


RELEASE AND SUBSTITUTION OF PROPERTY

I, the undersigned, DiAnne S. Taylor (hereinafter "Mortgagor") and The Passive Income Spoke, LLC (hereinafter "Mortgagee") do make and enter into the following agreement.

1. Mortgagee does agree to release property located at 1640 Old Cahaba Court, Helena, AL 35080. Source of Title: Instrument No. 20041123000644350 and more particularly described as: **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**, from that Second Mortgage recorded in Instrument No. 20141216000394060 in Shelby County, Alabama, of which is attached hereto as Exhibit "A" and does further amend the Agreement between the parties recorded in Instrument No. 20141216000394050 in Shelby County, Alabama (a copy of said agreement is attached hereto as Exhibit "B").
2. In Consideration of the release of the property described in Paragraph 1 (above), the Mortgagor does hereby encumber and substitute and Mortgagee does hereby accept the substitution of property located at 580 Bentmoor Drive, Helena, AL 35080. Source of Title: Instrument No. 20050427000201900 and more particularly described as: **Lot 1438 according to the Survey of Old Cahaba IV 2nd Addition Phase Three as recorded in Map Book 33 at Page 130 in the Probate Office of Shelby County, Alabama**. Said property is to be subject to and encumbered by the attached Exhibits "A" and "B" in the same manner and to the same extent as the property described in Paragraph 1, herein.

In Witness whereof the parties have set their hand and seal this 22nd day of April, 2015.


DiAnne S. Taylor, Mortgagor


Allen W. Kessler, as Managing Partner of The
Passive Income Spoke, LLC, Mortgagee

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that DiAnne S. Taylor, whose name is signed to the foregoing conveyance and who is known to me acknowledged before me on this date, that being informed of the contents of this conveyance, she has executed the same voluntarily and as her act on the day the same bears date.

Given under my hand and official seal this 22 day of April, 2015.



Caitlin Hardee Graham
Notary Public

My Commission Expires: 4-14-19

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Allen W. Kessler, whose name as Managing Partner, of The Passive Income Spoke, LLC, a limited liability company, is signed to the foregoing conveyance and who is known to me acknowledged before me on this date, that being informed of the contents of this conveyance he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 22 day of April, 2015.

