

STATE OF ALABAMA

COUNTY OF SHELBY

**Third AMENDMENT TO
MORTGAGE, ACCOMMODATION MORTGAGE,
ASSIGNMENT OF RENTS AND LEASES
AND SECURITY AGREEMENT**

This third amendment made effective as of the 14 day of September, 2007, between **COMPASS BANK**, an Alabama banking corporation (the "**Lender**"), **EDDLEMAN HOMES, LLC**, an Alabama limited liability company (the "**Borrower**"), **COURTSIDE DEVELOPMENT, INC.**, an Alabama corporation, **Sterling Place, LLC** an Alabama limited liability corporation, **HIGHLAND LAKES HOMES**, an Alabama limited liability company, **PARK HOMES, LLC**, an Alabama limited liability company, and **REGENT PARK HOMES, LLC**, an Alabama limited liability company (hereinafter individually and collectively called "**Accommodation Mortgagor**").

WHEREAS, in connection with a line of credit for construction of residential homes (the "**Loan**") from Lender to Borrower in the original principal amount of \$15,000,000.00, the Borrower and the Accommodation Mortgagor executed and delivered to Lender, or otherwise authorized the filing of other documents (collectively, the "**Loan Documents**"), the following documents date as of February 12, 2007, to evidence and secure the Loan: (i) Master revolving Credit Promissory Note in the amount of \$15,000,000.00 (Executed only by the borrower – the "**Note**"); (ii) Master Guidance Line Agreement for Construction Financing (the "**Loan Agreement**"); (iii) future Advance Mortgage, Accommodation Mortgage, Assignment of Rents and Leases and Security Agreement, recorded at Instrument No. 20070223000084980 1/30 in the Probate Office of Shelby County, Alabama (the "**Mortgage**"); and

WHEREAS, Borrower, Accommodation Mortgagor and Lender have agreed to amend the Mortgage as set forth herein.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00), the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower, Accommodation Mortgagor and Lender agree that the Mortgage is amended as follows:

1. **Exhibit A** to the Mortgage is amended to add the parcels of real property described on **Exhibit A-1** hereto (the "**Additional Land**"), which Additional Land shall in all respects be considered as part of the Mortgaged Property under the Mortgage to the same extent as if originally included under the real property described in said **Exhibit A**. For good and valuable consideration, Borrower and Accommodation Mortgagor, to the extent of their respective interests, do hereby grant, bargain, sell, alien and convey unto the Lender, its successors and assigns, the Additional Land, to secure the same indebtedness (however described) as set forth in the Mortgage and under the same terms, condition, warranties and representations as set forth in the Mortgage, all of which are hereby adopted by reference.
2. Borrower and each Accommodations Mortgagor hereby warrant that, subject to those matters set forth on **Exhibit B-1** hereto, and with respect to the individual lots identified on **Exhibit C-1** as being owned by such Borrower

and Accommodation Mortgagor, it is lawfully seized of an indefeasible estate in fee simple in the individual lots identified on **Exhibit C-1** as being owned by such Borrower or Accommodation Mortgagor, and has good and absolute title to all existing personal property hereby granted as security with respect to such lots, and has good right, full power and lawful authority to sell, convey, mortgage and grant a security interest in the same in the manner and form aforesaid; that the same is free and clear of all grants, reservation, security interests, 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, and that Borrower and Accommodation Mortgagor shall and will warrant and forever defend the title thereto and the quiet use and enjoyment thereof unto the Lender, its successors and assigns, against the lawful claim of all persons whomsoever.

3. All references in the other Loan Documents to the Mortgage shall mean the Mortgage, as amended hereby.
4. Except as modified herein, all other terms and conditions of the Loan Document shall remain in full force and effect.
5. This document may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute one (1) document and agreement, but in making proof of this document, it shall not be necessary or produce for account for more than one such counterpart, and counterpart pages may be combined into one single document.

[Remainder of this page is blank – signature pages follow]

IN WITNESS WHEREOF, Lender, Borrower, and Accommodation Mortgagor have caused this Second Amendment to be executed effective as of the day and year first set forth above.

LENDER:

WITNESS:

Aaron G. Grier

COMPASS BANK:

An Alabama banking corporation

By: *[Signature]*
Its VICE PRESIDENT

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, *He undersigned*, a notary public in and for said county in said state, hereby certify that *Ben Hendrix*, whose name as *Vice President* of **COMPASS BANK**, an Alabama banking corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, 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 official seal this *14th* day of *Sept*, 2007.

