

STATE OF ALABAMA)

COUNTY OF SHELBY)

20081023000415250 1/4 \$23.00
Shelby Cnty Judge of Probate, AL
10/23/2008 12:53:23PM FILED/CERT

PARTIAL RELEASE OF MORTGAGE AND SUBSTITUTION OF SECURITY

This Partial Release of Mortgage and Substitution of Security made this 10th day of October, 2008, by and between **Compass Bank** (herein referred to as "Bank") and **The Village at Highland Lakes Improvement District, an Alabama public corporation** (herein referred to as "Mortgagor") and **The Village at Highland Lakes, Inc.**, an Alabama corporation (herein referred to as "Owner").

WHEREAS, Owner is the fee simple owner of Lots 19 and 20, 2nd Amendment to the Amended Map The Village at Highland Lakes, Sector One, an Eddleman Community, as recorded in Map Book 38, Page 24 A-E, in the Office of the Judge of Probate of Shelby County, Alabama; being situated in Shelby County, Alabama, (hereinafter referred to as Lots 19 and 20, The Village at Highland Lakes) and

WHEREAS, Bank holds a Mortgage made by Mortgagor as recorded in Instrument No. 20061229000637690; in the Probate Office of Shelby County, Alabama, along with a UCC-1 recorded in Instrument No. 20061229000637700; (herein the "UCC-1"), a mortgage recorded as Instrument No. 20061229000637710 and a mortgage recorded as Instrument No. 20061229000637730 in the Probate Office of Shelby County, Alabama (herein the "Mortgage") securing a Note executed by The Village at Highland Lakes Improvement District, which Mortgage encumbers in a first lien status on Lots 19 and 20, The Village at Highland Lakes, together with other property, (hereinafter the "Other property").

WHEREAS, Mortgagor is desirous of conveying Lots 19 and 20, The Village at Highland Lakes, free and clear of the Mortgage and substituting in place of Lots 19 and 20, The Village at Highland Lakes, that property described as follows:

Lots 5 and 7, 2nd Amendment to the Amended Map The Village at Highland Lakes, Sector One, an Eddleman Community, as recorded in Map Book 38, Page 24 A-E in the Office of the Judge of Probate of Shelby County, Alabama; being situated in Shelby County, Alabama (Hereinafter referred to as Lots 5 and 7, The Village at Highland Lakes).

WHEREAS, Bank has agreed to release Lots 19 and 20, The Village at Highland Lakes, from the Mortgages and UCC-1, so long as the Note and Mortgage apply to Lots 5 and 7, The Village at Highland Lakes and the Other property in a first lien status.

NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein and the sum of Ten Dollars and other good and valuable consideration in hand paid by Mortgagor to Bank, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Bank releases from the Mortgages and UCC-1, Lots 19 and 20, 2nd Amendment to the Amended Map The Village at Highland Lakes, Sector One, an Eddleman Community, as recorded in Map Book 38, Page 24 A-E, in the Office of the Judge of Probate of Shelby County, Alabama.
2. In consideration of the Note and in order to secure the same, any other indebtedness or obligation of Mortgagor to Bank, whether as principal debtor, endorser, guarantor or otherwise, whether now existing or hereafter incurred, Mortgagor and Owner grant, bargain, sell and convey to Bank under the exact terms, and intending to be made a part of the Mortgages recorded in Instrument No. 20061229000637690; Instrument No. 20061229000637710; and

Instrument No. 20061229000637730 and UCC-1 recorded as Instrument No. 20061229000637700 in the Probate Office of Shelby County, Alabama, Lots 5 and 7, 2nd Amendment to the Amended Map The Village at Highland Lakes, Sector One, an Eddleman Community, as recorded in Map Book 38, Page 24 A-E, in the Office of the Judge of Probate of Shelby County, Alabama..


TO HAVE AND TO HOLD, together with all and singular the rights, tenants, hereditaments and appurtenances thereunto belonging or in anyway appertaining, unto the Bank, its successors or assigns, in fee simple, upon the exact terms and conditions of the Mortgages and Note. And Mortgagor, for itself, its successors and assigns, does hereby covenant with Bank that it is lawfully seized in fee simple of Lots 5 and 7, The Village at Highland Lakes and that it has a good right to sell and convey the same and that Lots 5 and 7, The Village at Highland Lakes are free from encumbrances; and that it warrants and will forever defend the title to Lots 5 and 7, The Village at Highland Lakes, against the lawful claims and demands of all persons whomsoever.

