

**This instrument prepared by
and Should be Returned to:**

Ralph V. Hadley, III, Esquire
Swann & Hadley, P.A.
1031 West Morse Boulevard
Suite 350
Winter Park, Florida 32789

ASSIGNMENT OF LEASES AND RENTALS

BY THIS ASSIGNMENT, dated this 31st day of July, 2007, **FLAGLER CROSSROADS, INC.**, a Florida corporation, f/k/a Maluchi Development Corp., whose address is **880 Airport Road, Suite 108, Oak Pointe Business Park, Ormond Beach, Florida 32174** (hereinafter referred to as "Assignor"), as an inducement for the making of the Loan evidenced and secured as hereinafter described, hereby assigns to The Independent Bankers' Bank of Florida, a Florida banking corporation, whose address is 615 Crescent Executive Court, Suite 400, Lake Mary, Florida 32746 (hereinafter referred to as "Assignee") all the right, title and interest of Assignor in, under, or by virtue of any and all rents, income, revenue, issues, proceeds and profits, both now or hereafter due, concerning or derived from the property described in **Exhibit "A"** attached hereto and made a part hereof (the "Property") and any and all leases, both oral and written, now or hereafter existing, concerning the Property and/or any part thereof with all extensions, renewals, amendments and other modifications or replacements thereof and any and all guarantees of the lessees' obligations under any provisions thereof (any such leases or obligations being hereinafter referred to collectively as the ("Leases")), together with all rents, income, revenue, issues, proceeds and profits which may inure to the benefit of Assignor from or as a result of such Leases, including, by way of illustration and not by way of limitation, all security deposits or other deposits or prepaid items thereunder and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability of the Property or any portion thereof from any cause.

TO HAVE AND TO HOLD, said Assignor's right, title and interest unto Assignee, its successors and assigns, as security for the payment of the principal, interest and all other payments provided to be paid under the provisions of the note of **One Million Four Hundred Seventy Thousand and no/100ths Dollars (\$1,470,000.00)** of even date herewith from Assignor, Michael D. Chiumento, Kristi Chiumento, Bruce Page, Irene Page and James A. Newslow III to Assignee (collectively hereinafter referred to as the "Borrower")("Note"), of all other sums secured by the Mortgage and Security Agreement (the "Mortgage"), dated of even date, from Assignor to Assignee pertaining to the Property, including any future advances intended to be secured thereby, and for the performance of the agreements of Assignor contained in the other loan documents of even date herewith made by Assignor to and for the benefit of Assignee,

including all renewals, extensions, consolidations and other modifications of the foregoing (the Note, Mortgage, this Assignment and said other loan documents being herein collectively referred to as the "Loan Documents"). Assignee gives Assignor the conditional permission to collect, receive, take, use and enjoy the rents, income, revenue, issues, proceeds and profits concerning or derived from the Property and/or Leases and to enjoy the Leases so long as no default has occurred in the Loan Documents, provided however, such permission shall not include the right to further assign the same and any such further assignment without Assignee's advance written consent shall be void.

ASSIGNOR COVENANTS AS FOLLOWS:

1. **Assignee to be Creditor of Insolvent Lessees.** Assignor agrees that Assignee, and not Assignor, shall be and be deemed to be the creditor of each lessee in respect to assignments for the benefit of creditors in bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings or otherwise to pursue creditor's rights therein with an option to Assignee to apply any money received by Assignee as such creditor in reduction of the principal, interest or any other indebtedness evidenced and/or secured by the Note and/or any of the other Loan Documents.

