


**INSTRUMENT PREPARED BY AND  
UPON RECORDING SHOULD BE RETURNED TO:**

Gail Livingston Mills  
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20030304000128450 Pg 1/60 10,691.00  
Shelby Cnty Judge of Probate, AL  
03/04/2003 08:07:00 FILED/CERTIFIED

**STATE OF ALABAMA     )**  
**COUNTY OF SHELBY    )**

**MORTGAGE AND SECURITY AGREEMENT**

**THIS MORTGAGE AND SECURITY AGREEMENT** (this "Mortgage"), made as of the 30<sup>th</sup> day of December, 2002, is from **GREYSTONE GOLF, LLC**, an Alabama limited liability company (the "Borrower"), and **GREYSTONE GOLF CLUB, INC.**, an Alabama nonprofit corporation (the "Lessee" or the "Club"), as mortgagors and debtors, whose address is c/o Daniel Realty Corporation, 3595 Grandview Parkway, Suite 400, Birmingham, Alabama, 35243, Attention: Christopher A. Brown (Borrower and Lessee are hereinafter collectively called "Mortgagors"), in favor of **SOUTHTRUST BANK**, an Alabama banking corporation, as mortgagee and secured party, whose address is 420 North 20th Street, 8th Floor, Birmingham, Alabama 35203 Attention: Commercial Real Estate Department (hereinafter called "Lender").

**W I T N E S S E T H:**

**WHEREAS**, Borrower is justly indebted to Lender for a loan (the "Loan") in the original stated principal amount of Seven Million Dollars (\$7,000,000), as is evidenced by that certain Promissory Note of even date herewith payable by the Borrower to the order of Lender (said Promissory Note, as the same may hereafter be modified, renewed, or extended, being collectively referred to herein as the "Note"); and

**WHEREAS**, as a condition precedent to making the Loan, Lender requires that the Mortgagors execute this Mortgage as security for the Loan Obligation (as hereinafter defined).

**NOW, THEREFORE**, for and in consideration of the foregoing recitals (such recitals being incorporated herein by this reference), the sum of Ten Dollars (\$10.00), and other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the Loan Obligations (as hereinafter defined), the Mortgagors have bargained and sold and do hereby grant, bargain, sell, alien, and convey unto the Lender, its successors and assigns, all of their respective right, title, and interests, if any, in the following described land and interests in land, estates, easements, rights, improvements, personal property, fixtures, equipment, furniture, furnishings, appliances and appurtenances, including replacements and additions thereto (which together with any additional such property hereafter acquired by the Mortgagors (or either of them) and subject to the lien of this Mortgage, or intended to be so, as the same may be from time to time constituted is hereinafter sometimes referred to collectively as the "Mortgaged Property"), to-wit:

(a) All of the Mortgagors' respective right, title, and interest in and to (including, without limitation, Borrower's fee simple interest and Lessee's leasehold interest and option to purchase) the tracts or parcels of land located in Shelby County, Alabama as are more particularly described in Exhibit A attached hereto and by this reference made a part hereof (the "Land"); together with any other greater right which Mortgagors (or either of them) may hereafter acquire with respect to the Land; and

(b) All of Mortgagors' respective right, title and interest in and to all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, water heaters, awnings and storm sashes, and cleaning apparatus which are or shall be attached to said buildings, structures or improvements, and all other furnishings, furniture, fixtures, machinery, equipment, appliances, vehicles and personal property of every kind and nature whatsoever now or hereafter owned by Mortgagors (or either of them) and located in, on or about, or used or intended to be used with or in connection with the construction, use, operation or enjoyment of the Mortgaged Property, including all extensions, additions, improvements, betterments, renewals and replacements, substitutions, or proceeds from a permitted sale of any of the foregoing, and all building materials and supplies of every kind now or hereafter placed or located on the Land (collectively the "Improvements"), all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Mortgaged Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the Loan Obligations; provided, however, that with respect to any items of equipment and personal property which are leased and not owned, the Mortgaged Property shall include the respective Mortgagor's leasehold interest only, together with any option to purchase any of said items and any additional or greater rights with respect to such items hereafter acquired; and

(c) All of Mortgagors' respective right, title and interest in and to all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel, thereof, and all ground leases, estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversions, and remainders whatsoever, in any way belonging, relating or appertaining to the Mortgaged Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagors (or either of them) (collectively, the "Appurtenant Rights"), and any and all such greater rights as the Mortgagors (or either of them) may hereinafter acquire in and to the Appurtenant Rights; and

(d) All the Mortgagors' respective right, title, and interest in and to all rents, issues, profits and revenues of the Mortgaged Property from time to time accruing, including, without limitation, all sums due under the Ground Lease (as hereafter defined) and any other leases or tenancies, together with all proceeds of insurance, condemnation payments, security deposits and escrow funds, and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of such Mortgagor of, in and to the same, reserving only the right to such Mortgagor to collect the same so long as an Event of Default (as herein defined)



has not occurred hereunder or such collection is not otherwise restricted by this Mortgage or the Assignment of Rents; and

(e) To the fullest extent assignable (if assignable by law), all the Mortgagors' respective right, title, and interest in and to any and all licenses, permits, certificates of occupancy, and similar documents, warranties, guarantees, operating agreements and service contracts obtained by the Mortgagors (or either of them) relating to the ownership, use, and operation of the Mortgaged Property; and

(f) All right, title, and interest of the Borrower: (1) in and to the Ground Lease (as herein defined) and the Borrower's right to receive the payments from Lessee under the Purchase Option, including the "Purchase Price" (as defined in the Purchase Option) and any purchase money note payments contemplated in the Purchase Option, (2) in, to and under the Club Security Agreement (as defined below), and (3) in and to any and all unsold memberships in Club, if any, that exist as of the termination date of the Purchase Option and that are assigned to the Borrower by Lessee (to the extent less than 1,100 regular memberships in Club have been sold as of such date); and

(g) The non-exclusive right to use the tradename "Greystone" as is presently being utilized by Mortgagors; and

(h) All of Mortgagors' respective right, title and interest in and to guaranteed sewage treatment capacity for the Mortgaged Property and all other utility services serving the Improvements and the Project, including, without limitation, as assignees of that certain Agreement dated September 28, 1988, between D&D Renovators, Inc., an Alabama corporation, and Shelby County, Alabama, pursuant to that certain Partial Assignment of Sewer Rights dated February 26, 1999, pursuant to which the Club was assigned approximately 42,326 gallons of daily guaranteed sewage treatment capacity; and

(i) All proceeds, including, without limitation, all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including, without limitation, proceeds of all present and future fire, hazards or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including, without limitation, causes of action arising in tort, contract, fraud or concealment of a material fact; and

(j) All books and records pertaining to any and all of the Mortgaged Property described above, including, without limitation, computer-readable memory and any computer hardware or software necessary to access and process such memory; and

(k) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the Mortgaged Property described above.

**TO HAVE AND TO HOLD** the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns forever, subject however to the terms and conditions herein set forth.

**PROVIDED, HOWEVER,** that, if the Borrower shall pay to the Lender the principal and interest payable in respect to the Note, at the times and in the manner stipulated therein, and if the Borrower and the Lessee (as applicable) shall keep, perform, and observe all and singular the covenants and promises in each of the Loan Documents expressed to be kept, performed, and observed by and on their part, all without any deduction or credit for taxes or other similar charges paid by the Borrower or the Lessee, all without fraud or delay, then this Mortgage, and all the properties, interest, and rights hereby granted, bargained, and sold shall cease, determine, and be void, but shall otherwise remain in full force and effect.

**AND** the Mortgagors, subject to the provisions of Section 6.10 below, covenant and agree with the Lender as follows:

## **ARTICLE I**

### **DEFINITIONS; RULES OF CONSTRUCTION**

**1.01. Defined Terms.** In addition to such other terms as are defined elsewhere herein, as used in this Mortgage, the following terms shall have the following meanings, unless the context requires otherwise:

**“Applicable Environmental Law”** means any applicable federal, state and local laws, rules or regulations pertaining to health or the environment, or petroleum products, or radon radiation, or oil or hazardous substances or toxic substances, pollutants, or contaminants, or pesticides or herbicides, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), the Resource Conservation and Recovery Act of 1976, as amended (“RCRA”), the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Hazardous Materials Transportation Act, 49 U.S.C. § 6901 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., as amended, the Clean Air Act, 42 U.S.C. § 741, et seq., as amended, the Clean Water Act, 33 U.S.C. § 7401, et seq., as amended, the Toxic Substances Control Act, 15 U.S.C. § § 2601-2629, as amended, the Safe Drinking Water Act, 42 U.S.C. § § 300f-300j, as amended, and the Federal Emergency Planning and Community Right-To-Know Act of 1986, as amended. The terms “hazardous substance” and “release” shall have the meanings specified in CERCLA, and the terms “solid waste,” “disposal,” “dispose,” and “disposed” shall have the meanings specified in RCRA, except that if such acts are amended to broaden the meanings thereof, the broader meaning shall apply herein prospectively from and after the date of such amendments); notwithstanding the foregoing, provided, to the extent that the laws of the State of Alabama establish a meaning for “hazardous substance” or “release” which is broader than that specified in CERCLA, as CERCLA may be amended from time to time, or a meaning for “solid waste,” “disposal,” and “disposed” which is broader than specified in RCRA, as RCRA may be amended from time to time, such broader meanings under said State law shall apply in all matters relating to the laws of such State.



"Assignment of Rents" means that certain Assignment of Rents and Leases from Borrower to Lender, dated of even date herewith and recorded in the Shelby Probate Office contemporaneously herewith, as the same may hereafter be modified or amended.

"Assignment and Security Agreement (Management Agreement)" means that certain Assignment and Security Agreement (Management Agreement) of even date herewith from Manager in favor of Lender, and recorded in the Shelby Probate Office contemporaneously herewith, as the same may hereafter be modified or amended.

"Assignment and Security Agreement (Purchase Option)" means that certain Assignment and Security Agreement (Purchase Option) of even date herewith from Borrower in favor of Lender, and recorded in the Shelby Probate Office contemporaneously herewith, as the same may hereafter be modified or amended.

"Club Security Agreement" means that certain Security Agreement dated as of November 14, 2002 by and between Lessee, as debtor and the Borrower, as secured party.

"Club SNDA" means that certain Subordination, Non-Disturbance and Attornment Agreement of even date herewith, by and among the Lessee, Borrower, and Lender and recorded in the Shelby Probate Office contemporaneously herewith, as the same may hereafter be modified or amended.

"Cross-Collateralization Agreement" means that certain Cross-Collateralization and Cross-Default Agreement of even date herewith between and among Borrower, Club, GDC, DOM, and Lender, recorded contemporaneously herewith in the Shelby Probate Office, as the same may hereafter be modified or amended.

"Default" means the occurrence or existence of any event which, but for the giving of notice or expiration of time or both, would constitute an Event of Default.

"Development Loan" means that certain loan in the original stated principal amount of \$3,761,832.64 made by the Lender to GDC, which is evidenced and secured by the "Residential Loan Documents" more particularly defined in the Cross-Collateralization Agreement.

"DRCorp" means Daniel Realty Corporation, an Alabama corporation.

"Event of Default" means any "Event of Default" as hereinafter defined.

"Environmental Indemnity Agreement" means that certain Environmental Indemnity Agreement of even date herewith from Borrower and Guarantor in favor of Lender, as the same may hereafter be modified or amended.

"Exhibit" means an Exhibit to this Agreement, unless the context refers to another document, and each such Exhibit shall be deemed a part of this Agreement to the same extent as if it were set forth in its entirety wherever reference is made thereto.

"GDC" means Greystone Development Company, LLC, an Alabama limited liability company.

"GDC Assignment and Assumption of Lease and Purchase Option" means that certain Assignment and Assumption of Lease and Rights and Obligations under Purchase Option by and between GDC and the Borrower, dated as of November 14, 2002 and recorded in the Shelby Probate Office as Instrument Number 2002-112700059490.

"Guarantor" means Daniel Realty Company, an Alabama general partnership.

"Guaranty Agreement" means that certain Guaranty Agreement of even date herewith from Guarantor in favor of Lender, as the same may hereafter be modified or amended.

"Ground Lease" means that certain Ground Lease dated as of January 1, 1991 between Links, as original lessor (Links' interest as lessor under the Ground Lease having been assigned by Links to GDC as of January 1, 1999, pursuant to the Links/DOM Assignment and Assumption), and Club, as lessee, as amended by First Amendment thereto dated March 26, 1992, Second Amendment thereto dated as of February 2, 1993, Third Amendment thereto dated as of January 1, 1999, and Fourth Amendment thereto dated as of December 21, 2000, GDC's interest as lessor under the Ground Lease, as amended, having been assigned to the Borrower pursuant to the GDC Assignment and Assumption of Lease and Purchase Option. A Memorandum of Ground Lease dated as of January 1, 1991, is recorded in Real 355, Page 880 in the Shelby Probate Office, as amended by First Amendment thereto dated as of March 26, 1992, and recorded as Instrument No. 1992-4726 in the Shelby Probate Office, Second Amendment thereto dated as of February 2, 1993, and recorded as Instrument No. 1993-03119 in the Shelby Probate Office, Third Amendment thereto dated as of January 1, 1999, and recorded as Instrument No. 1999-12257 in the Shelby Probate Office, and Fourth Amendment thereto dated as of December 21, 2000, and recorded as Instrument No. 2001-02192 in the Shelby Probate Office.

"Links" means Daniel Links Limited Partnership, an Alabama limited partnership.

"Links/DOM Assignment and Assumption" means that certain Assignment and Assumption of Lease and Rights and Obligations under Purchase Option dated as of January 1, 1999, among Links, GDC, DOM, and Lessee, and recorded as Instrument No. 1999-08815 in the Shelby Probate Office.

"Loan Documents" means, collectively, the Note, this Mortgage, the Assignment of Rents, the Assignment and Security Agreement (Purchase Option), the Assignment and Security Agreement (Management Agreement), the Cross-Collateralization Agreement, the Guaranty, the Environmental Indemnity, the Club SNDA, and all other documents, instruments and agreements, including without limitation, UCC financing statements, executed and/or delivered by Borrower, Club, DOM, Guarantor, or any other obligor to the Lender in connection with Loan to evidence, secure or guarantee the indebtedness evidenced by the Note.

"Loan Obligations" means the aggregate of all principal and interest owing from time to time under the Note and all expenses, charges and other amounts from time to time owing under the Note, this Mortgage, or the other Loan Documents and all covenants, agreements and other obligations from time to time owing to, or for the benefit of, Lender pursuant to the Note, this Mortgage, and all other Loan Documents.



**"Management Agreement"** means, as amended, the Management Agreement, dated as of January 1, 1991, between DRCorp. and Lessee, as assigned by DRCorp. to GDC pursuant to that certain Assignment and Assumption Agreement dated as of January 1, 1999, by and between DRCorp. and GDC, as amended by the First Amendment to Management Agreement dated as of November 14, 2002, and as assigned by GDC to Manager pursuant that certain Assignment and Assumption of Management Agreement dated November 14, 2002.

**"Manager"** means Greystone Golf Manager, LLC, an Alabama limited liability company.

**"Permitted Encumbrances"** means all matters set forth on Exhibit B attached hereto.

**"Purchase Option"** means that certain Option for the Purchase of Greystone Golf Club Facilities dated as of January 1, 1991, between Club, as purchaser, and Links, as original seller (Links' interest in and to the Purchase Option having been assigned by Links to GDC pursuant to the Links/DOM Assignment and Assumption), and recorded in Book 355, Page 886 in the Shelby Probate Office, as amended by First Amendment thereto dated February 2, 1993, and recorded as Instrument No. 1993-03125 in the Shelby Probate Office, Second Amendment thereto dated as of January 1, 1999, and recorded as Instrument No. 1999-12256 in the Shelby Probate Office, and Third Amendment thereto dated as of December 21, 2000, and recorded as Instrument No. 2001-02194 in the Shelby Probate Office. GDC's interest in and to the Purchase Option was assigned to the Borrower pursuant to the GDC Assignment and Assumption of Lease and Purchase Option.

**"Shelby Probate Office"** means the Probate Office of Shelby County, Alabama.

**1.02. Singular and Plural.** Singular terms shall include the plural forms and vice versa, as applicable of the terms defined.

**1.03. UCC.** Terms contained in this Mortgage shall, unless otherwise defined herein or in the Loan Agreement or unless the context otherwise indicates have the meanings, if any, assigned to them by the Uniform Commercial Code in effect in the State of Alabama.

**1.04. GAAP.** All accounting terms used in this Mortgage shall be construed in accordance with GAAP, except as otherwise defined.

**1.05. References.** All references to other documents or instruments shall be deemed to refer to such documents or instruments as they may hereafter be extended, renewed, modified or amended, and all replacements and substitutions therefor.

## **ARTICLE II**

### **REPRESENTATIONS AND WARRANTIES OF MORTGAGORS**

**2.01. Warranty of Title.** Mortgagors hereby warrant and represent to Lender that (a) Borrower is lawfully seized of an indefeasible estate in fee simple in all of the Land, Improvements, and Appurtenant Rights hereby mortgaged and has good and absolute title to all existing personal property hereby assigned, (b) Lessee is seized of a leasehold estate in and to the Land pursuant to the Ground Lease, (c) each of the Borrower and the Lessee has good right, full power and lawful authority to sell, convey and mortgage its respective interest in and to the

Mortgaged Property in the manner and form aforesaid, and (d) except for the Permitted Encumbrances, the Mortgaged Property is free and clear of all liens, charges, and encumbrances whatsoever, including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature. Mortgagors shall and will warrant and forever defend title to their respective interests in the Mortgaged Property thereto unto the Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

**2.02. Existence.** Borrowers hereby represents and warrants to Lender that Borrower is a limited liability company duly organized and validly existing under the laws of the State of Alabama, and has the power to own its properties and to carry on its business as is now being conducted. The manager of Borrower, DRCorp, is duly authorized to execute the Loan Documents to which Borrower is a party, by and on behalf of such party. Club represents and warrants to Lender that Club is a nonprofit corporation duly organized and validly existing under the laws of the State of Alabama and has the power to own its properties and to carry on its business as is now being conducted. DRCorp is duly organized and validly existing under the laws of the State of Alabama and has the power to own its properties and to carry on its business as is now being conducted, and is duly qualified to do business and is in good standing in every jurisdiction in which the character of the properties owned by it or in which the transaction of its business makes its qualification necessary.

**2.03. Power and Authority.** Mortgagors hereby represent and warrant and represent to Lender that each Mortgagor has full power and authority to incur the obligations provided for herein and in each of the other Loan Documents to which it is a party, all of which have been authorized by all proper and necessary limited liability company action of such Mortgagor, and all proper and necessary corporation action of DRCorp.

**2.04. Due Execution and Enforcement.** Mortgagors hereby represent and warrant to Lender that each of the Loan Documents to which either Mortgagor is a party constitutes a valid and legally binding obligation of such Mortgagor, enforceable in accordance with its respective terms, and does not violate, conflict with, or constitute any default under any law, government regulation, decree, judgment, such entities' organizational documents, or any other agreement or instrument binding upon such Mortgagor.

**2.05. Pending Matters.** Borrower hereby represents and warrants to Lender that no action or investigation is pending or, to Borrower's knowledge, threatened before or by any state or federal court or administrative agency which might result in any material adverse change in the financial condition of the Borrower. Borrower is not in violation of any agreement, the violation of which might reasonably be expected to have a materially adverse effect on its business or assets, and Borrower is not in violation of any order, judgment, or decree of any state or federal court, or any statute or governmental regulation to which it is subject.

**2.06. Financial Statements Accurate.** Borrower hereby represents and warrants to Lender that all financial statements heretofore or hereafter provided by the Borrower are and will be true, correct, and complete in all material respects as of their respective dates and fairly and will fairly present the financial condition of the Borrower and there are no liabilities, direct or indirect, fixed or contingent, as of the respective dates of such statements which are not



reflected therein or in the notes thereto or in a written certificate delivered with such statements. The financial statements of the Borrower have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"). There has been no material adverse change in the financial condition, operations, or prospects of the Borrower since the dates of such statements except as fully disclosed in writing with the delivery of such statements.

**2.07. Payment of Taxes.** Borrower hereby represents and warrants to Lender that Borrower has filed all federal, state, and local tax returns which are required to be filed and has paid, or made adequate provision for the payment of, all taxes which have or may become due pursuant to such returns or to assessments received by them.

**2.08. Disclosure.** Borrower hereby represents and warrants to Lender that all information furnished or to be furnished by Borrower to the Lender in connection with the Loan or any of the Loan Documents is, or will be at the time the same is furnished, accurate and correct in all material respects and complete insofar as completeness may be necessary to provide the Lender a true and accurate knowledge of the subject matter.

**2.09. ERISA.** Borrower hereby represents and warrants to Lender that, to the best of its knowledge, Borrower is in compliance with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, to the extent applicable.

