

The Peoples Bank
and Trust Company
...where people make the difference

January 24, 2003

MORTGAGE
(HOME EQUITY LINE OF CREDIT)

STATE OF ALABAMA I

SHELBY COUNTY I

WHEREAS, Michael W. Jarrett and wife, Cynthia S. Jarrett

_____ as Mortgagor
is/are justly indebted and obligated to THE PEOPLES BANK AND TRUST COMPANY as Mortgagee,
whose address is 310 Broad Street, P. O. Box 799, Selma, Alabama, 36701, pursuant to an open-end
line of credit under the terms and conditions of that certain HOME EQUITY LINE OF CREDIT
AGREEMENT ("AGREEMENT"), contemporaneously entered into by and between Mortgagor and
Mortgagee herein, the terms and conditions of which are hereby incorporated by reference; and,

WHEREAS, the Mortgagee is obligated to make advances and FUTURE ADVANCES to the
Mortgagor subject to the terms and conditions of said AGREEMENT; provided, however, that the
maximum indebtedness at any one time shall not exceed _____

Twenty-five Thousand and no/100 Dollars

_____ (\$ 25,000.00) dollars.

NOW, THEREFORE, in consideration of the premises and in order (i) to secure the payment of
all indebtedness of Mortgagor to Mortgagee incurred pursuant to the HOME EQUITY LINE AGREEMENT,
including, without limitation, any initial advance and any and all FUTURE ADVANCES made by
Mortgagee pursuant to said AGREEMENT, and any renewals or extensions of same, (ii) to secure the
payment of all other debts which Mortgagor, or any of them, may owe or hereafter make and contract
with Mortgagee, not incurred pursuant to said AGREEMENT (except that Mortgagor's home shall not
secure any such other indebtedness incurred for personal, family, or household purposes) and (iii) to
secure compliance with all of the obligations of the Mortgagor assumed in said AGREEMENT and
assumed herein, the said Michael W. Jarrett and Cynthia S. Jarrett

_____ (described herein as "Mortgagor"
whether one or more), do hereby grant, bargain, sell and convey unto said Mortgagee, its successors

and assigns, the following described real estate situated in Shelby County, State
of Alabama, viz:

See Attached Exhibit "A"

NOTE: Cynthia S. Jarrett, Cynthia Sparks Jarrett and Cynthia
Jane Jarrett are one and the same person.

This Instrument Was Prepared By:

Law Offices of Christopher R. Smitherman, L.L.C.
Post Office Box 261
Montevallo, AL 35115

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together with all rights, privileges, easements, tenements, interests, improvements and appurtenances thereunto belonging or in anywise appertaining, including any after-acquired title and easements and all rights, title and interest now or hereafter owned by Mortgagor in and to all buildings and improvements, and all equipment and fixture now or hereafter attached or appertaining to said real estate, all of which shall be deemed to be real property and conveyed by this Mortgage, and all of which real and personal property are sometimes referred to in this Mortgage as the "Property".

[] This is a first mortgage.

[x] This Mortgage is second and subservient to that certain first mortgage dated the 23rd day of September, 2002, and recorded in the Probate Office of the aforesaid County in Instrument No. 2002100800020 and corrected in Instrument No. 2002111400056889 in the Probate Office, and being transferred to Synovus Mortgage Corporation by instrument recorded in Instrument No. 20021008000491130 and corrected in Instrument No. 2002111400056890

TO HAVE AND TO HOLD the said Property unto the Mortgagee, its successors and assigns forever.

Mortgagor covenants with Mortgagee that Mortgagor is lawfully seized in fee of the said Property, that it is free of all encumbrances, except as may be provided herein, that Mortgagor has a good right to sell and convey same to Mortgagee, that said Property is residential property, and that Mortgagor will warrant and defend said Property to Mortgagee forever against the lawful claims and demands of all persons.