2. **Present, Absolute Assignment/License Subject To Defeasance.** Assignor agrees that this Assignment is intended to be, and shall be deemed to be, an absolute present assignment of the Leases, of the rents, income, revenue, issues, proceeds, and profits under the Leases and/or otherwise derived from the Property and of all other rights herein assigned. Assignor hereby authorizes and empowers Assignee, when and if it so elects, to collect any and all rents, income, revenue, issues, proceeds and profits derived from the Property and/or under the Leases as they become due and further authorizes and instructs all lessees, guarantors of the Leases, and all other parties owing any such sums to Assignor including those obligated under or with respect to the Leases, upon demand by Assignee, to pay to Assignee all such rents, income, revenue, issues, proceeds and profits derived from the Property and/or now or hereafter due under the Leases. It is agreed and understood, however, that as long as no default exists under the terms, covenants and conditions of the Note, the Mortgage, this Assignment or any of the other Loan Documents, no such demand will be made by Assignee and the Assignor will have, and is hereby granted, a license to collect, but not prior to accrual, all rents, income, revenue, issues, proceeds and profits derived from the Property and/or due under the Leases. Assignor's aforesaid license will terminate upon the exercise by Assignee of any of its rights or remedies hereunder after the occurrence of any such default. If and to the extent Assignor collects or receives rents, income, revenue, issues, proceeds and profits from the Property and/or under the Leases pursuant to said license, Assignor shall hold same in trust for application toward payment of any sums then due and payable to Assignee under the Note, the Mortgage, this Assignment or any of the other Loan Documents, toward any other bona fide expenses of the Property which are then due and payable, toward funding of reasonable reserves for future expenses of the Property, including future payments due under the Note or under any other Loan Documents, and toward such other application of said sums as Assignee shall authorize in writing; said sums to be so applied in such order as Assignee shall, in its sole and absolute discretion, determine. If Assignor should collect or receive any rents, income, revenue, issues, proceeds, or profits from the Property and/or under any Leases after its aforesaid license terminates, such funds shall be the property of, and shall be held by Assignor for the benefit of, Assignee, and upon demand by

4. This Assignment to Terminate Upon Payment of Indebtedness. Upon payment to Assignee of the full amount of the indebtedness and performance of all of the terms and conditions of the Loan Documents, this Assignment shall be void and of no effect.

5. Assignor Waives Rights Against Lessees. Assignor irrevocably consents that the lessees under the Leases and/or others obligated to pay the sums assigned herein, upon demand and notice from Assignee of Assignor's default under the Note, Loan Documents, or under this Assignment, shall pay the rents, income, revenue, issues, proceeds and profits under the Leases and/or otherwise derived from the Property to Assignee without liability of lessees or others for the determination of the actual existence of any default claimed by Assignee. Assignor hereby irrevocably authorizes and directs lessees and/or others obligated to pay the sums assigned herein, upon receipt of any notice from Assignee stating that a default exists and that payments are due under or in the performance of any of the terms, covenants or conditions of the Note, the Loan Documents, or this Assignment to pay to Assignee the rents, income, revenue, issues, proceeds and profits due and to become due under the Leases and/or otherwise derived from the Property. Assignor agrees that lessees shall have the right to rely upon any such notices of Assignee and that said lessees shall pay such rents, income, revenue, issues, proceeds and profits to Assignee without any obligation or without any right to inquire as to whether such default actually exists and notwithstanding any claim of Assignor to the contrary. Assignor shall have no claim against lessees and/or others obligated to pay the sums assigned herein, for any rents, income, revenue, issues, proceeds and profits paid by said persons to Assignee pursuant to any demand or notice under this paragraph, regardless of any defense, setoff or counter-claim which Assignor may have against Assignee. Assignor agrees that it will, on request of Assignee, promptly deliver to lessees and/or others obligated to pay the sums assigned herein, such written notices of this Assignment as Assignee may require and such further notices related to this Assignment and any exercise of Assignee's rights hereunder as Assignee may from time to time require. If and to the extent that Assignor is expressly granted any curative rights under any of the Loan Documents, then upon the timely curing of all defaults in the payments due under and in the performance of any of the terms, covenants or conditions of the Note or any other Loan Document in accordance with any such curative rights, Assignee shall give written notice thereof to said lessees and persons and thereafter, until further notice from Assignee, said lessees and persons shall pay the rents, income, revenue, issues, proceeds and profits to Assignor.