**2.10. Proceedings Pending.** Borrower hereby represents and warrants to Lender that there are no proceedings pending, or, to the best of the Borrower's knowledge, threatened, to acquire any power of condemnation or eminent domain with respect to any part of the Mortgaged Property or to enjoin or similarly prevent or restrict the use of the Mortgaged Property in any manner.

**2.11. Compliance With Zoning and other Applicable Laws.** Borrower hereby represents and warrants to Lender that the Mortgaged Property is part of a "Planned Unit Development" under the Zoning Ordinances of the City of Hoover, Alabama. The Improvements comply in all material respects with all covenants and restrictions of record, and with all applicable laws and regulations, including, without limitation, all laws, ordinances, rules, and regulations relating to zoning, setback requirements, and building codes. Borrower agrees to indemnify and hold Lender harmless from any fines or penalties assessed or any corrective costs incurred by Lender if the Improvements or the Mortgaged Property, or any part thereof, is hereafter determined to be in violation of any covenants or restrictions of record or any applicable laws, ordinances, rules or regulations, and such indemnity shall survive any foreclosure or deed in lieu of foreclosure.

**2.12. Solvency.** Borrower hereby represents and warrants to Lender that Borrower is solvent within the meaning of 11 U.S.C. § 548 and GAAP, and the borrowing of the Loan will not render the Borrower insolvent within the meaning of 11 U.S.C. § 548 and GAAP.

**2.13. Management Agreement.** Borrower hereby represents and warrants to Lender that the Management Agreement is in full force and effect, enforceable against each party thereto in accordance with its terms. The owner's interest in and to the Management Agreement has been absolutely and validly assigned to Manager and Manager has full power to pledge and

assign to Lender its rights thereunder pursuant to the Assignment and Security Agreement (Management Agreement). There exists under the Management Agreement no defaults nor any defenses, set-offs, claims or counterclaims by any Person. A true, correct, and complete copy of the Management Agreement, together with all amendments thereto, have been delivered to the Lender.

**2.14. Environmental Matters.** Borrower hereby represents and warrants to Lender that, to the best of Borrower's knowledge, neither the Mortgaged Property nor either of the Mortgagors is in violation of or subject to any existing, pending, or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Applicable Environmental Law, and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Mortgaged Property or such entities. Borrower hereby further represents and warrants to Lender that neither of the Mortgagors has obtained or is required to obtain, any permits, licenses or similar authorizations to construct, occupy, operate or use any of the Mortgaged Property by reason of any Applicable Environmental Law (except such permits, licenses and authorizations which have been obtained). To the best of Borrower's knowledge, no petroleum products, oil, or hazardous substances or solid wastes have been: (a) located on the Mortgaged Property (except for above-ground fuel tanks which are currently located and maintained on the Mortgaged Property) or (b) disposed of or otherwise released on the Mortgaged Property. The use of the Mortgaged Property as previously operated and hereafter intended to be operated by Mortgagors will not result in any petroleum products, oil, or hazardous substances or solid wastes being: (x) located on the Mortgaged Property (except for above-ground fuel tanks which are currently located and maintained on the Mortgaged Property) or (y) disposed or otherwise released on the Mortgaged Property. Borrower hereby agrees to remedy promptly any violation of Applicable Environmental Laws with respect to the Mortgaged Property, and to pay any fines, charges, fees, expenses, damages, losses, liabilities, and response costs arising from or pertaining to the application of any such Applicable Environmental Law to the Mortgaged Property or the Borrower. Mortgagors agree to permit Lender to have access to the Mortgaged Property at all reasonable times in order to conduct any investigation and testing which Lender deems necessary to ensure that the Mortgaged Property and the Mortgagors are in compliance with all Applicable Environmental Laws, and Borrower agrees promptly to reimburse Lender for all reasonable costs incurred in such investigation and testing. Borrower and Guarantor have entered into the Environmental Indemnity Agreement with respect to environmental matters, and the Borrower agrees to perform its obligations thereunder.

**2.15. The Ground Lease and Purchase Option.**

(a) Borrower hereby represents and warrants to Lender that (i) it has furnished to Lender a true and correct copy of the Ground Lease and the Purchase Option; (ii) except as set forth in the definition of the term "Ground Lease" and the "Purchase Option" in Article I hereof, the Ground Lease and the Purchase Option have not been modified or assigned by any party; (iii) the Ground Lease and the Purchase Option are in full force and effect and, to the knowledge of Borrower, there is no existing default or existing condition which with the giving of notice or passage of time or both would cause a default, under the Ground Lease or the Purchase Option; and (iv) the execution, delivery, and performance of this Mortgage do not require any consent



under, and will not contravene any provision of or cause a default under, the Ground Lease or the Purchase Option.

(b) Mortgagors shall (i) duly and punctually pay, perform and observe all of their respective obligations under the Ground Lease and the Purchase Option; (ii) do all things reasonably necessary or appropriate to enforce, preserve, and keep unimpaired the rights and the obligations of the parties under the Ground Lease and the Purchase Option; and (iii) not enter into any amendment or other agreement or take any other action modifying or terminating any rights or obligations of either the Borrower or the Lessee under the Ground Lease or the Purchase Option.

### **ARTICLE III**

#### **AFFIRMATIVE COVENANTS OF BORROWER**

**3.01. Monthly Tax Deposits.** If required by the Lender, Borrower will pay to the Lender, monthly throughout the term of the Note, an amount equal to one-twelfth (1/12th) of the yearly taxes and assessments as estimated by the Lender to be sufficient to enable the Lender to pay, at least thirty (30) days before they become due, all taxes, assessments, and other similar charges against the Mortgaged Property or any part thereof. Such payments shall be held in trust by Lender but no interest shall be payable in respect thereof. Upon demand of the Lender, Borrower agrees to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such taxes, assessments and similar charges. Upon the occurrence and during the continuation of an Event of Default, the Lender may apply to the reduction of the sums secured hereby, in such manner as the Lender shall determine, any amount under this Section 3.01 remaining to Borrower's credit.

**3.02. Other Taxes, Utilities and Liens.**

(a) Mortgagors will pay promptly, when and as due, and will exhibit promptly to the Lender receipts for the payment of all taxes, assessments, water rates, dues, charges, fines and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon the interest of the Lender in the Mortgaged Property (other than any of the same for which provision has been made in Section 3.01 hereof), as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality, borough or other taxing authority upon the Mortgagors or in respect of the Mortgaged Property or any part thereof, or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage for any amounts secured hereby or would have priority or equality with this Mortgage in distribution of the proceeds of any foreclosure sale of the Mortgaged Property or any part thereof.

(b) Mortgagors will pay promptly all charges by utility companies, whether public or private, for electricity, gas, water, sewer, or other utilities with respect to the Mortgaged Property.

(c) Mortgagors shall pay promptly and will not suffer any mechanic's, laborer's, statutory, or other lien which might or could be prior to or equal to the lien of this Mortgage to

remain outstanding upon any of the Mortgaged Property, unless arrangements satisfactory to Lender are made with respect thereto.

**3.03. Insurance.** Mortgagors will procure for, deliver to, and maintain for the benefit of the Lender during the life of this Mortgage, the following insurance:

(a) General liability insurance in an amount equal to at least \$1,000,000 per occurrence, \$2,000,000 aggregate, with a minimum \$5,000,000 umbrella policy. All such liability insurance shall be written on an occurrence basis and name the Lender as an additional insured; and

(b) "All-risk" broad form coverage on the buildings and structures constituting any part of the Improvements, in an amount not less than the replacement cost thereof, with endorsements insuring against such potential causes of loss as shall be required by Lender, including, but not limited to, loss or damage from (i) earthquake and subsidence, and (ii) flood, unless evidence satisfactory to Lender is provided that all of the Mortgaged Property is located in an area which is designated as not being in a flood hazard area.

(c) The policies described in Subsection 3.03(b) shall name Lender as mortgagee and loss payee under a standard non-contributory mortgagee clause, and shall provide that Lender shall receive not less than thirty (30) days written notice prior to cancellation. The proceeds of the policies described in Subsection 3.03(b) shall be payable by check payable to Lender or jointly payable to Mortgagors and to Lender, and shall be delivered to Lender, and such proceeds (after deducting Lender's reasonable costs and expenses of obtaining such proceeds, if any), shall be applied by Lender, at Lender's sole option, either (i) to the full or partial payment or prepayment of the Loan Obligations (without premium), or (ii) to the repair and/or restoration of the Improvements damaged or taken, or Lender may release the net proceeds to Mortgagors.

(d) Notwithstanding the foregoing, Lender agrees that Lender shall make the net proceeds of insurance (after payment of Lender's reasonable costs and expenses, if any) available to Mortgagors for Mortgagors' repair, restoration and replacement of the Improvements damaged or taken by depositing such proceeds in an interest bearing account (which interest shall be paid to Mortgagors) on the following terms and subject to satisfaction of the following conditions:

- (i) At the time of such loss or damage and at all times thereafter while Lender is holding any portion of such proceeds, there shall exist no Event of Default, provided, however, that regardless of whether an Event of Default exists hereunder, Lender agrees to disburse to Mortgagors all insurance proceeds (and all interest thereon) received or held by Lender as a result of any fire or other casualty to any Improvements, which proceeds shall be used by Mortgagors for the repair, restoration and replacement of such Improvements so long as (i) Mortgagors are not in default in the performance of any of their obligations under the Club Lease and (ii) the remaining terms and conditions of this Section 3.03 are satisfied by Borrower;



- (ii) The Improvements for which loss or damage has resulted shall be capable of being restored to their pre-existing condition and utility in all material respects with a value equal to or greater than prior to such loss or damage and shall be capable of being completed prior to the maturity date of the Loan as specified in the Note;
- (iii) Within thirty (30) days from the date of such loss or damage, Mortgagors shall have given Lender a written notice electing to have the proceeds applied for such purpose;
- (iv) Within a reasonable period of time following the date of notice under the preceding subparagraph (iii) and prior to any proceeds being disbursed to Mortgagors, Mortgagors shall have provided to Lender all of the following:
  - (A) complete plans and specifications for restoration, repair and replacement of the Improvements damaged to the condition, utility and value required by (ii) above,
  - (B) if loss or damage exceeds \$50,000, fixed-price or guaranteed maximum cost bonded construction contracts for completion of the repair and restoration work in accordance with such plans and specifications,
  - (C) builder's risk insurance for the full cost of construction with Lender named under a standard mortgagee loss-payable clause,
  - (D) such additional funds as in Lender's reasonable opinion are necessary to complete the repair, restoration and replacement of the Improvements, and
  - (E) copies of all permits and licenses necessary to complete the work in accordance with the plans and specifications;
- (v) Lender may, at Mortgagors' reasonable expense, retain an independent inspector to review and approve plans and specifications and completed construction and to approve all requests for disbursement, which approvals shall be conditions precedent to release of proceeds as work progresses;
- (vi) No portion of such proceeds shall be made available by Lender for architectural reviews or for any other purposes which are not directly attributable to the cost of repairing, restoring or replacing the improvements for which a loss or damage has occurred unless the same are covered by such insurance;
- (vii) Mortgagors shall commence such work within one hundred twenty (120) days of such loss or damage and shall diligently pursue such work to completion;
- (viii) Each disbursement by Lender of such proceeds and deposits shall be funded subject to conditions and in accordance with disbursement procedures which a commercial construction lender would typically establish in the exercise of sound banking practices and shall be made only upon receipt of disbursement requests

on an AIA G702/703 form (or similar form approved by Lender) signed and certified by Mortgagors and their architect/engineer and general contractor with appropriate invoices and lien waivers as required by Lender;

- (ix) Lender shall have a first lien and security interest in all building materials and completed repair and restoration work and in all fixtures and equipment acquired with such proceeds, and Mortgagors shall execute and deliver such mortgages, security agreements, financing statements and other instruments as Lender shall request to create, evidence, or perfect such lien and security interest; and
- (x) In the event and to the extent such proceeds are not required or used for the repair, restoration and replacement of the Improvements for which a loss or damage has occurred, or in the event Mortgagors fail to timely make such election or having made such election fail to timely comply with the terms and conditions set forth herein (following thirty (30) days notice of such non-compliance), Lender shall be entitled without further notice to or consent from Mortgagors to apply such proceeds, or the balance thereof, at Lender's option either (i) to the full or partial payment or prepayment of the Loan Obligations in the manner aforesaid, or (ii) to the repair, restoration and/or replacement of all or any part of such Improvements for which a loss or damage has occurred, or Lender may release the balance of such proceeds to Mortgagors.

(e) Mortgagors appoint the Lender as their attorney-in-fact to cause the issuance of or an endorsement of any policy to bring it into compliance herewith and, as limited above, at Lender's sole option, to make any claim for, receive payment for, and execute and endorse any documents, checks or other instruments in payment for loss, theft, or damage covered under any such insurance policy; however, in no event will Lender be liable for failure to collect any amounts payable under any insurance policy. The form of such policies and the companies issuing them shall be acceptable to the Lender. All fire and casualty insurance policies shall contain a New York standard, non-contributory mortgagee endorsement making losses payable to the Lender. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the Lender shall be delivered to the Lender. Mortgagors shall deliver to the Lender receipts evidencing the payment all such insurance policies and renewals. In the event of the foreclosure of this Mortgage any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagors in and to all insurance policies then in force shall pass to the purchaser or grantee.

(f) If required by the Lender, Borrower will pay to the Lender, monthly throughout the term of the Note, an amount equal to one-twelfth (1/12th) of the yearly premiums for insurance. Such amount shall be used by Lender to pay such insurance premiums when due. Such payments shall be held in trust but no interest shall be payable in respect thereof. Upon demand of the Lender, Borrower agree to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such insurance premiums. Upon the occurrence and during the continuance of an Event of Default, the Lender may apply to the reduction of the sums secured hereby, in such manner as the Lender shall determine, any amount paid in accordance herewith remaining to Borrower credit.



**3.04. Condemnation.** Mortgagors, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property, or any portion thereof (a "Proceeding"), will notify the Lender immediately of the pendency of such Proceeding. The Lender shall, subject to the terms of the Club SNDA, be entitled to all compensation, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Mortgagors' name, any Proceeding and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Mortgagors to the Lender, and the Mortgagors agree to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require. The Lender, after deducting therefrom all its reasonable expenses, including attorney's fees, may release any moneys so received by it from a Proceeding without affecting the lien of this Mortgage or may, subject to the terms of the Club SNDA, apply the same in such manner as the Lender shall determine to the reduction of the sums secured hereby, and any balance of such moneys then remaining shall be paid to the Mortgagors.

**3.05. Care of the Mortgaged Property.**

(a) Subject to the terms and provisions of Section 3.05(b) below, Mortgagors will preserve and maintain the Mortgaged Property in good condition and repair and will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) Except as otherwise provided herein, no buildings, fixtures, personal property, or other part of the Mortgaged Property shall be removed, demolished or substantially without the prior written consent of the Lender. Notwithstanding anything provided herein to the contrary, Mortgagors may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, upon replacing the same by, or substituting for the same, other furniture, furnishings, equipment, tools, appliances, machinery, fixtures, or appurtenances not necessarily of the same character, but of at least equal value and costing not less than the amount realized from the Mortgaged Property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien of this Mortgage.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagors will give immediate written notice of the same to the Lender.

(d) The Lender is hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours.

(e) Mortgagors will comply promptly with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagors shall pay all insurance proceeds to Lender and the insurance proceeds or

any part thereof may be applied by Lender in the manner provided in Section 3.02 above. Mortgagors will restore promptly the Mortgaged Property to substantially the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor. If a part of the Mortgaged Property shall be physically damaged through condemnation, Mortgagors will restore promptly, repair or alter the remaining property in a manner reasonably satisfactory to the Lender.

**3.06. Further Assurances After Acquired Property.** At any time, and from time to time, upon request by the Lender, Mortgagors will make, execute and deliver or cause to be made, executed and delivered, to the Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed reasonably desirable by the Lender any and all such other and further mortgages, instruments of further assurance, certificates and other documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to effectuate, complete, perfect, or to continue and preserve the obligation of Mortgagors under this Mortgage, and the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagors. Upon any failure by Mortgagors so to do, the Lender may make, execute, and record any and all such mortgages, instruments, certificates, and documents for and in the name of Mortgagors and Mortgagors hereby irrevocably appoint the Lender the attorney-in-fact of Mortgagors so to do. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Mortgaged Property or any part thereof.

**3.07. Leases Affecting Mortgaged Property.** Mortgagors will comply with and observe their respective obligations under the Purchase Option, the Ground Lease, and all other leases affecting the Mortgaged Property or any part thereof. If requested by Lender, Mortgagors will furnish Lender with executed copies of all leases now or hereafter created on said premises and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. Except for rent as may be held as a security deposit or as otherwise provided in the Ground Lease, Mortgagors will not accept payment of rents in advance for periods in excess of thirty (30) days.

**3.08. Expenses.** Borrower will pay or reimburse the Lender upon demand for all reasonable attorneys' fees, costs, and expenses incurred by the Lender in any proceeding involving the estate of a decedent or an insolvent, or in any action, proceeding, or dispute of any kind in which the Lender is made a party, or appears as party plaintiff or defendant, affecting any of the Note, Mortgagors, or the Mortgaged Property, including but not limited to the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, or any action to protect the security hereof; and any such amounts paid by the Lender following the occurrence and during the continuation of an Event of Default hereunder shall bear interest at the Default Rate (as defined in the Note), shall be payable upon demand, and shall be secured by the lien of this Mortgage.

**3.09. Performance by Lender of Defaults by Mortgagors.**

(a) If Mortgagors shall default in the payment of any tax, lien, assessment, or charge levied or assessed against the Mortgaged Property (unless the same is being contested by Mortgagors in the manner contemplated by Subsection 3.09(b)), in the payment of any utility



charge, whether public or private, in the payment of insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder, or in the performance or observance of any covenant, condition, or term of this Mortgage, then the Lender, at its option, may perform or observe the same, and all payments made for costs or incurred by the Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by Mortgagors to the Lender with interest thereon at the Default Rate. The Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium and of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to Mortgagors or any person in possession holding under Mortgagors.

(b) Notwithstanding the provisions of Subsection 3.09(a) above, Lender agrees that Mortgagors shall have the right, before any such tax, assessment, fee, or charges become delinquent, to contest or object to the amount or validity of any such tax, assessment, fee, or charge by appropriate legal proceedings, *provided* that said right shall not be deemed or construed in any way as relieving, modifying, or extending Mortgagors covenant to pay any such tax, assessment, fee, or charge at the time and in the manner provided herein unless (i) Mortgagors have given prior written notice to Lender of Mortgagors' intent to so contest or object, (ii) Mortgagors shall demonstrate to Lender's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Mortgaged Property or any part thereof, to satisfy such tax, assessment, fee, or charge prior to final determination of such proceedings, (iii) Mortgagors shall furnish a good and sufficient bond or surety as requested by and satisfactory to Lender; and (iv) Mortgagors shall have provided a good and sufficient undertaking as might be required or permitted by law to accomplish a stay of such proceedings.

**3.10. Books and Records.** Borrower shall keep and maintain at all times full, true and accurate books of accounts and records, adequate to reflect correctly the results of the of the Mortgaged Property.