Russell S. Robertson
Notary Public

My Commission Expires: 06/21/2017

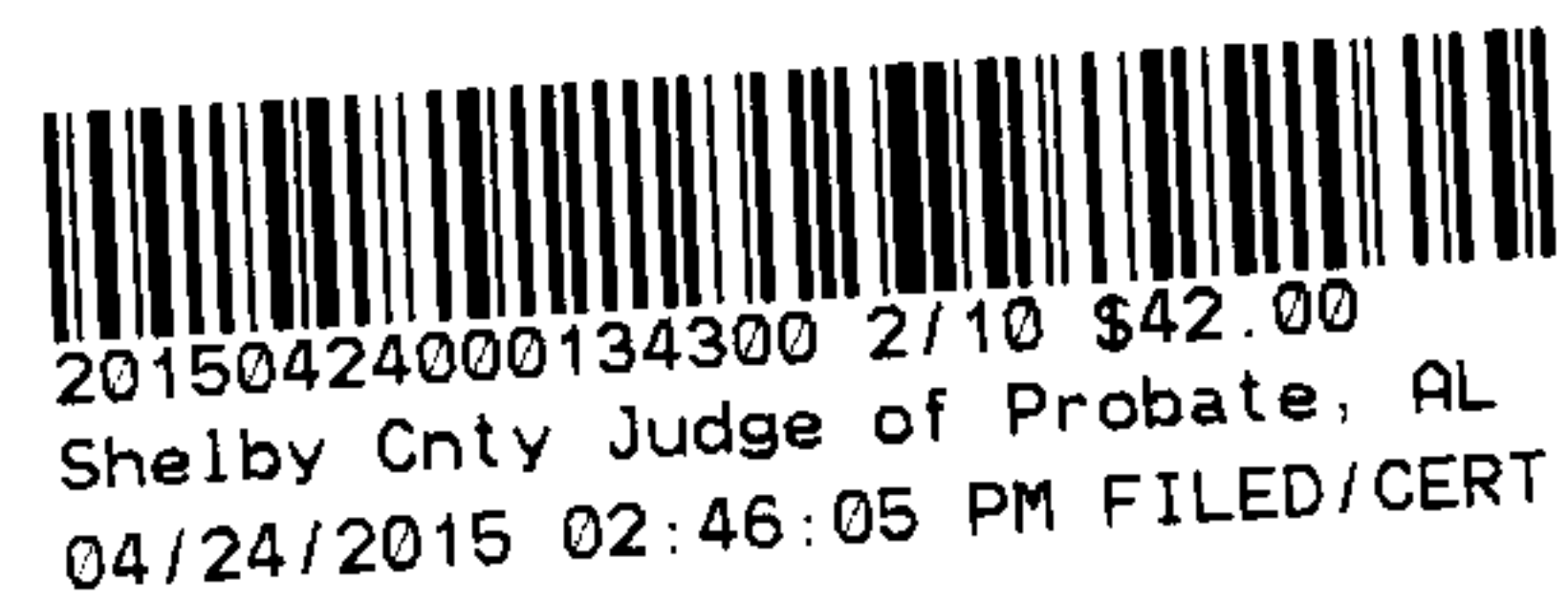



EXHIBIT "A"

This instrument was prepared by:

William P. Sproule, Attorney at Law
705 Pleasant Grove Road, Suite 110
Mailing Address: PO Box 492
Pleasant Grove, AL 35127


20141216000394060 1/4 \$99.20
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:40 AM FILED/CERT

SECOND MORTGAGE

STATE OF ALABAMA)
SHELBY COUNTY)

KNOW ALL MEN BY THESE PRESENTS, That Whereas,

Dianne S. Taylor, a married woman (herein after called "Mortgagor" whether one or more) is justly indebted to The Passive Income Spoke, LLC, a limited liability company licensed to transact business in the State of Alabama (hereinafter called "Mortgagee", whether one or more), for the sum of

FIFTY THOUSAND SEVEN HUNDRED SIXTEEN AND 20/100-----DOLLARS

(\$ 50,716.20), evidenced by the execution of a Real Estate Mortgage Note of even date herewith, payable according to the terms and conditions as set forth therein, with the final payment (balloon payment) to be due and payable on the **12th of January, 2018**.

And Whereas, Mortgagor agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof.


NOW THEREFORE, in consideration of the premises, said Mortgagor, Dianne S. Taylor and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the said mortgagee, the following described real estate, situated in Shelby County, State of Alabama, to-wit:

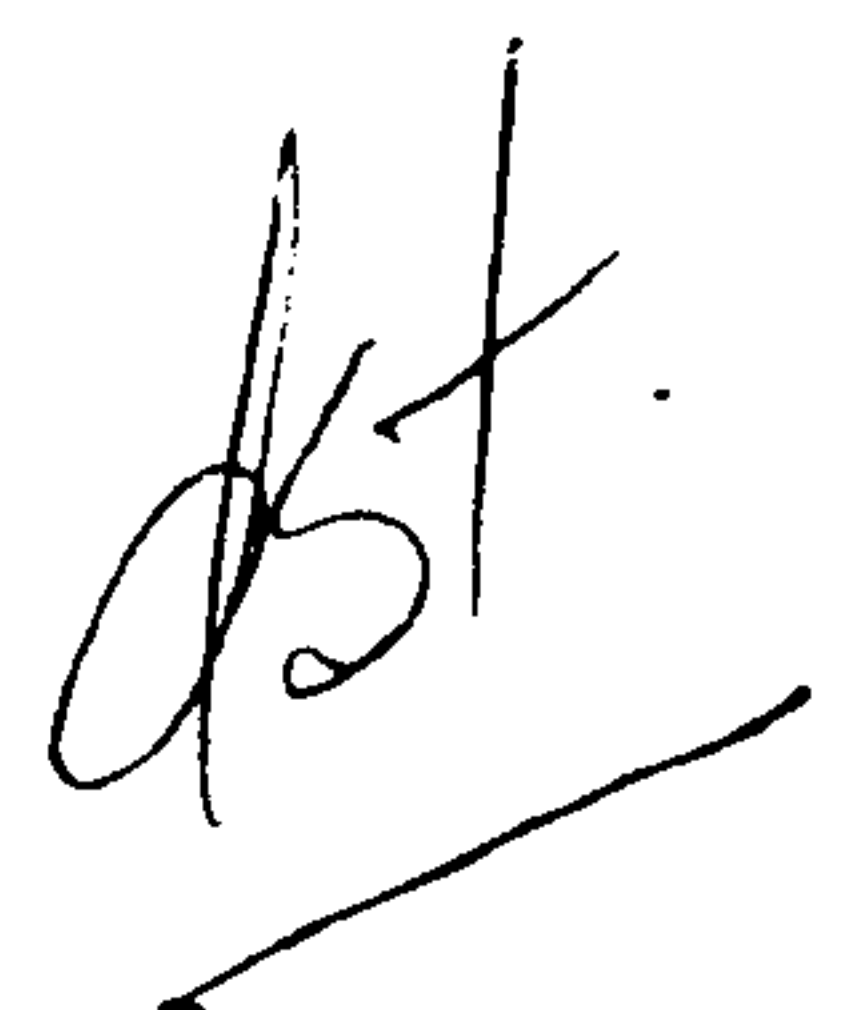
Lot 364, according to the survey of the Map and Survey of Old Cahaba, Oak Ridge Sector, Second Addition, as recorded in Map Book 27, Page 52, in the Probate Office of Shelby County, Alabama