6. Assignor Indemnifies Assignee from Liability Under this Assignment. Assignor agrees to indemnify and hold Assignee harmless of and from any and all liability, loss or damage which Assignee may incur under the Leases or by reason of or in defense of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking to be performed or discharged by Assignor or Assignee under said Leases or this Assignment. Nothing herein contained shall be construed to bind Assignee to the performance of any of the terms and provisions contained in the Leases or otherwise to impose any obligation on Assignee, including, without limitation, any liability under the covenants of quiet enjoyment contained in the Leases in the event that the lessees shall have been joined as party defendants in any action to enforce any of the obligations of the Note or any of the other Loan Documents and shall have been barred and foreclosed thereby of all right, title, interest and equity of redemption in their leased premises. Prior to actual entry and taking possession of said Property by Assignee, this Assignment shall not operate to place responsibility for the control, care, management, or repair

of the Property upon Assignee or for the carrying out of any of the terms and provisions of the Leases. Should Assignee incur any liability by reason of actual entry and taking possession or for any other reason or occurrence or sustain loss or damage under the Leases or under or by reason of this Assignment or in the defense of any such claims or demands, Assignor shall immediately upon demand reimburse Assignee for the amount thereof including interest at the Default Rate of interest set forth in the Note, costs and expenses and reasonable attorneys' fees, and Assignee may retain possession and collect the rents, income, revenue, issues, proceeds and profits and, from time to time, apply them in or toward satisfaction of or reimbursement for said loss or damage.

7. Assignor to Defend Leases. Assignor agrees to, at Assignor's sole cost and expense, enforce the Leases by appearing in and defending any action or proceeding arising under, growing out of or in any manner connected with any of the Leases or the obligations thereunder of Assignor or Assignee.

8. Assignor Authorized to Execute this Assignment. Assignor warrants and represents to Assignee and covenants and agrees with Assignee that Assignor now is the absolute owner of the Leases with full right and title to assign the same and the rents, income, revenue, issues, proceeds and profits due or to become due thereunder; that the Leases are valid, in full force and effect, and have not been modified or amended except as stated herein; that there is no outstanding assignment or pledge thereof or of the rents, income, revenue, issues, proceeds or profits due or to become due thereunder; that there are no existing defaults under the provisions thereof on the part of either party thereto; that the lessees have no defense, setoff or counterclaim against Assignor; that the lessees are in possession and paying rent and other charges under the Leases as provided therein; that no rents, income, revenue, issues, proceeds or profits payable thereunder have been or will hereafter be anticipated, discounted, released, waived, compromised, or otherwise discharged except as may be expressly permitted by the Leases; that no concessions or other benefits have been conferred unto the lessees except as set forth in the Leases; that there is no agreement or understanding between Assignor and the lessees not set forth in the Leases; that Assignor has not committed any act or executed any instrument, nor is there any judgment or decree, which might prevent or impair Assignee from fully enforcing all terms and conditions hereof or Assignor from performing its obligations hereunder and under the Leases.

9. Additional Warranties/Covenants Of Assignor. Assignor further warrants and represents to Assignee and covenants and agrees with Assignee that Assignor has duly and timely performed and will hereafter duly and timely perform all covenants, agreements, duties, liabilities and obligations of lessor under the Leases; that Assignor will enforce all Leases and will exercise remedies available to Assignor against lessees, guarantors of Leases, and other parties obligated under the Leases in the event of any default under the Leases by lessees; that Assignor will not consent to any assignment or subletting of or under any of the Leases; that Assignor will not agree to any provision or make any election or waiver which would diminish the lessee's liability or have the effect of shortening the term of any Lease; that Assignor has furnished Assignee with true, correct and complete copies of all now existing Leases and will likewise furnish copies of future Leases; that Assignor will appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the covenants, agreements, duties, liabilities and obligations of lessor or lessee under any of the Leases and upon

request by Assignee do so in the name of and on behalf of Assignee, but in all cases at the expense of Assignor; that Assignor does not now and will not hereafter enter any Leases at rates below those which are commercially reasonable at the time of any letting.