B. Ann Moore
Notary Public

[Notary Seal]

My Commission Expires: *11-6-10*

BORROWER:

WITNESS:

[Signature]

EDDLEMAN HOMES, LLC,
An Alabama limited liability company

By: [Signature]
Managing Partner

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Hemmons, a notary public in and for said county in said state, hereby certify that Douglas D Eddleman, whose name as MANAGING PARTNER of **EDDLEMAN HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, in such capacity and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September 2007.

[Signature]
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

[Notary Seal]

My Commission Expires: _____

ACCOMMODATION MORTGAGOR:

WITNESS:

[Signature]

COURTSIDE DEVELOPMENT, INC.,
An Alabama corporation

By: *[Signature]*
Douglas D. Eddleman, its President

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons a notary public in and for said county in said state, hereby certify that DOUGLAS D. EDDLEMAN, whose name as PRESIDENT of COURTSIDE DEVELOPMENT, INC., an Alabama corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, 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 official seal this 14 day of September 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires: **NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
~~BONDED THRU NOTARY PUBLIC UNDERWRITERS~~**

ACCOMMODATION MORTGAGOR:

WITNESS:

DUNNAVANT PLACE, LLC,
An Alabama limited liability company

[Signature]

By: [Signature]
Douglas B. Eddleman, its Manager

[Signature]

By: [Signature]
Billy D. Eddleman, its Manager

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons, a notary public in and for said county in said state, hereby certify that Douglas B. Eddleman, whose name as MANAGER of **DUNNAVANT PLACE, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons, a notary public in and for said county in said state, hereby certify that Billy D. Eddleman, whose name as MANAGER of **DUNNAVANT PLACE, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

ACCOMMODATION MORTGAGOR:

WITNESS:

[Signature]
[Signature]

HIGHLAND LAKES HOMES, LLC,
An Alabama limited liability company

By: [Signature]
Douglas D. Eddleman, its Manager
By: [Signature]
Billy D. Eddleman, its Manager

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons a notary public in and for said county in said state, hereby certify that DOUGLAS D EDDLEMAN, whose name as MANAGER of **HIGHLAND LAKES HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September 2007.

[Signature]
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

[Notary Seal]

My Commission Expires: BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons, a notary public in and for said county in said state, hereby certify that Billy D. Eddleman, whose name as MANAGER of **HIGHLAND LAKES HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September 2007.

[Signature]
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

[Notary Seal]

My Commission Expires: BONDED THRU NOTARY PUBLIC UNDERWRITERS

ACCOMMODATION MORTGAGOR:

WITNESS:

[Signature]
[Signature]

PARK HOMES, LLC,

An Alabama limited liability company

By: [Signature]
Douglas D. Eddleman, its Manager

By: [Signature]
Billy D. Eddleman, its Manager

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons, a notary public in and for said county in said state, hereby certify that Douglas D Eddleman, whose name as MANAGER of **PARK HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September, 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
~~BONDED THRU~~ NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons, a notary public in and for said county in said state, hereby certify that Billy D Eddleman, whose name as MANAGER of **PARK HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September, 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
~~BONDED THRU~~ NOTARY PUBLIC UNDERWRITERS

ACCOMMODATION MORTGAGOR:

WITNESS:

[Signature]
[Signature]

REGENT PARK HOMES, LLC,
An Alabama limited liability company

By: [Signature]
Douglas D. Eddleman, its Manager

By: [Signature]
Billy D. Eddleman, its Manager

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons a notary public in and for said county in said state, hereby certify that DOUGLAS D EDDLEMAN, whose name as MANAGER of **REGENT PARK HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September, 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, Amy Darlene Clemmons a notary public in and for said county in said state, hereby certify that BILLY D EDDLEMAN, whose name as MANAGER of **REGENT PARK HOMES, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this 14 day of September, 2007.

[Signature]
Notary Public

[Notary Seal]

My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 11, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

File No: NT10700163C-1

EXHIBIT "A"

Parcel I:

Lot 1-53, according to the Map and Survey of Chelsea Park, 1st Sector, Phase III, as recorded in Map Book 36, Page 34, in the Office of the Judge of Probate of Shelby County, Alabama.

