

MORTGAGE

State of Alabama)
County of Shelby)

Know all men by these presents: That whereas, Joseph A. Ray and wife Ronda J. Jarvis-Ray, (hereinafter called "Mortgagor," whether one or more) are justly indebted to Clyde W. Pearce, Jr., (hereinafter called "Mortgagee," whether one or more), in the sum of One Hundred Nine Thousand Six Hundred Dollar (\$109,600), evidenced by a Real Estate Mortgage Note delivered simultaneously herewith;

And Whereas, Mortgagor agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof and of any future advances from mortgage;

Now Therefore, in consideration of the premises, said Mortgagor, Joseph A. Ray and wife Ronda J. Jarvis-Ray and all other executing this mortgage, do hereby grant, bargain, sell, and convey unto the Mortgagee the following described real estate, situated in Shelby County, Alabama, to-wit:

Lot 8, according to the map of Paradise Cove, Phase III, as recorded in Map Book 27, page 94, in the Probate Office of Shelby County, Alabama

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

To have and to hold 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; all amounts so expended by said Mortgagee for taxes, or assessments, shall 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.

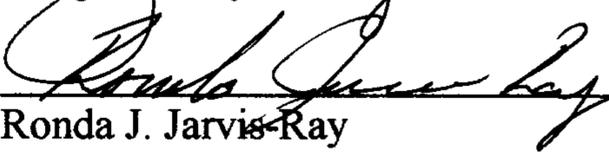
Upon condition, however, that if the said Mortgagor pays said indebtedness and future advances, if any, and reimburses said Mortgagee or assigns for any amounts Mortgagees may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should 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, or if default occurs in the delivery of the insurance policies, or if an attempted assignment of interest in the property is made, or its value lowered, or if any other provision of this mortgage be breached, 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 said 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 if may then be necessary to expend, in paying 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. Undersigned further agree that said Mortgagee, agents, or assigns may bid at said sale and purchase said property, if the highest bidder therefore; and the 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.

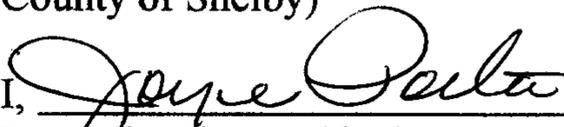
In witness whereof the undersigned have hereunto set their signatures and seals, this 12 February 2003.


_____(seal)
Joseph A. Ray

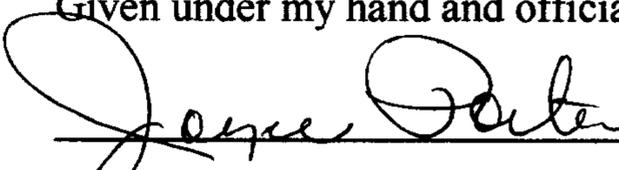
20030212000088440 Pg 2/2 178.40
Shelby Cnty Judge of Probate, AL
02/12/2003 15:29:00 FILED/CERTIFIED


_____(seal)
Ronda J. Jarvis-Ray

State of Alabama)
County of Shelby)

I,  a notary public in and for the State of Alabama at Large, hereby certify that Joseph A. Ray and wife Ronda J. Jarvis-Ray, whose names are signed to the foregoing conveyance, and who are (made) known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 12 February 2003.



Notary public

My Commission Expires Aug. 20, 2006