**3.11. Financial Statements.** Borrower shall provide Lender with the following financial statements and information on a continuing basis:

(a) Within ninety (90) days after the end of each fiscal year end, financial statements including, without limitation, balance sheets of the Borrower, the Guarantor, and Lessee as at the end of each such entity's fiscal year and statements of income and retained earnings, surplus or capital, cash flow and of changes in the financial position of the Borrower, the Guarantor, and Lessee for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and certified by the Borrower (in the case of statements of the Borrower) or by the chief financial officer of the Guarantor and Lessee (in the case of statements of such entities);

(b) Within forty-five (45) days after the end of each calendar quarter (except for the final quarter of each calendar year), a balance sheet of the Borrower, the Guarantor, and Lessee as at the end of such quarter and statements of income and retained earnings, surplus or capital, cash flow and of changes in the financial position of the Borrower, Guarantor, and Lessee for such period, all in reasonable detail, and certified by the Borrower (in the case of statements of

the Borrower) or by the chief financial officer of the Guarantor and Lessee (in the case of statements of such entities);

(c) Within forty-five (45) days after the end of each calendar quarter (or, if required by Lender, each month end), a detailed inventory statement itemizing a detailed inventory statement itemizing all membership and redemption sales and the status of payment of membership fees, together with a detailed statement itemizing all redemptions of redeeming members, and which shall be certified as true and correct by a financial officer of the Borrower;

(d) Within thirty (30) days of each quarter end, a detailed statement of all management fees received under the Management Agreement and operating deficits funded by Borrower under the Management Agreement, which shall be certified as true and correct by the Manager;

(e) With reasonable promptness, such other information and data with respect to the Borrower, the Guarantor, Lessee, or the Mortgaged Property as from time to time may be reasonably requested by Lender;

**3.12. Security Agreement.** With respect to the apparatus, fittings, fixtures and articles of personal property referred to or described in this Mortgage, or in any way connected with the use and enjoyment of the Mortgaged Property, this Mortgage is hereby made and declared to be a security agreement encumbering each and every item of personal property included herein as a part of the Mortgaged Property, in compliance with the provisions of the Uniform Commercial Code as enacted in the state wherein the Land is situated, and Mortgagors hereby grant to Lender a security interest in said personal property. A financing statement or statements reciting this Mortgage to be a security agreement affecting all of said personal property aforementioned shall be appropriately filed, and Mortgagors hereby authorize Lender to fill any and all financing statements without Mortgagors signature as Lender shall deem necessary. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Mortgage, or otherwise in respect of an Event of Default hereunder, shall be (i) as prescribed herein, or (ii) as prescribed by general law, or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Lender's sole election. Mortgagors and Lender agree that the filing of such financing statement(s) in the records normally having to do with personal property shall not in any way affect the agreements of Mortgagors and Lender that everything used in connection with the production of income from the Mortgaged Property or adapted for use therein or which is described or reflected in this Mortgage, is, and at all times and for all purposes and in all proceedings, both legal or equitable, shall be, regarded as part of the real estate conveyed hereby regardless of whether (a) any such item is physically attached to the Improvements, (b) serial numbers are used for the better identification of certain items capable of being thus identified in an Exhibit to this Mortgage, or (c) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to (i) the proceeds of any fire and/or hazard insurance policy, or (ii) any award in eminent domain proceedings for taking or for loss of value, or (iii) Mortgagors' respective interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall not in any way alter any of the rights of Lender as determined by this instrument or affect the priority of Lender's security interest granted hereby or by any other



recorded document, it being understood and agreed that such mention in such financing statement(s) is solely for the protection of Lender in the event any court shall at any time hold, with respect to the foregoing items (i), (ii), or (iii), that notice of Lender's priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records. This Mortgage may be filed as a financing statement in any office where Lender deems such filing necessary or desirable, and Mortgagors will promptly upon demand reimburse Lender for the costs therefor.

**3.13. Quarterly Re-Appraisals.** Lender will obtain quarterly re-appraisals of the Mortgaged Property AND the collateral which secures the Development Loan (collectively, the "Collateral"). Borrower will pay, or reimburse Lender for (or will cause GDC to pay or reimburse Lender for) the costs of such re-appraisals. Such re-appraisals must establish that the Collateral then remaining will satisfy a maximum loan-to-value ratio (based upon both the Loan and the Development Loan and the Collateral then securing both the Loan and the Development Loan) of not greater than fifty percent (50%), based solely upon the discounted appraised value of the Collateral (the "Collateral Value Test"). In the event that the Collateral does not satisfy the required Collateral Value Test, the Borrower will deposit, or will cause GDC to deposit, with Lender, within thirty (30) days of Lender's notice to Borrower and GDC of such deficiency, additional collateral in form acceptable to the Lender in order to bring the Borrower and GDC into compliance with the Collateral Value Test. As long as no Event of Default exists under this Mortgage or any of the other Loan Documents, any additional Collateral deposited with Lender pursuant to this Section 3.13 will be adjusted (or released) quarterly based upon the results of such quarterly re-appraisals.

#### **ARTICLE IV**

#### **NEGATIVE COVENANTS OF MORTGAGORS**

Until the Loan Obligations have been paid in full, Borrower shall not:

**4.01. Additional Indebtedness.** Incur any additional indebtedness without first obtaining the prior written approved of the Lender, which consent may be granted or refused by the Lender in Lender's sole discretion.

**4.02. No Liens; Exceptions.** Create, incur, assume or suffer to exist any Lien upon or with respect to any of the Mortgaged Property whether now owned or hereafter acquired, other than the following permitted Liens:

(a) Liens at any time existing in favor of the Lender or the Permitted Encumbrances;

(b) Inchoate liens arising by operation of law for the purchase of labor, services, materials, equipment or supplies, provided payment shall not be delinquent and, if such Lien is a lien upon the Mortgaged Property, which lien is fully subordinate to this Mortgage and is disclosed to Lender and bonded off and removed from the Mortgaged Property and Improvements in a manner satisfactory to Lender;

(c) Liens for current year's taxes, assessments or governmental charges or levies provided payment thereof shall not be delinquent unless the same are being contested and such contest is conducted in accordance with the provisions of Section 3.09(b) above.

**4.03. Merger, Consolidation, Etc.** Enter into any merger, consolidation or similar transaction, or, except in the ordinary course of business, sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now or hereafter acquired), without the prior written consent of the Lender, which may be granted or refused by Lender in Lender's sole discretion.

**4.04. ERISA Funding and Termination.** Permit (a) the funding requirements of ERISA with respect to any employee plan to be less than the minimum required by ERISA at any time, or (b) any employee plan to be subject to involuntary termination proceedings at any time.

**4.05. Transfer of Interest.** Permit the transfer of any of the membership interest in the Borrower without Lender's prior written consent, which consent may be granted or refused by the Lender in Lender's sole and absolute discretion, provided, however, that the foregoing prohibition on transfer shall not be applicable to transfers made to any Persons who are directly or indirectly controlled by or under common control with Daniel Realty Company.

**4.06. Single Purpose.** Engage in any business other than the ownership, financing, leasing, and disposition of the Mortgaged Property without Lender's prior written consent.

## **ARTICLE V**

### **EVENTS OF DEFAULT; REMEDIES**

**5.01. Events of Default.** The terms "Event of Default" or "Events of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Borrower to pay any installment of principal, interest, or other charges required under the Note, as and when the same comes due and such failure to pay continues for more than five (5) days following written notice from Lender; or

(b) The violation of any covenant set forth in Section 4.01, 4.02, 4.03 or 4.05 above;

(c) The failure of the Mortgagors properly and timely to perform or observe any covenant or condition set forth in this Mortgage (other than those specified in (a) or (b) of this Section) which is not cured within applicable cure periods as set forth herein or therein or, if no cure period is specified therefor, is not cured within thirty (30) days of Lenders written notice of such Default; or

(d) The occurrence of any Event of Default (as therein defined) under any other Loan Documents which is not cured within any applicable cure period set forth therein; or

(e) The filing by the Borrower or the Guarantor of a voluntary petition in bankruptcy or the adjudication of either of the aforesaid Persons as a bankrupt or insolvent, or



the filing by either of the aforesaid Persons of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or if either of the aforesaid Persons should seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator for itself or of all or any substantial part its property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or the making of any general assignment for the benefit of creditors or the admission in writing by either of the aforesaid Persons of its inability to pay its debts generally as they become due; or

(f) The entry by a court of competent jurisdiction of an order, judgment, or decree approving a petition filed against the Borrower or the Guarantor which such petition seeks any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of either of the aforesaid Persons or of all or any substantial part of its properties or of any or all of the rents, revenues, issues, earnings, profits or income thereof which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(g) Except as expressly permitted in Section 4.05 of the Mortgage hereof, the sale or other transfer of ownership interests in the Borrower or the Guarantor, unless the written consent of the Lenders is first obtained, which consent may be granted or refused by the Lender in its sole discretion; or

(h) Other than the conveyance of the Land and Improvements to the Club pursuant to the Purchase Option (as defined in the Mortgage), the sale or other transfer of all or any portion of the Mortgaged Property or, except for Permitted Encumbrances, any further encumbrance of the Mortgaged Property, unless the prior written consent of Lender is obtained (which consent may be granted or refused in Lender's sole discretion); or

(i) Any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of the Borrower or the Guarantor pursuant to or in connection with this Mortgage or otherwise (including, without limitation, representations and warranties contained herein or in any Loan Documents) or as an inducement to Lender to extend any credit to or to enter into this or any other agreement with such Persons in connection with this Loan proves to have been false in any material respect at the time when the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Mortgagors or the Guarantor or on the date of execution of this Mortgage there shall have been any materially adverse change in any of the facts previously disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed to Lender in writing at or prior to the time of such execution; or

(j) A final judgment in excess of \$100,000 shall be rendered by a court of law or equity against Borrower or the Guarantor and the same shall remain undischarged for a period of thirty (30) days, unless such judgment is either (i) fully covered by collectible insurance and such insurer has within such period acknowledged such coverage in writing, or (ii) although not

fully covered by insurance, enforcement of such judgment has been effectively stayed, such judgment is being contested or appealed by appropriate proceedings and as the case may be, has established reserves adequate for payment in the event Borrower or the Guarantor is ultimately unsuccessful in such contest or appeal and evidence thereof is provided to Lender; or

(k) The occurrence of any event of default which is not cured within applicable curative periods by Club or the Mortgagors under the Purchase Option, the Management Agreement/Golf, or the Lease; or

(l) The occurrence of any event of default which is not cured within applicable cure periods by Club under the Club Security Agreement; or

(m) The failure of Daniel Realty Corporation, or a substitute manager reasonable acceptable to the Lender, to be the manager of the Mortgagors; or

(n) The failure of at least one of T. Charles Tickle or Allan D. Worthington to (i) retain an active role in the business and affairs of the Guarantor, and (ii) either directly or indirectly, to own at least a majority of the ownership interests in the Guarantor.

**5.02. Acceleration of Maturity.** If an Event of Default shall occur, Lender shall have the rights and remedies provided in this Mortgage, the Note, and in the other Loan Documents, including, without limitation, the right, at the option of Lender, to declare the entire Loan Obligations immediately due and payable. No omission on the part of Lender to exercise any option where entitled to do so shall be construed as a waiver of such right.

**5.03. Right to Enter and Take Possession.**

(a) If an Event of Default shall have occurred and be continuing, upon demand of Lender (subject to any right of possession granted to the Lessee pursuant to the Club SNDA), Mortgagors shall forthwith surrender to Lender the actual possession of the Mortgaged Property and, if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession of all or any part of the Mortgaged Property without the appointment of a receiver or an application therefor, and, subject to any right of possession granted to the Lessee under the Club SNDA, Lender may exclude Borrower and its agents and employees wholly therefrom, and take possession of the books, papers and accounts of Borrower.

(b) If Mortgagors' shall for any reason (other than Lessee's right of possession pursuant to the Club SNDA) fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Lender, Lender may, under Mortgagors, obtain a judgment or decree conferring upon Lender the right to immediate possession or requiring Mortgagors to deliver immediate possession of the Mortgaged Property to Lender. Borrower will pay to Lender, upon demand, all expenses of obtaining such judgment or decree, including reasonable compensation for Lender's attorneys and agents, and all such expenses and compensation shall, until paid, become part of the Loan Obligations and shall be secured by this Mortgage.

(c) Upon every such entering upon or taking of possession, Lender may, subject to any right of possession granted to Lessee under the Club SNDA, hold, store, use, operate,



manage and control the Mortgaged Property and conduct the business thereof, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all of the rights and powers of Borrower to the same extent as Borrower could in its own name or otherwise act with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers granted to Lender herein or the other Note, all as Lender from time to time may determine to be in its best interest. Lender may collect and receive all the rents, issues, profits and revenues from the Mortgaged Property, including those past due as well as those accruing thereafter, and, after deducting (A) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions; (C) the cost of such insurance; (D) such taxes, assessments and other similar charges as Lender may at its option pay; (E) other proper charges upon the Mortgaged Property or any part thereof; and (F) the reasonable compensation, expenses and disbursements of the attorneys and agents of Lender, Lender shall apply the remainder of the monies and proceeds so received by Lender, first, to the payment of accrued interest; second, to the payment of deposits required in Sections 3.01 and 3.03 and to other sums required to be paid hereunder; and third, to the payment of overdue installments of principal. Anything in this Section 5.03 to the contrary notwithstanding, Lender shall not be obligated to discharge or perform the duties of a landlord to any tenant or incur any liability as a result of any exercise by Lender of its rights under this Mortgage, and Lender shall be liable to account only for the rents, incomes, issues and profits actually received by Lender.

(d) Whenever all such interest, deposits and principal installments and other sums due under any of the terms, covenants, conditions and agreements of this Mortgage shall have been paid and all Events of Default shall have been cured, Lender shall surrender possession of the Mortgaged Property to Borrower and its successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

**5.04. Performance by Lender.** Upon the occurrence and during the continuance of an Event of Default in the payment, performance or observance of any term, covenant or condition of this Mortgage, Lender may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by Lender in connection therewith, including, without limitation, reasonable attorneys' fees, with interest thereon at the Default Rate (as defined in the Note), shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender. Lender shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Lender is hereby empowered, to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Mortgagors or any person in possession holding under Mortgagors. Notwithstanding anything to the contrary herein, Lender shall have no obligation, explicit or implied, to pay, perform, or observe any term, covenant, or condition.

**5.05. Receiver.** If any Event of Default shall have occurred and be continuing, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right, without notice and without regard to the occupancy or value of any security for the Loan Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers permitted under the laws of the state wherein the Land is situated. Borrower will pay unto Lender upon demand all expenses, including receiver's fees, reasonable attorney's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 5.05, and upon Borrower's failure to pay the same, any such amounts shall be added to the Loan Obligations and shall be secured by this Mortgage.

**5.06. Lender's Power of Enforcement and Power of Sale.**

(a) If an Event of Default shall have occurred and be continuing, the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (i) to enforce performance of this Mortgage or any right, power or remedy hereunder, (ii) to foreclose this Mortgage and to sell the Mortgaged Property, as an entirety or in separate lots or parcels, as provided by applicable law, and (iii) to pursue any other remedy available to it, all as the Lender shall deem most effectual for such purposes. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as the Lender may determine.

(b) If an Event of Default shall have occurred and be continuing, Lender may sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the front or main entrance of the Court House door in the county where the Land is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county, and, upon payment of the purchase money, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the Mortgaged Property so purchased. Lender may bid at said sale and purchase said Mortgaged Property, or any part thereof, if the highest bidder therefor. At the foreclosure sale, the Mortgaged Property 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 Lender may elect.

Notwithstanding any provision of this Section 5.06, Lender acknowledges that pursuant to the terms and provisions of the Club SNDA, Lender has agreed that, so long as no default under the Ground Lease and/or the Purchase Option by Lessee has occurred and is continuing, Lessee's possession of the Land and Improvements (as more particularly described in the Ground Lease) will not be disturbed.

**5.07. Purchase by Lender.** Upon any foreclosure sale or sale of all or any portion of the Mortgaged Property under the power of sale herein granted, Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the Loan Obligations as a credit to the purchase price.



**5.08. Application of Proceeds of Sale.** In the event of a foreclosure or other sale of all or any portion of the Mortgaged Property, the proceeds of said sale shall be applied, first, to the expenses of such sale and of all proceedings in connection therewith, including reasonable attorneys' fees (attorneys fees and expenses shall become absolutely due and payable whenever foreclosure is commenced); then to insurance premiums, liens, assessments, taxes and charges including utility charges advanced by Lender hereunder, and interest thereon; then to payment of the Loan Obligations, this Mortgage; and finally the remainder, if any, shall be paid to Mortgagors, or to the person or entity lawfully entitled thereto.

**5.09. Mortgagors as Tenants Holding Over.** Subject to any rights of possession granted to Lessee under the Club SNDA, in the event of any such foreclosure sale or sale under the powers herein granted, Mortgagor (if Mortgagor shall remain in possession) shall be deemed tenants holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

**5.10. Waiver of Appraisement, Valuation, Etc.** Mortgagors agree, to the full extent permitted by law, that upon the occurrence and during the continuation of an Event of Default, subject to the terms and provisions of the Club SNDA, neither Mortgagor nor anyone claiming through or under Mortgagors will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, exemption or laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and Mortgagors, for themselves and all who may at any time claim through or under Mortgagors (but subject to any right of possession granted the Lessee under the Club SNDA), hereby waive to the full extent that they may lawfully so do, the benefit of all such laws, and any and all right to have the assets subject to the security interest of this Mortgage marshaled upon any foreclosure or sale under the power herein granted.

**5.11. Waiver of Homestead.** Mortgagors hereby waive and renounce all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Mortgaged Property as against the collection of the Loan Obligations, or any part thereof.

**5.12. Discontinuance of Proceedings.** In case Lender shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then in every such case, Mortgagors and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceedings had occurred.

**5.13. Remedies Not Exclusive.** Lender shall be entitled to exercise all rights and powers under this Mortgage or under any other of the Note or other agreement or under any laws now or hereafter in force, notwithstanding that some or all of the Loan Obligations may now or hereafter be otherwise secured, whether by mortgages, deeds of trust, deeds to secure debt, pledges, liens, assignments or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Lender's right to realize upon or enforce any

other security now or hereafter held by Lender, it being agreed that Lender shall be entitled to enforce this Mortgage and any other security now or hereafter held by Lender in such order and manner as they or either of them may in their absolute discretion determine. No right or remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Note to Lender or to which it otherwise may be entitled, may be exercised concurrently or independently, from time to time and as often as may be deemed expedient by Lender.

**5.14. No Waiver.**

(a) No delay or omission by Lender or by any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Mortgage to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver expressed or implied by Lender to or of any breach or default by Mortgagors in the performance of the obligations of Mortgagors hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Mortgagors hereunder. Failure on the part of Lender to complain of any act or failure to act or failure to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its rights hereunder or impair any rights, powers or remedies of Lender hereunder.

(b) No act or omission by Lender shall release, discharge, modify, change or otherwise affect the original liability under this Mortgage or any other obligation of Mortgagors or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, cosigner, endorser, surety or guarantor, nor preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then existing or of any subsequent default, nor alter the lien of this Mortgage, except as expressly provided in an instrument or instruments executed by Lender. Without limiting the generality of the foregoing, Lender may (i) grant forbearance or an extension of time for the payment of all or any portion of the Loan Obligations; (ii) take other or additional security for the payment of any of the Loan Obligations; (iii) waive or fail to exercise any right granted herein or in the Note ; (iv) release any part of the Mortgaged Property from the security interest or lien of this Mortgage or otherwise change any of the terms, covenants, conditions or agreements of the Note or this Mortgage; (v) release any other collateral securing the Loan Obligations; (vi) consent to the filing of any map, plat or replat affecting the Mortgaged Property; (vii) consent to the granting of any easement or other right affecting the Mortgaged Property; (viii) make or consent to any agreement subordinating the security title or lien hereof, or (ix) take or omit to take any action whatsoever with respect to the Note , this Mortgage, the Mortgaged Property or any document or instrument evidencing, securing or in any way related to the Loan Obligations, all without releasing, discharging, modifying, changing or affecting any such liability, or precluding Lender from exercising any such right, power or privilege or affecting the lien of this Mortgage. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Lender, without notice, is hereby authorized and empowered to deal with any such



vendee or transferee with reference to the Mortgaged Property or the Loan Obligations, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings.

**5.15. Suits to Protect the Mortgaged Property.** Lender shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or constitute an Event of Default under this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the rents, issues, profits and revenues arising therefrom; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would materially impair the security hereunder or be prejudicial to the interest of Lender. All costs, and expenses incurred by the Lender pursuant to the provisions of this Section 5.15, including, without limitation, reasonable attorneys' fees shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon at the Default Rate (as defined in the Note ).

**5.16. Proofs of Claim.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagors, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount due and payable by Mortgagors under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Mortgagors hereunder after such date. All costs, and expenses incurred by the Lender pursuant to the provisions of this Section 5.16, including, without limitation, reasonable attorneys' fees shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon at the Default Rate (as defined in the Note ).

**5.17. Tradenames, etc.** During the exercise of any right in the Mortgaged Property pursuant to this Article V, Lender shall not be liable to Mortgagors for any inadvertent violation or infringement upon any tradename, trademark, service mark, or logo relating to the Mortgaged Property, and Mortgagors waive any claim for any such violation or infringement that occurs prior to notice of such infringement by Mortgagors to Lender.

## **ARTICLE VI**

### **MISCELLANEOUS**

**6.01. Security Agreement.** This Mortgage creates a lien on and a security interest in, and Mortgagors hereby grant to Lender a security interest in, that part of the Mortgaged Property which constitutes personal property under the Uniform Commercial Code, and shall constitute a security agreement under the applicable Uniform Commercial Code or other law applicable to the creation of liens on personal property. This Mortgage shall constitute a financing statement under the Uniform Commercial Code with Mortgagors as the "debtors" and Lender as the "secured party." If an Event of Default occurs, the Lender shall have all rights and remedies of a secured party under the Uniform Commercial Code with respect to such personal property.

**6.02. Successors and Assigns.** This Mortgage shall inure to the benefit of and be binding upon Mortgagors and Lender and their respective heirs, executors, legal representatives, successors, successors-in-title, and assigns. Whenever a reference is made in this Mortgage to "Mortgagors" or "Lender," such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors, successors-in-title and assigns of Mortgagors or Lender, as the case may be, but shall not imply any permission to make or permit any transfer which is otherwise prohibited under any of the Loan Documents.

**6.03. Terminology.** All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and Articles are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to Articles, Sections or subparagraphs shall refer to the corresponding Articles, Sections or subparagraphs of this Mortgage unless specific reference is made to Articles, Sections or subparagraphs of another document or instrument.