Together with the nonexclusive easement to use the Common Areas as more particularly described in Declaration of Easements and Master Protective Covenants of Chelsea Park, a Residential Subdivision, executed by the Grantor and filed for record as Instrument No. 20041014000566950 in the Probate Office of Shelby County, Alabama and Declaration of Covenants, Conditions and Restrictions for Chelsea Park 1st Sector executed by Grantor and Chelsea Park Residential Association, Inc., and recorded as Instrument No. 20041026000590790, (which, together with all amendments thereto, are hereinafter collectively referred to as the "Declaration").

Parcel II:

Lot 1-93, according to the Map and Survey of Chelsea Park, 1st Sector, Phase I & II, as recorded in Map Book 34, Page 21 A & B, in the Office of the Judge of Probate of Shelby County, Alabama.

Together with the nonexclusive easement to use the Common Areas as more particularly described in Declaration of Easements and Master Protective Covenants of Chelsea Park, a Residential Subdivision, executed by the Grantor and filed for record as Instrument No. 20041014000566950 in the Probate Office of Shelby County, Alabama and Declaration of Covenants, Conditions and Restrictions for Chelsea Park 1st Sector executed by Grantor and Chelsea Park Residential Association, Inc., and recorded as Instrument No. 20041026000590790, (which, together with all amendments thereto, are hereinafter collectively referred to as the "Declaration").

Parcel III:

Lot 7-7, 7-17 and 7-19, according to the Plat of Chelsea Park 7th Sector, as recorded in Map Book 37, Page 120, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama (the "Property").

Together with the nonexclusive easement to use the Common Areas as more particularly described in Declaration of Easements and Master Protective Covenants of Chelsea Park, a Residential Subdivision, executed by the Grantor and filed for record as Instrument No. 20041014000566950 in the Probate Office of Shelby County, Alabama and Declaration of Covenants, Conditions, and Restrictions for Chelsea Park 7th Sector executed by Grantor and Chelsea Park Residential Association, Inc. and recorded as Instrument No. 20061229000634370, (which, together with all amendments thereto, are hereinafter collectively referred to as the "Declaration").

Parcel IV:

Unit 40 in Courtside at Brook Highland, a condominium, as established by that certain Declaration of Condominium of Courtside at Brook Highland, a condominium, which is recorded as Instrument Number 20020521000241450 in the Probate Office of Shelby County, Alabama, as amended by the Amendment thereto recorded as Instrument Number 20020521000241460 in said Probate Office and as further amended by the Corrective Amendment recorded as Instrument Number 20020521000241470 in said Probate Office and as reflected in the Plan of Courtside at Brook Highland prepared by K. B. Weygand & Associates, P.C. which is attached as Exhibit C to the Declaration of Condominium recorded as Instrument Number 20020521000241450 and which is also separately recorded in Map Book 28, page 103 in said Probate Office.

Parcel V:

File No: NT10700163C-1

Lot 2943, according to the Survey of Highland Lakes, 29th Sector, an Eddleman Community, as recorded in Map Book 36, Page 33-B, 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 Instrument No. 1996-17543, and further amended in Instrument #1999-31095, in the Probate Office of Shelby County, Alabama, and the Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, 29th Sector, recorded as Instrument No. 20051229000667930, in the Probate Office of Shelby County, Alabama (which, together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

Parcel VI:

Lot 31-19, according to the Survey of Highland Lakes, 31st Sector, Phase I, an Eddleman Community, as recorded in Map Book 34, Page 149, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, common areas, all as more particularly described in the Declaration of Easement and Master Protective Covenants for Highland Lakes, a Residential Subdivision, recorded as Instrument No. 1994-07111 and amended in Instrument No. 1996-17543 and Instrument No. 1999-31095 in the Probate Office of Shelby County, Alabama, and the Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, 31st Sector, Phase I, recorded in Instrument No. 20051215000649670, in the Probate Office of Shelby County, Alabama (which, together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

Parcel VII:

Lots 4, 5 and 6, according to the The Village at Highland Lakes, Regent Park Neighborhood, as recorded in Map Book 37, Page 130, in the Office of the Judge of Probate of Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, Common Areas all as more particularly described in the Declaration of Easements and Master Protective Covenants for The Village at Highland Lakes, a Residential Subdivision, recorded as Instrument No. 20060421000186650 in the Probate Office of Shelby County, Alabama, and the Declaration of Covenants, Conditions and Restrictions for The Village at Highland Lakes, Regent Park Neighborhood, to be recorded as Instrument No. 20070223000084910, in the Probate Office of Shelby County, Alabama (which, together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

Parcel VIII:

Lots 86, 87 and 88, according to the The Village at Highland Lakes, Regent Park Neighborhood, Phase Two as recorded in Map Book 38, Page 125, in the Office of the Judge of Probate of Shelby County, Alabama.

