

REAL ESTATE MORTGAGE

STATE OF ALABAMA
COUNTY OF SHELBY

WORDS USED OFTEN IN THIS DOCUMENT

(A) "Mortgage". This document, which is dated July 1, 2003, will be called the "Mortgage".

(B) "Borrower". J & K Builders, Inc., a corporation will sometimes be called "Borrower" and sometimes simply "I".

(C) "Lender". Albert Auyang will be called "Lender". Lender is an individual whose address is 4403 Hampton Heights Dr., Birmingham, Alabama 35209 .

(D) "Note". The note signed by Borrower and dated July 1, 2003, as such may hereafter be renewed, extended or modified, will be called the "Note". The Note shows that I owe Lender **FORTY TWO THOUSAND AND NO/100** dollars, plus interest, which I have promised to pay in payments of principal and interest for 12 months with a final payment due on April 15, 2004, or such later date to which maturity may be extended. The final payment may be a balloon payment which may be refinanced from time to time.

(E) "Property". The property that is described below in the section titled "Description of the Property", will be called the "Property".

LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS

If I fail to keep any of the promises and agreements made in this Mortgage, Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage. Lender may do this without making any further demand for payment. this requirement will be called "Immediate Payment in Full".

IF I fail to make Immediate Payment in Full, Lender may sell the Property at a public auction. The public auction will be held at the front door of the courthouse in the county where the Property is located. The Lender or its attorney, agent or representative (the "auctioneer") may sell the Property in lots or parcels or as one unit as it sees fit at this public auction. The Property will be sold to the highest bidder, or if purchased by Lender, for credit against the balance due from Borrower.

Notice of the time, place and terms of sale will be given to the public by publishing the notice with a description of the Property once a week for three (3) consecutive weeks in a newspaper of general circulation in the county where the sale will be held. The lender or auctioneer shall have the power and authority to convey all of my rights in the Property to the buyer at the public auction, and use the money received to pay the following amounts:

(1) all expense of the sale, including advertising and selling costs and attorney's fees;
(2) all amount I owe First Mortgage holder not to exceed \$ 415,000
(3) all amount that I owe Lender under the Note and under this Mortgage; and
(4) any surplus, that amount remaining after paying (1) and (2), will be paid to the borrower or as may be required by law.

If the money received from the public sale does not pay all of the expenses and amount I owe Lender under the Note and this Mortgage, I will promptly pay all amounts remaining due after the sale, plus interest at the rate stated in the Note.

The Lender may buy the Property or any part or interest in the Property at the public auction. If the Lender buys the Property, the auctioneer will make the deed in the name of the Borrower.

DESCRIPTION OF THE PROPERTY

I give Lender rights in the Property described in (A) below:

(A) The property which is located at Lot 1814 Highland Lakes, at 201 Ledge Circle, Birmingham, Alabama 35242.

This property is in SHELBY County in the State of ALABAMA. The legal description is attached hereto as Exhibit "A" and made a part hereof.

All building material and equipment of every character and description, all lighting, heating and plumbing fixtures of every character and description, and all other property and things now owned or hereafter acquired, used or useful in connection of the building and improvements erected on the above described real estate, wherever the same may be located, whether on or adjacent to said real estate, in storage or otherwise.

BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that except for the "exceptions" listed in the description of the Property: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) except for the first mortgage with Aliant Bank, there are no outstanding claims or charges against the Property.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffer because someone other than myself or Aliant Bank has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST UNDER THE NOTE AND TO FULFILL OTHER PAYMENT OBLIGATIONS

I will promptly pay to Lender when due; principal and interest under the note; late charges and prepayment charges as stated in the Note; any amounts expended by Lender under this Mortgage; and all Other debts.

2. LENDER'S APPLICATION OF BORROWER'S PAYMENTS

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraph 1 above in the following order and for the following purposes:

- (A) First to pay interest then due under the Note; and
- (B) Next, to late charges, if any; and
- (C) Next, to lenders costs and expenses, if any; and
- (D) Next, to pay principal then due under the Note

3. BORROWER'S OBLIGATION TO PAY CHARGES AND ASSESSMENTS AND TO SATISFY CLAIMS AGAINST THE PROPERTY

I will pay all taxes, assessments, and any other charges and fines that may be imposed on the Property and that may be superior to this Mortgage.

Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a "lien". I will promptly pay or satisfy all liens against the Property that may be superior to this Mortgage. However, this Mortgage does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation; or (B) I, in good faith, argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced and no part of the Property must be given up.

4. BORROWER'S OBLIGATION TO OBTAIN AND TO KEEP HAZARD INSURANCE ON THE PROPERTY

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which Lender requires coverage. The insurance must be in the amounts and for the periods of time required by Lender. Lender may not require me to obtain an amount of coverage that is more than the value of all buildings and other improvements on the Property.

5. BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY

I will keep the Property in good repair. I will not destroy or substantially change the Property, and I will not allow the Property to deteriorate.

6. LENDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY

If, (A) I do not keep my promises and agreements made in this Mortgage, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the

Property (such as, a legal proceeding in bankruptcy, in probate, for condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions under this Paragraph 6 may include, for example, obtaining insurance on the Property, appearing in court, paying reasonable attorney's fees, and entering on the Property to make repairs.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 6. This Mortgage will protect Lender in case I do not keep this Promise to pay those amounts, with interest at the same rate stated in the Note. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph.

Although Lender may take action under this Paragraph 6, Lender does not have to do so.

7. LENDER'S RIGHTS IF BORROWER TRANSFERS THE PROPERTY

If I sell or transfer all or part of the Property or any rights in the Property, Lender will require immediate Payment in Full.

8. CONTINUATION OF BORROWER'S OBLIGATIONS

My obligation under this Mortgage are binding upon me, upon my heirs and my legal representatives in the event of my death, and upon anyone who obtains my rights in the Property.

Lender may allow person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Mortgage. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless Lender specifically releases me in writing from my obligations. Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if Lender is requested to do so.

9. CONTINUATION OF LENDER'S RIGHTS

Even if Lender does not exercise or enforce any right of Lender under the Note, this Mortgage or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the property, Lender will still have the right to demand that I make immediate Payment in Full of the amount that I owe to Lender under the Note and under this Mortgage.

10. LENDER'S ABILITY TO ENFORCE MORE THAN ONE OF LENDER'S RIGHTS; OBLIGATIONS OF BORROWER'S; AGREEMENTS CONCERNING CAPTIONS

Each of the Lender's rights under this Mortgage is separate, Lender may exercise and enforce one

or more of those rights, as well as any of Lender's other rights under the law, one at a time or all at once.

The captions and titles of this Mortgage are for convenience only. They may not be used in interpret or to define the terms of this Mortgage.

11. LAW THAT GOVERNS THIS MORTGAGE

The law that applies in the place that the Property is located will govern this Mortgage. The law of the State of Alabama will govern this Note. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law, can be separated from the remaining terms, and the remaining terms will still be enforced.

By signing this Mortgage I agree to all of the above.

John R. Meinberg 7/1/05
John R. Meinberg, President and Owner

State of Alabama
County of Jefferson

I, Beverly Long, a Notary Public in and for said County, in said State, hereby certify that John R. Meinberg, whose name signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, executed the same voluntarily on the day that same bears date.

Given under my hand and official seal this 26th day of January, 2004

My commission expires: 10-11-2005 Beverly Long
Notary Public



EXHIBIT A
LEGAL DESCRIPTION

Lot 1814, according to the Map of Highland Lakes, 18th Sector, an Eddelman Community, as recorded in Map Book 26, Page 130, in the probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, Common Area all as more particularly described in the Declaration of Easements and Master Protective Covenants for Highland Lakes, a Residential Subdivision, recorded as Instrument #1994-07111 and amended in Inst. No. 1996-17543 and Inst. #1999-31095 in the Probate Office of Shelby county, Alabama, and the Declarations of Covenants, conditions and Restrictions for Highland Lakes, a Residential Subdivision, 18th Sector, Phase I, recorded as Instrument #1999-43196 in the Probate Office of Shelby County, Alabama.