**6.04. Severability; Complete Agreement.** If any provisions of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. This Mortgage and the other Note constitute the full and complete agreement of the parties and supersedes all prior negotiations, correspondence, and memoranda relating to the subject matter hereof, and this Mortgage may not be amended except by a writing signed by the parties hereto.

**6.05. Applicable Law.** The laws of the State of Alabama shall govern the validity, interpretation, construction, enforcement and performance of this Mortgage, without regard to principles of conflicts of law. Mortgagors consent that any legal action or proceeding arising hereunder, may be brought at the election of Lender, in the Circuit Court of Jefferson County, Alabama, or the United States District Court for the Northern District of Alabama, and Mortgagors assent and submit to the personal jurisdiction of any such court in any such action or proceeding.

**6.06 Notices.** Any notice or other communication required or permitted to be given by this Agreement or the other Loan Documents or by applicable law shall be in writing and shall be deemed received (a) on the date delivered, if sent by hand delivery (to the person or department if one is specified below), (b) three (3) days following the date deposited in U.S. mail, certified or registered, with return receipt requested, or (c) one (1) day following the date deposited with Federal Express or other national overnight carrier, and in each case addressed as follows:

*If to Borrower:*

Greystone Golf, LLC  
3595 Grandview Parkway  
Suite 400  
Birmingham, Alabama 35243-1930  
Attn: Christopher A. Brown, Senior Vice President



*With a copy to:*

Stephen R. Monk, Esq.  
Bradley Arant, Rose & White LLP  
One Federal Place  
1819 Fifth Avenue North  
Birmingham, Alabama 35203

*If to Lender:*

SouthTrust Bank  
P.O. Box 2554 (35290)  
420 N. 20th Street  
Commercial Real Estate Dept. 8th Floor  
Birmingham, Alabama 35203

*With a copy to:*

Gail Livingston Mills, Esq.  
Burr & Forman LLP  
P.O. Box 830719 (35283)  
420 North 20th Street  
3100 SouthTrust Tower  
Birmingham, Alabama 35203

Failure to provide courtesy copies shall not render invalid any notice otherwise properly given. Any party may change its address to another single address by notice given as herein provided, except any change of address notice must be actually received in order to be effective.

**6.07 Assignment.** This Mortgage and any interest herein is assignable by Lender in accordance and any assignment hereof by Lender shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Lender.

**6.08 Time of the Essence.** Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagors under this Mortgage and any and all other instruments now or hereafter evidencing, securing or otherwise relating to the Loan Obligations.

**6.09 Counterparts.** This Mortgage may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

**6.10 Liability of Lessee.** Lessee has joined in the execution of this Mortgage solely for the purpose of conveying its leasehold interest in the Mortgaged Property to Lender as additional security for the Loan Obligations. Notwithstanding anything provided herein to the contrary, (a) Lessee shall not have any personal liability of any nature with respect to any of the covenants, conditions, terms and provisions set forth herein or in any of the other Loan Document (other than liability arising in connection with fraud or misapplication of funds by Lessee) and (b) neither Lessee nor any of its officers or directors shall be personally liable for the payment of any sum or the performance of any obligations set forth herein or in any of the Loan Documents (other than liability arising in connection with fraud or misapplication of funds by Lessee) and Lender acknowledges and agrees that its sole remedy against Lessee upon the occurrence of any Event of Default hereunder or under any of the Loan Documents shall be to foreclose this Mortgage and any of the security interests or other collateral described herein, it being the intent of the parties that no deficiency judgment shall be sought or taken against Lessee or any of its officers or directors. Lender acknowledges and agrees that neither Lessee nor its officers or directors shall be liable for any deficiency or other personal money judgment upon the occurrence of any Event of Default hereunder or under any of the other Loan Documents. Furthermore, the Club SNDA shall supersede anything provided herein to the contrary and, in the event of any conflict or ambiguity between the terms and provisions of the Club SNDA and this Mortgage, the terms and provisions of the Club SNDA shall at all times control.

**6.11 Waiver of Jury Trial.** MORTGAGORS HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING OUT OF OR IN ANY WAY PERTAINING OR RELATING TO THIS MORTGAGE OR ANY OTHER LOAN DOCUMENTS, OR (B) IN ANY WAY CONNECTED WITH OR PERTAINING OR RELATING TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS MORTGAGE OR ANY OTHER LOAN DOCUMENTS, OR IN CONNECTION WITH ANY TRANSACTIONS RELATED THERETO OR CONTEMPLATED THEREBY OR THE EXERCISE OF ANY PARTY'S RIGHTS AND REMEDIES THEREUNDER, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. MORTGAGORS AND LENDER AGREE THAT LENDER MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED AGREEMENT OF MORTGAGORS IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY DISPUTE OR CONTROVERSY WHATSOEVER BETWEEN MORTGAGORS AND LENDER SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY. MORTGAGORS HEREBY CERTIFY THAT NO REPRESENTATIVE OR AGENT OF LENDER, INCLUDING LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF SUCH DISPUTE OR CONTROVERSY, SEEK TO ENFORCE THE PROVISIONS OF THIS SECTION, AND MORTGAGORS ACKNOWLEDGE THAT LENDER HAS, IN PART, BEEN INDUCED TO MAKE THE EXTENSION OF CREDIT EVIDENCED BY THE NOTE IN RELIANCE ON THE PROVISIONS OF THIS SECTION.



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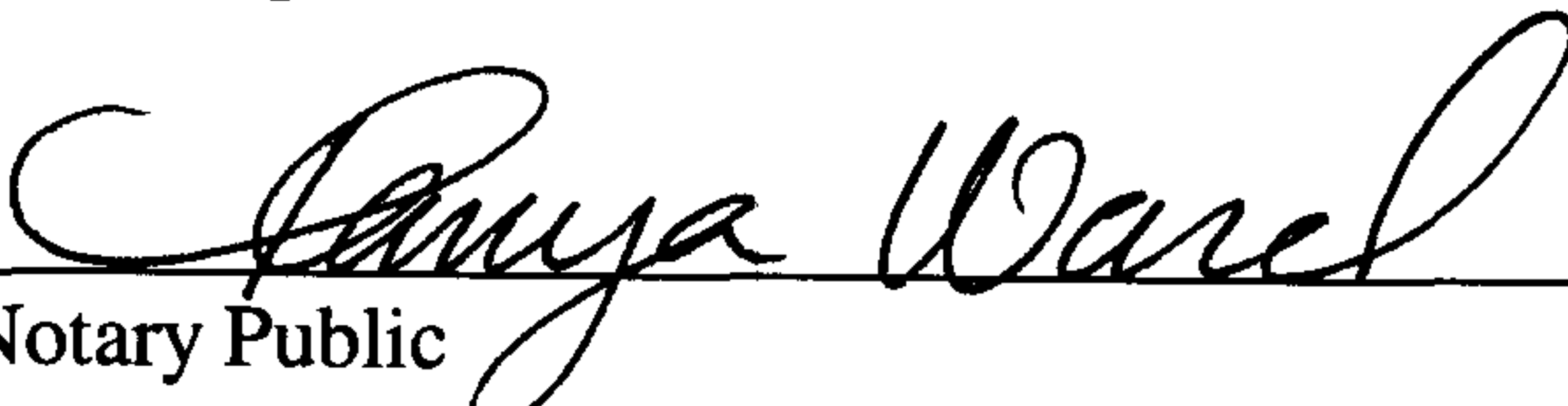




STATE OF ALABAMA                    )  
COUNTY OF JEFFERSON            )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Christopher A. Brown, whose name as Vice President of GREYSTONE GOLF CLUB, INC., an Alabama nonprofit 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 said 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 and seal of office this 30 day of December, 2002.

  
\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Aug 3, 2005  
~~BONDED THRU NOTARY PUBLIC UNDERWRITERS~~

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF PROPERTY**

The property consists of the Founder's Course and the Legacy Course which are described as follows:

#### **Founder's Course Legal Description**

The Founder's Course consists of Parcel A (less and except the property described below) and Parcel B, which are described as follows:

##### **Parcel A:**

A parcel of land situated in Sections 27, 28, 32 and 33, Township 18 South, Range 1 West, Shelby County, Alabama, being more particularly described as follows:

Commence at an iron pin locally accepted to be the Northwest corner of said Section 33, thence run South along the West line of said Section 33 for a distance of 713.00 feet to the point of beginning; thence turn an angle to the right of 100 degrees 45 minutes 22 seconds and run in a northwesterly direction for a distance of 74.93 feet to an iron pin found; thence turn an angle to the left of 21 degrees 26 minutes 24 seconds and run in a southwesterly direction for a distance of 548.21 feet to an iron pin found; thence turn an angle to the right of 34 degrees 30 minutes 01 seconds and run in a northwesterly direction for a distance of 219.54 feet to an iron pin found on the Southeast right-of-way line of Greystone Way, a private roadway, in Greystone 1st Sector Phase II as recorded in Map Book 15, on pages 58-61, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 69 degrees 44 minutes 59 seconds and run in a southwesterly direction along the Southeast right-of-way line of said Greystone Way for a distance of 113.46 feet to an iron pin found; thence turn an angle to the left of 2 degrees 16 minutes 48 seconds and run in a southwesterly direction along the Southeast right-of-way line of said Greystone Way for a distance of 70.71 feet to a point on a curve to the right having a central angle of 25 degrees 00 minutes 00 seconds and a radius of 721.69 feet; thence run in a southwesterly direction along the arc of said curve and also along the Southeast right-of-way line of said Greystone Way for a distance of 314.90 feet to an iron pin found on a reverse curve to the left having a central angle of 1 degree 12 minutes 15 seconds and a radius of 966.30 feet; thence run in a southwesterly direction along the arc of said curve and also along the Southeast right-of-way line of said Greystone way for a distance of 20.31 feet to an iron pin found on the Southeast right-of-way line of Berwick Road in Greystone Ridge Garden Homes as recorded in Map Book 16, on Page 31, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 50 degrees 35 minutes 19 seconds from the chord of last stated curve and run in a southwesterly direction along the Southeast line of said Berwick Road for a distance of 163.77 feet to an iron pin found at the Northwest corner of Lot 2 in said Greystone Ridge Garden Homes; thence turn an angle to the left of 83 degrees 40 minutes 05 seconds and run in a southeasterly direction along the Northeast line of said Lot 2 for a distance of 100.01 feet to an iron pin found at the Northeast corner of said Lot 2; thence turn an angle to the right of 90 degrees 03 minutes 16 seconds and run in a southwesterly direction along the Southeast line



a southwesterly direction along the Southeast line of Lots 7 through 23 in said Greystone Ridge Garden Homes for a distance of 770.70 feet to an iron pin found; thence turn an angle to the right of 2 degrees 43 minutes 44 seconds and run in a southwesterly direction along the Southeast line of Lots 23 through 32 in said Greystone Ridge Garden Homes for a distance of 433.40 feet to an iron pin found; thence turn an angle to the left of 0 degrees 38 minutes 26 seconds and run in a southwesterly direction along the Southeast line of Lots 32 through 36 in said Greystone Ridge Garden Homes for a distance of 207.43 feet to an iron pin found; thence turn an angle to the left of 5 degrees 10 minutes 53 seconds and run in a southwesterly direction along the Southeast line of Lots 36 through 52 in said Greystone Ridge Garden Homes for a distance of 739.13 feet to an iron pin found at the Northwest corner of Lot 53B in a Resurvey of Lot 53, First Addition to Greystone Ridge Garden Homes as recorded in Map Book 16, on Page 57, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 89 degrees 03 minutes 51 seconds and run in a southeasterly direction along the Northeast line of Lots 53B and 53A in said Resurvey of Lot 53 for a distance of 198.44 feet to an iron pin found; thence turn an angle to the right of 40 degrees 32 minutes 01 seconds and run in a southeasterly direction along the Northeast line of Lot 53A in said Resurvey of Lot 53 and also along the Northeast line of Lots 54 through 58 in First Addition to Greystone Ridge Garden Homes as recorded in Map Book 16, on Page 32, in the Office of the Judge of Probate, Shelby County, Alabama, and also along Lots 59 through 61 and Lot 66 in Greystone Ridge Garden Homes as recorded in Map Book 16, on Page 31, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 712.32 feet to an iron pin found; thence turn an angle to the right of 34 degrees 46 minutes 13 seconds and run in a southwesterly direction along the Southeast line of Lots 66 and 67 in said Greystone Ridge Garden Homes for a distance of 200.89 feet to an iron pin found; thence turn an angle to the left of 119 degrees 51 minutes 08 seconds and run in a southeasterly direction for a distance of 153.32 feet to an iron pin found; thence turn an angle to the right of 86 degrees 27 minutes 23 seconds and run in a southeasterly direction for a distance of 7.25 feet to an iron pin found; thence turn an angle to the left of 94 degrees 06 minutes 19 seconds and run in a northeasterly direction for a distance of 21.56 feet to an iron pin found; thence turn an angle to the right of 92 degrees 39 minutes 27 seconds and run in a southeasterly direction for a distance of 215.68 feet to an iron pin found; thence turn an angle to the left of 37 degrees 13 minutes 10 seconds and run in a southeasterly direction for a distance of 196.34 feet to an iron pin found on the Northeast right-of-way line of Hugh Daniel Drive, a private roadway; thence turn an angle to the left of 21 degrees 33 minutes 40 seconds and run in a southeasterly direction along the Northeast right-of-way line of said Hugh Daniel Drive for a distance of 213.44 feet to an iron pin found; thence turn an angle to the left of 89 degrees 59 minutes 58 seconds and run in a northeasterly direction for a distance of 85.50 feet to an iron pin found; thence turn an angle to the right of 32 degrees 32 minutes 40 seconds and run in a northeasterly direction for a distance of 70.57 feet to an iron pin found; thence turn an angle to the right of 18 degrees 10 minutes 40 seconds and run in a northeasterly direction for a distance of 52.06 feet to an iron pin found; thence turn an angle to the left of 10 degrees 35 minutes 28 seconds and run in a northeasterly direction for a distance of 40.17 feet to an iron pin found; thence turn an angle to the left of 33 degrees 24 minutes 37 seconds and run in a northeasterly direction for a distance of 55.77 feet to an iron pin found; thence turn an angle to the right of 24 degrees 46 minutes 23 seconds and run in a northeasterly direction for a distance of 14.29 feet to an iron pin found; thence turn an angle to the right of 36 degrees 31 minutes 46 seconds and run in a northeasterly direction for a distance of 27.44 feet to an iron pin found; thence turn an angle to the right of 33 degrees 08



minutes 30 seconds and run in a southeasterly direction for a distance of 168.12 feet to an iron pin found; thence turn an angle to the left of 34 degrees 35 minutes 47 seconds and run in a northeasterly direction for a distance of 161.43 feet to an iron pin found; thence turn an angle to the left of 28 degrees 40 minutes 07 seconds and run in a northeasterly direction for a distance of 553.80 feet to an iron pin found on the Northwest right-of-way line of Greystone Drive, a private roadway, in Greystone 1st Sector Phase I as recorded in Map Book 14, on Page 91, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 2 degrees 28 minutes 03 seconds and run in a northeasterly direction along the Northwest right-of-way line of said Greystone Drive for a distance of 375.40 feet to an iron pin found on a curve to the right having a central angle of 12 degrees 33 minutes 21 seconds and a radius of 1,678.31 feet; thence turn an angle to the right of 86 degrees 56 minutes 43 seconds to the radius of said curve and run in a northeasterly direction along the arc of said curve and also along the Northwest right-of-way line of said Greystone Drive for a distance of 367.78 feet to an iron pin found at the Southwest corner of Lot 13 in said Greystone 1st Sector Phase I; thence turn an angle to the left from the chord of last stated curve of 83 degrees 43 minutes 26 seconds and run in a northwesterly direction along the Southwest line of said Lot 13 for a distance of 61.58 feet to an iron pin found; thence turn an angle to the right of 14 degrees 57 minutes 04 seconds and run in a northwesterly direction along the Southwest line of said Lot 13 for a distance of 134.88 feet to an iron pin found at the Northwest corner of said Lot 13; thence turn an angle to the right of 68 degrees 57 minutes 45 seconds and run in a northeasterly direction along the Northwest line of Lots 13 through 19 in said Greystone 1st Sector Phase I for a distance of 875.23 feet to an iron pin found; thence turn an angle to the left of 22 degrees 11 minutes 37 seconds and run in a northeasterly direction along the Northwest line of Lots 19 through 24 in said Greystone 1st Sector Phase I for a distance of 797.01 feet to an iron pin found at the Northwest corner of said Lot 24; thence turn an angle to the right of 51 degrees 55 minutes 06 seconds and run in a northeasterly direction along the Northwest line of Lots 24 and 25 in said Greystone 1st Sector Phase I for a distance of 274.60 feet to an iron pin found at the Northwest corner of Lot 16 in St. Charles at Greystone as recorded in Map Book 16, on Page 5, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 16 degrees 37 minutes 12 seconds and run in a northeasterly direction along the Northwest line of said Lot 16 for a distance of 115.95 feet to an iron pin found; thence turn an angle to the left of 42 degrees 25 minutes 05 seconds and run in a northeasterly direction along the Northwest line of Lots 16, 15, 14 and 13 in said St. Charles at Greystone for a distance of 444.00 feet to an iron pin found at the Southwest corner of Lot 1 in Greystone 4th Sector as recorded in Map Book 16, on Page 89 A, B & C, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 14 degrees 38 minutes 55 seconds and run in a northeasterly direction along the Northwest line of said Lot 1 for a distance of 155.71 feet to an iron pin found; thence turn an angle to the left of 14 degrees 59 minutes 28 seconds and run in a northeasterly direction along the Northwest line of Lots 1 and 2 in said Greystone 4th Sector for a distance of 612.50 feet to an iron pin found; thence turn an angle to the right of 62 degrees 01 minutes 15 seconds and run in a northeasterly direction along the Northwest line of said Lot 2 for a distance of 80.56 feet to an iron pin found; thence turn an angle to the right of 73 degrees 57 minutes 01 seconds and run in a southeasterly direction along the Northeast line of said Lot 2 for a distance of 210.71 feet to an iron pin found at the Northeast corner of Lot 3 in said Greystone 4th Sector; thence turn an angle to the right of 11 degrees 30 minutes 17 seconds and run in a southeasterly direction for a distance of 199.55 feet to an iron pin found on the Northwest line of Lot 4 in said Greystone 4th Sector; thence turn an angle to the



left of 95 degrees 19 minutes 38 seconds and run in a northeasterly direction along the Northwest line of said Lot 4 for a distance of 39.95 feet to an iron pin found at the Northeast corner of said Lot 4; thence turn an angle to the right of 83 degrees 50 minutes 12 seconds and run in a southeasterly direction along the Northeast line of said Lot 4 for a distance of 180.00 feet to an iron pin found; thence turn an angle to the right of 35 degrees 56 minutes 37 seconds and run in a southwesterly direction along the Southeast line of said Lot 4 for a distance of 67.89 feet to the Southeast corner of said Lot 4, said corner being on the North right-of-way line of Greystone Way, a private roadway, in said Greystone 4th Sector; thence turn an angle to the left of 90 degrees 00 minutes 00 seconds and run in a southeasterly direction along said North right-of-way line for a distance of 198.68 feet to the Southwest corner of Lot 5A of A Resurvey of Lots 5 and 6 in Greystone 4th Sector as recorded in Map Book 17, on Page 97, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 90 degrees 00 minutes 00 seconds and run in a northeasterly direction along the Northwest line of said Lot 5A for a distance of 67.84 feet to an iron pin found at the Northwest corner of said Lot 5A; thence turn an angle to the right of 8 degrees 27 minutes 34 seconds and run in a northeasterly direction along the Northwest line of said Lots 5A and 6A and also along the Northwest line of Lot 7, 8 and 9 in said Greystone 4th Sector for a distance of 637.08 feet to an iron pin found; thence turn an angle to the right of 61 degrees 23 minutes 26 seconds and run in a northeasterly direction along the Northwest line of Lots 9 and 10 in said Greystone 4th Sector for a distance of 280.44 feet to an iron pin found; thence turn an angle to the left of 29 degrees 39 minutes 08 seconds and run in a northeasterly direction along the Northwest line of Lot 10 in said Greystone 4th Sector for a distance of 122.99 feet to an iron pin found at the Northwest corner of Lot 11 in said Greystone 4th Sector; thence turn an angle to the left of 4 degrees 41 minutes 00 seconds and run in a northeasterly direction along the Northwest line of Lots 11 through 14 in said Greystone 4th Sector for a distance of 488.47 feet to an iron pin found; thence turn an angle to the left of 6 degrees 08 minutes 32 seconds and run in a northeasterly direction along the Northwest line of Lots 14 through 16 in said Greystone 4th Sector for a distance of 246.56 feet to an iron pin found; thence turn an angle to the left of 23 degrees 49 minutes 53 seconds and run in a northeasterly direction along the Northwest line of Lots 16 through 19 in said Greystone 4th Sector for a distance of 483.13 feet to an iron pin found; thence turn an angle to the right of 61 degrees 41 minutes 06 seconds and run in a northeasterly direction along the Northwest line of Lots 19 and 20 in said Greystone 4th Sector for a distance of 304.66 feet to an iron pin found; thence turn an angle to the left of 3 degrees 47 minutes 28 seconds and run in a northeasterly direction along the Northwest line of Lots 20 through 24 in said Greystone 4th Sector for a distance of 539.54 feet to an iron pin found at the Northwest corner of Lot 25A in Amended Map of A Resurvey of Lot 25 Greystone 4th Sector as recorded in Map Book 19, on Page 69, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 35 degrees 25 minutes 07 seconds and run in a northeasterly direction along the Northwest line of said Lots 25A and 26 in said Greystone 4th Sector for a distance of 390.95 feet to an iron pin found; thence turn an angle to the left of 4 degrees 34 minutes 17 seconds and run in a northeasterly direction along the Northwest line of Lots 27 through 29 in said Greystone 4th Sector for a distance of 436.56 feet to an iron pin found on the Southwest right-of-way of Greystone Way, a private roadway; thence turn an angle to the right of 70 degrees 12 minutes 39 seconds and run in a southeasterly direction for a distance of 95.13 feet to an iron pin found at the Northwest corner of Lot 30 in said Greystone 4th Sector on the Northeast right-of-way of said Greystone Way, a private roadway; thence turn an angle to the left of 19 degrees 52 minutes

