

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION**

In Re:

SOUTH MARSH DEVELOPERS, LLC,

Case No. 09-32148-WSS

Chapter 11

Debtor in Possession.

**DEBTOR'S REPLY TO U.S. TRUSTEE'S
MOTION TO DISMISS OR CONVERT**

The Debtor in Possession, SOUTH MARSH DEVELOPERS, LLC, replies to the motion of the United States Trustee to dismiss this case or convert it to one under Chapter 7, as follows:

1. This Chapter 11 action was commenced on October 15, 2009. This debtor's primary business activities were the development of real estate and the operation of the St. Andrew's Country Club and Golf Course, in Biloxi, Mississippi.
2. The Debtor concedes that it does not have sufficient cash flow to maintain its business operations or fund a plan of reorganization.
3. The Debtor's assets include approximately \$75,000 worth of golf course maintenance equipment and the remaining inventory in the country club pro shop. The Debtor is also a defendant and counterclaimant in a lawsuit presently pending in the Circuit Court of Baldwin County, Alabama, entitled *Adams Homes, LLC v. Lakeland Properties, Inc. and South Marsh Developers, LLC*, case number CV-2008-262.
4. The Debtor submits that its remaining assets have so little market value that it would not be worth the time, expense and effort to liquidate them in a Chapter 7 case. Likewise, the Debtor would like to pursue its counterclaim against Adams Homes, LLC, in order to generate funds to resume business operations and pay its creditors.

5. The Debtor has paid its most recently due fees to the United States Trustee and is in the process of negotiating a settlement with National City Finance over the administrative expense arising out of the continued use of golf carts securing which were security for the National City lease.

6. The Debtor submits, therefore, that dismissal of this case, as opposed to conversion, is in the best interests of this Debtor, the Estate and the creditors, and requests that this Court enter its order dismissing this case.

WHEREFORE, the Debtor in Possession, SOUTH MARSH DEVELOPERS, LLC, respectfully requests that this Court enter its order dismissing this case.

* * * * *

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of this document were served on all interested parties via the Court's CM/ECF system, this 24th day of June, 2010.

Bruce C. Fehr

Bruce C. Fehr, Fla. Bar No. 042757

LIBERIS & ASSOCIATES, P.A.

212 Intendencia Street

Pensacola, Florida 32502

(850) 438-9647

bfehr@liberislaw.com

Attorneys for Debtor in Possession,

SOUTH MARSH DEVELOPERS, LLC

PlnDue, DsclsDue, DISMISSED

**U.S. Bankruptcy Court
Northern District of Florida (Pensacola)
Bankruptcy Petition #: 09-32148-WSS**

Assigned to: William S. Shulman
Chapter 11
Voluntary
Unknown assets

Case Manager: **Marsha Mirra**
Date filed: 10/15/2009
Debtor dismissed: 07/02/2010

Debtor

South Marsh Developers, LLC
4 Laguna Street, No. 201
Ft. Walton Beach, FL 32548
Tax ID / EIN: 20-4044906

represented by **Bruce C. Fehr**

Post Office Box 637
Gulf Breeze, FL 32562
(850) 382-0989
Email: bfehr@liberislaw.com

U.S. Trustee

United States Trustee
110 E. Park Avenue
Suite 128
Tallahassee, FL 32301
850-521-5050

represented by **Jason H. Egan**

Office of the U. S. Trustee
110 E. Park Avenue
Suite 128
Tallahassee, FL 32301
(850) 521-5053
Fax : (850) 521-5055
Email: jason.h.egan@usdoj.gov

Filing Date	#	Docket Text
07/04/2010	113	BNC Certificate of Mailing - PDF Document. (Re: 112 Order on Motion to Dismiss Case). Service Date 07/04/2010. (Admin.) (Entered: 07/05/2010)
07/02/2010	112	Order Granting Motion to Dismiss Case With 180 Day Injunction (Re: 103 Motion to Dismiss Case) (Hoffman, Faith) (Entered: 07/02/2010)
06/25/2010	111	Hearing Held [6/25/10] (Re: 103 Motion to Dismiss Case). Motion Granted with 180 Day Injunction. O: Egan. Appearances: B. Fehr, J. Egan, S. Fox, T. Hamilton, E.R. March. (Hoffman, Faith) (Entered: 06/25/2010)
06/24/2010	110	Reply to (103 Motion to Dismiss Case) filed by Debtor South Marsh Developers, LLC. (Re: 103 Motion to Dismiss Case) (Fehr, Bruce) (Entered: 06/24/2010)
06/06/2010	109	BNC Certificate of Mailing - PDF Document. (Re: 107 Order on Motion for Relief from Stay). Service Date 06/06/2010. (Admin.) (Entered: 06/07/2010)
06/04/2010	108	Notice of Appearance and Request for Notice filed by E. Russell March III on behalf of Regions Bank. (March, E.) (Entered: 06/04/2010)
06/04/2010	107	Order Granting Motion for Relief from Stay by Regions Bank(Re: 91) (Hoffman, Faith) (Entered: 06/04/2010)
06/03/2010	106	BNC Certificate of Mailing - PDF Document. (Re: 104 Notice of Hearing). Service Date 06/03/2010. (Admin.) (Entered: 06/04/2010)
06/02/2010	105	Remove fee due for Motion to Dismiss Case(09-32148-WSS) [motion,dismis31] (15.00); fee n/a. Record number DF20100602, Modified on 6/2/2010 (Faircloth, D.). (Entered: 06/02/2010)

06/01/2010	104	Notice of Non-Evidentiary Hearing (Re: 103 Motion to Dismiss Case). Hearing scheduled on 6/25/2010 at 09:00 AM at via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 06/01/2010)
06/01/2010	103	Motion to Dismiss Case or Convert pursuant to Section 1112(b) [Fee Amount \$15] filed by Jason H. Egan on behalf of United States Trustee. (Egan, Jason) (Entered: 06/01/2010)
05/14/2010	102	Notice of cancelled hearing. Hearing scheduled for 5/14/10 is cancelled prior to hearing date (Re: 91 Motion for Relief from Stay). Attorney for Creditor Advised the Court that the Matter was settled. O: March. (Hoffman, Faith) (Entered: 05/14/2010)
05/14/2010	101	Consent to <i>Lifting of Stay</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 91 Motion for Relief from Stay]. (Fehr, Bruce) (Entered: 05/14/2010)
05/13/2010	100	Debtor-In-Possession Monthly Operating Report for Filing Period 3/1/2010 - 3/31/2010 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 05/13/2010)
05/13/2010	99	Debtor-In-Possession Monthly Operating Report for Filing Period 2/1/2010 - 2/28/2010 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 05/13/2010)
05/08/2010	98	BNC Certificate of Mailing - PDF Document. (Re: 97 Order on Omnibus Motion to Assume Lease or Executory Contract). Service Date 05/08/2010. (Admin.) (Entered: 05/09/2010)
05/06/2010	97	Order Granting Omnibus Motion to Assume Lease or Executory Contract (Re: 57) (Hoffman, Faith) (Entered: 05/06/2010)
04/25/2010	96	BNC Certificate of Mailing - PDF Document. (Re: 94 Notice of Hearing). Service Date 04/25/2010. (Admin.) (Entered: 04/26/2010)
04/25/2010	95	BNC Certificate of Mailing - PDF Document. (Re: 93 Order on Motion to Extend Time). Service Date 04/25/2010. (Admin.) (Entered: 04/26/2010)
04/23/2010	94	Notice of Non-Evidentiary Hearing (Re: 91 Motion for Relief from Stay). Hearing scheduled on 5/14/2010 at 10:30 AM at via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 04/23/2010)
04/23/2010	93	Order Granting Motion to Extend Time to File Proof of Claim(Re: 82) (Hoffman, Faith) (Entered: 04/23/2010)
04/19/2010	92	Receipt of Motion for Relief from Stay(09-32148-WSS) [motion,mrfs] (150.00) filing fee. Receipt number 2023793, amount \$ 150.00. (U.S. Treasury) (Entered: 04/19/2010)
04/19/2010	91	Motion for Relief from Stay [Fee Amount \$150] filed by Rick A. LaTrace on behalf of Regions Bank. (Attachments: # 1 Exhibit Ex. A) (LaTrace, Rick) (Entered: 04/19/2010)
04/11/2010	90	BNC Certificate of Mailing - PDF Document. (Re: 89 Order on Application to Employ). Service Date 04/11/2010. (Admin.) (Entered: 04/12/2010)
04/09/2010	89	Order Withdrawing Application to Employ (Re: 58) (Mirra, M.) (Entered: 04/09/2010)
04/09/2010	88	Hearing Held [4/9/10](Re: 58 Application to Employ, Debtor's Counsel to withdraw Application. 82 Motion to Extend Time. Granted. O: Fox. Appearances: B. Fehr, J. Egan, S. Fox. (Hoffman, Faith) (Entered: 04/09/2010)
04/09/2010	87	Withdrawal of Document filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 58 Application to Employ, 72 Supplemental filing]. (Fehr, Bruce) (Entered: 04/09/2010)

04/08/2010	86	Objection to <i>Debtor's Application to Employ</i> filed by Creditor Adams Homes, LLC. (Re: 58 Application to Employ, 75 Supplemental filing, 85 Supplemental filing) (Attachments: # 1 Exhibit Assignment of Proceeds) (Fox, Sally) (Entered: 04/08/2010)
04/08/2010	85	Supplemental Supplement to <i>Application to Employ Attorneys in State Court Action</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 58 Application to Employ, 75 Supplemental filing]. (Fehr, Bruce) (Entered: 04/08/2010)
03/31/2010	84	BNC Certificate of Mailing - PDF Document. (Re: 83 Notice of Hearing). Service Date 03/31/2010. (Admin.) (Entered: 04/01/2010)
03/29/2010	83	Notice of Non-Evidentiary Hearing (Re: 82 Motion to Extend Time). Hearing scheduled on 4/9/2010 at 10:00 AM at via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 03/29/2010)
03/26/2010	82	Motion to Extend Time to File a Proof of Claim filed by Sally Bussell Fox on behalf of Adams Homes, LLC. (Fox, Sally) (Entered: 03/26/2010)
03/14/2010	81	BNC Certificate of Mailing - PDF Document. (Re: 80 Notice of Hearing). Service Date 03/14/2010. (Admin.) (Entered: 03/15/2010)
03/12/2010	80	Notice of Continued Hearing (Re: 58 Application to Employ). Hearing scheduled on 4/9/2010 at 10:00 AM at Via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 03/12/2010)
03/10/2010	79	BNC Certificate of Mailing - PDF Document. (Re: 77 Notice of Hearing). Service Date 03/10/2010. (Admin.) (Entered: 03/11/2010)
03/08/2010	78	Hearing Held [3/5/10](Re: 57 Omnibus Motion to Assume Lease or Executory Contract). Granted. O: Hamilton. Appearances: B. Fehr, J. Egan, T. Hamilton, S. Fox. (Hoffman, Faith) (Entered: 03/08/2010)
03/08/2010	77	Notice of Continued Non-Evidentiary Hearing (Re: 58 Application to Employ). Hearing scheduled on 3/12/2010 at 10:00 AM at Via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 03/08/2010)
03/08/2010	76	Debtor-In-Possession Monthly Operating Report for Filing Period 1/1/2010 - 1/31/2010 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 03/08/2010)
03/08/2010	75	Supplement to <i>Application to Employ Attorneys in State Court Action</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 58 Application to Employ] (Attachments: # 1 Exhibit Asset Purchase Agreement). (Fehr, Bruce) (Entered: 03/08/2010)
03/08/2010	74	Withdrawal of Document (Wrong document filed) filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 72 Supplemental filing]. (Fehr, Bruce) (Entered: 03/08/2010)
03/08/2010	73	SUBMISSION ERROR NOTIFICATION: Incomplete PDF - PDF Document appears to be missing pages and must be re-filed in its entirety as an amended document; Please take immediate action to correct this error (Re: 72 Supplemental filing). (Mirra, M.) (Entered: 03/08/2010)
03/05/2010	72	Supplement to <i>Application to Employ Attorneys in State Court Case</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 58 Application to Employ] (Attachments: # 1 Exhibit Asset Purchase Agreement). (Fehr, Bruce) SUBMISSION ERROR: Incomplete PDF; Modified on 3/8/2010 (Mirra, M.). (Entered: 03/05/2010)
03/05/2010	71	Amended Schedules/Statements filed: Statement of Financial Affairs, [] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 03/05/2010)

03/05/2010	70	Receipt of Amended Schedules(09-32148-WSS) [misc,amdsch] (26.00) filing fee. Receipt number 1980914, amount \$ 26.00. (U.S. Treasury) (Entered: 03/05/2010)
03/05/2010	69	Receipt of Amended Schedules(09-32148-WSS) [misc,amdsch] (26.00) filing fee. Receipt number 1980914, amount \$ 26.00. (U.S. Treasury) (Entered: 03/05/2010)
03/05/2010	68	Amended Schedules (<i>Amendment to Schedule F</i>) [Fee Amount \$26] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 03/05/2010)
03/05/2010	67	Amended Schedules (<i>Amendment to Schedule D</i>) [Fee Amount \$26] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 03/05/2010)
03/03/2010	66	Notice of Appearance and Request for Notice filed by Sally Bussell Fox on behalf of Adams Homes, LLC. (Fox, Sally) (Entered: 03/03/2010)
02/11/2010	65	BNC Certificate of Mailing - PDF Document. (Re: 64 Order on Motion for Relief from Stay With Consent of Parties). Service Date 02/11/2010. (Admin.) (Entered: 02/12/2010)
02/09/2010	64	Order Granting Consent Motion For Modification Of Stay To Mediate State Court Action (Re: 63) (Isom, L.) (Entered: 02/09/2010)
02/05/2010	63	Consent Motion for Relief from Stay With Consent of Parties filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 02/05/2010)
02/04/2010	62	BNC Certificate of Mailing - PDF Document. (Re: 61 Notice of Hearing). Service Date 02/04/2010. (Admin.) (Entered: 02/05/2010)
02/02/2010	61	Notice of Non-Evidentiary Hearing (Re: 57 Omnibus Motion to Assume Lease or Executory Contract, 58 Application to Employ). Hearing scheduled on 3/5/2010 at 09:15 AM at Via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 02/02/2010)
02/01/2010	60	Notice of Appearance and Request for Notice filed by Theodore J. Hamilton on behalf of National City Commercial Capital, LLC. (Boucher, C.) (Entered: 02/01/2010)
01/29/2010	59	Supplement to <i>Application to Employ Attorneys for Debtor</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 26 Application to Employ]. (Fehr, Bruce) (Entered: 01/29/2010)
01/29/2010	58	Application to Employ Zieman, Speegle, Jackson & Hoffman, LLC as Attorneys in State Court Action filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Attachments: # 1 Affidavit Affidavit of T. Zieman# 2 Exhibit Order Staying State Court Action) (Fehr, Bruce) (Entered: 01/29/2010)
01/29/2010	57	Motion to Assume Lease or Reject Leases filed by Theodore J. Hamilton on behalf of National City Commercial Capital, LLC. (Attachments: # 1 Exhibit) (Mirra, M.) (Entered: 01/29/2010)
01/15/2010	56	Debtor-In-Possession Monthly Operating Report for Filing Period 12/01/09 - 12/31/09 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 01/15/2010)
01/14/2010	55	Debtor-In-Possession Monthly Operating Report for Filing Period 11/1/09-11/30/09 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 01/14/2010)
12/18/2009	54	SUBMISSION ERROR NOTIFICATION: Document Not Signed - Per FRBP 1008 and 9011, all documents must contain the signature of the filing attorney or the pro se debtor; Please take immediate action to correct this error (Re: 51 Amended Schedules and/or Statements). (Mirra, M.) (Entered: 12/18/2009)

12/17/2009	53	BNC Certificate of Mailing. (Re: 50 Order to File Papers In Proper Form). Service Date 12/17/2009. (Admin.) (Entered: 12/18/2009)
12/17/2009	52	Case Status Hearing Held [12/17/09](Re: 1 Voluntary Petition (Chapter 11)). Appearances: B. Fehr, J. Egan, E.R. March, L. Rumsey, T. Carroll, T. Schweizer. (Hoffman, Faith) (Entered: 12/17/2009)
12/17/2009	51	Amended Schedules/Statements filed: Schedule H, [] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) SUBMISSION ERROR: Document not signed; Modified on 12/18/2009 (Mirra, M.). (Entered: 12/17/2009)
12/15/2009	50	Order to File Papers In Proper Form: Document not signed as required by F.R.B.P. 1008 and 9011; signed on 12/15/2009 (Re: 48 Amended Schedules and/or Statements, 49 Amended Schedules and/or Statements). Responses due by 12/21/2009. Case Administrator action required 12/22/2009. (Mirra, M.) (Entered: 12/15/2009)
12/14/2009	49	Amended Schedules/Statements filed: Statement of Financial Affairs, [] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 12/14/2009)
12/14/2009	48	Amended Schedules/Statements filed: Schedule B, [] filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 12/14/2009)
12/13/2009	47	BNC Certificate of Mailing - PDF Document. (Re: 46 Order on Application to Employ). Service Date 12/13/2009. (Admin.) (Entered: 12/14/2009)
12/11/2009	46	Order Granting Application to Employ Liberis & Associates, P.A. (Re: 42) (Davis, Lisa) (Entered: 12/11/2009)
12/04/2009	45	Until further notice, the United States Trustee will not appoint a committee of creditors pursuant to 11 U.S.C. Sec.1102 filed by United States Trustee. (Egan, Jason) (Entered: 12/04/2009)
12/04/2009	44	The United States Trustee hereby gives notice that the Section 341(a) Meeting of Creditors was held and concluded filed by United States Trustee. (Egan, Jason) (Entered: 12/04/2009)
11/23/2009	43	Debtor-In-Possession Monthly Operating Report for Filing Period 10/15/09 - 10/31/09 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 11/23/2009)
11/23/2009	42	Application to Employ Liberis & Associates, P.A. as Attorneys for Debtor (<i>Amended</i>) filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC (Attachments: # 1 Affidavit Affidavit of Bruce C. Fehr). (Fehr, Bruce) (Entered: 11/23/2009)
11/20/2009	41	BNC Certificate of Mailing - PDF Document. (Re: 39 Notice of Hearing - Status Hearing). Service Date 11/20/2009. (Admin.) (Entered: 11/21/2009)
11/18/2009	40	BNC Certificate of Mailing - PDF Document. (Re: 35 Order on Application to Employ). Service Date 11/18/2009. (Admin.) (Entered: 11/19/2009)
11/18/2009	39	Notice of Case Status Hearing (Re: 1 Voluntary Petition (Chapter 11)). Status hearing to be held on 12/17/2009 at 03:00 PM at Via TELEPHONE CONFERENCE. (Hoffman, Faith) (Entered: 11/18/2009)
11/17/2009	38	Corporate Ownership Statement pursuant to Rule 1007(a). filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 13 Notice of Deficiency - Initial]. (Fehr, Bruce) (Entered: 11/17/2009)
11/16/2009	37	Declaration re: <i>Schedules G and H, Statement of Financial Affairs and Summary of Schedules</i> , filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 31 Schedule G, 32 Schedule H, 33 Statement of Financial Affairs, 34 Summary of Schedules]. (Fehr, Bruce)