Together with nonexclusive easement to use the private roadways, Common Areas all as more particularly described in the Declaration of Easements and Master Protective Covenants for The Village at Highland Lakes, a Residential Subdivision, recorded as Instrument No. 20060421000186650 in the Probate Office of Shelby County, Alabama, and the Declaration of Covenants, Conditions and Restrictions for The Village at Highland Lakes, Regent Park Neighborhood, to be recorded as Instrument No. 20070223000084910, in the Probate Office of

20070927000453900 12/23 \$78.00
Shelby Cnty Judge of Probate, AL
09/27/2007 01:15:47PM FILED/CERT

File No: NT10700163C-1

Shelby County, Alabama (which, together with all amendments thereto, is hereinafter collectively referred to as, the "Declaration").

EXHIBIT "A"

Lots 1-1, 1-21, 1-22 and 1-23, according to the Map of Sterling Place, Phase One, as recorded in Map Book 2007 at Page 52, as corrected in Map Book 2007 at Page 59, in the Probate Office of St. Clair County, Alabama; being situated in St. Clair County, Alabama.

File No: NT10700163C-1

Stewart Title Guaranty Company

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B - SECTION II EXCEPTIONS

Effective Date: August 09, 2007, 08:00am

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

The Policy or Policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

- 1. Rights or claims of parties in possession not shown by the public records.**
- 2. Easements or claims thereof, which are not shown by the public records.**
- 3. Discrepancies, overlaps, conflicts in boundary lines, shortage in area, encroachments, and any facts which an accurate survey and inspection of the premises would disclose.**
- 4. Any lien, or right to a lien, for services, labor or material imposed by law and not shown by the public record.**
- 5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.**
- 6. The lien of Ad Valorem taxes for the year 2007, and subsequent years. 2007 taxes are a lien but neither due nor payable until 1 October, 2007.**
- 7. Municipal improvements, taxes, assessments and fire district dues against subject property, if any.**

Parcel I:

- 8. Restrictions as noted on Map Book 36, Page 34.**
- 9. Subject to covenants, conditions and restrictions (deleting therefrom, and restrictions indicating any preference, limitation, or discrimination based on race, color, religion, sex, handicap, family status or national origin) as set forth in the document recorded in Instrument No. 20041014000566950 and Instrument No. 20060605000263850, in the Probate Office of Shelby County, Alabama.**
- 10. Easement agreement as recorded in Instrument No. 20040816000457750.**
- 11. Conservation easement and Declaration of Restrictions and Covenants as recorded in Instrument No. 20041228000703990, in said Probate Office.**
- 12. Articles of Incorporation of The Chelsea Park Improvement District One, as recorded in Instrument No. 20041223000699620 and notice of final assessment of District One as recorded in Instrument No.**

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20050209000065520.

- 13. Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Deed Book 244, page 587, Instrument No. 1997-9552 and Instrument No. 2000-94450 and corrected in Instrument No. 2001-27341, in the Probate Office of Shelby County, Alabama.**
- 14. Release of damages as recorded in Instrument No. 20040922000521690, as recorded in the Probate Office of Shelby County, Alabama.**
- 15. Covenants releasing predecessor in title from any liability arising from sinkholes, limestone formations, soil conditions or any other known or unknown surface or subsurface conditions that may now or hereafter exist or occur or cause damage to subject property, as shown by instruments recorded in Instrument No. 20040922000521690 in Probate Office; the policy will insure that any violation of this covenant will not result in a forfeiture or reversion of title.**
- 16. Right of way easement as recorded in Instrument No. 2000-4454.**
- 17. Easement as recorded in Deed Book 253, Page 324.**
- 18. Distribution easement to Alabama Power Company as recorded in Instrument No. 20050203000056210.**
- 19. Declaration of Restrictive Covenants as recorded in Instrument No. 20030815000539670.**
- 20. Easement to Town of Chelsea as recorded in Instrument No. 20040107000012460, in the Probate Office of Shelby County, Alabama.**
- 21. Conservation easement and restrictive covenants as recorded in Instrument No. 20031222000822880; Instrument No. 20041228000703980 and Instrument No. 20041228000703990.**
- 22. Right of way to BellSouth as recorded in Instrument No. 20050923000496730, in the Office of the Judge of Probate of Shelby County, Alabama.**
- 23. 17 foot easement along SE lot line as per plat.**
- 24. 4 foot easement along NE lot line as per plat.**