The parties further covenant and agree as follows:

1. Mortgagor shall assess said Property for taxation and pay when due all taxes, liens, judgments or assessments assessed against said Property.
2. Mortgagor shall insure and keep insured buildings and other improvements now on, or which may hereafter be placed on, said Property against loss or damage by fire, windstorm and/or extended coverage, as required by Mortgagee. Any policy evidencing such insurance to be deposited with, and loss thereunder to be payable to Mortgagee as its interest may appear.
3. Mortgagor shall properly care for said Property and not commit waste, cut, remove or damage timber or improvements or allow waste to be committed or timber or improvements to be cut, removed, or damaged.
4. If the validity of this Mortgage or the Mortgagor's title to any of said Property is questioned in any manner or of any part of such Property is not properly described herein, Mortgagee may investigate and take such action as Mortgagee considers necessary or desirable for the protection of Mortgagee's interest and for this purpose may employ an attorney or expert assistance and Mortgagor will promptly pay all expenses so incurred by Mortgagee.
5. If Mortgagor defaults in any of the provisions of paragraphs 1, 2, 3, or 4 hereof, then Mortgagee may pay such taxes, liens, judgments, or assessments, obtain and pay for such insurance, or advance such attorneys' fees, expenses and costs, and Mortgagor agrees to immediately pay Mortgagee all amounts so advanced, and all amounts so advanced shall be secured hereby.
6. Mortgagee may at any time, without notice, release any of the Property described herein, grant extensions or deferments of time of payment of the indebtedness secured hereby, or any part thereof, or release from liability any one or more parties who are or may become liable for the payment of said indebtedness, without affecting the priority of this lien or the personal liability of the Mortgagor or any other party liable or who may become liable for the indebtedness secured by this instrument.
7. The failure of Mortgagee to exercise any option or election or to take any action under any term or covenant herein expressed, shall not be deemed a waiver of the right to exercise such option or election or to take such action at any time.
8. Each covenant and agreement herein contained shall inure to the benefit of and bind the heirs, successors and assigns of Mortgagee and Mortgagor.
9. Mortgagor will (i) pay and discharge all indebtedness of Mortgagor to Mortgagee incurred pursuant to the said AGREEMENT, including, without limitation, any initial advance and any and all FUTURE ADVANCES made by Mortgagee pursuant to said AGREEMENT, and any renewals or extensions of same, as they shall become due and payable; (ii) pay and discharge all other indebtedness, whenever incurred, of Mortgagor, or any of them, to Mortgagee, not incurred pursuant to said AGREEMENT, as such other indebtedness shall become due and payable; and (iii) comply with all of the obligations of the Mortgagor assumed in the said AGREEMENT and assumed herein.
10. Mortgagor shall permit the Mortgagee or Mortgagee's representatives to examine and inspect the Property at any reasonable time.
11. Mortgagor shall not sell or transfer title to the Property, nor deliver possession to other parties under any contract of sale or lease whereby a future sale of the Property is contemplated, without the written consent of the Mortgagee.

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12. Mortgagee will not create or permit to exist any mortgage, encumbrance or other lien not herein mentioned upon the Property, without Mortgagee's prior written consent.

13. Mortgagor shall pay the lawful charges for drawing, executing, and recording these presents and all lawful costs, charges and expenses, including attorneys' fees, incurred by the said Mortgagee by reason of any proceedings in Court, or otherwise, necessary to enforce the provisions here, subject, however, to the terms of said AGREEMENT.

14. To the extent permitted by law, Mortgagor waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future to homestead or other property exemptions in the Property.