10. Power of Attorney to Assignee. Assignor agrees to execute and deliver to Assignee, and hereby irrevocably appoints Assignee and its successors and assigns as its agent and attorney-in-fact, coupled with an interest, to execute and deliver during the term of this Agreement, such further instruments and to do such further acts as Assignee may deem necessary to make this Assignment and any further assignment effective and/or to facilitate or permit Assignee to meaningfully and to fully exercise its rights and remedies hereunder. The foregoing agency and appointment shall be irrevocable and continuing until all Assignor's debts secured by and obligations under the Loan Documents have been fully paid and performed.

11. Leasehold Interest Not to Merge. The acquisition by any lessee in any manner whatsoever of the fee simple title to the Property, or any portion thereof, shall not cause, or operate as, a merger of the leasehold estate of such lessee with the fee simple title.

12. Assignor Not to Modify Leases Without Approval of Assignee. Assignor will not waive, alter, modify or change the terms of and/or terminate or accept a surrender of any of the Leases or of any of the guarantees of the Leases, nor request, consent or agree to or accept a subordination of the Leases or encumbrances now, or hereafter affecting the Property without the prior written consent of Assignee. Assignor will not consent to or permit any alteration of or addition to any of the leased premises by the lessee without prior written consent of Assignee unless the right to alter or enlarge is expressly reserved by lessee in the lessee's Lease and has been approved by Assignee by an advance written consent. Any attempt at waiver, cancellation, surrender, termination, change, alteration, modification, assignment, or subordination of the Leases without the prior written consent of Assignee shall be null and void. Assignor will not execute any other assignment (collateral or otherwise) of the Leases or of any interest therein or of any of the rents, income, revenue, issues, proceeds or profits payable under said Leases and/or otherwise derived from the Property.

13. Assignor to Notify Assignee of Defaults. Assignor will give prompt notice to Assignee of any notice of Assignor's default received from any lessee or from any other person and of any notice from Assignor to any lessee of any default by any lessee and furnish Assignee with complete copies of such notices.

14. Future Leases Included in this Agreement/Estoppels. Assignor shall give Assignee notice immediately upon entering into any new lease agreement concerning any part of the Property. Said Leases shall be deemed included in this Assignment, but, nevertheless, shall be subject to Assignee's prior written approval. Assignor will deliver to Assignee, upon request, updated lists of then existing Leases, reports or statements as to the status of such Leases, the identity of parties in possession under the Leases, specification of the instruments evidencing the Leases, the existence or nonexistence of defaults (by lessor and/or lessee) under Leases, the nature and extent of any such defaults, the existence of any set-offs, counterclaims or defenses which any lessees may be entitled or privileged to assert or which such lessees have theretofore asserted, and such other information concerning the Leases as Assignee may, from time to time, request. Such information shall be delivered to Assignee within fifteen (15) days after request

therefor.

15. Loss of Rents Insurance. Assignor will maintain in existence insurance providing loss of rents coverage in an amount and form and written by insurance companies all as may be satisfactory to Assignee. Loss of rents proceeds of such policies are and shall be subject to the terms of this Assignment.

16. Modifications of this Assignment to be in Writing. No change, amendment, modification, abridgement, cancellation, waiver or discharge hereof or of any part hereof, shall be valid unless consented to in writing by Assignee. The failure of Assignee to exercise any right or remedy hereunder or related hereto shall not be deemed to be a waiver thereof, and nothing herein contained, nor anything done or omitted to be done by Assignee pursuant hereto, shall be deemed a waiver by Assignee of any of its rights or remedies existing under any of the Loan Documents or which are otherwise available at law or in equity. All rights and remedies of Assignee hereunder are in addition to and are cumulative of any such other rights or remedies existing under the other Loan Documents or which are otherwise available at law or in equity.

17. Notices. Any notice from Assignee to Assignor under this instrument shall be given by delivering it (by overnight courier or otherwise) or by mailing it postage prepaid by United States Certified Mail, return receipt requested, addressed to Assignor's and/or Assignee's address as set forth below or such other address as Assignor or Assignee designate by advance written notice to the other.