		(Entered: 11/16/2009)
11/16/2009	36	Notice of Rescheduled 341 Meeting of Creditors to be held on December 2, 2009 at 11:30 a.m. at location stated in original notice filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 11/16/2009)
11/16/2009	35	Order Withdrawing Application to Employ (Re: 26) (Mirra, M.) (Entered: 11/16/2009)
11/13/2009	34	Summary of Schedules filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 13 Notice of Deficiency - Initial]. (Fehr, Bruce) SUBMISSION ERROR: Document not signed; Modified on 11/16/2009 (Mirra, M.). (Entered: 11/13/2009)
11/13/2009	33	Statement of Financial Affairs filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 13 Notice of Deficiency - Initial]. (Fehr, Bruce) SUBMISSION ERROR: document not signed; Modified on 11/16/2009 (Mirra, M.). (Entered: 11/13/2009)
11/13/2009	32	Schedule H filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 13 Notice of Deficiency - Initial]. (Fehr, Bruce) SUBMISSION ERROR: Document not signed; Modified on 11/16/2009 (Mirra, M.). (Entered: 11/13/2009)
11/13/2009	31	Schedule G filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 13 Notice of Deficiency - Initial]. (Fehr, Bruce) SUBMISSION ERROR: Document not signed; Modified on 11/16/2009 (Mirra, M.). (Entered: 11/13/2009)
11/13/2009	30	Application to Employ Liberis & Associates, P.A. as Attorneys for Debtor filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC (Attachments: # 1 Affidavit Affidavit of Bruce C. Fehr). (Fehr, Bruce) (Entered: 11/13/2009)
11/13/2009	29	Withdrawal of Document (Wrong document) filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC [Re: 26 Application to Employ]. (Fehr, Bruce) (Entered: 11/13/2009)
11/12/2009	28	Tax Documents for the Year for 2008. Provided to Trustee on 11/12/2009 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 11/12/2009)
11/12/2009	27	Tax Documents for the Year for 2007. Provided to Trustee on 11/12/2009 filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 11/12/2009)
11/12/2009	26	Application to Employ Liberis & Associates, P.A. as Attorneys for Debtor filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC (Attachments: # 1 Affidavit Affidavit of Bruce C. Fehr). (Fehr, Bruce) (Entered: 11/12/2009)
10/26/2009	25	Notice of Appearance and Request for Notice filed by Rick A. LaTrace on behalf of Regions Bank. (LaTrace, Rick) (Entered: 10/26/2009)
10/26/2009	24	20 Largest Unsecured Creditors (<i>signed</i>) filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/26/2009)
10/18/2009	23	BNC Certificate of Mailing. (Re: 16 Order to File Taxes). Service Date 10/18/2009. (Admin.) (Entered: 10/19/2009)
10/18/2009	22	BNC Certificate of Mailing. (Re: 12 Order to File Papers In Proper Form). Service Date 10/18/2009. (Admin.) (Entered: 10/19/2009)
10/18/2009	21	BNC Certificate of Mailing. (Re: 15 Order Continuing Debtor-in-Possession). Service Date 10/18/2009. (Admin.) (Entered: 10/19/2009)
10/18/2009	20	BNC Certificate of Mailing Re: Clerk's Notice of Deficiency (Re: 13 Notice of Deficiency - Initial). Service Date 10/18/2009. (Admin.) (Entered: 10/19/2009)

10/18/2009	19	BNC Certificate of Mailing - Meeting of Creditors. (Re: 17 Notice of 341 Meeting of Creditors - Chapter 11). Service Date 10/18/2009. (Admin.) (Entered: 10/19/2009)
10/16/2009	18	Notice of Appearance and Request for Notice filed by Jason H. Egan on behalf of United States Trustee. (Egan, Jason) (Entered: 10/16/2009)
10/16/2009	17	Meeting of Creditors . 341(a) meeting to be held on 11/19/2009 at 11:00 AM at Pensacola (Courtroom 220 W. Garden Street, Suite 700). Proofs of Claims due by 2/19/2010. Government Proof of Claim due by 5/18/2010. (Mirra, M.) (Entered: 10/16/2009)
10/16/2009	16	Order to File Federal and State Employment Tax Returns and to Deposit State and Federal Taxes signed on 10/16/2009. (Mirra, M.) (Entered: 10/16/2009)
10/16/2009	15	Order Continuing Debtor-in-Possession, Authorizing Continuation of Activities Combined with Automatic Stay and Specific Injunction and on Other Related Matters signed on 10/16/2009. (Mirra, M.) (Entered: 10/16/2009)
10/16/2009	14	SUBMISSION ERROR NOTIFICATION: Document Not Signed - Per FRBP 1008 and 9011, all documents must contain the signature of the filing attorney or the pro se debtor; Please take immediate action to correct this error (Re: 9 20 Largest Unsecured Creditors). (Mirra, M.) (Entered: 10/16/2009)
10/16/2009	13	Notice of Deficient Filing. Complete list of deficient items due from debtors attached . Schedule G due 10/30/2009. Schedule H due 10/30/2009. Summary of schedules due 10/30/2009. Statement of Financial Affairs due 10/30/2009. Corporate Ownership Statement due by 10/20/2009. Incomplete Filings due by 10/30/2009. (Mirra, M.) (Entered: 10/16/2009)
10/16/2009	12	Order to File Papers In Proper Form: Document not signed as required by F.R.B.P. 1008 and 9011 signed on 10/16/2009 (Re: 3 Schedule A, 4 Schedule B, 5 Schedule C, 6 Schedule D, 7 Schedule E, 8 Schedule F, 11 Disclosure of Compensation of Attorney for Debtor). Responses due by 10/21/2009. Case Administrator action required 10/23/2009. (Mirra, M.) (Entered: 10/16/2009)
10/15/2009	11	Disclosure of Compensation of Attorney for Debtor filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	10	Corporate Resolution <i>to File Bankruptcy</i> filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	9	20 Largest Unsecured Creditors filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) SUBMISSION ERROR: Document not signed; Modified on 10/16/2009 (Mirra, M.). (Entered: 10/15/2009)
10/15/2009	8	Schedule F filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	7	Schedule E filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	6	Schedule D filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	5	Schedule C filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	4	Schedule B filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)

10/15/2009	3	Schedule A filed by Bruce C. Fehr on behalf of South Marsh Developers, LLC. (Fehr, Bruce) (Entered: 10/15/2009)
10/15/2009	2	Receipt of Voluntary Petition (Chapter 11)(09-32148) [misc,volp11] (1039.00) filing fee. Receipt number 1850781, amount \$1039.00. (U.S. Treasury) (Entered: 10/15/2009)
10/15/2009	1	Chapter 11 Voluntary Petition [Fee Amount \$1039] filed by South Marsh Developers, LLC 15 Chapter 11 Plan due by 02/12/2010. Disclosure Statement due by 02/12/2010. (Fehr, Bruce) (Entered: 10/15/2009)

PACER Service Center**Transaction Receipt**

07/13/2010 17:02:18

PACER Login:	pe0841	Client Code:	
Description:	Docket Report	Search Criteria:	09-32148-WSS Fil or Ent: filed Doc From: 0 Doc To: 99999999 Term: included Format: html
Billable Pages:	6	Cost:	0.48

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of the filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

Creditor's Name and Mailing Address Including Zip Code	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred, Nature of Lien, and Description and Value of Property Subject to Lien	Contingent	Unliquidated	Disputed	Amount of Claim Without Deducting Value of Collateral	Unsecured Portion, If Any
Account Number:		Loans, 2009				7,900	
Coyote Land Co. 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		VALUE \$					
Account Number:		Loans, 2009				12,165	
WJT Investments 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		VALUE \$					
Account Number:		Loans, 2008				58,365	
241 Development 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		VALUE \$					
Subtotal (Total of this page)						\$78,430.00	\$0.00
Total (Use only on last page)							

(Report also on
Summary of
Schedules.)

(If applicable, report
also on Statistical
Summary of Certain
Liabilities and Related
Data.)

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

Creditor's Name and Mailing Address Including Zip Code	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred, Nature of Lien, and Description and Value of Property Subject to Lien	Contingent	Unliquidated	Disputed	Amount of Claim Without Deducting Value of Collateral	Unsecured Portion, If Any
Account Number: St. Andrew's Developers, LLC 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Loans, 2009 VALUE \$ 33,164				33,164	
Account Number: 731 Pensacola Beach Blvd., LLC 10 Portofino Drive, 2nd Floor Pensacola Beach, FL 32561		Loan, 2007 VALUE \$ 5,000				5,000	
Account Number: Marbella Condominium Developers, LLC 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Loans, 2007 VALUE \$ 5,500				5,500	
Account Number: Ocala Residential, Inc. 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Purchase of development project golf course, 2006 VALUE \$ 480,000				1,400,000	920,000
Account Number: Ocala Residential, Inc. 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Working capital, 2006 VALUE \$				118,242	
Account Number: Pelican Isle Condominium Developers 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Development funds. VALUE \$				676,832	
Account Number: Schweizer Freeport Holdings, LLC 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548	X	Development funds. VALUE \$				2,025,606	
Subtotal (Total of this page)						\$4,264,344.00	\$920,000.00
Total (Use only on last page)							

(Report also on
Summary of
Schedules.)(If applicable, report
also on Statistical
Summary of Certain
Liabilities and Related
Data.)

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

Creditor's Name and Mailing Address Including Zip Code	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred, Nature of Lien, and Description and Value of Property Subject to Lien	Contingent	Unliquidated	Disputed	Amount of Claim Without Deducting Value of Collateral	Unsecured Portion, If Any
Account Number:		Construction and purchase loan, mortgage on lots.				10,545,862	
Regions Bank P.O. Box 11407 Birmingham, AL 35246		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Account Number:							
		VALUE \$					
Subtotal (Total of this page)						\$10,545,862.00	\$0.00
Total (Use only on last page)						\$14,888,636.00	\$920,000.00

(Report also on
Summary of
Schedules.)(If applicable, report
also on Statistical
Summary of Certain
Liabilities and Related
Data.)

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts filing a case under chapter 7, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured nonpriority claims to report on this Schedule F.

Creditor's Name and Mailing Address Including Zip Code, and Account Number	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred and Consideration for Claim. If Claim is Subject to Setoff, so State.	Contingent	Unliquidated	Disputed	Amount of Claim
Account Number: Carroll Construction 66000 Sunplex Drive Ocean Springs, MS 39530		Contracting services.				618,082
Account Number: Rumsey Consulting Engineering, Inc. 910 Howard Avenue Biloxi, MS 39530		Engineering services.				51,919
Account Number: St. Andrew Developers, LLC 4 Laguna Street, No. 201 Ft. Walton Beach, FL 32548		Loan				39,299
Account Number: National City Golf Finance P.O. Box 691355 Cincinnati, OH 45269		Financing.				28,990
Subtotal						\$738,290.00
Total (Use only on last page of the completed Schedule F.) (Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)						\$712,199.00

0 continuation sheets attached

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

Creditor's Name and Mailing Address Including Zip Code, and Account Number	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred and Consideration for Claim. If Claim is Subject to Setoff, so State.	Contingent	Unliquidated	Disputed	Amount of Claim
Account Number: Bayer Cropscience LP Dept. 1069 P.O. Box 121069 Dallas, TX 75312		Lawn care supplies.				26,557
Account Number: Callaway Golf Company P.O. Box 9002 Carlsbad, CA 92018		Golf equipment and supplies.				10,793
Account Number: Mississippi Gulf Coast Golf Assn. P.O. Box 1914 Biloxi, MS 39533		Membership fees.				10,500
Pepco P.O. Box 3093 Houston, TX 77253						6,703
Account Number: Titleist P.O. Box 88112 Chicago, IL 60695		Golf equipment and supplies.				5,825
Account Number: Singing River Electric Power Assn. P.O. Box 767 Lucedale, MS 39452		Electric service.				4,281
Account Number: Argomax, LLC P.O. Box 1040 Magnolia Springs, AL 36555		Services.				2,555
Subtotal						\$56,431.79
Total (Use only on last page of the completed Schedule F.) (Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)						\$794,721.79

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

Creditor's Name and Mailing Address Including Zip Code, and Account Number	Codebtor Husband, Wife, Joint, or Community	Date Claim was Incurred and Consideration for Claim. If Claim is Subject to Setoff, so State.	Contingent	Unliquidated	Disputed	Amount of Claim
Account Number:						2,500
Turf Grass Consulting Services 3000 Holladay Lane Kiln, MS 39556						
Account Number:		Golf Supplies				2,185
Ashworth Apparel P.O. Box 51141 Los Angeles, CA 90074						
Account Number:		Accounting services.				1,850
Lowry & Watson, CPAs 133 Hospital Drive NE Ft. Walton Beach, FL 32548						
Account Number:		Telephone service.				1,761
AT&T P.O. Box 105262 Atlanta, GA 30348						
Account Number:		Food and drink service.				1,522
Coca-Cola Bottling Co. Consolidated Jackson County Sales Center P.O. Box 751257 Charlotte, NC 28275						
Account Number:		Golf course turf equipment and supplies.				1,404
R&R Products, Inc. 3334 E. Milber Street Tucson, AZ 85714						
Account Number:		Vehicle repair.				Unknown
Dahl's Automotive 1514 Bienville Blvd. Ocean Springs, MS 39564						
Subtotal						\$11,222.00
Total (Use only on last page of the completed Schedule F.) (Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)						\$805,943.79

In Re: South Marsh Developers, LLC

Case No. _____

Debtor

(if known)

Creditor's Name and Mailing Address Including Zip Code, and Account Number	Codebtor	Husband, Wife, Joint, or Community	Date Claim was Incurred and Consideration for Claim. If Claim is Subject to Setoff, so State.	Contingent	Unliquidated	Disputed	Amount of Claim
Account Number:			Lawn chemicals and pesticides.				Unknown
Regal Chemical P.O. Box 403368 Atlanta, GA 30384							
Account Number:							
Account Number:							
Account Number:							
Account Number:							
Account Number:							
Account Number:							
Account Number:							
Subtotal							\$0.00
Total (Use only on last page of the completed Schedule F.) (Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)							\$805,943.79

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF FLORIDA**

IN RE:)	
)	
SOUTH MARSH)	CASE NO. 09-32148-WSS
DEVELOPERS, LLC)	CHAPTER 11
)	
Debtor.)	

MOTION OF REGIONS BANK FOR RELIEF FROM STAY

Comes now Regions Bank (“Regions”), a secured creditor in the above-referenced Chapter 11 case, and moves the Court pursuant to 11 U.S.C. § 362(d) for an order terminating the automatic stay with respect to certain property described hereinbelow, and as grounds therefor would show as follow:

1. Debtor, South Marsh Developers, LLC, filed its voluntary petition under Chapter 11 of the United States Bankruptcy Code on October 15, 2009.

2. Debtor is indebted to Regions pursuant to the terms of that certain Promissory Note dated January 10, 2006 (“the Note”), whereby Debtor promised to repay to Regions the original principal balance of \$13,760,000.00, together with interest accruing at a variable rate, applicable late charges and, upon default, reasonable attorneys fees and costs of collection. (Affidavit of Arthur James Hall, attached hereto as Exhibit A, and Exhibit 1 thereto.)

3. To secure the indebtedness represented by the Note, Debtor executed and delivered to Regions that certain Real Estate Deed of Trust dated January 10, 2006, as modified by that certain Modification of Deed of Trust dated June 16, 2009 (collectively “the Deed of Trust”), in favor of Regions with respect to certain real property situated in Jackson County, Mississippi and as more particularly described in Exhibits 2 and 3 to the Affidavit of Arthur James Hall, which description is incorporated as though set forth fully herein (“the Real Property”).

4. Under the terms of the Deed of Trust, Regions was also granted a security interest in and to the following:

(A) Existing or future leases, subleases, licenses, guarantees and any other written or verbal agreements for the use and occupancy of the real property described in the Real Estate Deed of Trust dated January 10, 2006 (“the Property”), including any extensions, renewals, modifications or replacements (all referred to as Leases).

(B) Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, “loss of rents” insurance, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

(C) All personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Grantor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term “Property”). The term “personal property” specifically excludes that property described as “household goods” secured in connection with a “consumer” loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

(hereinafter, together with the Real Property, “the Collateral”). (Hall Affidavit and Exhibits 2 and 3 thereto.)

5. The Note matured on February 1, 2009, and Debtor is in default under the terms thereof by its failure to make payments required thereunder. (Hall Affidavit.)

6. Debtor has failed to adequately protect Regions’ interest in the Collateral by its failure to make any adequate protection payments during the pendency of its Chapter 11 case. While significant interest has accrued since the Petition Date, and will continue to accrue, Regions avers that the depressed economy and correspondingly depressed real property market have impaired the value of the Real Property. (Hall Affidavit.)

7. As of March 31, the total indebtedness owed under the Note is \$10,792,514.09, exclusive of post-petition attorneys fees, with interest accruing (at current interest rates, which are variable under the terms of the Note) at the current per diem rate of \$894.44. (Hall Affidavit.)

8. Regions obtained an Appraisal of the Real Property as of September 16, 2009, reflecting a value of the Real Property of \$4,280,000. (Hall Affidavit and Exhibit 4 thereto.)¹

9. South Marsh's Schedule B reflects a value of \$175,303.00 for its personal property, which constitutes the balance of the Collateral securing the indebtedness to Regions. Regions concurs in the valuation set forth in Schedule B for purposes of this Motion. (Hall Affidavit.)

10. Pursuant to F.R.B.P. 4001, Regions further moves that the relief requested herein, if granted, be effective immediately upon entry of the Court's Order.

WHEREFORE, the foregoing premises considered, Regions respectfully moves the Court for an Order terminating the automatic stay with respect to the Collateral described hereinabove and for such other and further relief as may be just and proper.

/s/ Rick A. La Trace
RICK A. LA TRACE (FL BAR No. 0683531)
Attorney for Regions Bank
P. O. Box 1988
Mobile, Alabama 36633
Phone: (866) 732-3627
Facsimile: (251) 432-2800
Email: ral@johnstoneadams.com

OF COUNSEL:

JOHNSTONE, ADAMS, BAILEY, GORDON & HARRIS, L.L.C.

¹ Due to the voluminous nature of the appraisal, only the cover page, letter summary and executive summary are being filed herewith. The remainder of the appraisal will be made available to any party upon request.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon counsel for all parties to this proceeding via electronic mail and/or by mailing the same by United States Mail, first class postage prepaid, on this 19th day of April, 2010, as follows:

South Marsh Developers, LLC
Debtor
4 Laguna Street, No. 201
Ft. Walton Beach, FL 32548

Bruce C. Fehr, Esq.
Liberis & Associates, P.A.
Attorney for Debtor
40 S. Palafox St.
Suite 500
Pensacola, FL 32502

Jason H. Egan
Office of the U.S. Trustee
110 E. Park Avenue
Suite 128
Tallahassee, FL 32301

/s/ Rick A. La Trace



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF FLORIDA**

IN RE:)	
)	
SOUTH MARSH)	CASE NO. 09-32148-WSS
DEVELOPERS, LLC)	CHAPTER 11
)	
Debtor.)	