16 seconds and run in a northeasterly direction along the Northwest line of said Lot 30 for a distance of 133.64 feet to an iron pin found; thence turn an angle to the left of 16 degrees 56 minutes 25 seconds and run in a northeasterly direction along the Northwest line of said Lot 30 for a distance of 89.36 feet to an iron pin found at the Northwest corner of Lot 1 in Greystone 7th Sector as recorded in Map Book 18, on Page 119, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 1 degree 34 minutes 20 seconds and run in a northeasterly direction along the Northwest line of said Lot 1 for a distance of 130.16 feet to an iron pin found at the Northwest corner of Lot 2 in said Greystone 7th Sector; thence turn an angle to the left of 2 degrees 57 minutes 21 seconds and run in a northeasterly direction along the Northwest line of said Lot 2 for a distance of 131.09 feet to an iron pin found at the Northwest corner of Lot 3 in said Greystone 7th Sector; thence turn an angle to the right of 1 degree 29 minutes 15 seconds and run in a northeasterly direction along the Northwest line of said Lot 3 for a distance of 121.58 feet to an iron pin found; thence turn an angle to the right of 3 degrees 35 minutes 36 seconds and run in a northeasterly direction along the Northwest line of said Lot 3 and also along the Northwest line of Lot 4A in a Resurvey of Lots 4 and 5 Greystone 7th Sector as recorded in Map Book 20, on Page 15, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 279.84 feet to an iron pin found; thence turn an angle to the left of 30 degrees 00 minutes 32 seconds and run in a northeasterly direction along the Northwest line of said Lot 4A and Lot 5A in last stated Resurvey and also along the Northwest line of Lots 6 and 7 in said Greystone 7th Sector for a distance of 620.08 feet to an iron pin found; thence turn an angle to the left of 3 degrees 19 minutes 07 seconds and run in a northeasterly direction along the Northwest line of Lot 8 in said Greystone 7th Sector for a distance of 261.23 feet to an iron pin found; thence turn an angle to the left of 7 degrees 01 minutes 37 seconds and run in a northeasterly direction along the Northwest line of Lots 8 and 9 in said Greystone 7th Sector for a distance of 174.29 feet to an iron pin found at the Southwest corner of Lot 10 in said Greystone 7th Sector; thence turn an angle to the left of 83 degrees 58 minutes 27 seconds and run in a northwesterly direction along the Southwest line of said Lot 10 for a distance of 178.88 feet to an iron pin found; thence turn an angle to the right of 35 degrees 55 minutes 03 seconds and run in a northwesterly direction along the Southwest line of said Lot 10 and also along the Southwest line of Lots 1 and 8 in Greystone 7th Sector Phase I as recorded in Map Book 18, on Page 120 A, B & C, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 342.48 feet to an iron pin found; thence turn an angle to the left of 15 degrees 53 minutes 06 seconds and run in a northwesterly direction along the Southwest line of Lots 8 through 10 in said Greystone 7th Sector Phase I for a distance of 307.90 feet to an iron pin found; thence turn an angle to the left of 2 degrees 11 minutes 48 seconds and run in a northwesterly direction along the Southwest line of Lots 10 through 12 in said Greystone 7th Sector Phase I for a distance of 218.46 feet to an iron pin found; thence turn an angle to the left of 49 degrees 29 minutes 29 seconds and run in a southwesterly direction along the Southeast line of Lots 12 and 13 in said Greystone 7th Sector Phase I and also along the Southeast line of Lot 58 in Greystone 8th Sector as recorded in Map Book 20, on Page 93 A & B, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 168.21 feet to an iron pin found; thence turn an angle to the left of 29 degrees 27 minutes 13 seconds and run in a southwesterly direction along the Southeast line of Lots 58 and 57 in said Greystone 8th Sector for a distance of 99.43 feet to an iron pin found; thence turn an angle to the left of 14 degrees 19 minutes 43 seconds and run in a southwesterly direction along the Southeast line of Lots 57 through 50 in said Greystone 8th Sector for a distance of 1,090.53 feet to an iron pin found; thence turn an angle to the right of 5



degrees 36 minutes 11 seconds and run in a southwesterly direction along the Southeast line of Lots 49 through 46 in said Greystone 8th Sector for a distance of 503.78 feet to an iron pin found; thence turn an angle to the right of 24 degrees 47 minutes 26 seconds and run in a southwesterly direction along the Southeast line of Lot 46 in said Greystone 8th Sector for a distance of 178.90 feet to an iron pin found; thence turn an angle to the right of 75 degrees 25 minutes 39 seconds and run in a northwesterly direction along the Southwest line of said Lot 46 for a distance of 92.04 feet to an iron pin found on the Southeast right-of-way line of Castlehill Road, a private roadway, in said Greystone 8th Sector, said iron pin being on a curve to the right having a central angle of 21 degrees 29 minutes 03 seconds and a radius of 818.00 feet; thence turn an angle to the left of 90 degrees 00 minutes 00 seconds to the tangent of said curve and run in a southwesterly direction along the arc of said curve and also along the Southeast right-of-way line of said Castlehill Road for a distance of 306.73 feet to an iron pin found on a reverse curve to the left having a central angle of 88 degrees 53 minutes 07 seconds and a radius of 25.00 feet; thence run in a southwesterly direction along the arc of said curve for a distance of 38.77 feet to an iron pin found on a compound curve to the left having a central angle of 29 degrees 27 minutes 30 seconds and a radius of 244.92 feet, said iron pin found being on the Northeast right-of-way line of Greystone Way, a private roadway, in said Greystone 8th Sector; thence run in a southeasterly direction along the arc of said curve and also along the Northeast line of said Greystone Way for a distance of 125.92 feet to an iron pin found; thence turn an angle to the right of 90 degrees 00 minutes 00 seconds from the tangent of last stated curve and run in a southwesterly direction crossing said Greystone Way for a distance of 60.00 feet to an iron pin found on a curve to the right having a central angle of 30 degrees 22 minutes 48 seconds and a radius of 304.92 feet; thence run in a northwesterly direction along the Southwest right-of-way line of said Greystone Way for a distance of 161.68 feet to an iron pin found on a reverse curve to the left having a central angle of 84 degrees 31 minutes 48 seconds and a radius of 25.00 feet; thence run in a northwesterly direction along the arc of said curve for a distance of 36.88 feet to an iron pin found on the Southeast right-of-way line of Castlehill Road, a private roadway, said iron pin found being on a reverse curve to the right having a central angle of 0 degrees 49 minutes 50 seconds and a radius of 818.00 feet; thence run in a southwesterly direction along the arc of said curve and also along the Southeast right-of-way line of said Castlehill Road for a distance of 11.86 feet to an iron pin found on a reverse curve to the left having a central angle of 17 degrees 54 minutes 37 seconds and a radius of 504.23 feet; thence run in a southwesterly direction along the arc of said curve and also along the Southeast right-of-way line of said Castlehill Road for a distance of 157.62 feet to an iron pin found; thence run tangent to last stated curve in a southwesterly direction for a distance of 269.39 feet to an iron pin found on the South right-of-way of Greystone Way, a proposed private roadway, said iron being the Northeast corner of Lot 11, Greystone 9th Sector as recorded in Map Book 21, on Page 143, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 96 degrees 18 minutes 10 seconds and run in a southeasterly direction along said Lot 11 for a distance of 62.68 feet to an iron pin found; thence turn an angle to the left of 15 degrees 52 minutes 20 seconds and run in a southeasterly direction for a distance of 107.14 feet to an iron pin found; thence turn an angle to the right of 26 degrees 28 minutes 24 seconds and run in a southeasterly direction for a distance of 35.27 feet to an iron pin found; thence turn an angle to the right of 55 degrees 59 minutes 34 seconds and run in a southwesterly direction for a distance of 28.14 feet to an iron pin found; thence turn an angle to the left of 114 degrees 54 minutes 18 seconds and run in a southeasterly direction for a distance of 32.06 feet to an iron pin found; thence turn an angle

to the right of 40 degrees 33 minutes 55 seconds and run in a southeasterly direction for a distance of 106.72 feet to an iron pin found; thence turn an angle to the right of 19 degrees 49 minutes 52 seconds and run in a southeasterly direction along the Southeast line of Lots 11 and 10 in said Greystone 9th Sector for a distance of 42.83 feet to an iron pin found; thence turn an angle to the right of 17 degrees 34 minutes 22 seconds and run in a southwesterly direction along the Southeast line of said Lot 10 for a distance of 97.42 feet to an iron pin found; thence turn an angle to the right of 19 degrees 35 minutes 13 seconds and run in a southwesterly direction for a distance of 38.69 feet to an iron pin found; thence turn an angle to the left of 29 degrees 43 minutes 53 seconds and run in a southeasterly direction for a distance of 50.39 feet to an iron pin found; thence turn an angle to the left of 12 degrees 50 minutes 20 seconds and run in a southeasterly direction along the Southeast lines of Lots 10 and 9 of said Greystone 9th Sector for a distance of 58.98 feet to an iron pin found; thence turn an angle to the right of 58 degrees 10 minutes 18 seconds and run in a southwesterly direction along the Southeast lines of Lots 9 and 8 of said Greystone 9th Sector for a distance of 271.36 feet to an iron pin found; thence turn an angle to the right of 41 degrees 02 minutes 02 seconds and run in a southwesterly direction along the Southwest line of Lots 8, 7 and 6 of said Greystone 9th Sector for a distance of 548.64 feet to an iron pin found; thence turn an angle to the left of 28 degrees 35 minutes 37 seconds and run in a southwesterly direction along the Southwest line of Lot 6 of said Greystone 9th Sector for a distance of 55.80 feet to an iron pin found; thence turn an angle to the right of 41 degrees 11 minutes 13 seconds and run in a northwesterly direction for a distance of 452.84 feet to an iron pin found; thence turn an angle to the right of 0 degrees 57 minutes 35 seconds and run in a northwesterly direction along lines of Lots 3 through 1 in said Greystone 9th Sector for a distance of 207.28 feet to an iron pin found; thence turn an angle to the left of 21 degrees 26 minutes 02 seconds and run in a southwesterly direction along said Lot 1 for a distance of 58.94 feet to an iron pin found; thence turn an angle to the left of 7 degrees 15 minutes 00 seconds and run in a southwesterly direction along said Lot 1 for a distance of 40.95 feet to an iron pin found; thence turn an angle to the right of 104 degrees 48 minutes 54 seconds and run in a northwesterly direction for a distance of 214.76 feet to an iron pin found on a curve to the left having a central angle of 18 degrees 45 minutes 08 seconds and a radius of 450.49 feet; thence turn an angle to the left of 106 degrees 45 minutes 49 seconds to the chord of said curve and run in a southwesterly direction along the arc of said curve for a distance of 147.44 feet to an iron pin found; thence turn an angle to the right of 109 degrees 55 minutes 22 seconds from the chord of last stated curve and run in a northwesterly direction for a distance of 66.87 feet to an iron pin found; thence turn an angle to the right of 48 degrees 07 minutes 30 seconds and run in a northeasterly direction for a distance of 40.51 feet to an iron pin found; thence turn an angle to the left of 22 degrees 28 minutes 30 seconds and run in a northeasterly direction for a distance of 47.39 feet to an iron pin found; thence turn an angle to the right of 51 degrees 59 minutes 06 seconds and run in a northeasterly direction for a distance of 68.94 feet to an iron pin found; thence turn an angle to the left of 31 degrees 45 minutes 15 seconds and run in a northeasterly direction for a distance of 29.65 feet to an iron pin found; thence turn an angle to the right of 39 degrees 20 minutes 52 seconds and run in a northeasterly direction for a distance of 87.77 feet to an iron pin found; thence turn an angle to the left of 36 degrees 12 minutes 53 seconds and run in a northeasterly direction for a distance of 385.36 feet to an iron pin found; thence turn an angle to the left of 6 degrees 40 minutes 17 seconds and run in a northeasterly direction for a distance of 86.05 feet to an iron pin found; thence turn an angle to the left of 13 degrees 26 minutes 12 seconds and run in a northeasterly direction for a distance of 58.48 feet to an iron pin found;



thence turn an angle to the left of 31 degrees 30 minutes 12 seconds and run in a northwesterly direction for a distance of 39.43 feet to an iron pin found; thence turn an angle to the left of 38 degrees 40 minutes 45 seconds and run in a northwesterly direction for a distance of 267.55 feet to an iron pin found; thence turn an angle to the left of 85 degrees 23 minutes 49 seconds and run in a southwesterly direction for a distance of 89.57 feet to an iron pin found; thence turn an angle to the left of 19 degrees 58 minutes 12 seconds and run in a southwesterly direction for a distance of 205.17 feet to an iron pin found; thence turn an angle to the left of 2 degrees 45 minutes 09 seconds and run in a southwesterly direction for a distance of 141.68 feet to an iron pin found; thence turn an angle to the left of 14 degrees 53 minutes 53 seconds and run in a southwesterly direction for a distance of 170.88 feet to an iron pin found; thence turn an angle to the left of 11 degrees 05 minutes 53 seconds and run in a southwesterly direction for a distance of 102.93 feet to an iron pin found; thence turn an angle to the right of 75 degrees 16 minutes 09 seconds and run in a southwesterly direction for a distance of 67.33 feet to an iron pin found; thence turn an angle to the left of 44 degrees 45 minutes 54 seconds and run in a southwesterly direction for a distance of 89.61 feet to an iron pin found; thence turn an angle to the right of 10 degrees 46 minutes 14 seconds and run in a southwesterly direction for a distance of 36.85 feet to an iron pin found; thence turn an angle to the left of 62 degrees 03 minutes 39 seconds and run in a southeasterly direction for a distance of 71.06 feet to an iron pin found being on the Southerly right-of-way of Greystone Way, a private roadway, and being on a curve to the left having a central angle of 4 degrees 21 minutes 11 seconds and a radius of 450.49 feet; thence turn an angle to the left of 13 degrees 19 minutes 54 seconds to the radius of said curve and run in a southwesterly direction along the arc of said curve for a distance of 34.23 feet to an iron pin found at the northeast corner of Lot 31 in Greystone 6th Sector as recorded in Map Book 17, on Page 54 A, B & C, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 92 degrees 10 minutes 34 seconds from the chord of last stated curve and run in a southeasterly direction along the Northeast line of said Lot 31 for a distance of 200.26 feet to an iron pin found at the Southeast corner of said Lot 31; thence turn an angle to the right of 107 degrees 10 minutes 01 seconds and run in a southwesterly direction along the Southeast line of said Lot 31 for a distance of 97.05 feet to an iron pin found at the Southeast corner of Lot 32 in said Greystone 6th Sector; thence turn an angle to the left of 50 degrees 06 minutes 01 seconds and run in a southwesterly direction along the Southeast line of said Lot 32 for a distance of 65.88 feet to an iron pin found; thence turn an angle to the left of 25 degrees 52 minutes 47 seconds and run in a southeasterly direction along the Northeast line of said Lot 32 and Lot 33 in said Greystone 6th Sector for a distance of 88.93 feet to an iron pin found; thence turn an angle to the left of 0 degrees 02 minutes 13 seconds and run in a southeasterly direction along the Northeast line of Lots 33 through 37 in said Greystone 6th Sector and acreage for a distance of 739.46 feet to an iron pin found; thence turn an angle to the left of 9 degrees 26 minutes 44 seconds and run in a southeasterly direction for a distance of 425.82 feet to an iron pin found; thence turn an angle to the right of 71 degrees 14 minutes 11 seconds and run in a southwesterly direction for a distance of 123.59 feet to an iron pin found; thence turn an angle to the right of 73 degrees 52 minutes 17 seconds and run in a northwesterly direction for a distance of 363.02 feet to an iron pin found; thence turn an angle to the left of 23 degrees 47 minutes 02 seconds and run in a northwesterly direction for a distance of 143.53 feet to an iron pin found; thence turn an angle to the right of 4 degrees 32 minutes 45 seconds and run in a northwesterly direction along the Southwest line of Lot 38 in said Greystone 6th Sector for a distance of 166.18 feet to an iron pin found at the Southeast corner of Lot 39 in said Greystone 6th Sector; thence

turn an angle to the left of 26 degrees 51 minutes 52 seconds and run in a southwesterly direction along the Southeast line of said Lot 39 for a distance of 93.68 feet to an iron pin found; thence turn an angle to the right of 17 degrees 05 minutes 29 seconds and run in a northwesterly direction along the Southwest line of Lots 39 through 43 in said Greystone 6th Sector for a distance of 457.63 feet to an iron pin found; thence turn an angle to the left of 19 degrees 57 minutes 33 seconds and run in a southwesterly direction along the Southeast line of Lots 43 and 44 in said Greystone 6th Sector for a distance of 81.21 feet to an iron pin found; thence turn an angle to the left of 65 degrees 39 minutes 24 seconds and run in a southwesterly direction along the Southeast line of Lots 44 and 45 in said Greystone 6th Sector for a distance of 74.24 feet to an iron pin found; thence turn an angle to the left of 22 degrees 31 minutes 32 seconds and run in a southeasterly direction along the Northeast line of Lots 45 through 47 in said Greystone 6th Sector for a distance of 172.74 feet to an iron pin found; thence turn an angle to the right of 16 degrees 25 minutes 25 seconds and run in a southwesterly direction along the Southeast line of Lots 47 through 52 in said Greystone 6th Sector for a distance of 491.32 feet to an iron pin found; thence turn an angle to the right of 5 degrees 27 minutes 21 seconds and run in a southwesterly direction along the Southeast line of Lots 52 through 56 in said Greystone 6th Sector for a distance of 502.62 feet to an iron pin found at the Southeast corner of Lot 57 in said Greystone 6th Sector; thence turn an angle to the right of 26 degrees 11 minutes 16 seconds and run in a southwesterly direction along the Southeast line of said Lot 57 for a distance of 151.81 feet to an iron pin found at the Southwest corner of said Lot 57; thence turn an angle to the right of 60 degrees 13 minutes 24 seconds and run in a northwesterly direction for a distance of 143.13 feet to the point of beginning. Containing 432.77 acres more or less; LESS AND EXCEPT two parcels of land being more particularly described as follows:

**LESS AND EXCEPT PARCEL I:**

Commence at an iron pin locally accepted to be the Northwest corner of said Section 33, thence run south along the West line of said Section 33 for a distance of 1039.62 feet to the point of beginning, said point of beginning being on the Northeast line of Lot 138 in Greystone 1st Sector Phase II as recorded in Map Book 15, on Page 58 through 61, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 98 degrees 11 minutes 09 seconds and run in a northwesterly direction along the Northeast line of Lots 138, 137, 136 and 135 in said Greystone 1st Sector Phase II for a distance of 646.59 feet to a point, said point being on the right-of-way of King Stables Road, a private roadway; thence turn an angle to the left of 61 degrees 39 minutes 17 seconds and run in a southeasterly direction for a distance of 42.62 feet to a point on the southwest right-of-way line of King Stables Road as recorded in said Greystone 1st Sector Phase II; thence turn an angle to the left of 80 degrees 04 minutes 56 seconds and run in a southeasterly direction along said Southwest right-of-way line of said King Stables Road for a distance of 72.14 feet to an iron pin found on a curve to the left having a central angle of 12 degrees 44 minutes 46 seconds and a radius of 774.50 feet; thence run in a southeasterly direction along said Southwest right-of-way line of said King Stables Road and also along the arc of said curve for a distance of 172.30 feet to an iron pin found on a reverse curve to the right having a central angle of 86 degrees 03 minutes 19 seconds and a radius of 25.00 feet; thence run in a southeasterly to southwesterly direction along the arc of said curve for a distance of 37.55 feet to an iron pin found on the Northwest right-of-way line of Shadwick Place, a private roadway, in said Greystone 1st Sector Phase II; thence run tangent to last stated curve in a



southwesterly direction along the Northwest right-of-way line of said Shadwick Place for a distance of 267.58 feet to an iron pin found on the Southeast corner of Lot 82 in said Greystone 1st Sector Phase II; thence turn an angle to the right of 90 degrees 00 minutes 00 seconds and run in a northwesterly direction along the Northeast line of said Lot 82 for a distance of 223.65 feet to an iron pin found on the Northeast corner of said Lot 82; thence turn an angle to the left of 97 degrees 02 minutes 12 seconds and run in a southwesterly direction along the Northwest line of Lots 82, 81 and 80 in said Greystone 1st Sector Phase II for a distance of 407.36 feet to an iron pin found; thence turn an angle to the right of 14 degrees 31 minutes 58 seconds and run in a southwesterly direction along the Northwest line of Lots 80, 79, 78 and 77 in said Greystone 1st Sector Phase II for a distance of 348.78 feet to an iron pin found; thence turn an angle to the right of 3 degrees 45 minutes 02 seconds and run in a southwesterly direction along the Northwest line of Lots 77, 76, and 75 in said Greystone 1st Sector Phase II for a distance of 347.89 feet to an iron pin found; thence turn an angle to the left of 47 degrees 04 minutes 01 seconds and run in a southeasterly direction along the Southwest line of said Lot 75 for a distance of 123.67 feet to an iron pin found; thence turn an angle to the left of 40 degrees 06 minutes 26 seconds and run in a southeasterly direction along the Southwest line of said Lot 75 for a distance of 70.13 feet to an iron pin found at the Northwest corner of Lot 74 in said Greystone 1st Sector Phase II; thence turn an angle to the right of 40 degrees 35 minutes 37 seconds and run in a southeasterly direction along the Southwest line of said Lot 74 for a distance of 114.86 feet to an iron pin found at the Northwest corner of Lot 62 in said Greystone 1st Sector Phase II; thence turn an angle to the right of 34 degrees 09 minutes 34 seconds and run in a southwesterly direction along the Northwest line of Lots 62, 61, 60 and 59 in said Greystone 1st Sector Phase II for a distance of 485.11 feet to an iron pin found; thence turn an angle to the left of 12 degrees 56 minutes 14 seconds and run in a southwesterly direction along the Northwest line of Lots 59, 58 and 57 in said Greystone 1st Sector Phase II for a distance of 378.52 feet to an iron pin found at the Northwest corner of Lot 56 in said Greystone 1st Sector Phase II; thence turn an angle to the left of 4 degrees 01 minutes 24 seconds and run in a southwesterly direction along the Northwest line of said Lot 56 for a distance of 177.66 feet to an iron pin found at the Northwest corner of Lot 55 in said Greystone 1st Sector Phase II; thence turn an angle to the left of 21 degrees 19 minutes 38 seconds and run in a southeasterly direction along the Southwest line of said Lot 55 for a distance of 170.13 feet to an iron pin found at the Northwest corner of Lot 54 in said Greystone 1st Sector Phase II; thence turn an angle to the left of 4 degrees 08 minutes 56 seconds and run in a southeasterly direction along the Southwest line of said Lot 54 and also along the Southwest line of Lots 53A and 52A of a Resurvey of Lots 52 and 53 in Greystone 1st Sector Phase II as recorded in Map Book 16, on Page 8, in the Office of the Judge of Probate, Shelby County, Alabama, and also along the Southwest line of Lot 51 in Greystone 1st Sector Phase II as recorded in Map Book 15, on pages 58 through 61, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 545.96 feet to an iron pin found; thence turn an angle to the left of 48 degrees 56 minutes 10 seconds and run in a southeasterly direction along the Southwest line of said Lot 51 for a distance of 91.65 feet to an iron pin found; thence turn an angle to the left of 36 degrees 54 minutes 34 seconds and run in a northeasterly direction along the Southeast line of Lots 51, 50 and 49 and also along the Southeast line of Lots 48 and 47 in Greystone 1st Sector Phase I as recorded in Map Book 14, on Page 91, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 705.63 feet to an iron pin found at the Southwest corner of Lot 46 in said Greystone 1st Sector Phase I; thence turn an angle to the left of 38 degrees 30 minutes 14 seconds and run in a northeasterly direction along the Southeast line of



Lots 46, 45 and 44 in said Greystone 1st Sector Phase I for a distance of 402.83 feet to an iron pin found; thence turn an angle to the right of 7 degrees 52 minutes 33 seconds and run in a northeasterly direction along the Southeast line of Lots 44, 43, 42 and 41 in said Greystone 1st Sector Phase I for a distance of 581.86 feet to an iron pin found; thence turn an angle to the left of 20 degrees 50 minutes 24 seconds and run in a northeasterly direction along the Southeast line of Lots 41 and 40 in said Greystone 1st Sector Phase I for a distance of 173.78 feet to an iron pin found; thence turn an angle to the left of 65 degrees 53 minutes 15 seconds and run in a northwesterly direction along the Northeast line of Lots 40 and 39 in said Greystone 1st Sector Phase I for a distance of 80.07 feet to an iron pin found; thence turn an angle to the right of 41 degrees 29 minutes 41 seconds and run in a northeasterly direction along the Southeast line of Lots 39 and 38 in said Greystone 1st Sector Phase I for a distance of 190.28 feet to an iron pin found; thence turn an angle to the right of 39 degrees 33 minutes 49 seconds and run in a northeasterly direction along the Southeast line of Lots 38, 37, 36, 35, 34, 33 and 32 in said Greystone 1st Sector Phase I for a distance of 775.12 feet to an iron pin found; thence turn an angle to the left of 11 degrees 49 minutes 37 seconds and run in a northeasterly direction along the Southeast line of Lots 32, 31, 30, 29, 28 and 27 in said Greystone 1st Sector Phase I for a distance of 821.91 feet to an iron pin found at the Southeast corner of Lot 26A in a Resurvey of Lot 26 Greystone 1st Sector Phase I as recorded in Map Book 15, on Page 52, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 10 degrees 42 minutes 25 seconds and run in a northeasterly direction along the Southeast line of said Lot 26A for a distance of 207.53 feet to an iron pin found on the Southwest right-of-way line of King Stables Drive, a private roadway, in said Greystone 1st Sector Phase I; thence turn an angle to the right of 84 degrees 16 minutes 32 seconds and run in a southeasterly direction along said Southwest right-of-way line of said King Stables Drive for a distance of 35.93 feet to a point on a curve to the right having a central angle of 83 degrees 08 minutes 11 seconds and a radius of 25.00 feet; thence run in a southeasterly direction along the arc of said curve for a distance of 36.28 feet to an iron pin found on the West right-of-way line of Greystone Drive, a private roadway, in said Greystone 1st Sector Phase I; thence turn an angle from the chord of last stated curve to the left of 84 degrees 17 minutes 19 seconds and run in a northeasterly direction crossing said Greystone Drive for a distance of 77.14 feet to an iron pin found on the East right-of-way line of said Greystone Drive; thence turn an angle to the left of 47 degrees 28 minutes 21 seconds and run in a northeasterly direction along the East right-of-way line of said Greystone Drive for a distance of 255.00 feet to an iron pin found on a curve to the left having a central angle of 29 degrees 00 minutes 00 seconds and a radius of 880.68 feet; thence run in a northwesterly direction along the arc of said curve and also along the East right-of-way line of said Greystone Drive for a distance of 445.75 feet to an iron pin found; thence run tangent to last stated curve in a northwesterly direction along the East right-of-way line of said Greystone Drive for a distance of 155.00 feet to an iron pin found on a curve to the right having a central angle of 44 degrees 00 minutes 00 seconds and a radius of 378.39 feet; thence run in a northeasterly direction along the arc of said curve and also along the East right-of-way line of said Greystone Drive for a distance of 290.58 feet to an iron pin found; thence turn an angle from the chord of last stated curve to the left of 68 degrees 00 minutes 00 seconds and run in a northwesterly direction crossing said Greystone Drive for a distance of 58.69 feet to an iron pin found on the Southeast right-of-way of said Greystone Drive, and on a curve to the left having a central angle of 19 degrees 09 minutes 04 seconds and a radius of 438.39 feet; thence turn an interior counterclockwise angle to the left of 0 degrees 04 minutes 08 seconds to the radius of said curve



and run in a southwesterly direction along the arc of said curve and also along the West right-of-way of said Greystone Drive for a distance of 146.53 feet to an iron pin found; thence turn an angle from the chord of last stated curve to the right of 90 degrees 55 minutes 38 seconds and run in a northwesterly direction for a distance of 63.08 feet to an iron pin found; thence turn an angle to the left of 67 degrees 49 minutes 35 seconds and run in a southwesterly direction for a distance of 57.64 feet to an iron pin found; thence turn an angle to the right of 33 degrees 47 minutes 18 seconds and run in a southwesterly direction for a distance of 58.63 feet to an iron pin found on the northeast corner of Lot 2A in a Resurvey of Lots 2 and 5 St. Ives at Greystone as recorded in Map Book 17, on Page 33, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 74 degrees 18 minutes 13 seconds and run in a northwesterly direction along the Northeast line of Lots 2A and 5A in said Resurvey for a distance of 133.76 feet to an iron pin found at the southeast corner of Lot 6 in St. Ives at Greystone as recorded in Map Book 15, on Page 70, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 37 degrees 52 minutes 35 seconds and run in a northeasterly direction along the Southeast line of said Lot 6 for a distance of 113.01 feet to an iron pin found; thence turn an angle to the left of 57 degrees 25 minutes 15 seconds and run in a northwesterly direction along the northeast line of said Lot 6 for a distance of 66.09 feet to an iron pin found at the Southeast corner of Lot 7 in said St. Ives at Greystone; thence turn an angle to the right of 47 degrees 00 minutes 12 seconds and run in a northwesterly direction along the Northeast line of said Lot 7 for a distance of 493.64 feet to a point; thence turn an angle to the left of 122 degrees 49 minutes 05 seconds and run in a southwesterly direction along the Northwest line of said Lot 7 for a distance of 173.27 feet to an iron pin found; thence turn an angle to the left of 38 degrees 23 minutes 31 seconds and run in a southwesterly direction along the Northwest line of Lot 7 and Lot 8 in said St. Ives at Greystone for a distance of 328.54 feet to an iron pin found at the Northwest corner of Lot 9 in said St. Ives at Greystone; thence turn an angle to the right of 6 degrees 23 minutes 22 seconds and run in a southwesterly direction along the Northwest line of Lots 9 through 16 in said St. Ives at Greystone for a distance of 719.55 feet to an iron pin found; thence turn an angle to the right of 4 degrees 29 minutes 30 seconds and run in a southwesterly direction along the Northwest line of Lots 16 and 17 in said St. Ives at Greystone for a distance of 105.72 feet to an iron pin found, said iron pin found being the Northernmost corner of Lot 140 in Greystone 1st Sector Phase II as recorded in Map Book 15, on Page 58 through 61, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the right of 37 degrees 25 minutes 23 seconds and run in a southwesterly direction along the Northwest line of said Lot 140 for a distance of 102.22 feet to an iron pin found at the Northeast corner of Lot 139 in said Greystone 1st Sector Phase II; thence turn an angle to the right of 44 degrees 48 minutes 01 seconds and run in a northwesterly direction along the Northeast line of said Lot 139 for a distance of 133.52 feet to an iron pin found; thence turn an angle to the left of 78 degrees 49 minutes 37 seconds and run in a southwesterly direction along the Northwest line of Lots 139 and 138 in said Greystone 1st Sector Phase II for a distance of 104.94 feet to an iron pin found; thence turn an angle to the right of 65 degrees 33 minutes 29 seconds and run in a northwesterly direction along the Northeast line of said Lot 138 for a distance of 30.27 feet to the point of beginning. Containing 135.84 acres, more or less.

LESS AND EXCEPT PARCEL II:

Commence at the Northeast corner of said Section 33, thence run in a northerly direction along the East line of said Section 28 for a distance of 2073.62 feet to the point of beginning, said point of beginning being on the Southeast line of Lot 5 in Greystone 5th Sector Phase II as recorded in Map Book 17, on Page 118, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 124 degrees 49 minutes 22 seconds and run in a southwesterly direction along the Southeast line of Lots 5, 4 and 3 in said Greystone 5th Sector Phase II for a distance of 371.61 feet to an iron pin found; thence turn an angle to the right of 0 degrees 01 minutes 41 seconds and run in a southwesterly direction along the Southeast line of Lots 3 and 2 and also along the Southeast line of Lot 1 in Greystone 5th Sector Phase I as recorded in Map Book 17, on Page 72 A, B & C, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 358.49 feet to an iron pin found, said iron pin being on the eastern right-of-way of Greystone Way, a private roadway; thence turn an angle to the right of 51 degrees 19 minutes 37 seconds and run in a northwesterly direction along the Southwest line of said Lot 1 and also crossing said Greystone Way in said Greystone 5th Sector Phase I for a distance of 246.90 feet to an iron pin found at the Northeast corner of Lot 76 in said Greystone 5th Sector Phase I and being on the South right-of-way of said Greystone Way; thence turn an angle to the left of 76 degrees 20 minutes 18 seconds and run in a southwesterly direction along the Southeast line of Lots 76 and 74 in said Greystone 5th Sector Phase I for a distance of 356.31 feet to an iron pin found at the Northeast corner of Lot 73 in said Greystone 5th Sector Phase I; thence turn an angle to the right of 12 degrees 08 minutes 52 seconds and run in a southwesterly direction along the Southeast line of said Lot 73 for a distance of 216.21 feet to an iron pin found at the Southeast corner of Lot 66 in said Greystone 5th Sector Phase I; thence turn an angle to the right of 11 degrees 30 minutes 07 seconds and run in a southwesterly direction along the Southeast line of Lots 66 and 65 in said Greystone 5th Sector Phase I for a distance of 298.75 feet to an iron pin found; thence turn an angle to the right of 5 degrees 17 minutes 17 seconds and run in a southwesterly direction along the Southeast line of Lots 65, 64, 62 and 61 in said Greystone 5th Sector Phase I for a distance of 532.30 feet to an iron pin found; thence turn an angle to the right of 42 degrees 26 minutes 18 seconds and run in a northwesterly direction along the Southwest line of Lots 61 and 60 in said Greystone 5th Sector Phase I for a distance of 241.13 feet to an iron pin found; thence turn an angle to the left of 86 degrees 28 minutes 39 seconds and run in a southwesterly direction along the Southeast line of Lots 59, 58, 57, 56 and 55 in said Greystone 5th Sector Phase I for a distance of 632.32 feet to an iron pin found; thence turn an angle to the right of 17 degrees 51 minutes 21 seconds and run in a southwesterly direction along the Southeast line of Lots 55, 54, 53 and 52 in said Greystone 5th Sector Phase I for a distance of 525.76 feet to an iron pin found; thence turn an angle to the right of 0 degrees 21 minutes 00 seconds and run in a southwesterly direction along the Southeast line of said Lot 52 for a distance of 84.35 feet to an iron pin found at the Southwest corner of said Lot 52; thence turn an angle to the right of 93 degrees 47 minutes 14 seconds and run in a northwesterly direction along the Southwest line of Lots 52, 51 and 50 in said Greystone 5th Sector Phase I for a distance of 563.01 feet to an iron pin found; thence turn an angle to the left of 1 degree 53 minutes 50 seconds and run in a northwesterly direction along the Southwest line of said Lot 50 and Lot 48A in a Resurvey of Lots 46, 47, 48 and 49 Greystone 5th Sector Phase I as recorded in Map Book 17, on Page 114, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 225.98 feet to an iron pin found; thence turn an angle to the left of 10 degrees 05 minutes 31 seconds and run in a northwesterly direction along the Southwest line of said Lot 48A for a distance of 140.38 feet to an iron pin found; thence turn an angle to the right of 44 degrees 38



minutes 48 seconds and run in a northwesterly direction along the Southwest line of said Lot 48A for a distance of 126.25 feet to an iron pin found; thence turn an angle to the right of 12 degrees 38 minutes 20 seconds and run in a northwesterly direction along the Southwest line of said Lot 48A and also 46A in said Resurvey for a distance of 197.68 feet to an iron pin found; thence turn an angle to the right of 10 degrees 34 minutes 07 seconds and run in a northeasterly direction along the Northwest line of said Lot 46A for a distance of 410.48 feet to an iron pin found; thence turn an angle to the left of 23 degrees 02 minutes 06 seconds and run in a northwesterly direction along the Southwest line of Lot 44 in Greystone 5th Sector Phase I as recorded in Map Book 17, on Pages 72 A, B & C, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 331.39 feet to an iron pin found at the Northwest corner of Lot 43 in said Greystone 5th Sector Phase I; thence turn an angle to the right of 104 degrees 13 minutes 40 seconds and run in a northeasterly direction along the Northwest line of Lots 43, 42 and 41 in said Greystone 5th Sector Phase I for a distance of 609.28 feet to an iron pin found; thence turn an angle to the right of 17 degrees 00 minutes 54 seconds and run in a northeasterly direction along the Northwest line of Lots 41 and 40 in said Greystone 5th Sector Phase I for a distance of 247.52 feet to an iron pin found; thence turn an angle to the left of 9 degrees 12 minutes 45 seconds and run in a northeasterly direction along the Northwest line of Lots 40, 39 and 38 of said Greystone 5th Sector Phase I and also along the Northwest line of Lot 37A of a Resurvey of Lot 37 Greystone 5th Sector Phase I as recorded in Map Book 19, on Page 161, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 453.60 feet to an iron pin found at the Northeast corner of said Lot 37A; thence turn an angle to the left of 27 degrees 42 minutes 56 seconds and run in a northeasterly direction along the Northwest line of Lot 36 and a park in said Greystone 5th Sector Phase I for a distance of 225.10 feet to an iron pin found; thence turn an angle to the left of 43 degrees 27 minutes 38 seconds and run in a northeasterly direction along the Northwest line of said park and Lot 35 in said Greystone 5th Sector Phase I for a distance of 155.83 feet to an iron pin found; thence turn an angle to the right of 10 degrees 36 minutes 09 seconds and run in a northeasterly direction along the Northwest line of Lots 35 and 34 in said Greystone 5th Sector Phase I and also along the Northwest line of Lot 32B of a Resurvey of Lots 33 and 32A Greystone 5th Sector Phase I as recorded in Map Book 19, on Page 130, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 657.80 feet to an iron pin found; thence turn an angle to the right of 16 degrees 33 minutes 13 seconds and run in a northeasterly direction along said Northwest line of said 32B and also crossing Greystone Way, a private roadway, in said Greystone 5th Sector Phase I and also along the Northwest line of Lot 31A in A Resurvey of Lots 31 & 32 Greystone 5th Sector Phase I as recorded in Map Book 17, on Page 113, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 172.32 feet to an iron pin found; thence turn an angle to the right of 42 degrees 29 minutes 00 seconds and run in a northeasterly direction along the Northwest line of said Lot 31A and also along the Northwest line of Lot 29 in said Greystone 5th Sector Phase I for a distance of 205.08 feet to an iron pin found; thence turn an angle to the left of 8 degrees 55 minutes 34 seconds and run in a northeasterly direction along the Northwest line of Lots 29 and 28 in said Greystone 5th Sector Phase I and also along the Northwest line of Lot 23 in Greystone 5th Sector Phase II as recorded in Map Book 17, on Page 118, in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 246.08 feet to an iron pin found on the Northwest line of said Lot 23; thence turn an angle to the left of 22 degrees 42 minutes 20 seconds and run in a northeasterly direction along the Northwest line of Lots 23, 22 and 21 in said Greystone 5th Sector Phase II for a distance of 464.28 feet to an iron pin found; thence turn

an angle to the left of 11 degrees 20 minutes 51 seconds and run in a northeasterly direction along the Northwest line of Lots 20 and 19 in said Greystone 5th Sector Phase II for a distance of 241.66 feet to an iron pin found; thence turn an angle to the left of 8 degrees 36 minutes 33 seconds and run in a northeasterly direction along the Northwest line of Lots 19, 18, 17 and 16 in said Greystone 5th Sector Phase II for a distance of 514.62 feet to an iron pin found; thence turn an angle to the left of 2 degrees 23 minutes 08 seconds and run in a northeasterly direction along the Northwest line of Lots 15, 14 and 13 in said Greystone 5th Sector Phase II for a distance of 425.85 feet to an iron pin found at the Northwest corner of said Lot 13; thence turn an angle to the right of 77 degrees 41 minutes 07 seconds and run in a southeasterly direction along the Northeast line of said Lot 13 for a distance of 92.05 feet to an iron pin found; thence turn an angle to the right of 33 degrees 48 minutes 51 seconds and run in a southeasterly direction along the Northeast line of said Lot 13 for a distance of 187.62 feet to an iron pin found at the Northwest corner of Lot 12A in a Resurvey of Lots 11 and 12 Greystone 5th Sector Phase II as recorded in Map Book 20, on Page 92, in the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle to the left of 17 degrees 45 minutes 55 seconds and run in a southeasterly direction along the Northeast line of said Lot 12A for a distance of 274.34 feet to an iron pin found; thence turn an angle to the right of 76 degrees 20 minutes 03 seconds and run in a southwesterly direction along the Southeast line of said Lot 12A for a distance of 35.14 feet to an iron pin found; thence turn an angle to the left of 71 degrees 50 minutes 19 seconds and run in a southeasterly direction along the Northeast line of said Lot 12A and also along the Northeast line of Lot 11A in said Resurvey for a distance of 68.38 feet to an iron pin found; thence turn an angle to the left of 67 degrees 24 minutes 19 seconds and run in a northeasterly direction along the Northwest line of said Lot 11A for a distance of 44.34 feet to an iron pin found; thence turn an angle to the right of 92 degrees 34 minutes 47 seconds and run in a southeasterly direction along the Northeast line of said Lot 11A for a distance of 97.71 feet to an iron pin found; thence turn an angle to the right of 50 degrees 57 minutes 22 seconds and run in a southwesterly direction along the Southeast line of said Lot 11A and also along the Southeast line of Lot 10 in said Greystone 5th Sector Phase II for a distance of 331.66 feet to an iron pin found; thence turn an angle to the right of 6 degrees 55 minutes 37 seconds and run in a southwesterly direction along the Southeast line of Lots 10, 9, 8, 7 and 6 in said Greystone 5th Sector Phase II for a distance of 567.97 feet to an iron pin found; thence turn an angle to the right of 17 degrees 27 minutes 17 seconds and run in a southwesterly direction along the Southeast line of Lots 6 and 5 in said Greystone 5th Sector Phase II for a distance of 118.35 feet to the point of beginning. Containing 93.29 acres, more or less.