ASSIGNOR: 880 Airport Road, Suite 108
Oak Pointe Business Park
Ormond Beach, Florida 32174

COPY to:

ASSIGNEE: The Independent Bankers' Bank of Florida
615 Crescent Executive Court
Suite 400
Lake Mary, Florida 32746

COPY to: Ralph V. Hadley, III, Esquire
Swann & Hadley, P.A.
1031 West Morse Boulevard
Suite 350
Winter Park, Florida 32789

Any notice under this instrument shall be deemed to have been given to Assignor or Assignee when delivered, in the case of personal delivery, and on the earlier of actual receipt or three (3) days after mailing when mailed in compliance with the requirements of these notice provisions.

18. Savings Clause. If fulfillment of any provisions hereof or any transaction related hereto at the time performance of such provisions shall be due shall involve transcending the limit

of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if any clause or provision herein contained is illegal or invalid, in whole or in part, then such clause or provision only shall be severed as though not herein contained, and the remainder of this Assignment shall remain operative and in full force and effect.

19. Third Party Beneficiaries. This Assignment is made solely for the benefit of Assignee and its successors and assigns. No lessee under any of the Leases nor any other person shall have standing to bring any action against Assignee as the result of this Assignment or to assume that Assignee will exercise any remedies provided herein, and no person other than Assignee will under any circumstances be deemed to be a beneficiary of any provision of this Assignment.

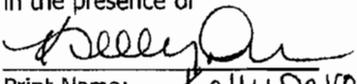
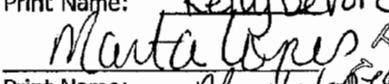
20. This Assignment to Inure to Successors. All covenants and agreements herein shall apply to, inure to the benefit of, and bind the respective successors and assigns of Assignor and Assignee. All words and phrases used herein shall be taken to include the singular or plural and the masculine, feminine or neuter gender, as the case may be.

21. This Assignment to be Governed by Florida Law. This Assignment shall be governed by and construed in accordance with the Laws of the State of Florida.

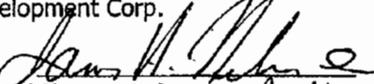
22. Titles Not Controlling. The paragraph headings herein are for convenience only and are not part of this Agreement and shall not be used in construing it.

IN WITNESS WHEREOF, the Assignor has executed this Assignment on the year and day first above written.

Signed, sealed and delivered
in the presence of


Print Name: Kelly Devore

Print Name: Marta Lopez

FLAGLER CROSSROADS, INC., a
Florida corporation, f/k/a Maluchi
Development Corp.

By: 
Printed Name: JAMES A. NEWSLOW III
Its: (Vice) President

UNOFFICIAL DOCUMENT

STATE OF FLORIDA)
COUNTY OF Flagler) SS.:

The foregoing instrument was acknowledged before me this 31st day of July, 2007, by James A. Newsum II as ~~(Vice)~~ President of **FLAGLER CROSSROADS, INC.**, a Florida corporation, f/k/a Maluchi Development Corp. on behalf of the corporation. He ~~She~~ is personally known to me or has produced a _____ (type of identification) as identification.

[Handwritten Signature]

NOTARY PUBLIC,
Printed Name: _____
My Commission Expires: _____
[NOTARIAL SEAL]

Matter No.: 19169



UNOFFICIAL DOCUMENT

EXHIBIT A

PARCEL I

BLOCKS 18, 33, 34 AND 37, TOWN OF BUNNELL, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, LESS ROAD RIGHT-OF-WAY IN DEED BOOK 23, PAGE 207 AND DEED BOOK 24, PAGE 539 AND PARTIAL RELEASE IN DEED BOOK 39, PAGE 59 AND LESS THE SOUTH 27 FEET OF LOTS 7, 8, 9, 10, 11, AND 12 AND THE NORTH 23 FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, TOGETHER WITH THE NORTHEASTERLY 1/2 OF VACATED SOUTH PEACH STREET AND THE SOUTHWESTERLY 1/2 OF VACATED SOUTH ORANGE STREET VACATED BY CITY OF BUNNELL ORDINANCE #1979-4, RECORDED IN OFFICIAL RECORDS BOOK 264, PAGE 501, AND ALL RIGHT, TITLE AND INTEREST IN AND TO THE ALLEYWAYS VACATED BY CITY OF BUNNELL ORDINANCE #1977-1, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 555 AND THAT PORTION OF PEACH STREET AND ORANGE STREET LYING SOUTH OF EAST COURT AVENUE AND NORTH OF EAST CANAL AVENUE AS VACATED BY CITY OF BUNNELL ORDINANCE NO. 1977-2, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 556; ALSO MARION STREET BETWEEN THE NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED PER SAID TOWN OF BUNNELL, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63; ALL SITUATED AND RECORDED IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