AFFIDAVIT OF ARTHUR JAMES HALL

STATE OF FLORIDA

COUNTY OF ESCAMBIA

Before me, the undersigned authority in and for said state and county, personally appeared Arthur James Hall, who being known to me and being first duly sworn did depose and say on oath as follows:

1. "My name is Arthur James Hall, and I am a Senior Vice President for Regions Bank, ("Regions"). I make this Affidavit based upon my own personal knowledge and upon my review of the records maintained by Regions with respect to the matters set forth herein.

2. South Marsh Developers, L.L.C. ("South Marsh") is indebted to Regions pursuant to the terms of that certain Promissory Note dated January 10, 2006 ("Note"), whereby South Marsh promised to repay to Regions the original principal balance of \$13,760,000.00, together with interest accruing at a variable rate, applicable late charges and, upon default, reasonable attorneys fees and costs of collection. A true and correct copy of the Note is attached hereto as Exhibit 1.

3. To secure the indebtedness represented by the Note, South Marsh executed that certain Real Estate Deed of Trust dated January 10, 2006, as modified by that certain Modification of Deed of Trust dated June 16, 2009 (collectively "Deed of Trust"), in favor of Regions with respect to certain real property situated in Jackson County, Mississippi ("Real Property"). The Real Estate Deed of Trust was recorded on January 12, 2006, as Instrument No. 200601157 at Book 2348, Page 757 in the records of the Chancery Clerk of Jackson County, Mississippi. The Modification of Deed of Trust was

recorded on June 23, 2009, as Instrument No. 200912585 at Book 2820, Page 600 in the records of the Chancery Clerk of Jackson County, Mississippi. True and correct copies of the Real Estate Deed of Trust and the Modification of Deed of Trust, setting forth a more particular description of the Real Property, are attached hereto respectively as Exhibits 2 and 3.

4. Under the terms of the Deed of Trust, Regions was also granted a security interest in and to the following:

(A) Existing or future leases, subleases, licenses, guarantees and any other written or verbal agreements for the use and occupancy of the real property described in the Real Estate Deed of Trust dated January 10, 2006 ("the Property"), including any extensions, renewals, modifications or replacements (all referred to as Leases).

(B) Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

(C) All personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Grantor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

(hereinafter, together with the Real Property, "Collateral").

5. The Note matured on February 1, 2009, and South Marsh is in default under the terms thereof by its failure to make payments required thereunder.

6. South Marsh has failed to adequately protect Regions' interest in the Collateral by its failure to make any adequate protection payments during the pendency of its Chapter 11 case. Significant interest has accrued since the Petition Date, and will continue to accrue, and Regions avers that the depressed real property market has impaired the value of the Real Property.

7. As of March 31, 2010, the total indebtedness owed under the Note is \$10,792,514.09, exclusive of post-petition attorneys fees, with interest accruing (at current interest rates, which are variable under the terms of the Note) at the per diem rate of \$894.44.

8. Regions obtained an Appraisal of the Real Property as of September 16, 2009, reflecting a value of the Real Property of \$4,280,000. A true and correct copy of the Appraisal is attached hereto as Exhibit 4.

9. South Marsh's Schedule B reflects a value of \$175,303.00 for its personal property, which constitutes the balance of the Collateral securing the indebtedness to Regions. Regions concurs in the valuation set forth in Schedule B for purposes of its Motion for Relief from Stay."

FURTHER AFFIANT SAITH NOT.


ARTHUR JAMES HALL

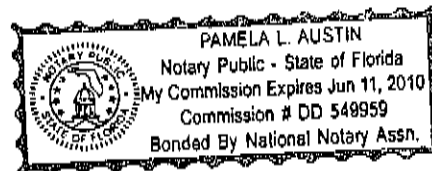
Sworn to and subscribed before me
this 19th day of April, 2010.


NOTARY PUBLIC

My commission expires: 6-11-2010

Exhibits:

- 1 – Note
- 2 – Real Estate Deed of Trust
- 3 – Modification of Deed of Trust
- 4 – Appraisal



SOUTH MARCH DEVELOPERS L

05455458030001SF1



Promissory Note

South March Developers, LLC #4 Laguna Street, Ste 201 Port Walton Beach, FL 32458 BORROWER'S NAME AND ADDRESS "I" includes each borrower above jointly and severally.	Regions Bank 2994 South County Highway 395 Santa Rosa Beach, FL 32459 Phone: 850-231-5400 LENDER'S NAME AND ADDRESS "You" means the lender, its successors and assigns.	Loan No.: 0545545803-001 Date: January 10, 2006 Maturity Date: February 9, 2009 Loan Amount: \$13,760,000.00
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of Thirteen Million Seven Hundred Sixty Thousand and 00/100 Dollars (\$13,760,000.00).

- ☐ Single Advance: No additional advances are contemplated under this note.
- ☒ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. I will receive an initial advance in the amount of \$9,127,644.00 and future principal advances are contemplated.

Condition: The conditions for future advances are contained in a written loan agreement associated with this loan. Future advances are non-obligatory on the Lender and will only be made if the conditions contained in the loan agreement are satisfied.

- ☒ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on February 1, 2009. This note shall evidence all such indebtedness and this note and all lien instruments securing it and the liens and security interests thereunder shall remain in effect until this note is formally terminated in writing and this note and such lien instruments, liens and security interests shall not otherwise be terminated by payment of all or any part of the indebtedness hereby represented.

- ☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST:

I agree to pay interest on the outstanding principal balance from the date principal is advanced until paid at the rate or rates herein provided. The initial rate of interest payable on this note shall be at the rate of the Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal on the last business day of the prior month and rounded up to the nearest basis point (0.01 percentage points) (the "Index"). Following closing and beginning on the first day of every successive calendar month thereafter (the "Interest Rate Change Date") until maturity the interest rate shall be the at the rate of the Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal on the last business day of the prior month and rounded up to the nearest basis point (0.01 percentage points) (the "Index").

ACCRUAL METHOD: Interest will be calculated on a 365/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

- ☐ on the same fixed or variable rate basis in effect before maturity (as indicated above).
- ☒ at a rate equal to the rate of interest applicable to this rate on the date of maturity plus an additional

[X] at a rate equal to the rate of interest applicable to this rate on the date of maturity plus an additional four percent (4.000%) per annum.

PAYMENT: I agree to pay this note as follows:

The indebtedness shall be payable in Thirty-Six (36) Monthly installment(s) beginning on March 1, 2006 and thereafter on the first day of each month of each calendar year until the indebtedness, both principal and interest, is fully paid.

[X] Interest only payment(s) shall be payable on the First through Thirty-sixth installment due date(s). After the initial payment of interest only (if applicable), this note shall be payable:

[X] In full, both principal and interest.

☐ in successive equal installments of principal and interest in an amount sufficient to amortize the indebtedness over the term of the loan, the amount being subject to adjustment to reflect any increase or decrease in the interest rate, if applicable.

☐ in successive installments of principal in the amount of _____ plus accrued interest on the unpaid principal balance.

1. **Содержание:** В документе содержится информация о результатах проведения работ по выявлению и ликвидации нарушений в области охраны труда и техники безопасности на объекте.

2. **Цель:** Целью проведения работ является обеспечение безопасности труда работников и предотвращение несчастных случаев.

3. **Объект:** Объектом проведения работ является производственный процесс на объекте.

4. **Методы:** Методами проведения работ являются наблюдение, опрос работников, анализ документов.

5. **Результаты:** В результате проведения работ выявлены нарушения в области охраны труда и техники безопасности, которые подлежат ликвидации.

6. **Выводы:** Выводом является необходимость принятия мер по ликвидации выявленных нарушений.

7. **Рекомендации:** Рекомендациями являются меры по ликвидации выявленных нарушений.

8. **Приложение:** В приложении содержится информация о результатах проведения работ по выявлению и ликвидации нарушений в области охраны труда и техники безопасности на объекте.

ADDITIONAL TERMS:

☐ **A.R.M. RATE LIMIT DISCLOSURE:** If this note includes a variable rate or an adjustable rate, the holder will notify the maker in writing of any changes in the rate of interest and the amount of any installment payment affected by the change in the rate of interest before the due date of such installment. The notice will include all information required by law to be given and will also include the name, title and telephone number of a person who will be able to answer any questions regarding the notice. The interest rate will never be greater than 21 % per annum.

Prepayment Addendum

[X] Post Default Interest Adjustment. In addition to the default interest provided for herein, if borrower defaults and such default(s) is not cured within forty-five (45) days of the occurrence of such default(s), the rate of interest (whether fixed, determined in the discretion of holder, by application of a margin to an index, or otherwise) applicable to all unpaid amounts under the note or loan documents may be increased, at the option of the holder of this note, (which will result in a corresponding increase in the default interest rate), provided that the total of all rate increases made pursuant to this sentence (exclusive of the \$25.00 default interest charge(s), and the default interest provision established herein) shall not exceed two percent (2%).

DEFINITIONS: As used on page 1, "x" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us", "You" or "you" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of Mississippi will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this note or any agreement securing this note is effective unless the modification is in writing and signed by you and me. Time is of the essence in this agreement.

PAYMENTS: Each payment I make on this note shall be applied by holder to such part of the indebtedness as holder may elect. If you and I agree to a different application of payments, we will describe our agreement on this note or by written agreement. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary). Acceptance of one or more late or partial payments shall not constitute a waiver of any default nor of holder's right to receive timely payment. Acceptance of any partial payment after default and acceleration shall not constitute a reinstatement of the pre-acceleration payment schedule, nor shall it impair any of the holder's rights or remedies or prejudice any of the holder's other rights.

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. You and I may provide in this agreement for accrued interest not paid when due to be added to principal. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to collect it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: If the interest is based upon an index, the index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year". If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below, or if we have agreed that accrued interest not paid when due may be added to principal.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay on my behalf charges I am obligated to pay (such as property insurance premiums, property tax, etc.), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (1) any deposit account balance I have with you;
- (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (3) any repurchase agreement, patronage, dividend, equities or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance due due date for which you properly accelerate under

this note

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check, or draft when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if anyone or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to operate in a business-like manner.

REMEDIES: If I am in default on this note you have, but are not limited to the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "Set-off" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me.
- (5) You may use any remedy you have under state or federal law.

By selecting anyone or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare any event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney (salaried, corporate, or other attorney) to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things will not require you to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest);
- (3) give notice that amounts due have not been paid (notice of dishonor);
- (4) give notice of intention to accelerate and notice of acceleration; or
- (5) exercise diligence in collection, grace, notice and notice of protest.

I waive any defenses I have based on suretyship or impairment or release of collateral. To the extent permitted by law, I also waive all personal property exemptions in the property securing this loan.

OBLIGATIONS INDEPENDENT: I understand that I must pay the note even if someone else has also agreed to pay it (by, for

this note, or any number of us together to collect this note. You may do so without any notice that it has not been paid (notice of default). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us or renewal of this note by all or less than all of us will not release me from my duty to pay it. (If notice, you are entitled to only one payment to that.) I agree that you may at your option without this note or the date represented by this note, or any portion of the note or debt, from time to time without liability or notice and for any term without affecting my liability for payment of the note I will not assign my obligation under this agreement without your prior written approval.

CREDIT INFORMATION: I agree and authorize you to obtain credit information about me from time to time (for example, by requesting a credit report) and to report to others your credit experience with me (such as a credit reporting agency). I agree to provide you, upon request, my financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address, my current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address listed on page 1 of this agreement, or to any other address that you have designated.

PURPOSE: The purpose of this loan is: Purchase Land Not In Mortgage

SECURITY: This Note is separately secured by Deed of Trust January 10, 2006.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 1-4), I have received a copy on today's date.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.

SOUTH BEACH DEVELOPERS, LLC

BY: 

Date: January 10, 2006

BY:  Yehon Todor

Date: January 10, 2006

Loan No. 8545545803-001

05-5545803-0001

Prepared By: Christopher A. Davis
 Davis & Davis, PLLC
 250 Beauvoir Rd., Suite 4c
 Biloxi, MS 39531
 228-275-9922



200801157 28 PGS

Loan Number: 0545545803-001
 Borrower: South Marsh Developers, LLC
 Lender: Regions Bank



REAL ESTATE DEED OF TRUST

This Security Instrument secures a Line of Credit as defined in Miss. Code Ann. § 89-5-21 (1972, as amended)

1. **DATE AND PARTIES.** The date of this Deed of Trust (Security Instrument) is January 10, 2006 and the parties, their addresses and tax identification numbers, if required, are as follows:

GRANTOR: South Marsh Developers, LLC, #4 Laguna Street, Ste 201, Ft. Walton Beach, FL 32458

TRUSTEE: Christopher A. Davis, 260 Beauvoir Road, Ste 4C, Biloxi, MS 39531

LENDER: Regions Bank, 2884 South County Highway 895, Santa Rosa Beach, FL 32459

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, bargains and sells to Trustee, in trust for the benefit of Lender, with power of sale, the following described property:

See Attached Exhibit 'A'

This property is located in Jackson County, Mississippi.

Together with all rights, easements, appurtenances, royalties, surface, subsurface and/or mineral rights, now owned or after-acquired, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

Notwithstanding any other provision, reservation or exception contained herein or on any exhibit hereto, the lien created hereby shall cover all of Grantor's water rights including, but not limited to, rights to surface water, groundwater, underground water, percolating waters, rights to any water from lakes, streams or other bodies of water, adjudicated or permitted water rights, riparian and other water rights which are now owned or which are hereafter acquired by Grantor whether or not expressly excepted from the description of the Property.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$13,760,000.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.
4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:
- Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications, reamortizations, or substitutions. One certain promissory note in the original principal sum of \$13,760,000.00, executed by South Marsh Developers, LLC in favor of Lender, with principal and interest payable as provided therein with a final contractual maturity date of February 01, 2009, which is identified as Loan No. 0545545803-001.
 - All future advances from Lender to Grantor or other future obligations of Grantor to Lender under any promissory note, contract, guaranty, or other:

Commercial Loans (Correspondence Barcode)

COMM01496893



Official Records Section
 Jackson County, Mississippi
 01/12/2006 11:15 AM 28 PGS
 JPR021818

2

Instrument whether or not this Security Instrument is specifically referenced and whether or not such future advances or future obligations are incurred for any purpose that was related or unrelated to the purposes of the debt. Grantor, and each of them if more than one, agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Grantor, or any one or more Grantor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on this date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.

- C. **Final Maturity Date.** It is hereby agreed by the parties that this security instrument secures a line of credit as defined in Miss. Code Ann. § 89-5-21 (1972, as amended), notwithstanding the fact that the additional or future advances as described herein are conditional and not absolute. Lender may, but shall not be obligated to, re-advance sums which have been repaid by borrower under the terms of the promissory note herein described, not to exceed the maximum amount set forth in paragraph 3 above. The final maturity date of this instrument shall be February 01, 2009.
- D. All obligations Grantor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Grantor and Lender.
- E. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.
5. **PAYMENTS.** Grantor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
6. **WARRANTY OF TITLE.** Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, bargain and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that creates a subordinate security interest or encumbrance on the Property, Grantor agrees:
- To make all payments when due and to perform or comply with all covenants.
 - To promptly deliver to Lender any notices that Grantor receives from the holder.
 - Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
8. **CLAIMS AGAINST TITLE.** Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payments. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.
9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 601), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
10. **TRANSFER OF AN INTEREST IN THE GRANTOR.** If Grantor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:

3

- A. A beneficial interest in Grantor is sold or transferred.
- B. There is a change in either the identity or number of members of a partnership or similar entity.
- C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

11. ENTITY WARRANTIES AND REPRESENTATIONS. If Grantor is an entity other than a natural person (such as a corporation or other organization), Grantor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:

- A. Grantor is duly organized and validly existing in the Grantor's state of incorporation or organization, Grantor is in good standing in all states in which Grantor transacts business, Grantor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Grantor operates.
- B. The execution, delivery and performance of this Security Instrument by Grantor and the obligation evidenced by the Secured Debt are within the power of Grantor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.
- C. Other than previously disclosed in writing to Lender, Grantor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Grantor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.

12. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor shall not commit or allow any waste, impairment, or deterioration of the Property. Grantor will keep the Property free of noxious weeds and grasses. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

No portion of the Property (including timber, stone, gravel, minerals, geothermal energy or improvements) will be removed, demolished or materially altered without Lender's prior written consent except that Grantor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Grantor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Grantor notice at a time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

13. AUTHORITY TO PERFORM. If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

4

14. ASSIGNMENT OF LEASES AND RENTS. Grantor irrevocably grants, bargains and assigns to Trustee, in trust for the benefit of the Lender, as additional security all the right, title and interest in the following (all referred to as Property).

- A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).
- B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

Grantor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Grantor may collect, receive, enjoy and use the Rents so long as Grantor is not in default. Grantor will not collect in advance any Rents due in future lease periods, unless Grantor first obtains Lender's written consent. Upon default, Grantor will receive any Rents in trust for Lender and Grantor will not commingle the Rents with any other funds. When Lender so directs, Grantor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected shall be applied at Lender's discretion to the Secured Debt, the costs of managing, protecting and preserving the Property and to any other necessary expenses.

Grantor agrees that this Security Instrument is immediately effective between Grantor and Lender and effective as to third parties on the recording of this Assignment.

As long as this Assignment is in effect, Grantor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses, and landlords and tenants. Grantor, at its sole cost and expense, will keep, observe, and perform, and require all other parties to the Leases to comply with the

Leases and any applicable law. If Grantor or any party to the Lease defaults or fails to observe any applicable law, Grantor will promptly notify Lender. If Grantor neglects or refuses to enforce compliance with the terms of the Leases, then Lender or Trustee may, at Lender's option, enforce compliance. Grantor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so required) without Lender's consent. Grantor will not assign, compromise, subordinate, or encumber the Leases and Rents without Lender's prior written consent. Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect, or preserve the Property, except for losses and damages due to Lender's gross negligence or intentional torts. Otherwise, Grantor will indemnify Lender and hold Lender harmless for all liability, loss, or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.

- 15. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Grantor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium, time-share or a planned unit development, Grantor will perform all of Grantor's

5

duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

16. DEFAULT. Grantor will be in default if any of the following occur:

- A. Any party obligated on the Secured Debt fails to make payment when due;
- B. A breach of any term or covenant in this Security Instrument or any other document executed for the purposes of creating, securing or guarantying the Secured Debt;
- C. The making of furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Grantor or any person or entity obligated on the Secured Debt;
- D. The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Grantor or any other person or entity obligated on the Secured Debt;
- E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
- F. A material adverse change in Grantor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt.

17. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Grantor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Grantor is in default.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents, including without limitation, the power to sell the Property.

In the event of default, Trustee shall, in addition to any other permitted remedy, at the request of Lender, advertise and sell the Property as a whole or in separate parcels as Trustee deems best, at public auction to the highest bidder for cash and convey absolute title free and clear of all right, title and interest of Grantor at such time and place as Trustee designates. Trustee shall give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by Mississippi Code § 89-1-55, in effect at the time of the proposed sale. Trustee shall sell either as a whole or in parcels, at his election, the provisions of Section 89-1-55, Mississippi Code of 1972, and Section III, Mississippi Constitution of 1890 with respect to offering and selling real estate in parcels rather than as a whole, being hereby expressly waived in an attempt to satisfy the indebtedness hereby secured.

Upon sale of the Property and to the extent not prohibited by law, Trustee shall make and deliver a deed to the Property sold which conveys absolute title to the purchaser, and after first paying all fees, charges and costs, shall pay to Lender all moneys advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Secured Debt, paying the surplus, if any, to Grantor. Lender may purchase the Property. The recitals in any deed of conveyance shall be prima facie evidence of the facts set forth therein.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Grantor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

6

18. [REDACTED]

19. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

Grantor represents warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Grantor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Grantor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Grantor will take all necessary remedial action in accordance with Environmental Law.
- D. Except as previously disclosed and acknowledged in writing to Lender, Grantor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Grantor or any tenant of any Environmental Law. Grantor will immediately notify Lender in writing as soon as Grantor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Grantor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Grantor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the

existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Grantor and any tenant are in compliance with applicable Environmental Law.

- I. Upon Lender's request and at any time, Grantor agrees, at Grantor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Grantor's obligations under this section at Grantor's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Grantor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation cost, penalties and expense, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Grantor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.
- L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

20. **CONDEMNATION.** Grantor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the Proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

21. **INSURANCE.** Grantor agrees to maintain insurance as follows:

- A. Grantor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. If Grantor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

The proceeds of such insurance shall be paid by the insurer directly to Mortgagee, which is hereby granted full power to settle and compromise claims under all policies, to endorse in the name of Grantor any check or draft representing the proceeds of any such insurance, and to demand, receive and give receipt in the name of Grantor for all sums coming due thereunder.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Grantor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Grantor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Grantor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Grantor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any

8

application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payments. Any excess will be paid to the Grantor. If the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

- B. Grantor agrees to maintain comprehensive general liability insurance, as required by Lender, naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.
- C. Grantor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

22. **ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.

23. **FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Grantor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and Lender's lien status on the Property.

25. **APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of jurisdiction in which Lender is located, except to the extent otherwise required by laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

26. **SUCCESSOR TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor or substitute trustee without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon the Trustee by this Security Instrument and applicable law.

27. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.

9

28. **WAIVERS.** Except to the extent prohibited by law, Grantor waives all appraisal relating to the property.

29. **U.C.C. PROVISIONS.** Grantor grants to Lender a security interest in allocated equities in Lender, if any, now owned or hereafter acquired. If checked, the following are applicable to, but do not limit this Security Instrument:

☐ **Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
Future Filing. Grantor grants to Lender a security interest in all goods that Grantor owns now or in the future and that are or will become fixtures related to the Property.

☐ **Crops; Timber; Minerals; Rents, Issues, and Profits.** Grantor grants to Lender a security interest in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

☒ **Personal Property.** Grantor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Grantor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

☐ **Filing as Financing Statement.** Grantor agrees and acknowledges that this Security Instrument also suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.

30. **OTHER TERMS.** If checked the following are applicable to this Security Instrument:

☒ **Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt maybe reduced to zero balance, this Security Instrument will remain in effect until released pursuant to Miss. Code Ann. § 89-5-21.

☐ **Agricultural Property.** Grantor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Grantor is an individual or entity allowed to own agricultural land as specified by law.

☐ **Renewal and Extension.** This Deed of Trust is given and taken in renewal and extension of a deed of trust dated the day of .and recorded in Book .County, Mississippi, and is in no way intended to void the said deed of trust or impair the security thereof

☐ **Additional Terms.**

10

VERY IMPORTANT. THIS DOCUMENT SECURES FUTURE ADVANCES. READ THE FOLLOWING CAREFULLY.

This security instrument may secure future advances of funds and/or property under the terms of the promissory note secured hereby and is to be assigned. By signing below, you hereby agree that you have read and understood this provision. Further, by signing below you acknowledge this instrument is intended to be a "line of credit" instrument within the meaning of Miss. Code Ann. § 89-3-21 (1972, as amended) and it will remain effective till the final maturity date set forth herein regardless of whether there is an outstanding balance owed, unless you request its cancellation in writing from the servent holder.

SIGNATURE: By signing below, Grantor agrees to the terms and covenants contained in this Security instrument and in any attachments. Creditor also acknowledges receipt of a copy of this Security instrument on the date stated on page 1.

South Marsh Developers, LLC

By: Steven Del Gallo

South Marsh Developers, LLC

By: Todd Schneider

STATE OF MISSISSIPPI

COUNTY OF HARRISON

I, Notary Public, do hereby certify that the foregoing instrument was signed and acknowledged before me, the undersigned authority in and for the said county and state, on this 10 day of January, 2008 with my Notary Seal, the within named Steven Del Gallo and William Todd Schneider, who acknowledged that they are the members of South Marsh Developers LLC, a Mississippi limited liability company, and that for and on behalf of the said limited liability company, and as its sole and (only) authorized the above and foregoing instrument, after first having been duly authorized by said limited liability company to do so.

Andrea K. Alesich
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES NOVEMBER 30 2008

**EXHIBIT "A" TO SPECIAL WARRANTY DEED DATE JANUARY 10,
2006 GREG L. WILLIAMS AND MARTHA L. BIDDIX TO
SOUTH MARSH DEVELOPERS, LLC**

PARCEL NO. 1: ACREAGE SOUTH OF BIDDIX-EVANS ROAD

BEGINNING at the Southwest corner of Section 7, Township 8 South, Range 7 West, Jackson County, Mississippi. Thence run North 00°37'35" West along the West line of said Section 7 for a distance of 4038.60 feet to a point; thence run South 89°56'17" East for a distance of 63.26 feet to a point which lies on the centerline of Biddix Road; thence run along the centerline of Biddix Road the following Bearing and Distances: along a curve to the Left with a Chord Bearing and Distance of South 39°37'23" East 233.75 feet and Arc Length of 235.93 feet and Radius of 500.00 feet to a point; thence run South 26°05'20" East for a distance of 502.26 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South 38°08'14" East 167.37 feet and Arc Length of 168.61 feet and Radius of 400.19 feet; thence run South 50°18'29" East for a distance of 470.51 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South 58°08'51" East 53.95 feet and Arc Length of 54.11 feet and Radius of 197.75 feet to a point; thence run South 65°57'05" East for a distance of 891.44 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 60°45'20" East 37.81 feet and Arc Length of 37.86 feet and Radius of 208.76 feet to a point; thence run South 55°20'33" East for a distance of 930.70 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 68°34'40" East 228.51 feet and Arc Length 230.55 feet and Radius of 499.04 feet to a point; thence South 81°56'02" East for a distance of 302.06 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South 63°21'02" East 442.62 feet and Arc Length of 472.74 feet and Radius of 378.58 feet to a point; thence run South for a distance of 222.68 feet to a point; thence run South 48°56'54" West for a distance of 178.12 feet to a point; thence run South 74°21'29" West for a distance of 90.33 feet to a point; thence run South 62°53'53" West for a distance of 39.01 feet to a point; thence run South 80°35'54" West for a distance of 42.57 feet to a point; thence run North 81°42'05" West for a distance of 124.01 feet to a point; thence run South 08°17'55" West for a distance of 308.23 feet to a point; thence run South 26°22'57" West for a distance of 62.08 feet to a point; thence run South 55°43'42" East for a distance of 491.13 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 61°08'39"

12

East 18.88 feet and Arc Length of 18.90 feet and Radius of 100.00 feet to a point; thence run South 66°33'36" East for a distance of 383.18 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South 49°41'04" East 58.06 feet and Arc Length of 58.91 feet and Radius of 100.00 feet to a point; thence run North 57°11'28" East for a distance of 184.19 feet to a point; thence run North 63°06'50" East for a distance of 43.13 feet to a point which lies on the West line of Elm Street; thence run along the West line of Elm Street South 2856.63 feet to a point; thence run South 79°00'59" West for a distance of 189.61 feet to a point; thence run North 66°36'42" West for a distance of 152.03 feet to a point; thence run North 38°26'37" West for a distance of 164.49 feet to a point; thence run North 82°22'04" West for a distance of 307.83 feet to a point; thence run North 61°14'53" West for a distance of 639.48 feet to a point; thence run North 62°52'19" West for a distance of 152.03 feet to a point; thence run North 65°24'42" West for a distance of 193.68 feet to a point; thence run North 59°06'05" West for a distance of 262.43 feet to a point; thence run South 74°50'43" West for a distance of 102.56 feet to a point; thence run North 89°13'19" West for a distance of 102.56 feet to a point; thence run North 72°40'50" West for a distance of 115.23 feet to a point; thence run North 60°08'24" West for a distance of 701.34 feet to a point; thence run North 85°55'05" West for a distance of 180.00 feet to a point; thence run North 84°20'21" West for a distance of 102.27 feet to a point; thence run North 64°12'33" West for a distance of 125.36 feet to a point; thence run North 38°13'12" West for a distance of 118.04 feet to a point; thence run North 27°15'59" West for a distance of 270.00 feet to a point; thence run North 70°47'08" West for a distance of 144.68 feet to a point; thence run South 30°51'02" West for a distance of 20.63 feet to a point; thence run South 42°10'05" West for a distance of 136.08 feet to a point; thence run along a curve to the right with a Bearing and Distance of South 49°01'22" West 28.19 feet and Arc Length of 28.26 feet and Radius of 118.11 feet; thence run South 55°14'53" West for a distance of 70.74 feet to a point; thence run along a curve to the right with a Bearing and Distance of South 77°57'40" West 100.39 feet and Arc Length of 103.07 feet and Radius of 130.00 feet; thence run South 10°40'28" West for a distance of 122.39 feet to a point; thence run North 70°46'04" West for a distance of 94.82 feet to a point; thence run North 66°33'30" West for a distance of 85.68 feet to a point; thence run North 61°41'29" West for a distance of 67.74 feet to a point; thence run North 75°54'27" West for a distance of 90.00 feet to a point; thence run North 83°41'40" West for a distance of 272.51 feet to a point; thence run North 68°55'50" West for a distance of 113.02 feet to a point; thence run

13

North 15°36'26" West for a distance of 182.32 to a point. Thence North 28°51'38" West for a distance of 259.15 feet to a point which lies on the North line of Section 13. Thence run South 89°56'18" East along the North line of said Section 13 for a distance of 706.36 feet back to the **POINT OF BEGINNING** containing 317.78 acres of land more or less.

PARCEL NO. 2: COMMERCIAL AREA SOUTH OF BIDDIX-EVANS ROAD

Commencing at the Southeast corner of Lot 5, Block A, Pinehurst Subdivision run North 89°20'03" East for a distance of 79.96 feet to a point; thence run due North 120.00 feet to a point; thence run due East for a distance of 460.04 feet to a point which marks the intersection of the West right-of-way line of Elm Street and the South right-of-way of Pinehurst Drive; thence run South 00°20'11" East for a distance of 372.64 feet along the West right-of-way line of Elm Street to a point; thence run North 89°52'46" West for along the West line of Elm Street a distance of 53.08 feet to a point; thence run South 00°35'08" East for a distance of 70.06 feet to a point which lies on the centerline of Biddix Road and is the **POINT OF BEGINNING**; thence run South 00°35'08" East for a distance of 482.52 feet to a point; thence run South 89°45'45" West for a distance of 199.92 feet to a point; thence run due West for a distance of 300.00 feet to a point which lies on the centerline of Biddix Road; thence run along the centerline of Biddix Road the following Bearing and Distances: along a curve to the left with a Chord Bearing and Distance of North 24°45'58" East 37.21 feet and Arc Length of 37.22 feet and Radius of 378.54 feet to a point; thence run North 22°07'17" East for a distance of 233.49 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 44°39'30" east 153.31 feet and Arc Length of 157.34 feet and Radius of 200.00 feet to a point; thence run North 67°11'43" East for a distance of 320.40 feet back to the **POINT OF BEGINNING** containing 3.96 acres of land more or less.

PARCEL NO 3: ACREAGE NORTH OF BIDDIX-EVANS ROAD

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West, Jackson County, Mississippi run North 00°37'35" West for a distance of 4038.60 feet to a point; thence run South 89°56'17" East for a distance of 63.26 feet to the centerline of Biddix Road and to the **POINT OF BEGINNING**; thence run South 89°56'17" East for a distance of 1711.50 feet to a point which lies on the South line of Pinehurst Subdivision, Part 2; thence run along the South line of

1A

Pinehurst Subdivision, Part 2 the following Bearing and Distances:
 South 51°14'50" East for a distance of 60.82 feet to a point; thence
 South 47°36'41" East for a distance of 78.53 feet to a point; thence
 run South 43°58'33" East for a distance of 78.53 feet to a point;
 thence run South 40°20'24" East for a distance of 78.53 feet to a
 point; thence run South 36°42'16" East for a distance of 78.53 feet to
 a point; thence run South 32°47'09" East for a distance of 91.34 feet
 to a point; thence South 30°01'05" East for a distance of 25.00 feet to
 a point; thence run South 29°30'00" East for a distance of 335.00 feet
 to a point; thence run South 30°11'23" East for a distance of 22.02
 feet to a point; thence run South 33°38'44" East for a distance of
 88.26 feet to a point; thence run South 39°10'39" East for a distance
 of 88.26 feet to a point; thence run South 44°42'35" East for a
 distance of 88.26 feet to a point; thence run South 50°14'31" East for
 a distance of 88.26 feet to a point; thence run South 55°46'26" East
 for a distance of 88.26 feet to a point; thence run South 61°18'22"
 East for a distance of 88.26 feet to a point; thence run South
 66°50'18" East for a distance of 88.26 feet to a point; thence run
 South 72°22'13" East for a distance of 88.26 feet to a point; thence
 run South 77°54'09" East for a distance of 88.26 feet to a point;
 thence run South 83°26'05" East for a distance of 88.26 feet to a
 point; thence run South 86°46'05" East for a distance of 35.65 feet to
 a point; thence run due East for a distance of 130.00 feet to a point;
 thence run North 89°34'20" East for a distance of 80.08 feet to a
 point; thence run North 89°29'19" East for a distance of 80.03 feet to
 a point; thence run North 89°35'12" East for a distance of 79.99 feet
 to a point; thence run South 89°33'40" East for a distance of 80.83
 feet to the Southwest corner of Lot 5, Block A, Pinehurst Subdivision,
 Part 2; thence run North 89°20'03" East for a distance of 79.96 feet to
 a point; thence run due North for a distance of 120.00 feet to a point
 which lies on the South right-of-way line of Pinehurst Drive; thence
 run due East for a distance of 460.04 feet to a point which marks the
 intersection of the West right-of-way line of Elm Street and the South
 right-of-way line of Pinehurst Drive; thence run South 00°20'11" East
 for a distance of 372.64 feet along the West right-of-way line of Elm
 Street to a point; thence run North 89°52'46" West along the West
 right-of-way line of Elm Street for a distance of 53.08 feet to a point;
 thence run South 00°35'08" East for a distance of 70.06 feet to a point
 which lies on the centerline of Biddix Road; thence run along said
 centerline of Biddix Road the following Bearing and Distances: South
 67°11'43" West for a distance of 320.40 feet to a point; thence run
 along a curve to the left with a Chord Bearing and Distance of South
 44°39'30" West 153.31 feet, a Arc Length of 157.34 feet and Radius of
 200.00 feet to a point; thence run South 22°07'17" West for a

15

distance of 233.49 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 60°00'27" West 466.71 feet, a Arc Length of 502.89 feet and Radius of 378.54 feet to a point; thence run North 81°56'02" West for a distance of 309.10 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 68°34'40" West 228.51 feet and Arc Length of 230.55 feet and Radius of 499.04 feet to a point; thence run North 55°20'33" West for a distance of 930.70 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of North 60°45'20" West 37.81 feet, a Arc Length of 37.86 feet and Radius of 208.76 feet to a point; thence run North 65°57'05" West for a distance of 891.44 feet to a point; thence run along a curve to the Right with a Chord Bearing and Distance of North 58°08'51" West 53.95 feet, a Arc Length of 54.11 feet and Radius of 197.75 feet to a point; thence run North 50°18'29" West for a distance of 470.51 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 38°08'14" West 167.37 feet, a Arc Length of 168.61 feet and Radius of 400.91 feet to a point; thence run North 26°05'20" West for a distance of 502.26 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of North 39°37'23" West 233.75 feet, a Arc Length of 235.93 feet and Radius of 500.00 feet back to the **POINT OF BEGINNING** containing 86.74 acres of land more or less.

PARCEL NO. 4: GOLF COURSE; IN 12 SUB-PARCELS, GOLF COURSE PARCELS NO. 4-1 THROUGH 4-12

GOLF COURSE PARCEL NO. 4-1:

Old Fairways 1,9,8,7,18,17,16,10 (New Fairways 10, 18, 17, 16, 9, 8, 7, 1)
(Parts 2,3,4,5; St. Andrews)

From the intersection of the centerline of St. Andrews Drive and the centerline of Tantallon Drive, the Intersection having Grid Coordinates N 249,255.17, E 536,142.16, run thence S 40°38'41" E, 220.78' along the centerline of Tantallon Drive to a point; thence run S 09°45' E, 199.11' to the intersection of the centerline of Tantallon Drive and the centerline of Golfing Green Drive, thence run N 63°45' E, 31.29' to a point; thence run S 09°45' E, 236.29' along the East margin of Tantallon Drive to a point on the East margin of Tantallon Drive which is the Point of Beginning, (Grid Coordinate N 248,672.38, E 536,387.77).

16

From the Point of Beginning run N 64° 22' 30" E along the North margin of Fairway No. 1 850 feet more or less to a point bearing South 26° 15' East of the southwest corner of the Club House Area according to the Plat of St. Andrews on the Gulf Part 2; thence run N 26° 15' W, 35' to the Southwest corner of the Club House area; thence run N 63° 45' E, 450' to a point; thence run N 26° 15' W, 400' to a point; thence run S 63° 45' W, 450' to a point which is the Northwest corner of the Club House area; thence run N 26° 15' W, 60' to a point; thence run S 76° 10' 12" W, 400' to a point; thence run S 46° 53' 56" W, 372' ± along the South margin of Fairway No. 10 to the East margin of Tantallon Drive; thence run Northwesterly along the East margin of Tantallon Drive, 60' ± of an arc of Radius 330' to a point; thence run N 40° 38' 41" W, 74.63'; thence run Northerly 54.48' on an arc with a radius of 70' to a point on the East margin of St. Andrews Drive; thence run N 34° 32' 20" E, 91.11' along the East margin of St. Andrews Drive; to a point; thence run Northerly 73.48' along the East margin of St. Andrews Drive on an arc with a radius of 340' to a point which is the Southwest corner of Lot 9, Block E, Part 2, St. Andrews, thence run East 116.48' to a point; thence run N 45° E, 90' to a point; thence run North, 27.38' to a point; thence run N 75° 32' 57" E, 185.54' to a point; thence run N 75° 10' 12" E, 238.06 , to a point; thence run N 69° 42' E, 261.27' to a point on the South margin of Glen Eagles Drive, which point is also the Southeast corner of Lot 16, Block E, Part 2, St. Andrews.

