning; thence, continue in a straight line a distance of 210.00 feet; thence, right 70° 55' 57" a distance of 240.66 feet; thence, right 75° 39' 23" a distance of 158.56 feet; thence, right 13° 58' a distance of 29.44 feet; thence, right 87° 50' 47" a distance of 349.09 feet to the point of beginning.

EXHIBIT "A" LEGAL DESCRIPTION