SAID PARCEL ALSO BEING DESCRIBED AS PARCELS I-A, II-A AND II-B BELOW:

PARCEL I-A

BEGINNING AT THE NORTHWESTERLY CORNER OF BLOCK 37, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE NORTH 40°13'00" EAST ALONG THE NORTHWESTERLY BOUNDARY OF BLOCKS 37, 34, AND 18 OF SAID PLAT 730.0 FEET TO A POINT ON THE NORTHEASTERLY CORNER OF BLOCK 18, SAID POINT BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY OF SOUTH LEMON STREET 50 FOOT RIGHT-OF-WAY, THENCE SOUTH 51°00'00" EAST 172.40 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF MARION STREET 25 FOOT RIGHT-OF-WAY, THENCE SOUTH 00°13'44" WEST ALONG SAID WESTERLY RIGHT-OF-WAY OF MARION STREET 198.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF CANAL AVENUE, THENCE SOUTH 40°13'00" WEST ON THE SOUTHERLY BOUNDARY OF BLOCKS 18, 34, AND 37, 574.83 FEET TO THE SOUTHWESTERLY CORNER OF BLOCK 37, THENCE NORTH 51°00'00" WEST 300.00 FEET TO THE POINT OF BEGINNING. ALSO MARION STREET BETWEEN NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED, TOWN OF BUNNELL, MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

PARCEL II-A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 12, BLOCK 33, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, A 50 FOOT RIGHT-OF-WAY 73.0 FEET EAST, THENCE NORTH 51°00'00" WEST 285.0 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF STATE ROAD 100 AN 80 FOOT RIGHT-OF-WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY OF STATE ROAD 100, 98.0 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 25 FEET TO THE POINT OF BEGINNING.

PARCEL II-B

BEGINNING AT THE SOUTHERLY CORNER OF LOT 1, BLOCK 33, AS SHOWN ON THE PLAT,

MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, 50 FOOT RIGHT-OF-WAY 25.0 FEET, THENCE NORTH 51°00'00" WEST 285.0 FEET TO THE SOUTHEASTERLY RIGHT OF WAY OF STATE ROAD 100, 80 FOOT RIGHT OF WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY 102.00 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 77.0 FEET TO THE POINT OF BEGINNING.

PARCEL IV

PARTS OF TRACTS 11 AND 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION, MAP BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF CANAL AVENUE (50' R/W) WITH THE EASTERLY RIGHT-OF-WAY LINE OF MARION STREET (25' R/W VACATED PER OFFICIAL RECORDS BOOK 315, PAGE 63 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA), SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID TRACT 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION; THENCE N00°17'12"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND SAID WESTERLY LINE OF TRACT 14 AND TRACT 11, BLOCK "C", A DISTANCE OF 147.86 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET (50' R/W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND WESTERLY LINE OF TRACTS 14 AND 11, S 51°06'13"E FOR A DISTANCE OF 94.91 FEET; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET S 40°12'30"W FOR A DISTANCE OF 115.57 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH THAT CERTAIN PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SOUTH TWENTY-SEVEN (27) FEET OF LOTS 7, 8, 9, 10, 11 AND 12 AND THE NORTH TWENTY-THREE (23) FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, CITY OF BUNNELL, ACCORDING TO MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

THE SAME BEING A FIFTY (50) FOOT STRIP OF LAND FROM EAST MOODY BOULEVARD TO EAST COURT STREET INCLUDING THE PREVIOUSLY VACATED ALLEYWAY, BEING SAME PROPERTY PREVIOUSLY DEEDED TO FIRST PARTY BY WARRANTY DEED RECORDED IN O.R. BOOK 131, PAGE 180, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