15. Except as may be otherwise modified by specific agreement in writing and signed by the Mortgagee, the provisions of this Paragraph shall apply. Mortgagor hereby covenants, warrants and represents that to the best knowledge of Mortgagor, the Property has never been used nor will the Property be used while this Mortgage remains in effect to generate, manufacture, refine, transport, treat, store, handle, discharge or dispose of any hazardous or toxic substance (hereinafter referred to as "Hazardous Substances") as defined under any applicable local, state or federal law, ordinance, rule or regulation, including, without limitation, the definition of "Hazardous Substances", as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601, et seq.) and that no such Hazardous Substances have been released on the Property. To the best knowledge of Mortgagor, there are no Hazardous Substances or underground storage tanks (whether in use or not) presently stored or located on the Property and no part of the Property is contaminated by any Hazardous Substances. Mortgagor has not received any notice from any governmental agency or private party with respect to such contamination. Mortgagor further covenants not to use or suffer the use of the Property in any manner other than in full compliance with all applicable federal, state or local environmental laws and regulations regulating the discharge and/or storage of solid, liquid or gaseous waste, or other Hazardous Substances into the environment. The Mortgagor shall promptly notify Mortgagee, orally and in writing, as soon as it knows of or suspects that any Hazardous Substances have been released or that there is any threatened release on the Property or if Mortgagor receives notice of a violation of any law or regulation covered by this Paragraph 15. Mortgagor hereby agrees to indemnify Mortgagee from and against all loss, damage, liability and expense, including, without limitation, fines, impositions of any kind, assessments, attorneys' fees which Mortgagee may sustain as a result of the incorrectness of the foregoing representations and warranties and/or the present or future existence of Hazardous Substances or any release thereof in or on the Property, regardless of the source thereof. In the event of a violation of the covenants and warranties contained in this Paragraph, Mortgagee may, at its sole discretion, either declare a default under the terms of this Mortgage or require Mortgagor to take such actions as may be necessary to correct such violation and rectify all adverse consequences of such violation. Mortgagee, or its authorized agents, may, but shall not be obligated to, enter upon the Property to make such inspections and tests as Mortgagee may consider appropriate to determine that the Property is in compliance with the covenants contained in this Paragraph. Any such inspections or tests made by Mortgagee shall not be construed to create any responsibility or liability on the part of Mortgagee to Mortgagor or any other party. This indemnification shall survive repayment of the debt or any other obligation of Mortgagor described herein and satisfaction of this Mortgage of record.

16. The provisions of this Mortgage and any note or notes or other obligations secured hereby are severable, and the invalidity or unenforceability of any provision of this Mortgage or of any such note or notes shall not affect the validity and enforceability of the other provisions of this Mortgage or of such note or obligation. The remedies provided to Mortgagee herein are cumulative with the rights and remedies of Mortgagee at law and in equity, and such rights and remedies may be exercised concurrently or consecutively. This Mortgage shall also be considered a security agreement as to any Property described herein.

17. The term "Mortgagor" shall denote the singular and/or plural, the masculine and/or feminine, whenever the context so requires or admits. If more than one party is named as Mortgagor, the obligation of each hereunder shall be deemed to be joint and several.

NOW, upon the expiration or termination of the said AGREEMENT and if Mortgagor shall pay the indebtedness hereby secured and keep and perform all of the agreements and conditions of this instrument and of said AGREEMENT, including without limitation the payment of all ADVANCES and FUTURE ADVANCES made under the AGREEMENT and any renewals, extensions, new loans, and all other indebtedness of the Mortgagor to the Mortgagee, as they come due and payable, then this instrument shall become null and void.



If the Mortgagor fails to pay when due any sums hereby secured, including any and all ADVANCES and FUTURE ADVANCES under the AGREEMENT, or should Mortgagor fail to perform any of the agreements and conditions of this instrument or under the AGREEMENT, become insolvent, be adjudicated a bankrupt or be made defendant in bankruptcy or receivership proceedings, the whole indebtedness secured hereby, at the option of the Mortgagee, may be declared due; in which event the Mortgagee or Mortgagee's Agent is hereby authorized to sell the Property hereby conveyed at public auction to the highest bidder for cash; the sale to be held at the Courthouse (or at either Courthouse, if there be two) of any county in which all or a part of the said Property is situated, after giving notice thereof by publication once a week for three weeks, of the time, place and terms of sale in a newspaper published in each county in which any part of said Property is situated; if no newspaper is then published in said county or counties, publication in a newspaper having general circulation in said county or counties shall suffice; in event of sale the Mortgagee is hereby authorized to purchase the said Property, or any part thereof, as if a stranger to this conveyance, and the auctioneer or person making the sale is hereby expressly empowered to execute a deed in Mortgagor's name to any purchaser at such sale. The proceeds of sale shall be applied: first, to the payment of all expenses incident to the sale, including a reasonable attorneys' fee; second, to the indebtedness secured by this instrument; and third, the balance, if any, to be paid to Mortgagor or any party or parties entitled thereto.