From thence run East, 501.27' along the South margin of Glen Eagles Drive to a point; thence run South 63.74' to a point; thence run S 71° 05' E, 267.57' to the Southeast corner of Lot 1, Block H, Part 2, St. Andrews; thence run S 49° 50' E, 340' to the Southeast corner of Lot 4, Block H, Part 2, St. Andrews, which point is common to Part 2 and Part 3 (Grid Coordinates N 249,338.45, E 538,133.34).

From thence run S 49° 50' E, 1299.87' to the Southwest corner of Lot 14, Block H, Part 3, St. Andrews; thence run East 105.68' to a point; thence run North 445.72' to a point; thence run N 36° 14' 33" W, 178.80' to a point; thence run N 56° 25' W, 130.85' to a point; thence run N 54° 14' W, 130.38' to a point; thence run N 56° 57' W, 120.94' to a point; thence run N 49° 50' W, 270' to a point on the East margin of Braemar Street; thence run N 40° 10' E, 4.78' along the East margin of Braemar Street to a point; thence run in a Northerly direction on an arc with a radius of

17

230', a distance of 26.09' to a point; thence run N 33° 40' E, 107.48' along the East margin of Braemar Street to the Southwest corner of Lot 22, Block H, Part 3, St. Andrews.

From thence run S 56° 20' E, 840' to a point; thence run S 37° 21' E, 43.28' to a point; thence run South 778.60' to a point common to Part 3 and Part 5 (Grid Coordinate N 248,321.40, E 539,409.40).

From thence run West 250' to a point; thence run N 78° 29' W, 82.45' to a point; thence run N 51° 45' W, 772.61' to a point; thence run S 49° 51' W, 102.07' which is the Southwest corner of Lot 9, Block J, Part 3, St. Andrews (Grid Coordinate N 248,750.34, E 538,393.84). This point is common to Parts 3 and 2.

From this point thence run S 48° 16' W, 248.81' to a point; thence run S 58° 11' W, 69.14' to a point (Grid Coordinate N 248,548.28, E 538,149.40); thence run S 51° 45' E, 380' to a point which is the Southwest corner of Lot 13, Block J, Part 5, St. Andrews (Grid Coordinate N 248,313.02, E 538,447.82).

From thence run S 51° 45' E, 630' to a point; thence run S 37° 17' E, 79.97' to a point; thence run S 35° 00' E, 543.60' to a point on the North margin of Tantallon Drive, which point is the Southeast corner of Lot 22, Block J, Part 5, St. Andrews; thence run S 66° 45' W, 169.96' along the North margin of Tantallon Drive to the Northeast corner of Lot 1, Block J, Part 5, St. Andrews.

From thence run N 33° 11' W, 227.87' to a point; thence run N 44° 02' W, 120.92' to a point; thence run N 34° 15' W, 120' to a point; thence run N 44° 16' W, 180.33' to a point; thence run N 52° 00' W, 240' to a point common to Parts 5 and Part 4 and being the Northwest corner of Lot 6, Block K, Part 5, St. Andrews (Grid Coordinate N 248,000.44, E 538,555.96).

From thence run N 52° 00' W, 360' to a point; thence run N 52° 36' W, 291.36' to a point; thence run S 24° 00' W, 490' to a point; thence run S 24° 32' W, 150.75' to a point on the North margin of Tantallon Drive which is the Southwest corner of Lot 32, Block K, Part 4, St. Andrews.

From thence run N 59° 45' W, 358.69' along the North margin of Tantallon Drive to the Southeast corner of Lot 1, Block L, Part 4, St. Andrews.

18

From thence run N 24°00' E, 465.26' to a point; thence run N 08° 30' W, 125' to a point; thence run N 59° 45' W, 130' to a point; thence run N 58° 43' W, 144.69' to a point common to Part 4 and Part 2, St. Andrews and being the Northeast corner of Lot 6, Block L, Part 2, St. Andrews (Grid Coordinates N 248,681.85, E 537,397.95).

From thence run N 59°45' W, 320' to a point; thence run S 63°31' W, 203.89' to a point; thence run S 64° 45' W, 476.84' to a point on the North margin of Tantallon Drive and the Southwest corner of Lot 11, Block L, Part 2, St. Andrews.

From thence run N 59° 45' W, 47.92' along the North margin of Tantallon Drive to a point; thence Northwesterly 148' ± along the North margin of Tantallon Drive on an arc of a Radius of 170' to a point having Grid Coordinate N 248,672.38, E 536,387.77 which is the Point of Beginning.

Less and Except from Golf Course Parcel No. 4-1:
That certain parcel of land that lies within the aforementioned property, being further described as follows:

Well Site "1"

Beginning at the Northwest corner of Lot 1, Block H, Part 2, St. Andrews; thence run South 127.01 feet to a point on the North boundary of Fairway Number 9 of St. Andrews on the Gulf; thence run North 67° 00'13" West and along said North boundary of Fairway Number 9 a distance of 232.59 feet to a point; thence run North a distance of 36.17 feet to a point on the South margin of Glen Eagles Drive; thence run South 89° 59'33" East and along said South margin of Glen Eagles Drive a distance of 214.11 feet to the POINT OF BEGINNING; containing 17.470 square feet or approximately 0.40 acres.

19

GOLF COURSE PARCEL NO. 4- 2:

Old Fairways 2, 3, 4, 5, 6 (New Fairways 11, 12, 13, 14, 15)
(Parts 4, 5, 6; St. Andrews)

From the corner common to Sections 18 and 17, run S 13° 04' 08" W, 2158.86' to the intersection of Tantallon Drive and Mulrfield Court (Grid Coordinate N 248,411.98, E 536,684.45); thence run N 59° 45' W, 269.99' along the centerline of Tantallon Drive to a point; thence run S 30° 15' W, 30' to a point on the South margin of Tantallon Drive which is the Point of Beginning.

From the Point of Beginning run S 35° 38' 12" E, 440.59' to a point which is the Southwest corner of Lot 1, Block M, Part 4, St. Andrews; thence run S 59° 45' E, 2060' to the centerline of a drainage ditch, a point common to parts 4 and 5, St. Andrews (Grid Coordinates N 247,135.90, E 538,455.72).

From thence continue S 59° 45' E, 420' to a point; thence run S 64° 04' E, 240.15' to a point; thence run S 64° 15' E, 526.41' to a point which is the Southeast corner of Lot 24, Block M, Part 5, St. Andrews.

From thence run N 12° 56' E, 225.62' to a point; thence run N 02° 00' E, 340' to the Northeast corner of Lot 25, Block M, Part 5, St. Andrews.

From thence run West 91.75' to a point; thence run S 86° 58' W, 150.02' to a point; thence run S 85° 59' W, 236.82' to a point on the North margin of Inverness Circle; thence run N 34° 15' W, 116.68' to a point at the intersection of the North margin of Inverness Circle and the East margin of Tantallon Drive; thence run N 66° 45' E, 569.59' to a point on the East margin of Tantallon Drive which is common to Part 5 and Part 6, St. Andrews; thence run S 24° 13' 42" E, 114.31' to the Southwest corner of Lot 47, Block R, Part 6, St. Andrews; thence run N 85° 45' E, 190' to a point; thence run S 02° 15' W, 1039.25' to a point; thence run S 19° 12' 16" E, 234.39' to a point; thence run S 19° 30' E, 85' to a point on the North margin of Bellefontaine Drive; thence run S 60° 14' 37" W, 83' along the North margin of Bellefontaine Drive to a point (Grid Coordinate N 245,968.77, E 539,749.35); thence run N 85° 52' 37" W, 130.25' to a point common to Part 6 and Part 5, St. Andrews (Grid Coordinate N 245,977.63, E 539,619.40).

From thence run S 63° 45' W, 85.90' to a point; thence run N 26° 15' W, 420' to a point (Grid Coordinate N 246,316.33, E 539,356.57).

From thence run Northwesterly along the meander line of the two foot contour of the Bellefontaine Marsh, which contour line is considered the limit of the wet lands. The distance is approximately 3429'. This line terminates at a point on the West boundary of Part 4, St. Andrews. 594.98' South of the Northwest corner of Part 4, St. Andrews (Grid Coordinate N 248,000.00, E 536,370.64).

From thence run North 572.15' to a point on the South margin of Tantallon Drive; thence run Southeasterly 78.28' along the South margin of Tantallon Drive on an arc the Radius of which is 230' to the Point of Beginning.

Less and Except from Golf Course Parcel No. 4-2: All that part of the land described in Parcel No. 2 lying South of a line running due East and West which intersects a point lying 150 feet due South of the southeast corner (the southernmost point) of lot 24, St. Andrews on the Gulf Subdivision. Part 5.

GOLF COURSE PARCEL NO. 4-3:

**Old Fairway 11 (New Fairway 2)
(Part 2: St. Andrews)**

From the intersection of the centerline of St. Andrews Drive and the centerline of Tantallon Drive, said point having Grid Coordinates N 249,255.17, E 536,142.16; thence run N 72° 45' W, 296.14' along the centerline of Tantallon Drive to a point; thence run North 31.41' to a point on the North margin of Tantallon Drive which is the Point of Beginning.

From the Point of Beginning continue North 1194.82' to a point on the South margin of Tantallon Drive; thence run East 180.008 along the South margin of Tantallon Drive to a point which is the Northwest corner of Lot 1, Block D, Part 2, St. Andrews; thence run South 1219.30' to a point on the North margin of Tantallon Drive; thence run N 72° 45' W, 188.48' along the North margin of Tantallon Drive to the Point of Beginning.

21

GOLF COURSE PARCEL NO. 4-4:

Old Fairway 12 (New Fairway 3)
(Part 1; St. Andrews)

From the intersection of the centerline of St. Andrews Drive with the Centerline of Tantallon Drive (Grid Coordinates N 250,567.81, E 536,279.34), run West 420' to a point on the centerline of Tantallon Drive; thence run North 30' to the Point of Beginning.

From the Point of Beginning run North 1260.78' to a point (the Northwest corner St. Andrews, Part 1); thence run S 89° 12' E, 641.07' to the Northwest corner of Lot 3, Block C, Part 1, St. Andrews; thence run S 01° 47' W, 204.84' to the North margin of St. Andrews Drive, thence run Southwesterly along the North margin of St. Andrews Drive, 17.14' along an arc the Radius of which is 340' (Delta Angle of 02° 53' 18") to a point; thence run N 34° 22' W, 44.40' along the Northeast Lot line of Lot 4, Block C, Part 1, St. Andrews; thence run N 89° 48' W, 210.29' to a point; thence run S 48° 40' W, 279.06' to a point; thence run South 884.54' to a point on the North margin of Tantallon Drive; thence run West 180' to the Point of Beginning.

GOLF COURSE PARCEL NO. 4-5:

Old Fairway 13 (New Fairway 4)
(Part 1; St. Andrews)

From the Corner common to Sections 7/18, 17/8, having Grid Coordinates N 250,514.95, E 537,172.62, run South 150' to the North margin of Tantallon Drive; thence run West along the North margin of Tantallon Drive 410' to the Point of Beginning which is the Southwest corner of Lot 10, Block B, Part 1, St. Andrews; thence run West along the North margin of Tantallon Drive, 26.37' to a point; thence run Northwesterly along the North margin of Tantallon Drive 89.02' on an arc, the Radius of which is 170' (Delta Angle 30°); thence run N 60° 00' W, 79.26' to the Southeast corner of Lot 20, Block B, Part 1, St. Andrews; thence run North 634.99' to a point; thence run N 10° 42' 10" W, 101.71' to a point; thence N 14° 00' W, 183.45' to a point; thence North 221.90' to a point on the South margin of St. Andrews Drive which is the Northeast corner of Lot 11, Block B, Part 1, St. Andrews; thence run Northeasterly along the South

22

margin of St. Andrews Drive on an arc, the Radius of which is 260' (Delta Angle $22^{\circ}41'45''$), 102.99' to the Northwest corner of Lot 1, Block B, Part 1, St. Andrews; thence run S $19^{\circ}52'$ E, 200.11' to a point; thence run S $11^{\circ}18'$ E, 109.90' to a point; thence run S $13^{\circ}00'$ E, 275.51' to a point; thence run South 675' to the Point of Beginning.

GOLF COURSE PARCEL NO. 4-6:

Old Fairway 14 & 15 (New Fairway 5 & 6)
(Part 2 & 3; St. Andrews)

From the Section corner common to Sections 18 and 17, (Grid Coordinate N 250,514.92, E 537,172.62), run South 210' to a point on the South margin of Tantallon Drive; thence run West along the South margin of Tantallon Drive 336.27' to a point (Grid Coordinate N 250,304.95, E 536,836.35) which is the Point of Beginning.

From the Point of Beginning run S $52^{\circ}43'16''$ E, 165.10' to a point which is the Southwest corner of Lot 1, Block F, Part 2, St. Andrews; thence run S $74^{\circ}35'$ E, 300.83' to a point; thence run East 840' to a point; Thence run S $74^{\circ}19'03''$ E, 55.07' to a point; thence run S $49^{\circ}30'$ E, 362.34' to the Southeast corner of Lot 13, Block F (Grid Coordinate N 249,875.73, E 538,426.18). This point is common to Part 2 and Part 3, St. Andrews. From this point continue S $49^{\circ}30'$ E, 307.91' to a point on the West margin of Braemar Street; thence run S $33^{\circ}40'$ W, 157.72' along the West margin of Braemar Street to a point; thence run Southwesterly along the West margin of Braemar Street, 19.29' on an arc with a Radius of 170' (Delta Angle $06^{\circ}30'$) to a point; thence run S $40^{\circ}10'$ W, 7.89' to the Northeast corner of Lot 16, Block F, Part 3, St. Andrews; thence run N $49^{\circ}50'$ W, 370' to the Northwest corner of Lot 18, Block F, Part 3, St. Andrews, which point is common to Part 3 and Part 2, St. Andrews (Grid Coordinate N 249,762.61, E 538,281.97), thence run N $49^{\circ}50'$ W, 110' to a point; thence North $50^{\circ}51'$ West, 176.44 to a point; thence run West 893.71'; thence run N $79^{\circ}27'$ W, 59.79' to a point; thence run N $49^{\circ}46'$ W, 120.42' to a point; thence run N $52^{\circ}07'$ W, 362.79' to a point (Grid Coordinate N 250,258.35, E 536,730.33); thence run N $07^{\circ}21'39''$ E, 46.99' to a point on the South margin of Tantallon Drive; thence run East 100; to the Point of Beginning.

23

GOLF COURSE PARCEL NO. 4-7: PART OF LOT 9E, SAINT ANDREWS, PART 2.

Beginning at the Southwest corner of Lot 9, Block E, St. Andrews on the Gulf, Part 2, Jackson County, Mississippi; thence run North 77°39'24" West a distance of 111.06 feet to a point; thence run North 51°03'00" East a distance of 92.10 feet to a point; thence run South a distance 18.00 feet to a point; thence run South 45°00'00" West a distance of 90.00 feet to a point; thence run West a distance of 116.48 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO.4-8: LAND NORTHWEST OF LOT 1, BLOCK "M", PART 4, ST. ANDREWS

Beginning at the Northwest corner of Lot 1, Block M, Part 4, St. Andrews on the Gulf, thence run South 30°15'00" West and along the West boundary of said St. Andrews on the Gulf a distance of 180.00 feet to a point; thence run North 35°38'12" West a distance of 145.64 feet to a point; thence run North 43°31'19" West a distance of 105.71 feet to a point; thence run North 26°38'21" West a distance of 92.73 feet to a point; thence run North 35°38'12" West a distance of 98.65 feet to a point on the South margin of Tantallon Drive; thence run South 59°45'00" East a distance of 402.15 feet to the POINT OF BEGINNING

Less and Except from Golf Course Parcel No. 4-8:

Lots 1, 2, and 3, St. Andrews on the Gulf Subdivision, Part 8, a Replat of a Portion of Block M, Part 4, St. Andrews on the Gulf Subdivision, per Plat recorded at Plat Book 20, Page 59.

GOLF COURSE PARCEL NO. 4-9: NORTH SIDE OF GLEN EAGLES REPLAT

Beginning at the Northeast corner of Lot 6, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run North 23°10'12" West and along the East line of Lot 7 of said St. Andrews subdivision a distance of 91.39 feet to the Northern most corner of said Lot 7; thence run North 38°08'03"

24

West and along the Northeast line of Lots 8 and 9 of said St. Andrews subdivision a distance of 174.27 feet to a point; thence run North 47°06'24" West and along the Northeast line of Lots 9 and 10 a distance of 80.09 feet to the Northern most corner of Lot 10 of said St. Andrews Subdivision; thence run North 40°10'00" East a distance of 28.00 feet to a point; thence run South 56°34'22" East a distance of 130.98 feet to a point; thence run South 36°19'15" East a distance of 177.98 feet to a point; thence run South a distance 105.72 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-10: EAST SIDE OF GLEN EAGLES REPLAT

Beginning at the Northeast corner of Lot 5, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run South a distance of 190.00 feet to a point; thence run South 89°59'16" West a distance of 52.66 feet to Southeast corner of Lot 5, said St. Andrews Subdivision; thence run North 15°29'48" West and along the Southeast line of Lot 5, said St. Andrews Subdivision, a distance of 197.18 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-11: SOUTH SIDE OF GLEN EAGLES REPLAT

Beginning at the Southeast corner of Lot 3, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run North 49°48'37" West a distance of 240.36 feet to a point; thence run North 40°13'20" East a distance of 15.00 feet to the Southwest corner of Lot 1, said St. Andrews Subdivision; thence run South 49°48'37" East a distance of 80.36 feet to the Southeast corner of said Lot 1; thence run South 44°27'17" East and along the southwest line of Lots 2 and 3 of said St. Andrews Subdivision a distance of 160.71 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-12: CLUB HOUSE AREA

From the Intersection of the centerlines of Golfing Green Drive and Tantallon Drive (Grid Coordinate N 248.882.65, E 536,321.19), run N 65° 45' E, 823.11' to a point on the centerline of Golfing Green Drive, which is the Point of Beginning (Grid Coordinate N 249,246.70, E 537, 059.41).

25

From the Point of Beginning run N 26° 15' W, 200' to a point; thence run N 63° 45' E, 450' to a point; thence run S 26° 15' E, 400' to a point; thence run S 63° 45' W, 450' to a point; thence run N 26° 15' W, 200' to the Point of Beginning.