Total golf course containing 203.64 acres, more or less.

Parcel B:

A parcel of land situated in the Southwest quarter of Section 28, Township 18 South, Range 1 West, Shelby County, Alabama, being more particularly described as follows:

Begin at an iron pin found at the Southwest corner of Lot 37-A in a Resurvey of Lot 37, Greystone 6th Sector, as recorded in Map Book 27 on Page 67, in the Office of the Judge of Probate, Shelby County, Alabama; thence run in a Southeasterly direction along the Southwest line of said Lot 37-A for a distance of 160.08 feet to an iron pin found at the Southeast corner of



said Lot 37-A; thence turn an angle to the left of 54 degrees, 04 minutes, 30 seconds and run in a Northeasterly direction along the Southeast line of said Lot 37-A for a distance of 113.55 feet to an iron pin found; thence turn an angle to the right of 114 degrees, 34 minutes, 08 seconds, and run in a Southwesterly direction for a distance of 236.00 feet to an iron pin found; thence turn an angle to the left of 09 degrees, 26 minutes, 44 seconds and run in a Southeasterly direction for a distance of 425.82 feet to an iron pin found; thence turn an angle to the right of 71 degrees, 14 minutes, 11 seconds and run in a Southwesterly direction for a distance of 123.59 feet to an iron pin found; thence turn an angle to the right of 73 degrees, 52 minutes, 17 seconds and run in a Northwesterly direction for a distance of 363.02 feet to an iron found; thence turn an angle to the left of 23 degrees, 47 minutes, 02 seconds and run in a Northwesterly direction for a distance of 143.53 feet to an iron found; thence turn an angle to the right of 04 degrees, 32 minutes, 45 seconds and run in a Northwesterly direction for a distance of 50.29 feet to an iron pin found at the Southeast corner of Lot 38 in Greystone 6th Sector as recorded in Map book 17, Pages 54A-D in the Office of the Judge of Probate of Shelby County, Alabama; thence turn an angle to the right of 83 degrees, 20 minutes, 54 seconds and run in a Northeasterly direction along the Southeast line of said Lot 38 for a distance of 243.59 feet to an iron pin found, said iron pin found being on a curve to the right having a central angle of 03 degrees, 14 minutes, 21 seconds and a radius of 265.33 feet; thence turn an angle to the left to the chord of said curve of 60 degrees, 32 minutes, 35 seconds and run in a Northwesterly direction along the arc of said curve for a distance of 15.00 feet to a point on a reverse curve to the left having a central angle of 73 degrees, 06 minutes, 48 seconds and a radius of 25.00 feet; thence run in a Northwesterly direction along the arc of said curve for a distance of 31.90 feet to a point on the South right of way line of Greystone Way in said Greystone 6th Sector, said point being on a curve to the left having a central angle of 38 degrees, 13 minutes, 47 seconds and a radius of 375.69 feet; thence turn an angle to the right from the tangent of last stated curve to the radius of said curve of 90 degrees, 00 minutes, 00 seconds and run in a Northeasterly direction along the arc of said curve and also along the South right of way line of said Greystone Way for a distance of 250.67 feet to the point of beginning; Said parcel containing 5.36 acres, more or less.

TOGETHER WITH all of the right, title and interest of Grantor under (a) that certain Reciprocal Easement Agreement dated as of January 1, 1990 and recorded in Book 312, Page 274 in the Office of the Judge of Probate of Shelby County, Alabama, as amended by First Amendment thereto dated as of November 6, 1990 and recorded in Book 317, Page 253, Second Amendment thereto dated as of January 27, 1993 and recorded as Instrument #1993-03124 and Third Amendment thereto dated as of January 1, 1999 and recorded as Instrument #1999-08816 in the aforesaid Probate Office and (b) that certain St. Ives Reciprocal Easement Agreement dated August 1, 1991 and recorded in Real 356, Page 668 in the aforesaid Probate Office.

#### Legacy Course Legal Description

The Legacy Course consists of the following two (2) parcels of real property (less and except the property described below) situated in the Southwest quarter of Section 14 and the East one-half of the Southeast quarter of Section 15 and the Northwest quarter of Section 23 and Section 22, Township 18 South, Range 1 West, Shelby County, Alabama, and in the southwest quarter of Section 22 and in the southeast quarter of Section 21, Township 18S, Range 1W, Shelby County, Alabama, being more particularly described as follows:

**Parcel I:**

Commence at a 5/8 inch rebar found locally accepted to be the Northeast corner of the Southwest quarter of said Section 22; thence run west along the North line of said quarter-quarter section for a distance of 123.50 feet to an iron pin set at the point of beginning; thence continue along last stated course for a distance of 776.34 feet to an iron pin set on a curve to the left, having a central angle of 12 degrees, 15 minutes, 00 seconds and a radius of 855.28 feet, said point being on the Southeast right-of-way line of Saddle Creek Trail, a private road in Saddle Creek Farms, as recorded in Map Book 14 on Page 4 & 5 in the Office of the Judge of Probate, Shelby County, Alabama; thence run in a Southwesterly direction along the arc of said curve and also along said Southeast right-of-way line for a distance of 182.86 feet to an iron pin set; thence run tangent to the last stated curve in a Southwesterly direction and along said Southeast right-of-way line for a distance of 136.33 feet to an iron pin set on a curve to the right having a central angle of 12 degrees, 16 minutes, 18 seconds and a radius of 509.54 feet; thence run in a Southwesterly direction along the arc of said curve and also along said Southeast right-of-way line for a distance of 109.13 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction and also along said Southwest right-of-way line for a distance of 427.50 feet to an iron pin set on a curve to the left having a central angle of 46 degrees, 45 minutes, 00 seconds and a radius of 270.77 feet; thence run in a Southwesterly direction along the arc of said curve and also along said Southwest right-of-way line for a distance of 220.93 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction and along said Southeast right-of-way line for a distance of 120.00 feet to an iron pin set on a curve to the right having a central angle of 32 degrees, 30 minutes, 00 seconds and a radius of 364.51 feet; thence run in a Southwesterly direction along the arc of said curve and also along said Southeast right-of-way line for a distance of 206.76 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction and along said Southeast right-of-way line for a distance of 110.00 feet to an iron pin set on a curve to the left having a central angle of 34 degrees, 29 minutes, 30 seconds and a radius of 400.86 feet; thence run in a Southwesterly direction along the arc of said curve and also along said Southeast right-of-way line for a distance of 241.32 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction and along said Southeast right-of-way line for a distance of 361.44 feet to an iron pin set on a curve to the right having a central angle of 15 degrees, 00 minutes, 00 seconds and a radius of 1,843.48 feet; thence run in a Southwesterly direction along the arc of said curve and also along said Southeast right-of-way line for a distance of 482.62 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction and along said Southeast right-of-way line for a distance of 209.12 feet to an iron pin set; thence turn an angle to the left of 91 degrees, 49 minutes, 04 seconds and run in a Southeasterly direction for a distance of 252.94 feet to an iron pin set; thence turn an angle to the left of 12 degrees, 39 minutes, 41 seconds and run in a Southeasterly direction for a distance of 97.95 feet to an iron pin set; thence turn an angle to the right of 23 degrees, 09 minutes, 06 seconds and run in a Southeasterly direction for a distance of 134.22 feet to an iron pin set; thence turn an angle to the left of 84 degrees, 11 minutes, 33 seconds and run in a Northeasterly direction along the Northwest line of Lots 101 - 105 of Greystone Legacy 1<sup>st</sup> Sector as recorded in Map Book 26 on Pages 79 A, B & C in the Office of the Judge of Probate, Shelby County, Alabama, for a distance of 945.00 feet to an iron pin set; thence turn an angle to the left of 43 degrees, 46 minutes, 29



seconds and run in a Northeasterly direction along the Northwest line of Lots 105 - 107 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 289.01 feet to an iron pin set; thence turn an angle to the left of 19 degrees, 21 minutes, 27 seconds and run in a Northeasterly direction along the Northwest line of Lots 107 & 108 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 179.29 feet to an iron pin set; thence turn an angle to the right of 38 degrees, 18 minutes, 31 seconds and run in a Northeasterly direction along the Northwest line of said Lot 108 for a distance of 70.00 feet to an iron pin set; thence turn an angle to the right of 51 degrees, 46 minutes, 14 seconds and run in a Southeasterly direction along the Northeast line of Lots 108 - 110 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 536.00 feet to an iron pin set; thence turn an angle to the right of 29 degrees, 14 minutes, 01 seconds and run in a Southeasterly direction along the Northeast line of said Lot 110 for a distance of 179.75 feet to an iron pin set; thence turn an angle to the right of 98 degrees, 22 minutes, 57 seconds and run in a Southwesterly direction along the Southeast line of said Lot 110 for the distance of 34.86 feet to an iron pin set; thence turn an angle to the left of 129 degrees, 50 minutes, 33 seconds and run in a Southeasterly direction for a distance of 272.95 feet to an iron pin set; thence turn an angle to the right of 25 degrees, 29 minutes, 07 seconds and run in a Southeasterly direction for a distance of 89.22 feet to an iron pin set; thence turn an angle to the right of 19 degrees, 21 minutes, 44 seconds and run in a Southeasterly direction for a distance of 102.89 feet to an iron pin set; thence turn an angle to the right of 11 degrees, 25 minutes, 19 seconds and run in a Southeasterly direction for a distance of 84.75 feet to an iron pin set; thence turn an angle to the right of 11 degrees, 10 minutes, 49 seconds and run in a Southeasterly direction for a distance of 89.26 feet to an iron pin set; thence turn an angle to the right of 09 degrees, 32 minutes, 19 seconds and run in a Southeasterly direction for a distance of 43.27 feet to an iron pin set, thence turn an angle to the left of 12 degrees, 42 minutes, 57 seconds and run in a Southeasterly direction for a distance of 38.84 feet to an iron pin set; thence turn an angle to the left of 05 degrees, 59 minutes, 49 seconds and run in a Southeasterly direction for a distance of 58.41 feet to an iron pin set; thence turn an angle to the left of 06 degrees, 07 minutes, 03 seconds and run in a Southeasterly direction for a distance of 62.82 feet to an iron pin set; thence turn an angle to the left of 05 degrees, 32 minutes, 22 seconds and run in a Southeasterly direction for a distance of 64.15 feet to an iron pin set; thence turn an angle to the right of 55 degrees, 50 minutes, 53 seconds and run in a Southwesterly direction for a distance of 129.71 ft. to an iron pin set at the Northwest corner of Lot 151 in said Greystone Legacy 1<sup>st</sup> Sector; thence turn an angle to the left of 132 degrees, 43 minutes, 48 seconds and run in a Northeasterly direction along the Northwest line of said Lot 151 for a distance of 163.13 feet to an iron pin set; thence turn an angle to the left of 11 degrees, 59 minutes, 40 seconds and run in a Northeasterly direction along the Northwest line of Lots 152 and 153 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 226.83 feet to an iron pin set; thence turn an angle to the left of 28 degrees, 18 minutes, 40 seconds and run in a Northeasterly direction along the Northwest line of said Lot 153 for a distance of 56.00 feet to an iron pin set; thence turn an angle to the left of 11 degrees, 25 minutes, 47 seconds and run in a Northeasterly direction along the Northwest line of Lot 154 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 121.33 feet to an iron pin set; thence turn an angle to the left of 10 degrees, 35 minutes, 15 seconds and run in a Northeasterly direction along the Northwest line of Lot 155 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 216.59 feet to an iron pin set; thence turn an angle to the right of 102 degrees, 15 minutes, 06 seconds and run in a Southeasterly direction along the Northeast line of said Lot

155 for a distance of 207.81 feet to an iron pin set; thence turn an angle to the left of 101 degrees, 56 minutes, 29 seconds and run in a Northeasterly direction along the West right-of-way line of Legacy Drive in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 313.13 feet to an iron pin set on a curve to the left having a central angle of 04 degrees, 53 minutes, 25 seconds and a radius of 2,000.53 feet; thence run in a Northeasterly direction along the arc of said curve and also along said West right-of-way line for a distance of 170.75 feet to an iron pin set; thence turn an angle from the chord of last stated curve to the left of 92 degrees, 26 minutes, 40 seconds and run in a Southwesterly direction along the South line of Lot 156 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 202.26 feet to an iron pin set; thence turn an angle to the right of 94 degrees, 07 minutes, 34 seconds and run in a Northeasterly direction along the Northwest line of said Lot 156 for a distance of 24.77 feet to an iron pin set; thence turn an angle to the right of 16 degrees, 50 minutes, 33 seconds and run in a Northeasterly direction along the Northwest line of said Lot 156 for a distance of 199.78 feet to an iron pin set; thence turn an angle to the right of 07 degrees, 12 minutes, 08 seconds and run in a Northeasterly direction along the Northwest line of said Lot 156 for a distance of 68.10 feet to an iron pin set; thence turn an angle to the right of 56 degrees, 41 minutes, 59 seconds and run in a Northeasterly direction along the Northwest line of said Lot 156 for a distance of 80.21 feet to an iron pin set; thence turn an angle to the left of 137 degrees, 26 minutes, 36 seconds and run in a Northwesterly direction along the Southwest line of Lot 157 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 111.65 feet to a iron pin set; thence turn an angle to the left of 36 degrees, 19 minutes, 22 seconds and run in a Northwesterly direction along the Southwest line of said Lot 157 for a distance of 94.80 feet to an iron pin set; thence turn an angle to the left of 00 degrees, 49 minutes, 55 seconds and run in a Northwesterly direction along the Southwest line of said Lot 157 for a distance of 109.59 feet to an iron pin set; thence turn an angle to the left of 55 degrees, 31 minutes, 17 seconds and run in a Southwesterly direction along the Southeast line of said Lot 157 for a distance of 530.53 feet to an iron pin set; thence turn an angle to the right of 86 degrees, 15 minutes, 53 seconds and run in a Northwesterly direction along the Southwest line of said Lots 157 & 158 in said Greystone Legacy 1<sup>st</sup> Sector for a distance of 499.51 feet to an iron pin set; thence turn an angle to the right of 60 degrees, 52 minutes, 13 seconds and run in a Northwesterly direction along the Southwest line of said Lot 158 for a distance of 131.34 feet to an iron pin set; thence turn an angle to the right of 79 degrees, 39 minutes, 41 seconds and run in a Northeasterly direction along the Northwest line of said Lot 158 for a distance of 856.27 feet to an iron pin set; thence turn an angle to the right of 09 degrees, 33 minutes, 25 seconds and run in a northeasterly direction along the Northwest line of said Lot 158 for a distance of 165.13 feet to an iron pin set on a curve to the right having a central angle of 02 degree, 51 minutes, 54 seconds and a radius of 1,800.00 feet; thence turn an angle to the chord of said curve to the left of 90 degrees, 09 minutes, 33 seconds and run in a Northwesterly direction along the arc of said curve and also along said West right-of-way line for a distance of 90.01 feet to an iron pin set; thence run tangent to last stated curve in a Northwesterly direction for a distance of 65.36 feet to an iron pin set on a curve to the right having a central angle of 11 degrees, 08 minutes, 33 seconds and a radius of 345.46 feet; thence run in a Northerly direction along the arc of said curve for a distance of 67.18 feet to the point of beginning, said golf course containing 61.15 acres, more or less.

**Parcel II:**



Begin at a 3/8 inch rebar found locally accepted to be the Southwest corner of the East one-half of the Northeast quarter of said Section 22; thence run East along the South line of said East one-half for a distance of 1,324.55 feet to an iron pin set at the Southeast corner of said East one-half; thence turn an angle to the left of 87 degrees, 08 minutes, 39 seconds and run in a Northeasterly direction for a distance of 300.88 feet to an iron pin set; thence turn an angle to the right of 57 degrees, 34 minutes, 12 seconds and run in a Northeasterly direction for a distance of 428.33 feet to an iron pin set; thence turn an angle to the left of 14 degrees, 20 minutes, 43 seconds and run in a Northeasterly direction for a distance of 843.99 feet to an iron pin set; thence turn an angle to the left of 32 degrees, 44 minutes, 36 seconds and run in a Northeasterly direction for a distance of 948.86 feet to an iron pin set; thence turn an angle to the left of 56 degrees, 46 minutes, 22 seconds and run in a Northwesterly direction for a distance of 414.16 feet to an iron pin set; thence turn an angle to the left of 31 degrees, 18 minutes, 57 seconds and run in a Northwesterly direction for a distance of 213.93 feet to an iron pin set; thence turn an angle to the right of 57 degrees, 50 minutes, 00 seconds and run in a Northwesterly direction for a distance of 757.11 feet to an iron pin set; thence turn an angle to the right of 69 degrees, 02 minutes, 08 seconds and run in a Northeasterly direction for a distance of 29.46 feet to an iron pin set on a curve to the right having a central angle of 18 degrees, 47 minutes, 34 seconds and a radius of 367.69 feet; thence run in a Northeasterly direction along the arc of said curve for a distance of 120.60 feet to an iron pin set; thence turn an angle to the left from the tangent of last stated curve of 90 degrees, 00 minutes, 00 seconds and run in a Northwesterly direction for a distance of 192.12 feet to an iron pin set; thence turn an angle to the right of 09 degrees, 02 minutes, 08 seconds and run in a Northwesterly direction for a distance of 886.67 feet to an iron pin set; thence turn an angle to the right of 56 degrees, 01 minutes, 25 seconds and run in a Northeasterly direction for a distance of 37.32 feet to an iron pin set; thence turn an angle to the right of 99 degrees, 04 minutes, 02 seconds and run in a Southeasterly direction for a distance of 269.14 feet to an iron pin set; thence turn an angle to the left of 09 degrees, 39 minutes, 47 seconds and run in a Southeasterly direction for a distance of 393.39 feet to an iron pin set; thence turn an angle to the left of 16 degrees, 34 minutes, 59 seconds and run in a Southeasterly direction for a distance of 236.91 feet to an iron pin set; thence turn an angle to the right of 24 degrees, 01 minute, 29 seconds and run in a Southeasterly direction for a distance of 554.16 feet to an iron pin set; thence turn an angle to the left of 31 degrees, 10 minutes, 59 seconds and run in a Southeasterly direction for a distance of 83.93 feet to an iron pin set; thence turn an angle to the left of 44 degrees, 08 minutes, 32 seconds and run in a Northeasterly direction for a distance of 230.14 feet to an iron pin set; thence turn an angle to the left of 46 degrees, 23 minutes, 05 seconds and run in a Northeasterly direction for a distance of 637.25 feet to an iron pin set; thence turn an angle to the left of 68 degrees, 18 minutes, 58 seconds and run in a Northwesterly direction for a distance of 536.95 feet to an iron pin set; thence turn an angle to the right of 06 degrees, 09 minutes, 19 seconds and run in a Northwesterly direction for a distance of 726.98 feet to an iron pin set; thence turn an angle to the left of 18 degrees, 14 minutes, 08 seconds and run in a Northwesterly direction for a distance of 629.12 feet to an iron pin set; thence turn an angle to the left of 105 degrees, 44 minutes, 26 seconds and run in a Southwesterly direction for a distance of 203.94 feet to an iron pin set; thence turn an angle to the right of 63 degrees, 37 minutes, 43 seconds and run in a Southwesterly direction for a distance of 200.24 feet to an iron pin set; thence turn an angle to the right of 37 degrees, 26 minutes, 07 seconds and run in a Northwesterly direction for a distance of 30.00 feet to an iron pin set; thence turn an angle to

