

STATE OF ALABAMA)
COUNTY OF SHELBY)

MORTGAGE

KNOW ALL MEN BY THESE PRESENTS : That Whereas, LAKE CHARLESTON ESTATES, INC., an Alabama Corporation, (hereinafter called "Mortgagor"), is justly indebted under that certain General Indemnity Agreement dated the 11th day of April, 2000 (hereinafter "GIA") to Greenwich Insurance Company, 160 Water Street, 16th Floor, New York, NY 10038 (hereinafter called "Mortgagee") in the sum of TWO HUNDRED SIXTY-EIGHT THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$268,750.00), and

Whereas, Mortgagor agreed, that this mortgage should be given to secure (a) the prompt payment of all sums due to the mortgagee under the GIA between mortgagor and mortgagee dated the 11th day of April, 2000, which is incorporated by reference, and attached as Exhibit B hereto and made a part hereof; (b) the faithful performance of the other agreements in the GIA; (c) any future advances as here provided, and to secure the performance of mortgagor's covenants and agreements.

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

SEE ATTACHED EXHIBIT "A"

This mortgage is subservient to that certain mortgage in favor of Highland Bank in the original amount of \$600,000 which was executed on the first day of October, 1998, and that certain mortgage in favor of Earl Carter, Clerk of the Court, Circuit Court of Jefferson County, Alabama, Bessemer Division in the original amount of \$650,000 which was executed on the 8th day of March, 1999, and filed of record in the Probate Court of Shelby County, Alabama in Instrument No. 1999-10354.

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 any indebtedness payable by virtue of the GIA and this mortgage, 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 the Mortgagee's option pay off the same; and to further secure

Inst # 2000-24024

said indebtedness, first above named undersigned agrees to keep the improvements on said real estate insured against loss or damage by fire, lightening and tornado for the fair and reasonable insurable value thereof, but in any event not less than the original mortgage amount, 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 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 amount Mortgagee may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should any of the following conditions occur: (a) a default in the stipulations, agreements, conditions, and covenants in the GIA secured by this conveyance, (b) any default be made in the payment of the indebtedness or any sum expended by the said Mortgagee or assigns, or should indebtedness hereby secured, or any part thereof, or the interest thereon remain unpaid at maturity, or (c) should the interest of said Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or incumbrance 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 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 Courthouse 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 attorneys 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 said MORTGAGOR by its President, Charles S. Givianpour, who is authorized to execute this conveyance, has hereto set its signature and seal, this the 7th day of June, 2000.

CAUTION -- IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS DOCUMENT BEFORE SIGNING IT.

LAKE CHARLESTON ESTATES, INC.

By: C-S-
CHARLES S. GIVIANPOUR, ITS PRES.

STATE OF ALABAMA)

COUNTY OF SHELBY)

ACKNOWLEDGMENT

I, Kim M. Foster, a Notary Public, in and for said County in said State, hereby certify that CHARLES S. GIVIANPOUR, whose name as President of LAKE CHARLESTON ESTATES, INC., an Alabama corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand this the 7th day of June, 2000.

Kim M. Foster
Notary Public

My commission expires: 9-16-02

EXHIBIT "A"

The Southwest Quarter, and all that part of the South Half of the Northwest Quarter and the Northwest Quarter of the Northwest Quarter, which lies Southeast of the Crest of Oak Mountain (which was the boundary line between Shelby County and Jefferson County, Alabama, prior to June 28, 1943) except five acres in the Southeast Quarter of Northwest Quarter, described as follows:

Begin at the Northeast corner of the Southeast Quarter of Northwest Quarter, and run in a westerly direction on the North line thereof, 479 feet; thence South and parallel with the East line thereof 455 feet; thence East and parallel with the North line thereof 479 feet to the East line of the Southeast Quarter of Northwest Quarter; thence North along such line 455 feet to point of beginning.

Inst # 2000-24024

**07/18/2000-24024
08:06 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MMS 419.50**