PARCEL NO. 5 MARINA: HIGH DENSITY AREA

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run North along said southerly projection to its midsection with the South line of Tantallon Drive, thence easterly and southerly along the South margin of Tantallon Drive to a point on the West line of St. Andrews on the Gulf Subdivision, Part 4, which point is on the margin of Fairway No. 2 of St. Andrews Golf Course, thence westerly and southerly along the margin of said Fairway No. 2 to its intersection with the northeast corner of the following described property: to-wit:

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run South along said southerly projection for a distance of 1870.98 feet to a point. Thence run South 00°11'42" East for a distance of 245.68 feet to the Point of Beginning of the herein described Marina Area.

Thence continue South 00°11'42" East for a distance of 236.48 feet to a point. Thence run South 67°20'51" East for a distance of 717.73 feet to a point. Thence run North 06°22'59" West for a distance of 68.24 feet to a point. Thence run North 36°48'04" West for a distance of 557.23 feet to a point. Thence run South 89°48'18" West for a distance of 321.78 feet back to the Point of Beginning containing 3.92 acres of land more or less.

* 3 3 *

26

And also, beginning at a point on the South line of the above described property which lies 50 feet East of the rectangular dug out marina basin lying immediately South of the above described property, and run southerly and westerly on a line 50 feet from said dug out basin to the East bank of the canal entering said basin from the South, thence due West to the west bank of said canal, then westerly and northerly on a line 50 feet from said basin to its intersection of such 50 feet westerly offset with the South line of the above described property, thence easterly along the South line of the above described property to the Point of Beginning;

Thence run South 89°West for a distance of 321.78 feet to a point on the southerly projections of the West margin of Elm Street, then North along said southerly projections to the Point of Beginning.

PARCEL NO. 6: MARINA SITE

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run South along said southerly projection for a distance of 1870.98 feet to a point. Thence run South 00°11'42" East for a distance of 245.68 feet to the Point of Beginning of the herein described Marina Area.

Thence continue South 00°11'42" East for a distance of 236.48 feet to a point. Thence run South 67°20'51" East for a distance of 717.73 feet to a point. Thence run North 06°22'59" West for a distance of 68.24 feet to a point. Thence run North 36°48'04" West for a distance of 557.23 feet to a point. Thence run South 89°48'18" West for a distance of 321.78 feet back to the Point of Beginning containing 3.92 acres of land more or less.

And also, beginning at a point on the South line of the above described property which lies 50 feet East of the rectangular dug out marina basin lying immediately South of the above described property, and

27

run southerly and westerly on a line 50 feet from said dug out basin to the East bank of the canal entering said basin from the South, thence due West to the west bank of said canal, then westerly and northerly on a line 50 feet from said basin to its intersection of such 50 feet westerly offset with the South line of the above described property, thence easterly along the South line of the above described property to the Point of Beginning.

01/12/2006 11:19 2284321112

GHEGHAN LAW FIRM

PAGE 84/86

INDEXING INSTRUCTIONS:

Parcel No. 1: T8S - R7W

Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4

Fractional Sec. 17

Fractional Sec. 18

T8S - R7W

Fractional Sec. 13

Parcel No. 2: T8S - R7W

Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4

Parcel No. 3: T8S - R7W

Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4

Parcel No. 4-1 thru 4-12 St. Andrews on the Gulf S/D Part 1, Blocks A, B & C
St. Andrews on the Gulf S/D Part 2, Blocks D, E, F, G, H & L
St. Andrews on the Gulf S/D Part 3, Blocks F, G, H, & J
St. Andrews on the Gulf S/D Part 4, Blocks K, L & M
St. Andrews on the Gulf S/D Part 5, Blocks G, H, I, K & M

Parcel No. 5: T8S-R7W

Fractional Section 17

Parcel No. 6: T8S-R7W

Fractional Section 17

JOURNAL, 1ST PUBLISHED LAGUNA DEVELOPMENT BY ANDREWS JAN 2006 UNDEVELOPED SOUTH MARSH SEC AND WEST SIDE 1-1-06, 000
Page 3 of 3

26

STATE OF MISSISSIPPI

COUNTY OF JACKSON



200912585 26 PGS

AFTER RECORDING PLEASE

RETURN TO:

Regions Bank
/c/o Rick La Trace, Esq.
Johnstone Adams
PO Box 1988
Mobile, AL 36633
(251) 432-7682

EXHIBIT

3
to Affidavit

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated this 16th day of June, 2009, is made and executed between SOUTH MARSH DEVELOPERS, LLC, ("Grantor"), whose address is #4 Laguna Street, Suite 201, Ft. Walton Beach, FL 32458 and REGIONS BANK ("Lender"), whose address is 2994 South County Highway 395, Santa Rosa Beach, FL 32459.

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated January 10, 2006 (the "Deed of Trust") which has been recorded in Jackson County, State of Mississippi, as follows:

Recorded January 12, 2006, as Instrument No. 200601157,
Book 2348, Pages 757-784, Jackson County, Mississippi.

REAL PROPERTY DESCRIPTION. The Deed of Trust presently covers the following real property described on Exhibit "1" attached hereto in Jackson County, State of Mississippi.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

1. When and where appropriate, the phrase "and any modifications thereto" shall be inserted after the term "Security Instrument";
2. The legal description of Parcel No. 1 (Ex. 1 hereto) contains a number of typographical errors in the legal description. To correct the typographical errors in the legal description to Parcel No. 1, the legal description for Parcel No. 1 only is deleted in its entirety and the corrected legal description for Parcel No. 1 attached hereto as Exhibit "2" is added in its place.

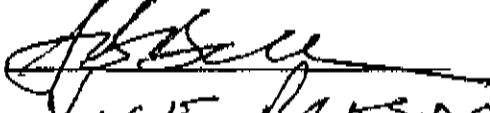
ADDITIONAL DOCUMENTS. Paragraph 23 of the Deed of Trust provides that Grantor will provide to Lender upon request any information Lender may deem necessary. Grantor agreed to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue and preserve Grantor's obligations under the Deed of Trust and Lender's lien status on the Property. Grantor failed to execute and deliver this Modification of Deed of Trust upon written request of Lender.

AUTHORITY TO PERFORM. Paragraph 13 of the Deed of Trust provides that if the Grantor fails to perform any duty or any of the covenants contained in the Deed of Trust, the Lender may, without notice, perform or cause them to be performed. Grantor has appointed Lender as its attorney in fact to sign Grantor's name as deemed necessary to enforce Grantor's performance under the Deed of Trust, which includes the preservation of Lender's lien status on the Property.

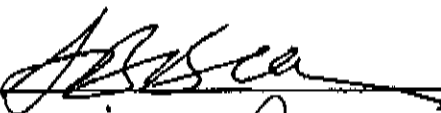
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect and are legal, valid, binding and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any further modifications. Nothing in this Modification shall constitute a satisfaction of the Note secured by the Deed of Trust. It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR: SOUTH MARSH DEVELOPERS, LLC

By: REGIONS BANK, as Attorney in Fact for Grantor
Pursuant to the Terms of the Deed of Trust

By: 
As its: VICE PRESIDENT

LENDER: REGIONS BANK

By: 
As its: Vice President

STATE OF FLORIDA

COUNTY OF WALTON

On this 16th day of June 2009, before me personally appeared **SUSAN B. BELL**, Vice President of Regions Bank, and known to me to be the individual who executed the foregoing instrument as attorney in fact of South Marsh Developers, LLC, therein described, and acknowledged to me that she signed and sealed the said instrument as such attorney in fact for said South Marsh Developers, LLC, freely and voluntarily, and for the uses and purposes therein mentioned.

Given under my hand and official notarial seal this 16th day of June 2009.



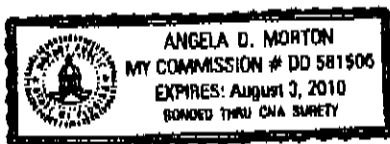
Angela D. Morton
Notary Public
State of Florida
My Commission Expires: 8-3-2010

STATE OF FLORIDA

COUNTY OF WALTON

I, the undersigned, a Notary Public in and for said State and County, hereby certify that **SUSAN B. BELL**, whose name as Vice President of REGIONS 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, she, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand and official notarial seal this 16th day of June 2009.



Angela D. Morton
Notary Public
State of Alabama Florida
My Commission Expires: 8-3-2010

THIS INSTRUMENT PREPARED BY:

Rick A. La Trace, Esq. (MSBAR#100879)

Johnstone Adams

One St. Louis Centre, Suite 4000

Mobile, AL 36602

(251) 432-7682

(251) 432-2800 Fax

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 08-11-2010 BY 60322 UCBAW

North 15°36'26" West for a distance of 182.32 to a point. Thence North 28°51'38" West for a distance of 259.15 feet to a point which lies on the North line of Section 13. Thence run South 89°56'18" East along the North line of said Section 13 for a distance of 706.36 feet back to the **POINT OF BEGINNING** containing 317.78 acres of land more or less.

PARCEL NO. 2: COMMERCIAL AREA SOUTH OF BIDDIX-EVANS ROAD

Commencing at the Southeast corner of Lot 5, Block A, Pinehurst Subdivision run North 89°20'03" East for a distance of 79.96 feet to a point; thence run due North 120.00 feet to a point; thence run due East for a distance of 460.04 feet to a point which marks the intersection of the West right-of-way line of Elm Street and the South right-of-way of Pinehurst Drive; thence run South 00°20'11" East for a distance of 372.64 feet along the West right-of-way line of Elm Street to a point; thence run North 89°52'46" West for along the West line of Elm Street a distance of 53.08 feet to a point; thence run South 00°35'08" East for a distance of 70.06 feet to a point which lies on the centerline of Biddix Road and is the **POINT OF BEGINNING**; thence run South 00°35'08" East for a distance of 482.52 feet to a point; thence run South 89°45'45" West for a distance of 199.92 feet to a point; thence run due West for a distance of 300.00 feet to a point which lies on the centerline of Biddix Road; thence run along the centerline of Biddix Road the following Bearing and Distances: along a curve to the left with a Chord Bearing and Distance of North 24°45'58" East 37.21 feet and Arc Length of 37.22 feet and Radius of 378.54 feet to a point; thence run North 22°07'17" East for a distance of 239.49 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 44°39'30" east 153.31 feet and Arc Length of 157.34 feet and Radius of 200.00 feet to a point; thence run North 67°11'43" East for a distance of 320.40 feet back to the **POINT OF BEGINNING** containing 3.96 acres of land more or less.

PARCEL NO 3: ACREAGE NORTH OF BIDDIX-EVANS ROAD

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West, Jackson County, Mississippi run North 00°37'35" West for a distance of 4038.60 feet to a point; thence run South 89°56'17" East for a distance of 63.26 feet to the centerline of Biddix Road and to the **POINT OF BEGINNING**; thence run South 89°56'17" East for a distance of 1711.50 feet to a point which lies on the South line of Pinehurst Subdivision, Part 2; thence run along the South line of

Pinehurst Subdivision, Part 2 the following Bearing and Distances:
 South 51°14'50" East for a distance of 60.82 feet to a point; thence
 South 47°36'41" East for a distance of 78.53 feet to a point; thence
 run South 43°58'33" East for a distance of 78.53 feet to a point;
 thence run South 40°20'24" East for a distance of 78.53 feet to a
 point; thence run South 36°42'16" East for a distance of 78.53 feet to
 a point; thence run South 32°47'09" East for a distance of 91.34 feet
 to a point; thence South 30°01'05" East for a distance of 25.00 feet to
 a point; thence run South 29°30'00" East for a distance of 335.00 feet
 to a point; thence run South 30°11'23" East for a distance of 22.02
 feet to a point; thence run South 33°38'44" East for a distance of
 88.26 feet to a point; thence run South 39°10'39" East for a distance
 of 88.26 feet to a point; thence run South 44°42'35" East for a
 distance of 88.26 feet to a point; thence run South 50°14'31" East for
 a distance of 88.26 feet to a point; thence run South 55°46'26" East
 for a distance of 88.26 feet to a point; thence run South 61°18'22"
 East for a distance of 88.26 feet to a point; thence run South
 66°50'18" East for a distance of 88.26 feet to a point; thence run
 South 72°22'13" East for a distance of 88.26 feet to a point; thence
 run South 77°54'09" East for a distance of 88.26 feet to a point;
 thence run South 83°26'05" East for a distance of 88.26 feet to a
 point; thence run South 86°46'05" East for a distance of 35.65 feet to
 a point; thence run due East for a distance of 130.00 feet to a point;
 thence run North 89°34'20" East for a distance of 80.08 feet to a
 point; thence run North 89°29'19" East for a distance of 80.03 feet to
 a point; thence run North 89°35'12" East for a distance of 79.99 feet
 to a point; thence run South 89°33'40" East for a distance of 80.83
 feet to the Southwest corner of Lot 5, Block A, Pinehurst Subdivision,
 Part 2; thence run North 89°20'03" East for a distance of 79.96 feet to
 a point; thence run due North for a distance of 120.00 feet to a point
 which lies on the South right-of-way line of Pinehurst Drive; thence
 run due East for a distance of 460.04 feet to a point which marks the
 intersection of the West right-of-way line of Elm Street and the South
 right-of-way line of Pinehurst Drive; thence run South 00°20'11" East
 for a distance of 372.64 feet along the West right-of-way line of Elm
 Street to a point; thence run North 89°52'46" West along the West
 right-of-way line of Elm Street for a distance of 53.08 feet to a point;
 thence run South 00°35'08" East for a distance of 70.06 feet to a point
 which lies on the centerline of Biddix Road; thence run along said
 centerline of Biddix Road the following Bearing and Distances: South
 67°11'43" West for a distance of 320.40 feet to a point; thence run
 along a curve to the left with a Chord Bearing and Distance of South
 44°39'30" West 153.31 feet, a Arc Length of 157.34 feet and Radius of
 200.00 feet to a point; thence run South 22°07'17" West for a

distance of 233.49 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 60°00'27" West 466.71 feet, a Arc Length of 502.89 feet and Radius of 378.54 feet to a point; thence run North 81°56'02" West for a distance of 309.10 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 68°34'40" West 228.51 feet and Arc Length of 230.55 feet and Radius of 499.04 feet to a point; thence run North 55°20'33" West for a distance of 930.70 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of North 60°45'20" West 37.81 feet, a Arc Length of 37.86 feet and Radius of 208.76 feet to a point; thence run North 65°57'05" West for a distance of 891.44 feet to a point; thence run along a curve to the Right with a Chord Bearing and Distance of North 58°08'51" West 53.95 feet, a Arc Length of 54.11 feet and Radius of 197.75 feet to a point; thence run North 50°18'29" West for a distance of 470.51 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of North 38°08'14" West 167.37 feet, a Arc Length of 168.61 feet and Radius of 400.91 feet to a point; thence run North 26°05'20" West for a distance of 502.26 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of North 39°37'23" West 233.75 feet, a Arc Length of 235.93 feet and Radius of 500.00 feet back to the POINT OF BEGINNING containing 86.74 acres of land more or less.

PARCEL NO. 4: GOLF COURSE, IN 12 SUB-PARCELS, GOLF COURSE PARCELS NO. 4-1 THROUGH 4-12

GOLF COURSE PARCEL NO. 4-1:

Old Fairways 1,9,8,7,18,17,16,10 (New Fairways 10, 18, 17, 16, 9, 8, 7, 1)
(Parts 2,3,4,5; St. Andrews)

From the intersection of the centerline of St. Andrews Drive and the centerline of Tantallon Drive, the intersection having Grid Coordinates N 249,255.17, E 536,142.16, run thence S 40°38'41" E, 220.78' along the centerline of Tantallon Drive to a point; thence run S 09°45' E, 199.11' to the intersection of the centerline of Tantallon Drive and the centerline of Golfing Green Drive, thence run N 63°45' E, 31.29' to a point; thence run S 09°45' E, 236.29' along the East margin of Tantallon Drive to a point on the East margin of Tantallon Drive which is the Point of Beginning, (Grid Coordinate N 248,672.38, E 536,387.77).

From the Point of Beginning run N 64°22'30" E along the North margin of Fairway No. 1 850 feet more or less to a point bearing South 26°15' East of the southwest corner of the Club House Area according to the Plat of St. Andrews on the Gulf Part 2; thence run N 26°15' W, 35' to the Southwest corner of the Club House area; thence run N 63°45' E, 450' to a point; thence run N 26°15' W, 400' to a point; thence run S 63°45' W, 450' to a point which is the Northwest corner of the Club House area; thence run N 26°15' W, 60' to a point; thence run S 76°10'12" W, 400' to a point; thence run S 46°53'56" W, 372' ± along the South margin of Fairway No.10 to the East margin of Tantalion Drive; thence run Northwesterly along the East margin of Tantalion Drive, 60' ± of an arc of Radius 330' to a point; thence run N 40°38'41" W, 74.63'; thence run Northerly 54.48' on an arc with a radius of 70' to a point on the East margin of St. Andrews Drive; thence run N 34°32'20" E, 91.11' along the East margin of St. Andrews Drive; to a point; thence run Northerly 73.48' along the East margin of St. Andrews Drive on an arc with a radius of 340' to a point which is the Southwest corner of Lot 9, Block E, Part 2, St. Andrews; thence run East 116.48' to a point; thence run N 45° E, 90' to a point; thence run North, 27.38' to a point; thence run N 75°32'57" E, 185.54' to a point; thence run N 75°10'12" E, 238.06 , to a point; thence run N 69°42' E, 261.27' to a point on the South margin of Glen Eagles Drive, which point is also the Southeast corner of Lot 16, Block E, Part 2, St. Andrews.

From thence run East, 501.27' along the South margin of Glen Eagles Drive to a point; thence run South 63.74' to a point; thence run S 71°05' E, 267.57' to the Southeast corner of Lot 1, Block H, Part 2, St. Andrews; thence run S 49°50' E, 340' to the Southeast corner of Lot 4, Block H, Part 2, St. Andrews, which point is common to Part 2 and Part 3 (Grid Coordinates N 249,338.45, E 538,133.34).

From thence run S 49°50' E, 1299.87' to the Southwest corner of Lot 14, Block H, Part 3, St. Andrews; thence run East 105.68' to a point; thence run North 443.72' to a point; thence run N 36°14'33" W, 178.80' to a point; thence run N 56°25' W, 130.85' to a point; thence run N 54°14' W, 130.38' to a point; thence run N 56°57' W, 120.94' to a point; thence run N 49°50' W, 270' to a point on the East margin of Braemar Street; thence run N 40°10' E, 4.78' along the East margin of Braemar Street to a point; thence run in a Northerly direction on an arc with a radius of

230', a distance of 25.09' to a point; thence run N 33° 40' E, 107.48' along the East margin of Braemar Street to the Southwest corner of Lot 22, Block H, Part 3, St. Andrews.

From thence run S 56° 20' E, 840' to a point; thence run S 37° 21' E, 43.28' to a point; thence run South 778.60' to a point common to Part 3 and Part 5 (Grid Coordinate N 248,321.40, E 539,409.40).