Parcel II:

- 25. 10 foot easement along rear lot line as per plat.**
- 26. Declaration of Easements and Master Protective Covenants for Chelsea Park, a Residential Subdivision, as set out in instrument recorded in Instrument No. 20041014000566950 in Probate Office, along with Articles of Incorporation of Chelsea Park Residential Association, Inc. as recorded in Real 194, Page 281 and By-Laws of Association, Inc. as recorded in Real 194, Page 287 in said Probate Office along with Declaration of Covenants, Conditions and Restrictions for Chelsea Park First Sector, Phase I and Phase II, a Residential Subdivision as recorded in Instrument No.**

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20041026000590790, in said Probate Office.

27. **Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed Book 112, Page 111, in the Probate Office.**
28. **Right of way granted to Colonial Pipeline as set forth in Deed Book 283, Page 716, in the Office of the Judge of Probate of Shelby County, Alabama.**
29. **Easement to City of Chelsea as recorded in Instrument No. 20040120000033550, in the Probate Office of Shelby County, Alabama.**
30. **Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Instrument No. 1997-9552, Instrument No. 2000-94450, and corrected in Instrument No. 2001-27341, in the Probate Office of Shelby County, Alabama.**
31. **Release of damages as recorded in Instrument No. 20040922000521690, as recorded in the Probate Office of Shelby County, Alabama.**
32. **Restrictions, limitations, conditions and other provisions as set out in Map Book 34, Page 21 A & B in the Probate Office.**
33. **Easement Agreement as set out in Instrument No. 20040816000457750 in the Probate Office.**
34. **Declaration of Restrictive Covenants as set out in Instrument No. 20030815000539670 in the Probate Office.**
35. **Conservation Easement and Declaration of Restrictions and Covenants as recorded as Instrument No. 20041228000703990.**
36. **Articles of Incorporation of The Chelsea Park Improvement District One as recorded in Instrument No. 20041223000699620.**

Parcel III:

37. **7.5 foot easement along North lot line as per plat. (Lot 7-7)**
38. **Covenants releasing predecessor in title from any liability arising from sinkholes, limestone formations, soil conditions or any other known or unknown surface or subsurface conditions that may now or hereafter exist or occur or cause damage to subject property, as shown by instruments recorded in Instrument No. 20061229000634390 in Probate Office; the policy will insure that any violation of this covenant will not result in a forfeiture or reversion of title.**
39. **Release of damages as recorded in Instrument No. 20061229000634390, as recorded in the Probate Office of Shelby County, Alabama.**
40. **The Declaration of Easements and Master Protective Covenants of Chelsea Park, a Residential Subdivision, executed by Grantor and filed for record as Instrument No. 20041014000566960 in the**

File No: NT10700163C-1

Probate Office of Shelby County, Alabama.

41. **Declaration of Covenants, Conditions and Restrictions for Chelsea Park 7th Sector executed by Grantor and Chelsea Park Residential Association, Inc. and recorded as Instrument No. 20061229000634370, in the Probate Office of Shelby County, Alabama.**
42. **Easement to BellSouth Telecommunications, Inc. as recorded in Instrument No. 20060630000315710, in the Probate Office of Shelby County, Alabama.**
43. **Articles of Incorporation of The Chelsea Park Improvement District Three as recorded in Instrument No. 20050209000065540 and Notice of Final Assessment of District Three as recorded in Instrument No. 20050209000065540.**

Parcel IV:

44. **Easement of undetermined width along rear lot line as per plat.**
45. **Easement to Alabama Power Company as recorded in Real 207, Page 380; Real 220, page 521; and Real 220, page 532, in the Probate Office of Shelby County, Alabama.**
46. **Reciprocal Easement Agreement between AmSouth Bank, N.A., as Ancillary Trustee for NCNB National Bank of North Carolina as Trustee for the Public Employees Retirement System of Ohio and Eddleman and Associates, as set out in instrument dated April 14, 1987, and recorded in Real 125, Page 249.**
47. **Brook Highland Common Property Declaration of Covenants, Conditions and Restrictions set out in Real 307, Page 950.**
48. **Declaration of Protective Covenants for the "Watershed Property", which provides, among other things, for an Association to be formed to assess and maintain the Watershed Maintenance Areas, etc. of the development; all of said covenants, restrictions and conditions being set out in instrument recorded in Real 194, Page 54.**
49. **Drainage Agreement between AmSouth Bank, N.A., as Ancillary trustee for NCNB National Bank of North Carolina, as Trustee of the Public Employees Retirement System of Ohio and Eddleman and Associates, as set out in instrument dated April 14, 1987 and recorded in Real 125, Page 238.**
50. **Easement for sanitary sewer lines and water lines in favor of The Water Works and Sewer Board of the City of Birmingham recorded in Real 194, Page 1.**
51. **Restrictive Agreement and Protective Covenants including restrictive use of property as set out in Instrument No. 1992-14567, Real 308, Page 1; and Real 220, page 339.**
52. **Reciprocal Easement Agreement between AmSouth Bank, N.A., as Ancillary Trustee for NCNB National Bank of North Carolina as Trustee for the Public Employees Retirement Systems of Ohio and Billy and Douglas Eddleman, as set out in instrument dated August 9, 1988 and recorded in Real 199, Page 18.**
53. **Agreement concerning Electric Service to NCNB/Brook Highland and Alabama Power Company as**

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recorded in Real 306, Page 119.

54. Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Deed Book 121, Page 294 and Deed Book 28, Page 581, in the Probate Office of Shelby County, Alabama.
55. Easement Agreement recorded as Instrument No. 20020510000223870.
56. Restrictive Covenants as recorded in Real 181, page 995.
57. Restrictions, limitations and conditions as recorded in Map Book 23, Page 91.
58. Release of damages as recorded in Instrument No. 1998-15836, as recorded in the Probate Office of Shelby County, Alabama.
59. Articles of Incorporation of Courtside at Brook Highland Association, Inc., recorded in Instrument No. 2001-29968.
60. Declaration of Condominium of Courtside at Brook Highland, a Condominium, recorded as Instrument No. 2001-29968 and re-recorded as Instrument No. 20020521000241450 with an Amendment recorded as Instrument No. 200205100022392 and corrected as Instrument No. 20020521000241460 along with corrective Amendment recorded as Instrument No. 20020521000241470.
61. Rights of owners of property adjoining property in and to the joint or common rights in building situated on said lots, such rights include but are not limited to roof, foundations, party walls, walkways and entrance.
62. Subject to limitations and conditions imposed by the Condominium Law of Alabama as set out in Title 35 Chapter 8, Condominium Ownership Act, Acts 1964 1st Executive Sessions No. 206, Pages 266 and Acts 1973 No. 1059, Page 1732, 1975 Code of Alabama.

Parcel V:

63. Public utility easement as shown by recorded plat, including any tree bufferline as shown on recorded plat.
64. Declaration of Easements and Master Protective Covenants for Highland Lakes, a Residential Subdivision, which provides, among other things, for an Association to be formed to assess and maintain the private roadways, etc. of the development; all of said covenants, restrictions and conditions being set out in instrument recorded as Instrument No. 1994-07111, amended in Instrument No. 1996-17543 and further amended in Instrument No. 1999-31095, in said Probate Office of Shelby County, Alabama, along with Articles of Incorporation of Highland Lakes Residential Association, Inc. as recorded in Instrument No. 9402/3947, in the Office of the Judge of Probate of Jefferson County, Alabama.
65. Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision,

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29th Sector, as recorded in Instrument No. 20051229000667930, in said Probate Office.

- 66. Subdivision restrictions, limitations and conditions as set out in Map Book 36, Page 33-B, in said Probate Office.**
- 67. Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Deed Book 28, Page 237; Instrument No. 1998-7776; Instrument No. 1998-7777 and Instrument No. 1998-7778, in the Probate Office of Shelby County, Alabama.**
- 68. Subject to the provision of Sections 2.3 and 2.6 of the Declaration, the property shall be subject to the following minimum setbacks: (a) As per plot plan which must be approved by the ARC.**
- 69. Right of way granted to Birmingham Water and Sewer Board as set forth in Instrument No. 1997-4027 and Instrument No. 1996-25667, in the Office of the Judge of Probate of Shelby County, Alabama.**
- 70. Right of way and agreement with Alabama Power Company as to covenants pertaining thereto, to be recorded in said Probate Office.**
- 71. Shelby Cable Agreement as recorded in Instrument No. 1997-33476.**
- 72. Lake easement agreement executed by Highland Lakes Properties, Ltd. and Highland Lakes Development, Ltd., providing for easements, use by others, and maintenance of Lake property as shown by instrument recorded in Instrument No. 1993-15705.**
- 73. Easement(s) for ingress and egress to serve Highland Lakes Development executed by Highland Lakes Development, Ltd., to Highland Lakes Properties, Ltd., recorded as Instrument No. 1993-15704 in said Probate Office.**
- 74. Release of damages as recorded in Instrument No. 20050505000214850, as recorded in the Probate Office of Shelby County, Alabama.**
- 75. 7.5 foot easement along East lot line as per plat. (Lot 2943)**