the right of 13 degrees, 02 minutes, 31 seconds and run in a Northwesterly direction for a distance of 100.76 feet to an iron pin set; thence turn an angle to the left of 25 degrees, 03 minutes, 16 seconds and run in a Northwesterly direction for a distance of 98.38 feet to an iron pin set; thence turn an angle to the left of 49 degrees, 49 minutes, 47 seconds and run in a Southwesterly direction for a distance of 215.32 feet to an iron pin set; thence turn an angle to the left of 35 degrees, 01 minutes, 57 seconds and run in a Southwesterly direction for a distance of 154.18 feet to an iron pin set; thence turn an angle to the left of 07 degrees, 40 minutes, 08 seconds and run in a Southwesterly direction for a distance of 356.41 feet to an iron pin set; thence turn an angle to the left of 17 degrees, 30 minutes, 25 seconds and run in a Southeasterly direction for a distance of 650.57 feet to an iron pin set; thence turn an angle to the left of 08 degrees, 25 minutes, 02 seconds and run in a Southeasterly direction for a distance of 270.04 feet to an iron pin set; thence turn an angle to the left of 17 degrees, 43 minutes, 29 seconds and run in a Southeasterly direction for a distance of 398.27 feet to an iron pin set; thence turn an angle to the right of 45 degrees, 06 minutes, 53 seconds and run in a Southwesterly direction for a distance of 200.70 feet to an iron pin set; thence turn an angle to the left of 26 degrees, 59 minutes, 47 seconds and run in a Southeasterly direction for a distance of 257.41 feet to an iron pin set; thence turn an angle to the right of 18 degrees, 20 minutes, 19 seconds and run in a Southwesterly direction for a distance of 940.49 feet to an iron pin set; thence turn an angle to the right of 03 degrees, 09 minutes, 38 seconds and run in a Southwesterly direction for a distance of 205.56 feet to an iron pin set; thence turn an angle to the right of 23 degrees, 17 minutes, 23 seconds and run in a Southwesterly direction for a distance of 198.26 feet to an iron pin set; thence turn an angle to the right of 12 degrees, 18 minutes, 43 seconds and run in a Southwesterly direction for a distance of 243.40 feet to an iron pin set; thence turn an angle to the right of 17 degrees, 28 minutes, 26 seconds and run in a Southwesterly direction for a distance of 50.00 feet to an iron pin set; thence turn an angle to the right of 13 degrees, 48 minutes, 05 seconds and run in a Southwesterly direction for a distance of 246.01 feet to an iron pin set; thence turn an angle to the right of 20 degrees, 11 minutes, 39 seconds and run in a Northwesterly direction for a distance of 197.67 feet to an iron pin set; thence turn an angle to the right of 06 degrees, 34 minutes, 33 seconds and run in a Northwesterly direction for a distance of 150.00 feet to an iron pin set; thence turn an angle to the left of 13 degrees, 35 minutes, 34 seconds and run in a Southwesterly direction for a distance of 466.08 feet to an iron pin set; thence turn an angle to the right of 93 degrees, 02 minutes, 31 seconds and run in a Northerly direction for a distance of 169.59 feet to an iron pin set on a curve to the right having a central angle of 02 degrees, 48 minutes, 12 seconds and a radius of 497.97 feet; thence turn an angle to the left to the chord of said curve of 91 degrees, 52 minutes, 05 seconds and run in a Westerly direction along the arc of said curve for a distance of 24.36 feet to an iron pin set; thence run tangent to last stated curve in a Westerly direction for a distance of 596.98 feet to an iron pin set on a curve to the right having a central angle of 06 degrees, 37 minutes, 36 seconds and a radius of 893.19 feet; thence run in a Northwesterly direction along the arc of said curve for a distance of 103.30 feet to an iron pin set; thence run tangent to last stated curve in a Northwesterly direction for a distance of 174.59 feet to an iron pin set on a curve to the left having a central angle of 40 degrees, 03 minutes, 19 seconds and a radius of 295.00 feet; thence run in a Northwesterly to Southwesterly direction along the arc of said curve for a distance of 206.23 feet to an iron pin set on a compound curve to the left having a central angle of 47 degrees, 18 minutes, 16 seconds and a radius of 333.85 feet; thence run in a Southwesterly direction along the arc of said curve for a distance of 275.63 feet to an iron



pin set; thence run tangent to last stated curve in a Southwesterly direction for a distance of 164.07 feet to an iron pin set on a curve to the left having a central angle of 25 degrees, 37 minutes, 38 seconds and a radius of 245.01 feet; thence run in a Southwesterly to Southeasterly direction along the arc of said curve for a distance of 109.59 feet to an iron pin set; thence run tangent to last stated curve in a Southeasterly direction for a distance of 115.58 feet to an iron pin set on a curve to the right having a central angle of 43 degrees, 43 minutes, 46 seconds and a radius of 468.15 feet; thence run in a Southeasterly to Southwesterly direction along the arc of said curve for a distance of 357.30 feet to an iron pin set; thence run tangent to last stated curve in a Southwesterly direction for a distance of 39.51 feet to an iron pin set; thence turn an angle to the right of 90 degrees, 00 minutes, 00 seconds and run in a Northwesterly direction for a distance of 55.00 feet to an iron pin set; thence turn an angle to the left of 90 degrees, 00 minutes, 00 seconds and run in a Southwesterly direction for a distance of 54.39 feet to an iron pin set; thence turn an angle to the right of 81 degrees, 33 minutes, 04 seconds and run in a Southwesterly direction for a distance of 48.75 feet to an iron pin set; thence turn an angle to the left of 65 degrees, 34 minutes, 20 seconds and run in a Southwesterly direction for a distance of 103.91 feet to an iron pin set; thence turn an angle to the left of 10 degrees, 30 minutes, 08 seconds and run in a Southwesterly direction for a distance of 63.73 feet to an iron pin set; thence turn an angle to the left of 28 degrees, 51 minutes, 04 seconds and run in a Southerly direction for a distance of 48.39 feet to an iron pin set; thence turn an angle to the left of 94 degrees, 02 minutes, 53 seconds and run in an Easterly direction for a distance of 323.64 feet to an iron pin set; thence turn an angle to the right of 14 degrees, 59 minutes, 29 seconds and run in a Southeasterly direction for a distance of 154.22 feet to an iron pin set; thence turn an angle to the left of 66 degrees, 39 minutes, 08 seconds and run in a Northeasterly direction for a distance of 452.11 feet to an iron pin set; thence turn an angle to the right of 09 degrees, 01 minutes, 56 seconds and run in a Northeasterly direction for a distance of 139.64 feet to an iron pin set; thence turn an angle to the left of 11 degrees, 54 minutes, 55 seconds and run in a Northeasterly direction for a distance of 205.10 feet to an iron pin set; thence turn an angle to the right of 83 degrees, 53 minutes, 42 seconds and run in a Southeasterly direction for a distance of 129.02 feet to an iron pin set; thence turn an angle to the left of 25 degrees, 59 minutes, 52 seconds and run in a Southeasterly direction for a distance of 69.01 feet to an iron pin set; thence turn an angle to the right of 21 degrees, 36 minutes, 56 seconds and run in a Southeasterly direction for a distance of 380.92 feet to an iron pin set; thence turn an angle to the right of 65 degrees, 33 minutes, 41 seconds and run in a Southerly direction for a distance of 408.30 feet to the point of beginning.

LESS AND EXCEPT a parcel of land more particularly described as follows:

Commence at a 3/8 inch rebar found locally accepted to be the Southwest corner of the East one-half of the Northeast quarter of said Section 22; thence run East along the South line of said East one-half for a distance of 1,324.55 feet to an iron pin set at the Southeast corner of said East one-half; thence turn an angle to the left of 87 degrees, 08 minutes, 39 seconds and run in a Northeasterly direction for a distance of 300.88 feet to an iron pin set; thence turn an angle to the right of 01 degree, 42 minutes, 25 seconds and run in a Northeasterly direction for a distance of 563.28 feet to an iron pin set at the point of beginning; thence turn an angle to the right of 74 degrees, 50 minutes, 50 seconds and run in a Northeasterly direction for a distance of 64.04 feet to an iron pin set; thence turn an angle to the left of 14 degrees, 18 minutes, 19

seconds and run in a Northeasterly direction for a distance of 241.08 feet to an iron pin set; thence turn an angle to the right of 00 degrees, 40 minutes, 46 seconds and run in a Northeasterly direction for a distance of 133.81 feet to an iron pin set; thence turn an angle to the left of 18 degrees, 47 minutes, 25 seconds and run in a Northeasterly direction for a distance of 195.09 feet to an iron pin set; thence turn an angle to the left of 17 degrees, 44 minutes, 46 seconds and run in a Northeasterly direction for a distance of 165.43 feet to an iron pin set; thence turn an angle to the left of 02 degrees, 12 minutes, 09 seconds and run in a Northeasterly direction for a distance of 152.83 feet to an iron pin set; thence turn an angle to the left of 98 degrees, 59 minutes, 38 seconds and run in a Northwesterly direction for a distance of 99.03 feet to an iron pin set; thence turn an angle to the right of 24 degrees, 26 minutes, 58 seconds and run in a Northwesterly direction for a distance of 117.33 feet to an iron pin set; thence turn an angle to the right of 78 degrees, 32 minutes, 53 seconds and run in a Northeasterly direction for a distance of 60.27 feet to an iron pin set; thence turn an angle to the left of 99 degrees, 43 minutes, 40 seconds and run in a Northwesterly direction for a distance of 161.47 feet to an iron pin set; thence turn an angle to the left of 07 degrees, 07 minutes, 13 seconds and run in a Northwesterly direction for a distance of 179.67 feet to an iron pin set; thence turn an angle to the left of 92 degrees, 57 minutes, 04 seconds and run in a Southwesterly direction for a distance of 244.10 feet to an iron pin set; thence turn an angle to the left of 70 degrees, 50 minutes, 58 seconds and run in a Southeasterly direction for a distance of 79.87 feet to an iron pin set; thence turn an angle to the right of 90 degrees, 00 minutes, 00 seconds and run in a Southwesterly direction for a distance of 190.81 feet to an iron pin set; thence turn an angle to the left of 02 degrees, 54 minutes, 50 seconds and run in a Southwesterly direction for a distance of 348.66 feet to an iron pin set; thence turn an angle to the left of 35 degrees, 57 minutes, 05 seconds and run in a Southeasterly direction for a distance of 93.34 feet to the point of beginning.

Said total parcel containing 159.89 acres, more or less.

TOGETHER WITH all of the right, title and interest of Grantor under that certain Declaration of Easement dated as of December 15, 1999 and recorded in Instrument # 1999-50996 in the Office of the Judge of Probate of Shelby County, Alabama.

TOGETHER WITH all right, title and interest of Greystone Golf Club, Inc. under that certain Reciprocal Easement Agreement dated December 21, 2000 and recorded as Instrument # 2001-2196 in the Office of the Judge of Probate of Shelby County, Alabama.



## **EXHIBIT B**

### **PERMITTED ENCUMBRANCES**

1. General and special taxes or assessments for the year 2003 and subsequent years not yet due and payable.
2. Easement(s) granted to Alabama Power Company for electrical power as set out in Real 133 page 557 and Real 142 page 188 in the Probate Office of Shelby County, Alabama (the "Probate Office").
3. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 243 page 828 in the Probate Office.
4. Declaration of use restrictions between Greystone Development Company, LLC, Stillmeadow Farm, Ltd. and Walter Dixon, recorded as Inst. #1999-12252 and First Amendment recorded as Inst. #2000-12771 and Assignment recorded as Inst. #2001-38395 in the Probate Office.
5. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Inst. #1995-20812 in the Probate Office.
6. Restrictions, covenants and conditions as set out in instrument(s) recorded in Real 340 page 708 in the Probate Office.
7. Easement(s) to Alabama Power Company for electrical power as shown by instrument recorded in Real 133 page 552 in the Probate Office.
8. Restrictions, set-back lines, limitations and conditions as set out in Map Book 14 page 20 and Map Book 15 page 22.
9. Agreement in regard to road right of way as set out in Real 18 page 775, Real 44 page 170, Real 56 page 801 and Real 56 page 810; all of which have been more particularly defined in Grant of Easement and Maintenance Obligations as set out in Real 56 page 783 in the Probate Office (affects easement to use Saddle Creek Trail, and rights of others to use Saddle Creek Trail).
10. Restrictions, covenants and conditions as set out in instrument(s) recorded in Real 56 page 779 and Inst. #1995-21524, amended by Agreement with Respect to Establishment of Certain Restrictions and other Agreements and First Amendment to Declaration of Restrictions as recorded in Inst. #1998-32193 with affidavit recorded as Inst. #1999-33838 and waiver recorded as Inst. #2000-4912 and Inst. #2001-8284 in the Probate Office.
11. Easement(s) to South Central Bell for telephone service as shown by instrument recorded in Real 149 page 185 and Real 149 page 196 in the Probate Office.

12. Restrictions, limitations and conditions as set out in Map Book 14 page 8, including a 50 foot building setback line.
13. Easement(s) to Alabama Power Company for electrical power as shown by instrument recorded in Real 133 page 557 and Real 133 Page 560 in the Probate Office.
14. Declaration of Restrictions as set out in instrument(s) recorded in Inst. #1997-14125 in the Probate Office, which has been Amended and Restated by document recorded as Inst. #1999-7166.
15. Terms and provisions of lease between Daniel Links Limited Partnership and Greystone Golf Club, Inc., dated January 1, 1991, a memorandum of Ground Lease recorded in Real 355 page 880 and 1st Amendment recorded as Inst. #1992-4726, 2nd Amendment recorded as Inst. #1993-3119, which was assigned by Assignment and Assumption of Lease and Rights and Obligations under Purchase Option recorded as Inst. #1999-08815 and as amended by Third Amendment to Memorandum of Ground Lease recorded as Inst. #1999-12257 and Fourth Amendment recorded as Inst. #2001-2192 in the Probate Office of Shelby County, Alabama, which was further assigned by the Assignment and Assumption of Lease and Rights and Obligations Under Purchase Option by and between Greystone Development Company, LLC and Greystone Golf, LLC recorded as Instrument #20021127000594390 and as subordinated in Subordination, Non-Disturbance and Attornment Agreement between Greystone Golf, LLC, Greystone Golf Club, Inc., and SouthTrust Bank, dated 12/30/2002, and recorded in the Probate Office.
16. Transmission Line Permit(s) to Alabama Power Company for electrical power as shown by instrument(s) recorded in Deed Book 246 page 849 and Deed Book 138 page 588 in the Probate Office.
17. Right(s)-of-Way(s) granted to South Central Bell for telephone services by instrument(s) recorded in Real 21 page 312 in the Probate Office.
18. Easement(s) to Alabama Power Company for electrical power as shown by instrument recorded in Deed Book 351 page 1 in the Probate Office.
19. Access Easement Agreement and Right of First Refusal Agreement dated 2/12/99 and recorded as Inst. #1999-7167, by and between Greystone Development Company, LLC and Gilbert Family Partnership LTD, Roy W. Gilbert, Jr. and wife, Judith L. Gilbert, Roy W. Gilbert, Jr. and wife, Judith L. Gilbert, Roy W. Gilbert, III and wife, Sharon R. Gilbert.
20. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 121 page 294 and Real 261 page 493 in the Probate Office.
21. Covenants and Agreement for Water Service dated April 24, 1989, between Dantract, Inc. and Daniel Realty Corporation and Shelby County, as recorded in Real 235 page 574, along with Amendment recorded as Inst. #1992-20786 and 2nd Amendment recorded as Inst. #1993-20840 in the Probate Office.



22. Transmission Line Permit(s) to Alabama Power Company for electrical power as shown by instrument(s) recorded in Deed Book 109 page 505; Deed Book 109 page 491; Deed Book 141 page 180; Deed Book 139 page 124; Deed book 186 page 223; Deed Book 305 page 637; Real 333 page 201; Real 377 page 441 and Inst. #1993-15100 in the Probate Office.
23. Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights set out in Deed Book 4 page 486, Deed Book 4 pages 493 and 495; Deed Book 121 page 294; Deed book 51 page 544 and Deed Book 4 page 527 and Deed Book 60 page 260 in the Probate Office.
24. Amended and Restated Restrictive Covenants including building setback lines and specific provisions for dense buffer along Hugh Daniel Drive, all as set out in instrument recorded in Real 265 page 96 in the Probate Office.
25. Reciprocal Easement Agreement as recorded in Real 312 page 274, along with 1st Amendment recorded in Real 317 page 253 and 2nd Amendment recorded as Inst. #1993-3124 in the Probate Office, which was amended by 3rd Amendment recorded as Inst. #1999-08816.
26. Option for the purchase of Greystone Golf Club Facilities between Greystone Golf Club, Inc. and Daniel Links Limited Partnership, dated January 1, 1991 and recorded in Real 355 page 886 and 1st Amendment recorded as Inst. #1993-3125 in the Probate Office, and which was assigned by document entitled Assignment and Assumption of Lease and Rights & Obligations under Purchase Option recorded as Inst. #1999-08815, and 2nd Amendment to Option for the Purchase of Greystone Golf Club Facilities recorded as Inst. #1999-12256 and Third Amendment recorded as Inst. #2001-2194 in the Probate Office of Shelby County, Alabama, and assigned by the Assignment and Assumption of Lease and Rights and Obligations Under Purchase Option by and between Greystone Development Company, LLC and Greystone Golf, LLC recorded as Instrument #20021127000594390 and as subordinated in Subordination, Non-Disturbance and Attornment Agreement between Greystone Golf, LLC, Greystone Golf Club, Inc., and SouthTrust Bank, dated 12/30/2002, and recorded in the Probate Office.
27. St. Ives Reciprocal Easement Agreement recorded in Real 356 page 668 in the Probate Office. The Company affirmatively insures the Storm Drainage Rights in favor of Greystone Golf, LLC as successor to Greystone Development Company, LLC as successor to Daniel Links Limited Partnership to said Agreement.
28. Agreement between Daniel Oak Mountain Limited Partnership and Shelby Cable, Inc. as shown by Instrument recorded in Real 350 page 545 in the Probate Office.
29. Encroachments of various utility easements, various sewer lines, storm ditches, private television cable systems, spillway and roads onto and off of subject land all as shown on survey by K.B. Weygand & Associates, P.C. dated September 22, 1998, last revised February 3, 1999.

30. Easement for sanitary sewer reflected on recorded map of Greystone 6th Sector in Map Book 17 page 54 A through D, and as shown on the survey by K.B. Weygand, dated January 8, 1999 and revised October 27, 2000 (Swim Club).
31. Reciprocal Easement Agreement as set out in instrument recorded as Inst. #2001-38396 in the Probate Office.
32. Declaration of Watershed Protective Covenants for Greystone Development Company, Inc. as recorded in Inst. #2000-17644 with transfer as set out in Inst. #2000-20625 in the Probate Office.
33. Cahaba Valley Fire and Emergency Medical Rescue District Resolution for Enlargement of Boundaries as set out in Inst. #2001-37278 in the Probate Office.
34. Easement Agreement by and between Greystone Development Company, LLC, Richard G. Weiland, and Sharon M. Weiland, dated November 10, 1999 and recorded in Inst. #2000-9747 in the Probate Office.
35. Declaration of Easements as to Lots 157 and 158, as recorded as Inst. #1999-50996 in the Probate Office.
36. Agreement by and between Albert E. Willis, Laura Willis, Gary G. Crumpton, Cheritt Crumpton, Samuel H. Chastain, Pamela O. Chastain, Henry E. McKay, Sara McKay and Greystone Development Company, LLC, dated June 27, 2000 recorded as Inst. #2000-23869 in the Probate Office.
37. Terms and provisions of Reciprocal Easement Agreement by and between Greystone Development Company, LLC and Greystone Golf Club, Inc. dated December 21, 2000 and recorded as Inst. #2001-2196 in the Probate Office.
38. Rights of Greystone Golf Club, Inc. to use easements and cross easements referred to in Exhibit A.
39. Encroachments of fence, drives, headwalls, telephone pad, various utility easements, various sewer lines, storm ditches as set out on survey by Carl Daniel Moore, dated March 28, 2000. (Legacy Course).
40. Terms and provisions set out in affidavit regarding the Club Sewer Capacity Assignment recorded as Instrument #20021127000594400 in the Probate Office of Shelby County, Alabama.