From thence run West 250' to a point; thence run N 78° 29' W, 82.45' to a point; thence run N 51° 45' W, 772.61' to a point; thence run S 49° 51' W, 102.07' which is the Southwest corner of Lot 9, Block J, Part 3, St. Andrews (Grid Coordinate N 248,750.34, E 538,393.84). This point is common to Parts 3 and 2.

From this point thence run S 48° 16' W, 248.81' to a point; thence run S 58° 11' W, 69.14' to a point (Grid Coordinate N 248,548.28, E 538,149.40); thence run S 51° 45' E, 380' to a point which is the Southwest corner of Lot 13, Block J, Part 5, St. Andrews (Grid Coordinate N 248,313.02, E 538,447.82).

From thence run S 51° 45' E, 630' to a point; thence run S 37° 17' E, 79.97' to a point; thence run S 35° 00' E, 549.60' to a point on the North margin of Tantallon Drive, which point is the Southeast corner of Lot 22, Block J, Part 5, St. Andrews; thence run S 66° 43' W, 169.96' along the North margin of Tantallon Drive to the Northeast corner of Lot 1, Block J, Part 5, St. Andrews.

From thence run N 33° 11' W, 227.87' to a point; thence run N 44° 02' W, 120.92' to a point; thence run N 34° 15' W, 120' to a point; thence run N 44° 16' W, 180.33' to a point; thence run N 52° 00' W, 240' to a point common to Parts 5 and Part 4 and being the Northwest corner of Lot 6, Block K, Part 5, St. Andrews (Grid Coordinate N 248,000.44, E 538,555.96).

From thence run N 52° 00' W, 360' to a point; thence run N 52° 36' W, 291.36' to a point; thence run S 24° 00' W, 490' to a point; thence run S 24° 32' W, 150.75' to a point on the North margin of Tantallon Drive which is the Southwest corner of Lot 32, Block K, Part 4, St. Andrews.

From thence run N 59° 45' W, 358.69' along the North margin of Tantallon Drive to the Southeast corner of Lot 1, Block L, Part 4, St. Andrews.

From thence run N 24°00' E, 465.26' to a point; thence run N 08° 30' W, 125' to a point; thence run N 59° 45' W, 130' to a point; thence run N 58° 43' W, 144.69' to a point common to Part 4 and Part 2, St. Andrews and being the Northeast corner of Lot 6, Block L, Part 2, St. Andrews (Grid Coordinates N 248,681.85, E 537,397.95).

From thence run N 59°45' W, 320' to a point; thence run S 63°31' W, 203.89' to a point; thence run S 64° 45' W, 476.84' to a point on the North margin of Tantallon Drive and the Southwest corner of Lot 11, Block L, Part 2, St. Andrews.

From thence run N 59° 45' W, 47.92' along the North margin of Tantallon Drive to a point; thence Northwesterly 148' ± along the North margin of Tantallon Drive on an arc of a Radius of 170' to a point having Grid Coordinate N 248,672.38, E 536,387.77 which is the Point of Beginning.

Less and Except from Golf Course Parcel No. 4-1:
That certain parcel of land that lies within the aforementioned property, being further described as follows:

Well Site "1"

Beginning at the Northwest corner of Lot 1, Block H, Part 2, St. Andrews; thence run South 127.01 feet to a point on the North boundary of Fairway Number 9 of St. Andrews on the Gulf; thence run North 67° 00'13" West and along said North boundary of Fairway Number 9 a distance of 232.59 feet to a point; thence run North a distance of 36.17 feet to a point on the South margin of Glen Eagles Drive; thence run South 89° 59'33" East and along said South margin of Glen Eagles Drive a distance of 214.11 feet to the POINT OF BEGINNING; containing 17.470 square feet or approximately 0.40 acres.

GOLF COURSE PARCEL NO. 4-2:

Old Fairways 2, 3, 4, 5, 6 (New Fairways 11, 12, 13, 14, 15)
(Parts 4, 5, 6; St. Andrews)

From the corner common to Sections 18 and 17, run S 13° 04' 08" W, 2158.86' to the intersection of Tantalion Drive and Muirfield Court (Grid Coordinate N 248,411.98, E 536,684.45); thence run N 59° 45' W, 269.99' along the centerline of Tantalion Drive to a point; thence run S 30° 15' W, 30' to a point on the South margin of Tantalion Drive which is the Point of Beginning.

From the Point of Beginning run S 35° 38' 12" E, 440.59' to a point which is the Southwest corner of Lot 1, Block M, Part 4, St. Andrews; thence run S 59° 45' E, 2060' to the centerline of a drainage ditch, a point common to parts 4 and 5, St. Andrews (Grid Coordinates N 247,135.90, E 538,455.72).

From thence continue S 59° 45' E, 420' to a point; thence run S 64° 04' E, 240.15' to a point; thence run S 64° 15' E, 526.41' to a point which is the Southeast corner of Lot 24, Block M, Part 5, St. Andrews.

From thence run N 12° 56' E, 225.62' to a point; thence run N 02° 00' E, 340' to the Northeast corner of Lot 25, Block M, Part 5, St. Andrews.

From thence run West 91.75' to a point; thence run S 86° 58' W, 150.02' to a point; thence run S 85° 59' W, 236.82' to a point on the North margin of Inverness Circle; thence run N 34° 15' W, 116.68' to a point at the intersection of the North margin of Inverness Circle and the East margin of Tantalion Drive; thence run N 66° 45' E, 569.59' to a point on the East margin of Tantalion Drive which is common to Part 5 and Part 6, St. Andrews; thence run S 24° 13' 42" E, 114.31' to the Southwest corner of Lot 47, Block R, Part 6, St. Andrews; thence run N 85° 45' E, 190' to a point; thence run S 02° 15' W, 1039.25' to a point; thence run S 19° 12' 16" E, 234.39' to a point; thence run S 19° 30' E, 85' to a point on the North margin of Bellefontaine Drive; thence run S 60° 14' 37" W, 83' along the North margin of Bellefontaine Drive to a point (Grid Coordinate N 245,968.77, E 539,749.35); thence run N 85° 52' 37" W, 130.25' to a point common to Part 6 and Part 5, St. Andrews (Grid Coordinate N 245,977.63, E 539,619.40).

From thence run S 63° 45' W, 85.90' to a point; thence run N 26° 15' W, 420' to a point (Grid Coordinate N 246,316.33, E 539,356.57).

From thence run Northwesterly along the meander line of the two foot contour of the Bellefontaine Marsh, which contour line is considered the limit of the wet lands. The distance is approximately 3429'. This line terminates at a point on the West boundary of Part 4, St. Andrews. 594.98' South of the Northwest corner of Part 4, St. Andrews (Grid Coordinate N 248,000.00, E 536,370.64).

From thence run North 572.15' to a point on the South margin of Tantallon Drive; thence run Southeasterly 78.28' along the South margin of Tantallon Drive on an arc the Radius of which is 230' to the Point of Beginning.

Less and Except from Golf Course Parcel No. 4-2: All that part of the land described in Parcel No. 2 lying South of a line running due East and West which intersects a point lying 150 feet due South of the southeast corner (the southernmost point) of lot 24, St. Andrews on the Gulf Subdivision, Part 5.

GOLF COURSE PARCEL NO. 4-3:
Old Fairway 11 (New Fairway 2)
(Part 2; St. Andrews)

From the intersection of the centerline of St. Andrews Drive and the centerline of Tantallon Drive, said point having Grid Coordinates N 249,255.17, E 536,142.16; thence run N 72° 45' W, 296.14' along the centerline of Tantallon Drive to a point; thence run North 31.41' to a point on the North margin of Tantallon Drive which is the Point of Beginning.

From the Point of Beginning continue North 1194.82' to a point on the South margin of Tantallon Drive; thence run East 180.008' along the South margin of Tantallon Drive to a point which is the Northwest corner of Lot 1, Block D, Part 2, St. Andrews; thence run South 1219.30' to a point on the North margin of Tantallon Drive; thence run N 72° 45' W, 188.48' along the North margin of Tantallon Drive to the Point of Beginning.

ORIGINAL SET FORTH IN THE NATIONAL ARCHIVES AND REPRODUCED AS SUCH JAN 1986 BY NARS TO PUBLIC USE
Page 11 of 17

margin of St. Andrews Drive on an arc, the Radius of which is 260' (Delta Angle $22^{\circ}41'43''$), 102.99' to the Northwest corner of Lot 1, Block B, Part 1, St. Andrews; thence run S $19^{\circ}52' E$, 200.11' to a point; thence run S $11^{\circ}18' E$, 109.90' to a point; thence run S $13^{\circ}00' E$, 275.51' to a point; thence run South 675' to the Point of Beginning.

GOLF COURSE PARCEL NO. 4-6)

Old Fairway 14 & 15 (New Fairway 5 & 6)
(Part 2 & 3; St. Andrews)

From the Section corner common to Sections 18 and 17, (Grid Coordinate N 250,514.92, E 537,172.62), run South 210' to a point on the South margin of Tantallon Drive; thence run West along the South margin of Tantallon Drive 336.27' to a point (Grid Coordinate N 250,304.95, E 536,836.35) which is the Point of Beginning.

From the Point of Beginning run S $52^{\circ}43'16'' E$, 165.10' to a point which is the Southwest corner of Lot 1, Block F, Part 2, St. Andrews; thence run S $74^{\circ}35' E$, 300.83' to a point; thence run East 840' to a point; Thence run S $74^{\circ}19'03'' E$, 55.07' to a point; thence run S $49^{\circ}30' E$, 362.34' to the Southeast corner of Lot 13, Block F (Grid Coordinate N 249,875.73, E 538,426.18). This point is common to Part 2 and Part 3, St. Andrews. From this point continue S $49^{\circ}30' E$, 307.91' to a point on the West margin of Braemar Street; thence run S $33^{\circ}40' W$, 157.72' along the West margin of Braemar Street to a point; thence run Southwesterly along the West margin of Braemar Street, 19.29' on an arc with a Radius of 170' (Delta Angle $06^{\circ}30'$) to a point; thence run S $40^{\circ}10' W$, 7.89' to the Northeast corner of Lot 16, Block F, Part 3, St. Andrews; thence run N $49^{\circ}50' W$, 370' to the Northwest corner of Lot 18, Block F, Part 3, St. Andrews, which point is common to Part 3 and Part 2, St. Andrews (Grid Coordinate N 249,762.61, E 538,281.97), thence run N $49^{\circ}50' W$, 110' to a point; thence North $50^{\circ}51' West$, 176.44' to a point; thence run West 893.71'; thence run N $79^{\circ}27' W$, 59.79' to a point; thence run N $49^{\circ}46' W$, 120.42' to a point; thence run N $52^{\circ}07' W$, 362.79' to a point (Grid Coordinate N 250,258.35, E 536,730.33); thence run N $07^{\circ}21'39'' E$, 48.99' to a point on the South margin of Tantallon Drive; thence run East 100' to the Point of Beginning.

GOLF COURSE PARCEL NO. 4-7: PART OF LOT 9E, SAINT ANDREWS, PART 2.

Beginning at the Southwest corner of Lot 9, Block E, St. Andrews on the Gulf, Part 2, Jackson County, Mississippi; thence run North 77°39'24" West a distance of 111.06 feet to a point; thence run North 51°03'00" East a distance of 92.10 feet to a point; thence run South a distance 18.00 feet to a point; thence run South 45°00'00" West a distance of 90.00 feet to a point; thence run West a distance of 116.48 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO.4-8: LAND NORTHWEST OF LOT 1, BLOCK M, PART 4, ST. ANDREWS

Beginning at the Northwest corner of Lot 1, Block M, Part 4, St. Andrews on the Gulf, thence run South 30°15'00" West and along the West boundary of said St. Andrews on the Gulf a distance of 180.00 feet to a point; thence run North 35°38'12" West a distance of 145.64 feet to a point; thence run North 43°31'19" West a distance of 105.71 feet to a point; thence run North 26°38'21" West a distance of 92.73 feet to a point; thence run North 35°38'12" West a distance of 98.65 feet to a point on the South margin of Tantalion Drive; thence run South 59°45'00" East a distance of 402.15 feet to the POINT OF BEGINNING

Less and Except from Golf Course Parcel No. 4-8:

Lots 1, 2, and 3, St. Andrews on the Gulf Subdivision, Part 8, a Replat of a Portion of Block M, Part 4, St. Andrews on the Gulf Subdivision, per Plat recorded at Plat Book 20, Page 59.

GOLF COURSE PARCEL NO. 4-9: NORTH SIDE OF GLEN EAGLES REPLAT

Beginning at the Northeast corner of Lot 6, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run North 23°10'12" West and along the East line of Lot 7 of said St. Andrews subdivision a distance of 91.39 feet to the Northern most corner of said Lot 7; thence run North 38°08'03"

West and along the Northeast line of Lots 8 and 9 of said St. Andrews subdivision a distance of 174.27 feet to a point; thence run North $47^{\circ}06'24''$ West and along the Northeast line of Lots 9 and 10 a distance of 80.09 feet to the Northern most corner of Lot 10 of said St. Andrews Subdivision; thence run North $40^{\circ}10'00''$ East a distance of 28.00 feet to a point; thence run South $56^{\circ}34'22''$ East a distance of 130.98 feet to a point; thence run South $36^{\circ}19'15''$ East a distance of 177.98 feet to a point; thence run South a distance 105.72 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-10: EAST SIDE OF GLEN EAGLES REPLAY

Beginning at the Northeast corner of Lot 5, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run South a distance of 190.00 feet to a point; thence run South $89^{\circ}59'16''$ West a distance of 52.66 feet to Southeast corner of Lot 5, said St. Andrews Subdivision; thence run North $15^{\circ}29'48''$ West and along the Southeast line of Lot 5, said St. Andrews Subdivision, a distance of 197.18 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-11: SOUTH SIDE OF GLEN EAGLES REPLAY

Beginning at the Southeast corner of Lot 3, Replat of Lots 12 Thru 17, Block H, Part 3, St. Andrews on the Gulf Subdivision; thence run North $49^{\circ}48'37''$ West a distance of 240.36 feet to a point; thence run North $40^{\circ}13'20''$ East a distance of 15.00 feet to the Southwest corner of Lot 1, said St. Andrews Subdivision; thence run South $49^{\circ}48'37''$ East a distance of 80.36 feet to the Southeast corner of said Lot 1; thence run South $44^{\circ}27'17''$ East and along the southwest line of Lots 2 and 3 of said St. Andrews Subdivision a distance of 160.71 feet to the POINT OF BEGINNING.

GOLF COURSE PARCEL NO. 4-12: CLUB HOUSE AREA

From the Intersection of the centerlines of Golfing Green Drive and Tantalion Drive (Grid Coordinate N 248.882.65, E 536,321.19), run N $65^{\circ}45'$ E, 823.11' to a point on the centerline of Golfing Green Drive, which is the Point of Beginning (Grid Coordinate N 249,246.70, E 537, 059.41).

From the Point of Beginning run N 26° 15' W, 200' to a point; thence run N 63° 45' E, 450' to a point; thence run S 26° 15' E, 400' to a point; thence run S 63° 45' W, 450' to a point; thence run N 26° 15' W, 200' to the Point of Beginning.

PARCEL NO. 5 MARINA: HIGH DENSITY AREA

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run North along said southerly projection to its midsection with the South line of Tantalum Drive, thence easterly and southerly along the South margin of Tantalum Drive to a point on the West line of St. Andrews on the Gulf Subdivision, Part 4, which point is on the margin of Fairway No. 2 of St. Andrews Golf Course, thence westerly and southerly along the margin of said Fairway No. 2 to its intersection with the northeast corner of the following described property: to-wit:

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run South along said southerly projection for a distance of 1870.98 feet to a point. Thence run South 00°11'42" East for a distance of 245.68 feet to the Point of Beginning of the herein described Marina Area.

Thence continue South 00°11'42" East for a distance of 235.48 feet to a point. Thence run South 67°20'51" East for a distance of 717.73 feet to a point. Thence run North 05°22'59" West for a distance of 68.24 feet to a point. Thence run North 35°48'04" West for a distance of 557.23 feet to a point. Thence run South 89°48'18" West for a distance of 321.78 feet back to the Point of Beginning containing 3.92 acres of land more or less.

And also, beginning at a point on the South line of the above described property which lies 50 feet East of the rectangular dug out marina basin lying immediately South of the above described property, and run southerly and westerly on a line 50 feet from said dug out basin to the East bank of the canal entering said basin from the South, thence due West to the west bank of said canal, then westerly and northerly on a line 50 feet from said basin to its intersection of such 50 feet westerly offset with the South line of the above described property, thence easterly along the South line of the above described property to the Point of Beginning;

Thence run South 89°West for a distance of 321.78 feet to a point on the southerly projections of the West margin of Elm Street, then North along said southerly projections to the Point of Beginning.

PARCEL NO. 6: MARINA SITE

Commencing at the Southwest corner of Section 7, Township 8 South, Range 7 West in Jackson County, Mississippi and run thence South 89°56'18" East along the South line of said Section 7 for a distance of 3938.99 feet to a point which intersects the southerly projection of the West line of Elm Street. Thence run South along said southerly projection for a distance of 1870.98 feet to a point. Thence run South 00°11'42" East for a distance of 245.58 feet to the Point of Beginning of the herein described Marina Area.

Thence continue South 00°11'42" East for a distance of 236.48 feet to a point. Thence run South 67°20'51" East for a distance of 717.73 feet to a point. Thence run North 06°22'59" West for a distance of 68.24 feet to a point. Thence run North 36°48'04" West for a distance of 557.23 feet to a point. Thence run South 89°48'18" West for a distance of 321.78 feet back to the Point of Beginning containing 3.92 acres of land more or less.

And also, beginning at a point on the South line of the above described property which lies 50 feet East of the rectangular dug out marina basin lying immediately South of the above described property, and

run southerly and westerly on a line 50 feet from said dug out basin to the East bank of the canal entering said basin from the South, thence due West to the west bank of said canal, then westerly and northerly on a line 50 feet from said basin to its intersection of such 50 feet westerly offset with the South line of the above described property, thence easterly along the South line of the above described property to the Point of Beginning.

INDEXING INSTRUCTIONS:

Parcel No. 1: T1S - R7W
Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4
Fractional Sec. 17
Fractional Sec. 18

T1S - R7W
Fractional Sec. 18

Parcel No. 2: T1S - R7W
Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4

Parcel No. 3: T1S - R7W
Sec. 7: NE 1/4, NW 1/4, SW 1/4, SE 1/4

Parcel No. 4-1 thru 4-13 St. Andrews on the Gulf S/D Part 1, Blocks A, B & C
St. Andrews on the Gulf S/D Part 2, Blocks D, E, F, G, H & I
St. Andrews on the Gulf S/D Part 3, Blocks J, K, L, M, & N
St. Andrews on the Gulf S/D Part 4, Blocks O, P, Q & R
St. Andrews on the Gulf S/D Part 5, Blocks S, T, U, V, W & X

Parcel No. 5: T1S-R7W
Fractional Section 17

Parcel No. 6: T1S-R7W
Fractional Section 17

EXHIBIT 2

EXHIBIT "1" TO CORRECTIVE INSTRUMENT: Correcting the Land Description for Parcel No. 1 on Exhibit "A" to Special Warranty Deed dated January 10, 2006, of Record at Book 1401, Page 403, et seq.