Parcel VI:

- 76. Subject to covenants, conditions and restrictions (deleting therefrom, and restrictions indicating any preference, limitation, or discrimination based on race, color, religion, sex, handicap, family status or national origin) as set forth in the document recorded in Instrument No. 1994-7111, amended in Inst. No. 1996-17543 and in Inst. No. 1999-31095; along with Articles of Incorporation of Highland Lakes Residential Association, Inc. as recorded in Instrument No. 9402/3947, and Declaration of Covenants, Conditions and Restrictions for Highland Lakes, a Residential Subdivision, 31st Sector, Phase I, recorded in Inst. No. 20051215000649670, in the Office of the Judge of Probate of Jefferson County, in the Probate Office of Shelby County, Alabama.**
- 77. Lake easement agreement executed by Highland Lakes Properties, Ltd. and Highland Lakes Development, Ltd. providing for easements, use by others and maintenance of Lake property**

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described within Instrument No. 1993-15705.

78. Easement for ingress and egress to serve Highland Lakes Development executed by Highland Lakes Development, Ltd. to Highland Lakes Properties, Ltd. recorded as Instrument No. 1993-15704 in Probate Office.
79. Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Book 28, Page 237, Inst. No. 1998-7776, Inst. No. 1998-7777 and Inst. No. 1998-7778, in the Probate Office of Shelby County, Alabama.
80. Release of damages, restrictions, modifications, covenants, conditions, rights, privileges, immunities and limitations as applicable as set out in and as referenced in Instrument No. 20050422000192660.
81. Public utility easements as shown by recorded plat, including any tree buffer line shown thereon.
82. Subject to the provision of Section 2.3 and 2.6 of the Declaration, the property shall be subject to the following minimum setbacks: a) Front, rear and side setback as per plot plan which must be approved by the ARC.
83. Restrictions, limitations and conditions as set out in Map Book 34, Page 149.
84. Right of way to Alabama Power Company as recorded in Book 111, Page 408; Book 109, Page 70; Book 149, Page 380; Book 173, Page 364; Book 276, Page 670; Book 134, Page 408; Book 133, Page 212, Book 133, Page 210 and Real Volume 31, Page 355, in the Office of the Judge of Probate of Shelby County, Alabama.
85. Right of way to Shelby County, Alabama as recorded in Book 196, Page 246, in the Office of the Judge of Probate of Shelby County, Alabama.
86. Agreement with Alabama Power Company as to covenants pertaining thereto, recorded as Instrument No. 1999-1186, in said Probate Office.
87. Rights of riparian owners in and to the use of Lake, if any.
88. Restrictive Covenants and Grant of Land Easement for underground facilities in subdivision to Alabama Power Company as recorded in Instrument No. 20050203000056300.
89. Right of way granted to Birmingham Water and Sewer Board as set forth in Inst. No. 1997-4027 and Inst. No. 1996-25667, in the Office of the Judge of Probate of Shelby County, Alabama.
90. Release of damages as recorded in Inst. No. 20050505000214850, as recorded in the Probate Office of Shelby County, Alabama.

Parcel VII and VIII

91. Title to all oil, gas and minerals within and underlying the premises, together with all oil and mining rights and other rights, privileges and immunities relating thereto, together with any release of

liability for injury or damage to persons or property as a result of the exercise of such rights as recorded in Deed Book 81, Page 417, in the Probate Office of Shelby County, Alabama.