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 Book 2004-Page 93030 filed 2-24-04


20150424000134300 3/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT



**Second Mortgage
Dianne S. Taylor to
The Passive Income Spoke, LLC
Page 2**


20141216000394060 2/4 \$99.20
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:40 AM FILED/CERT

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 Book 2004-153190 filed 3-25-04

Notes:

- (1) The mortgagor herein certifies neither of the above-described properties constitute her homestead or that of her spouse.


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 Mortgagee may, at Mortgagee's option, pay off the same; and to further secure said indebtedness, the 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 as they may appear, and to promptly deliver said policies, or any renewal of said policies to said Mortgagee; and if the undersigned fail to keep said property insured as above specified, or fails to deliver said insurance policies to said Mortgagee, then 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 Mortgage collecting same; all amounts so expended by said Mortgagee for taxes, assessments or insurance, shall become a debt to said Mortgagee or assigns, and shall be 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 Mortgagee 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 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 shall be subject to fore-closure as now provided by law in case


20150424000134300 4/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT

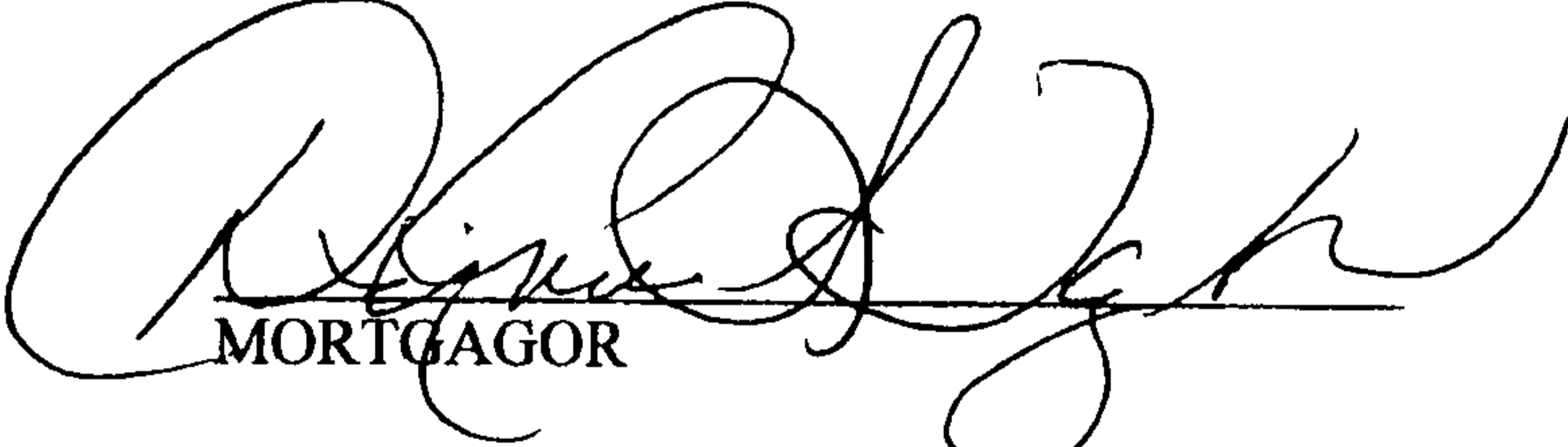
dst.

Second Mortgage
Dianne S. Taylor to
The Passive Income Spoke, LLC
Page 3


20141216000394060 3/4 \$99.20
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:40 AM FILED/CERT

of past due mortgages, and the Mortgagee, its agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, Mortgage after giving twenty-one (21) 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 **SHELBY COUNTY, ALABAMA**, sell the same in lots or parcels or en masse as Mortgagee, its agents or assigns deem best, in front of the court house door of **SHELBY COUNTY, ALABAMA** (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 or 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 agrees that said Mortgagee, its agents or assigns may bid at said sale and purchase said property, if the highest bidder\ therefor; and undersigned further agrees to pay a reasonable attorney's fee to said Mortgagee or assigns, for the foreclosure of this mortgage, should the same be so foreclosed, said fee to be part of the debt hereby secured.


IN WITNESS WHEREOF, the undersigned, has hereunto set her signature and seal, on this the 12th day of December, 2014.