ACREAGE SOUTH OF BIDDIX-EVANS ROAD

BEGINNING at the Southwest corner of Section 7, Township 8 South, Range 7 West, Jackson County, Mississippi. Thence run North $00^{\circ}37'35''$ West along the West line of said Section 7 for a distance of 4038.60 feet to a point; thence run South $89^{\circ}56'17''$ East for a distance of 63.26 feet to a point which lies on the centerline of Biddix Road; thence run along the centerline of Biddix Road the following Bearing and Distances: along a curve to the right with a Chord Bearing and Distance of South $39^{\circ}37'23''$ East 233.75 feet and Arc Length of 235.93 feet and Radius of 500.00 feet to a point; thence run South $26^{\circ}05'20''$ East for a distance of 502.26 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South $38^{\circ}08'14''$ East 167.37 feet and Arc Length of 168.61 feet and Radius of 400.19 feet; thence run South $50^{\circ}18'29''$ East for a distance of 470.51 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South $58^{\circ}08'51''$ East 53.95 feet and Arc Length of 54.11 feet and Radius of 197.75 feet to a point; thence run South $65^{\circ}57'05''$ East for a distance of 891.44 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South $60^{\circ}45'20''$ East 37.81 feet and Arc Length of 37.86 feet and Radius of 208.76 feet to a point; thence run South $55^{\circ}20'33''$ East for a distance of 930.70 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South $68^{\circ}34'40''$ East 228.51 feet and Arc Length 230.55 feet and Radius of 499.04 feet to a point; thence South $81^{\circ}56'02''$ East for a distance of 302.06 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South $63^{\circ}21'02''$ East 442.62 feet and Arc Length of 472.74 feet and Radius of 378.58 feet to a point; thence run South for a distance of 222.68 feet to a point; thence run South $48^{\circ}56'54''$ West for a distance of 178.12 feet to a point; thence run South $74^{\circ}21'29''$ West for a distance of 90.33 feet to a point; thence run South $62^{\circ}53'53''$ West for a distance of 39.01 feet to a point; thence run South $80^{\circ}35'54''$ West for a distance of 42.57 feet to a point; thence run North $81^{\circ}42'05''$ West for a distance of 124.01 feet to a point; thence run South $08^{\circ}17'55''$ West for a distance of 308.23 feet to a point; thence run South $26^{\circ}22'57''$ West for a distance of 62.08 feet to a point; thence run South $55^{\circ}43'42''$ East for a distance of 491.13 feet to a point; thence run along a curve to the right with a Chord Bearing

and Distance of South 61°08'39" East 18.88 feet and Arc Length of 18.90 feet and Radius of 100.00 feet to a point; thence run South 66°33'36" East for a distance of 383.18 feet to a point; thence run along a curve to the left with a Chord Bearing and Distance of South 49°41'04" East 58.06 feet and Arc Length of 58.91 feet and Radius of 100.00 feet to a point; thence run North 57°11'28" East for a distance of 184.19 feet to a point; thence run South 63°06'50" East for a distance of 43.13 feet to a point which lies on the West line of Elm Street; thence run along the West line of Elm Street South 2856.63 feet to a point; thence run South 79°00'59" West for a distance of 189.61 feet to a point; thence run North 66°36'42" West for a distance of 152.03 feet to a point; thence run North 38°26'37" West for a distance of 164.49 feet to a point; thence run North 82°22'04" West for a distance of 307.83 feet to a point; thence run North 61°14'53" West for a distance of 639.48 feet to a point; thence run North 62°52'19" West for a distance of 152.03 feet to a point; thence run North 65°24'42" West for a distance of 193.68 feet to a point; thence run North 59°06'05" West for a distance of 262.43 feet to a point; thence run South 74°50'43" West for a distance of 102.56 feet to a point; thence run North 89°13'19" West for a distance of 102.56 feet to a point; thence run North 72°40'50" West for a distance of 115.23 feet to a point; thence run North 60°08'24" West for a distance of 701.34 feet to a point; thence run North 85°55'05" West for a distance of 180.00 feet to a point; thence run North 84°20'21" West for a distance of 102.27 feet to a point; thence run North 64°12'33" West for a distance of 125.36 feet to a point; thence run North 38°13'12" West for a distance of 118.04 feet to a point; thence run North 27°15'59" West for a distance of 270.00 feet to a point; thence run North 70°47'08" West for a distance of 144.68 feet to a point; thence run South 30°51'02" West for a distance of 20.63 feet to a point; thence run South 42°10'05" West for a distance of 136.08 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 49°01'22" West 28.19 feet and Arc Length of 28.26 feet and Radius of 118.11 feet; thence run South 55°14'53" West for a distance of 70.74 feet to a point; thence run along a curve to the right with a Chord Bearing and Distance of South 77°57'40" West 100.39 feet and Arc Length of 103.07 feet and Radius of 130.00 feet; thence run South 10°40'28" West for a distance of 122.39 feet to a point; thence run North 70°46'04" West for a distance of 94.82 feet to a point; thence run North 66°33'30" West for a distance of 85.68 feet to a point; thence run North 61°41'29" West for a distance of 67.74 feet to a point; thence run North 75°54'27" West for a distance of 90.00 feet to a point; thence run North 83°41'40" West for a distance of 272.51 feet to a point; thence run North 68°55'50" West

*for a distance of 113.02 feet to a point; thence run North 15°36'26" West for a distance of 182.32 to a point. Thence North 28°51'38" West for a distance of 259.15 feet to a point which lies on the North line of Section 13. Thence run South 89°56'18" East along the North line of said Section 13 for a distance of 708.36 feet back to the **POINT OF BEGINNING** containing 317.78 acres of land more or less.*

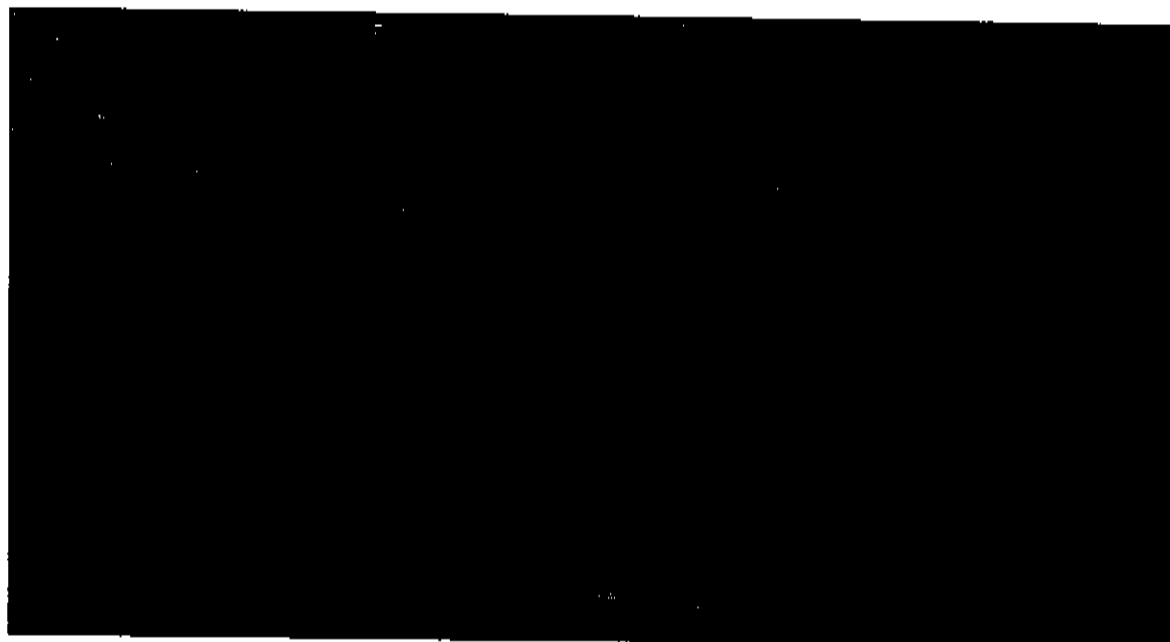
COUNTY OF JACKSON

Form No. 6: TGS-87W
Fractured Section 17

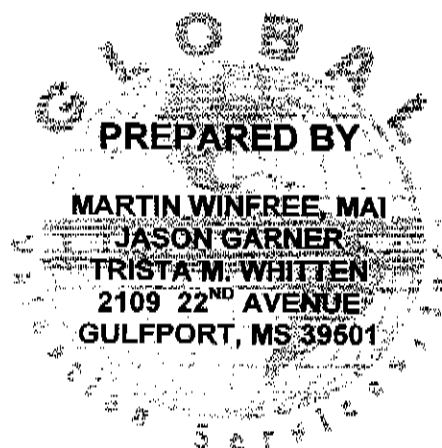
EXHIBIT

4

**SELF-CONTAINED APPRAISAL REPORT OF
THE UNSOLD PORTION OF SOUTH POINTE P.U.D.
LOCATED ALONG BIDDIX-EVANS ROAD NEAR ITS
INTERSECTION WITH BELLE FONTAINE ROAD
NEAR OCEAN SPRINGS, JACKSON COUNTY, MISSISSIPPI 39564**



**EFFECTIVE DATE OF THE APPRAISAL
"AS IS" MARKET VALUE: SEPTEMBER 16, 2009**





2109 - 22nd Avenue
Gulfport, MS 39501
Telephone 228-864-1188
Facsimile 866-313-4903

Martin Winfree, MAI
Jason Garner
Kevin Grace
Trista M. Whitten
Leah Garner
Cindy Lederer
Brandon Beard
Maranda Henderson

November 3, 2009

Regions Bank
c/o Ms. Julie McNeal
REVS VM Team
1901 - 6th Avenue North - 17th Floor
Birmingham, AL 35203

Re: Self-Contained Appraisal Report of
The Unsold Portion of South Pointe P.U.D.
(The "As Is" Market Value of the Fee Simple Interest, and the
"As Complete" Prospective Value of the Fee Simple Interest)
Located along Biddix-Evans Road near its Intersection with
Belle Fontaine Road, West of St. Andrews by the Gulf
Near Ocean Springs, Jackson County, Mississippi 39564

Dear Ms. McNeal:

In accordance with your request, we have made an appraisal of the above-referenced property, as of the date of our most recent site visitation of the subject property, September 16, 2009. The date of this appraisal report is the date of its final printing, or November 3, 2009. As defined in this appraisal report, the subject property consists of all of the real estate in Jackson County that is currently owned by South Marsh Developers, LLC. The subject property has been partially developed as a residential subdivision, although most of the property is undeveloped land. The subject property is located southeast of Ocean Springs partially on the Gulf of Mexico (Mississippi Sound) in an unincorporated community known as Fountainbleau, Jackson County, Mississippi. Specifically, the subject property is located along both sides of Biddix-Evans Road, and within and west of the St. Andrews by the Gulf development; the subject property also includes the St. Andrews Golf Course property.

The bulk of South Pointe P.U.D. is partially developed as a conventional residential subdivision and was originally planned for five phases. Only Phase 1 and 2 are complete, and Phase 3 is partially developed. Phase 3 is segmented by stages of development and will be valued according to its stages as "Phase 3A", "Phase 3B" and "Phase 3C". Phase 4 and 5 are undeveloped, though preliminary lot layouts exist, and this portion of the subject property will be appraised as vacant land. For purposes of this analysis, Phase 1 and Phase 5 are further subdivided into "Phase 1A", "Phase 1B", "Phase 5A", and "Phase 5B", with the "A" portions lying south of Biddix-Evans Road and the "B" portions lying north of this road.



Regions Bank
November 3, 2009
Page 2

The self-contained appraisal report, of which this letter is a part, presents the descriptive information, pertinent data, and conclusions that have been considered in reaching the opinions of value. The conclusions of value contained herein are subject to the attached assumptions and limiting conditions. This report has been written in accordance with the appraisal instructions of Regions Bank, the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation, and the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

Extraordinary Assumptions and Hypothetical Conditions

The economic outlook for the United States as a whole has changed dramatically within the past 12 to 18 months. The effects have already been far-reaching; and although to date, we have not noticed any direct effects locally beyond a general slowdown in the local real estate market, impacts on the Mississippi Gulf Coast region are inevitable in the near term as has occurred during past national and regional economic downturns. While it is true that some areas of the area real estate market have seen decreases in value, as a whole there is not enough data to support measurable losses in value in all sectors of the market. Based on discussions with our peers and other local professionals, we anticipate that the apparent positive trends within the neighborhood will continue, and that property values will likely remain stable within the near future. Nevertheless, we are unable to predict whether or not our local economy will experience patterns of growth or decline given the macroeconomic conditions affecting the market.

Based upon discussions with our clients, we have defined the subject property as the real estate that is owned by South Marsh Developers, LLC as of the effective date of this appraisal. Although we have received a considerable amount of information on the subject property, several key items have not been furnished to us, including boundary surveys, updated plats or conceptual drawings on the future phases of development, and subdivision development costs (those expended to date as well as the estimated costs to complete Phase 3). We have acquired copies of the approved plats of Phase 1 and Phase 2 of South Pointe Subdivision as recorded in the Office of the Chancery Clerk of Jackson County; however, these plats are not entirely consistent with the conceptual drawings of South Pointe P.U.D. We are also uncertain as to whether or not the partially installed infrastructure of Phase 3 matches these conceptual drawings, although we are assuming that this is the case. We have appraised the subject property as it is described herein, and we reserve the right to amend this appraisal report and adjust our findings in the event that more complete and/or accurate information on the subject property is supplied to us.



Regions Bank
November 3, 2009
Page 3

Our understanding is that there is currently insufficient capacity to supply municipal-grade water to the South Pointe P.U.D. and the St. Andrews by the Gulf subdivision, based upon discussions with representatives of our client; Mr. Greg Williams, President of the local utility company (St. Andrews Water and Sewer, Inc.); and other knowledgeable sources. Supplying at least one additional well and a new water tower should likely make it possible to supply all of the proposed residential units in the subject property with water service. We have not been furnished with a full description or a detailed cost estimate for these improvements, so using information that we have received, we have made a deduction of \$1,000,000 in our analysis of Phase 1 of South Pointe Subdivision in order to fully cover these costs. Once these expenditures have been made – whether by the current or future owner of the subject property, the owner of the utility company, a public grant, or a combination of these sources – this deduction would not be necessary.

We have learned from our client that portions of the subject property (in particular, portions of the St. Andrews Golf Course) have groundwater contamination. Additionally, as we understand it, some levels of arsenic and pesticide have been found in areas in or around the existing clubhouse/golf cart shed. However, neither a Phase I nor a Phase II environmental study were available for us to garner more information regarding this situation. While we have not been provided with a mitigation plan or costs associated with the clean up, from prior experience with contaminated properties, we know that the costs could be extensive. In spite of the fact that we know there are environmental issues with the subject property, we do not have enough information to form an opinion as to how much it affects the value. Therefore, our valuation is based upon the hypothetical condition that the subject property is free of any environmental contamination.

We are aware that there are extensive areas of wetlands throughout portions of the subject property. While we have seen correspondence from the U. S. Army Corps of Engineers indicating that a mitigation plan has been or would be permitted, we do not have documentation as to where the wetlands are located or how the mitigation plan will be carried out. Further, while it appears that some existing roads (or roadbeds) may have gone through areas of wetlands, we are not aware as to whether these areas have actually been mitigated. From the Army Corps of Engineers documentation, we understand that 93.47 mitigation credits were to be purchased from an existing wetlands mitigation bank. We do not know what portion, if any, of these credits have actually been purchased. The cost of credits is approximately \$12,000 each; therefore, if all of these credits need to be purchased, there would be an associated expense of over \$1,100,000. Since we have not been able to obtain information regarding the status of the mitigation process from our client (despite requesting this information) or from other sources, our valuation assumes that all appropriate wetlands mitigation has occurred as of the effective date of this appraisal. We reserve the right to alter our opinion of value if we are provided with information to the contrary.



Regions Bank
November 3, 2009
Page 4

Based on our analysis, and subject to the assumptions and limiting conditions contained in this report, it is our opinion that the "As Is" Market Value of the Fee Simple interest in the subject property, as of September 16, 2009, is:

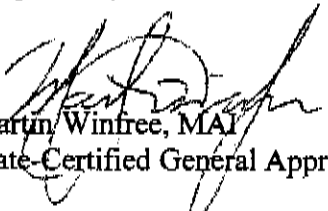
FOUR MILLION, TWO HUNDRED EIGHTY THOUSAND DOLLARS
\$4,280,000


Further, based on our analysis, and subject to the assumptions and limiting conditions contained in this report, it is our opinion that the "As Complete" Prospective Value of the Fee Simple interest in the subject property, as of September 16, 2009, is:

NINE MILLION, ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS
\$9,165,000

The above conclusion(s) of value are subject to the Extraordinary Assumptions and Hypothetical Conditions that are recited above. The use of these Extraordinary Assumptions and Hypothetical Conditions might have affected the results of the appraisal assignment.

Respectfully submitted,


Martin Winfree, MAI
State-Certified General Appraiser #GA-516


Trista M. Whitten
State-Licensed Residential Appraiser #LA-1770
License Obtained with NO Experience


Jason Garner
State-Certified General Appraiser #GA-773



EXECUTIVE SUMMARY

Effective Date(s) of Appraisal: "As Is" Market Value: September 16, 2009
 "As Complete" Prospective Value: Multiple Dates

Date(s) of Site Visitation: September 16, 2009

Date of the Appraisal Report: November 3, 2009

Name of Property: South Pointe Estates Subdivision

Location: Located along Biddix-Evans Road near its Intersection with Belle Fontaine Road, Ocean Springs, Jackson County, Mississippi 39564

Current Owner(s): South Marsh Developers, LLC

Current Use: Partially Developed Residential P.U.D.

Land Area (Approximate):

Developable Land in the P.U.D.	400.00 Acres
Golf Course	78.60 Acres
Large Marshland Tract	300.00 Acres

Census Tract: 28059-0409.00

Zoning: P.U.D. (Planned Unit Development)
Source: Jackson County Planning and Zoning Department

Ownership Interest Held: Fee Simple

Indicated Values:

	<i>As Is</i>	<i>As Complete</i>
Indicated Value(s) By Cost Approach:	\$4,785,000	\$9,470,000
Indicated Value(s) By Development Approach:	\$4,280,000	\$9,165,000

Final Conclusion(s) of Value:

<i>Conclusion of "As Is" Market Value</i>	\$4,280,000
<i>Conclusion of "As Complete" Prospective Value</i>	\$9,165,000

Appraisers: Martin Winfree, MAI
 Jason Garner
 Trista M. Whitten

Photographs of the subject property are provided on the following pages.