92. Transmission line permit(s) to Alabama Power Company as recorded in Deed Book 247, Page 905 and Deed Book 139, Page 569 and Deed Book 134, Page 411, in the Probate Office.
93. Right of way granted to Shelby County as set forth in Deed Book 196, Pages 237, 248 and 254 and Instrument No. 20060630000314890; Instrument No. 20060630000315260 and Instrument No. 20060630000315270, in the Office of the Judge of Probate of Shelby County, Alabama.
94. Easement to Shelby County as recorded in Instrument No. 1992-15747 and Instrument No. 1992-24264, in the Probate Office of Shelby County, Alabama.
95. Right of way for roadway as set forth in Real 103, Page 844 and Map Book 3, Page 148, in the Office of the Judge of Probate of Shelby County, Alabama.
96. Subject to covenants, conditions and restrictions (deleting therefrom, and restrictions indicating any preference, limitation, or discrimination based on race, color, religion, sex, handicap, family status or national origin) as set forth in the document recorded in Instrument No. 20041202000659280; Instrument No. 20060224000089280; Instrument No. 20060421000186650 and Instrument No. 20060421000186670 and amended in Instrument No. 20060712000335740 and Instrument No. 20070223000084910, in the Probate Office of Shelby County, Alabama.
97. Ingress and egress easements as recorded in Real Book 321, Page 812.
98. Notes and Restrictions as set out per Map Book 37, Page 130
99. Easement to Alabama Power Company as recorded in Instrument No. 20060630000314890, Instrument No. 20060630000315260 and Instrument No. 20060630000315270, in the Probate Office of Shelby County, Alabama.
100. Articles of Incorporation of The Village at Highland Lakes Improvements District as recorded in Instrument No. 20051209000637840 and Notice of Final Assessment of Real Property as recorded Instrument No. 20051213000644260.
101. Easements and building lines as shown on recorded map.
102. Mortgage from Eddleman-Thornton, Inc. to Compass Bank in the amount of \$6,785,323.00, dated 7/18/2002 and recorded 7/19/2002, in Instrument No. 20020719000338740, in the Probate Office of Shelby County, Alabama. (Parcel I and II)
103. Mortgage from Chelsea Park Properties, Ltd. and Chelsea Park, Inc. to Compass Bank in the amount of \$12,000,000.00, dated 5/14/2004 and recorded 7/29/2004, in Instrument No. 20040729000422060, in the Probate Office of Shelby County, Alabama. Assignment of Rents and Leases as recorded in Instrument No. 20040729000422080 and along with UCC recorded in Instrument No. 20040729000422070. (Parcel I and II)
104. Mortgage and assignment of leases and security agreements given by Chelsea Park Lands, Ltd. to Compass Bank in the amount of \$6,500,000.00, dated 8/1/2005, and recorded 8/26/2005, in Instrument

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No. 20050826000442250. (Parcel III)

- 105. Mortgage from Chelsea Park Development, Inc. to Compass Bank in the amount of \$5,000,000.00, dated 6/14/2006 and recorded 6/20/2006, in Instrument No. 20060620000294630, in the Probate Office of Shelby County, Alabama. Assignment of Rents and Leases as recorded in Instrument No. 20060620000294640. (Parcel III)**
- 106. Mortgage given by Eddleman Properties, Inc. to Compass Bank in the amount of \$4,400,000.00, dated 11/5/2001, and recorded 11/21/2001, in Instrument No. 2001-50614. Assignment of Rents and Leases as recorded in Instrument No. 2001-50615 and along with UCC recorded in Instrument No. 2001-50616. (Parcel IV)**
- 107. Mortgage given by Highland Lakes Development, Ltd. to Billy D. Eddleman in the amount of \$2,265,932.55, dated 4/28/1995, and recorded 5/8/1995, in Instrument No. 1995-12054. Mortgage amended in Instrument No. 1996-21142 and further modified in Instrument No. 1998-7780 and Instrument No. 1999-40617. (Parcel V and VI)**
- 108. Accommodation Mortgage, Future Advance and Assignment of Rents and Leases given by The Village at Highland Lakes Improvement District and The Village at Highland Lakes, Inc. to Compass Bank in the amount of \$24,215,000.00, dated 12/28/2006, and recorded 12/29/2006, in Instrument No. 20061229000637710. Along with UCC recorded in Instrument No. 20061229000637720 (Parcel VII and VIII)**



20070927000453900 23/23 \$78.00
Shelby Cnty Judge of Probate, AL
09/27/2007 01:15:47PM FILED/CERT

EXHIBIT C-1

Fee Simple interest in the Additional Land Described in this Third Amendment to Future Advance Mortgage, Assignment of Rents and Leases and Security Agreement is owned, as of the date hereof, as follows:

PARCELS I, II AND III – all described real property – Park Homes, LLC

PARCEL IV – all described real property – Courtside Development, LLC

PARCELS V AND VI – all described real property – Highland Lakes Homes, LLC

PARCELS VII AND VIII – all described real property – Regent Park Homes, LLC

PARCEL IX – all described real property – Sterling Place, LLC