WITNESS the signature of Mortgagor this 24th day of January, 2003.

Cynthia S. Jarrett
Cynthia S. Jarrett

Michael W. Jarrett
by Cynthia Jane Jarrett as POA
Michael W. Jarrett

By: Cynthia Jane Jarrett as Power of Attorney for Michael Ward Jarrett as recorded in the Probate Office of Shelby County, Alabama in Instrument No. 20030204000066620

STATE OF ALABAMA I

SHELBY COUNTY I

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that Cynthia S. Jarrett

_____ whose name(s) is signed to the foregoing Mortgage, and who is known to me, acknowledged before me on this day that, being informed of the contents of the within Mortgage, she executed the same voluntarily on the day the same bears date.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 24th day of January, 2003

[Signature]
Notary Public

(SEAL)

My Commission Expires: 12-11-03

STATE OF ALABAMA)
)
SHELBY COUNTY)

ACKNOWLEDGMENT

I, Elizabeth S. Sutherland, a Notary Public for the State at Large, hereby certify that Cynthia Jane Jarrett as Power of Attorney for Michael Ward Jarrett is signed to the foregoing Deed, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Deed, she, in her capacity as such Power of Attorney executed the same voluntarily on the day the same bears date.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this the 24th day of January, 2003.

[Signature]
NOTARY PUBLIC
My Commission Expires: 12-11-03

CERTIFICATE
Check Applicable Certificate

STATE OF ALABAMA

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SHELBY COUNTY I

[X] RESIDENTIAL. Mortgagor and Mortgagee herein certify that residential property is conveyed by this Mortgage and that the maximum principal indebtedness to be secured by this Mortgage at any one time is \$25,000.00 upon which the mortgage tax of \$37.50 is paid herewith, as allowed by Alabama Code § 40-22-2(1)(b)(1975).

-OR-

[] NONRESIDENTIAL. In compliance with Alabama Code § 40-22-2(2)(b)(1975), the Mortgagee of this Mortgage hereby certifies that the amount of indebtedness presently incurred is

_____ upon which the mortgage tax of _____ is paid herewith and Mortgagee agrees that no additional or subsequent advances will be made under this Mortgage unless the mortgage tax on such advances is paid into the

appropriate office of the Judge of Probate of _____ County, Alabama, no later than each September hereafter or an instrument evidencing such advances is filed for record in the above said office and the recording fee and tax applicable thereto paid.

THE PEOPLES BANK AND TRUST COMPANY

Cynthia S. Sparks Jarrett *CJ* BY: Susan A. Waits
Cynthia S. ~~Sparks~~ JARRETT Susan A. Waits
Its: Assistant Vice President

Michael W. Jarrett
by Cynthia Jane Jarrett as POA
Michael W. Jarrett

Mortgagor(s)

Mortgagee

By: Cynthia Jane Jarrett as
Power of Attorney for Michael
Ward Jarrett as recorded in the
Probate Office of Shelby County,
Alabama in Instrument No.
20030204000066620

EXHIBIT "A"

Lot 380, according to the Survey of Highland Lakes, 3rd Sector, Phase IV, an Eddleman Community, as recorded in Map Book 23, Page 165, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, common area all as more particularly described in the Declaration of Easements and Master Protective Covenants for Highland Lakes. A Residential Subdivision, as recorded in Inst. # 1994-0711 and amended in Inst. # 1996-17543 and further amended in Inst. # 1999-31095 in the Probate Office of Shelby county, Alabama, and the Declaration of Covenants, Conditions and Restrictions for Highland Lakes. A Residential Subdivision, 3rd Sector, Phase IV, recorded as Inst. # 1998-29632 in the Probate Office of Shelby County, Alabama (which together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

Mineral and mining rights excepted.