3. The parties acknowledge that the express purpose of this document is to simply substitute Lots 5 and 7, The Village at Highland Lakes View Estates for Lots 19 and 20, The Village at Highland Lakes, as the same relate to the Mortgages, the Note and hereafter, the Mortgages, Note and UCC-1 shall not apply to Lots 19 and 20, The Village at Highland Lakes, but shall apply to Lots 5 and 7, The Village at Highland Lakes (together with the Other Property) and further that all terms and conditions and provisions of the Mortgages and UCC-1 as originally written or amended and the Note as originally written or amended shall, (in addition to applying to the Other Property) apply to Lots 5 and 7, The Village at Highland Lakes.

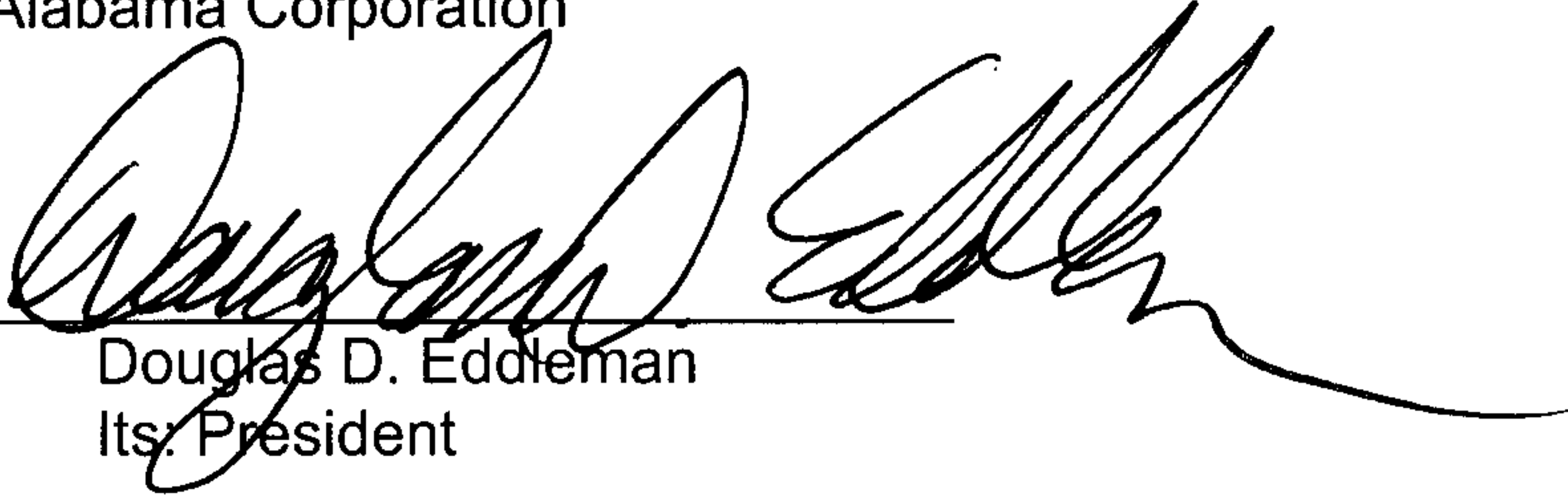
4. Except for the Partial Release and Substitution of Security set forth herein, the Mortgages, the Note, and UCC-1 shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this the 10th day of October, 2008.

Signatures on following pages


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OWNER:
The Village at Highland Lakes, Inc.,
an Alabama Corporation

By: 
Douglas D. Eddleman
Its: President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Douglas D. Eddleman, whose name as President of The Village at Highland Lakes, 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 said 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 seal this the 10th day of October, 2008.


Notary Public
My Commission Expires: 6-5-2011

MORTAGOR:
The Village at Highland Lakes Improvement District
an Alabama public corporation

By: 
Douglas D. Eddleman
Its: Chairman

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Douglas D. Eddleman, whose name as Chairman of The Village at Highland Lakes Improvement District, an Alabama public 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 said instrument, he as such chairman and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 10th day of October, 2008.


Notary Public
My Commission Expires: 6-5-2011

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BANK:
COMPASS BANK

By: 
Ben Hendrix
Its: Vice President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Ben Hendrix, whose name as Vice President, of COMPASS BANK, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Bank.

Given under my hand and seal this 10 day of October, 2008.


Notary Public
My Commission Expires:

MY COMMISSION EXPIRES
MARCH 29, 2009