MORTGAGOR


ACKNOWLEDGMENT

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Dianne S. Taylor, a married woman, whose name is signed to the foregoing conveyance and who is known to me acknowledged before me on this date, that

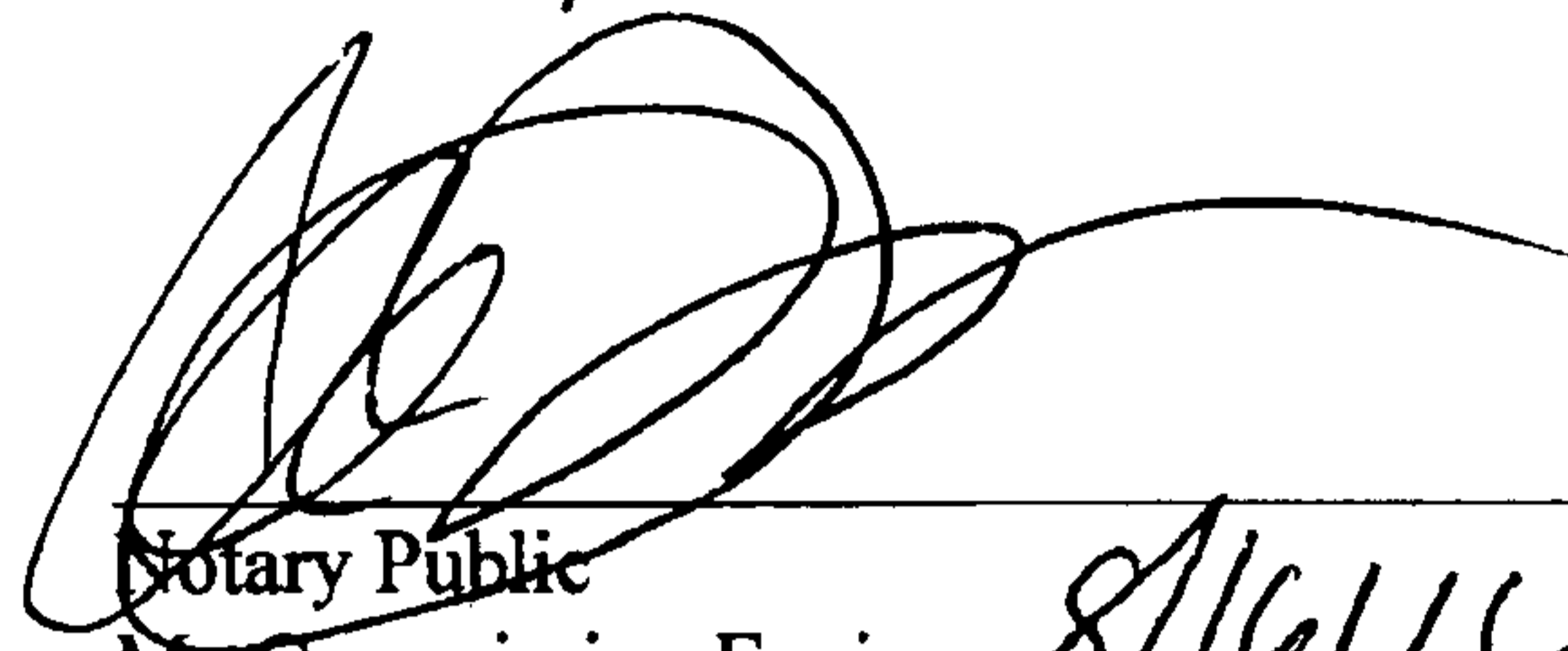

20150424000134300 5/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT

Second Mortgage
Dianne S. Taylor to
The Passive Income Spoke, LLC
Page 4



20141216000394060 4/4 \$99.20
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:40 AM FILED/CERT


being informed of the contents of this conveyance, she has executed the same voluntarily and as her act on the day the same bears date.

Given under my hand and official seal this 12th day of December, 2014.



Notary Public
My Commission Expires 8/16/15


20150424000134300 6/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT



20141216000394050 1/4 \$23.00
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:39 AM FILED/CERT

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;



20150424000134300 7/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT

AKC
d/st

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.

AK
dt

20141216000394050 3/4 \$23.00
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:39 AM FILED/CERT

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

20150424000134300 9/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT

AKC
JST

20141216000394050 4/4 \$23.00
Shelby Cnty Judge of Probate, AL
12/16/2014 09:37:39 AM FILED/CERT

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

20150424000134300 10/10 \$42.00
Shelby Cnty Judge of Probate, AL
04/24/2015 02:46:05 PM FILED/CERT

dst