UNOFFICIAL DOCUMENT

**This Instrument Prepared by and
Should be Returned to:**

Ralph V. Hadley, II, Esquire
Swann & Hadley, P.A.
1031 West Morse Boulevard
Suite 350
Winter Park, Florida 32789

MORTGAGE AND SECURITY AGREEMENT

MORTGAGE, made this 31st day of July, 2007, between **FLAGLER CROSSROADS, INC.**, a Florida corporation, f/k/a Maluchi Development Corp., whose mailing address is **880 Airport Road, Suite 108, Oak Pointe Business Park, Ormond Beach, Florida 32174**, hereinafter called the "Mortgagor," and The Independent Bankers' Bank of Florida, whose mailing address is: 615 Crescent Executive Court, Suite 400 Lake Mary, Florida 32746 hereinafter called the "Mortgagee".

WITNESSETH:

That in consideration of the premises and to secure the performance and observance of all the covenants and conditions in the indebtedness of the principal sum of **One Million Four Hundred Seventy Thousand and no/100ths Dollars (\$1,470,000.00)**, together with interest thereon, as evidenced by that certain Promissory Note of even date herewith, executed by Mortgagor, Michael D. Chiumento, Kristi Chiumento, Bruce Page, Irene Page and James A. Newslow III (the "Borrower") and payable to Mortgagee (hereinafter referred to as the "Note"); and to secure the performance and observance of all covenants and conditions in this Mortgage and in all other instruments securing the Note and in order to charge the properties, interests and rights hereinafter described with such payment and performance and to secure additional advances, renewals, and extensions thereof and for and in consideration of the sum of Ten Dollars (\$10.00), the receipt and sufficiency of which consideration are hereby acknowledged, Mortgagor does hereby mortgage, sell, pledge and assign to Mortgagee:

THE MORTGAGED PROPERTY

A. The Real Property. All of the land in **Flagler** County, Florida, described as follows:

That real property particularly described on **Exhibit "A"** attached hereto and incorporated herein by this reference;

together with all the buildings, structures and improvements now or hereafter erected on such property and all fixtures now or hereafter attached thereto and with all tenements, hereditaments, easements, rights, powers, privileges, amenities and appurtenances thereunto now or hereafter

belonging or in any way appertaining, and the reversion and reversions, remainder and remainders, and also all the estate, right, title, interest, homestead, separate estate, property, possession and claim whatsoever in law as well as in equity of Mortgagor of, in and to the same in every part and parcel thereof (the "Premises").

B. Fixtures and Tangible Personal Property. Together with a security interest in all tangible personal property, goods and fixtures now or hereafter owned by Mortgagor which are now or hereafter located in, on or under the Premises, whether actually or constructively attached to, installed in, affixed to, placed on the Premises, used or usable in connection with the present or future operation or maintenance of the Premises or which relate to or arise out of the ownership, development, improvement, financing, leasing, operation, disposition or use of any of the Mortgaged Property (including, e.g., all furniture, furnishings, fixtures, equipment and goods related to any of the property described herein as the Mortgaged Property). The definitions of any of the foregoing terms which are defined in the Florida Uniform Commercial Code are incorporated herein.

C. Assignment of Rents, Leases and Revenue. Together with all rents, royalties, issues, profits, revenue, income and other benefits from the Premises and/or Mortgaged Property to be applied to the indebtedness and obligations secured hereby, provided, however, that permission is hereby given to Mortgagor, as long as no default has occurred hereunder, to collect, receive and use such benefits from the Premises as they become due and payable, but not in advance thereof; together with all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the property described herein as the Mortgaged Property with all security therefor and all moneys payable thereunder. The foregoing assignment shall not be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor provided in any such lease. This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income, leases, security deposits and sums payable under said leases, and other benefits from the Premises, subject however to the conditional permission given to Mortgagor to collect, receive, take, use and enjoy the same so long as no default has occurred hereunder, provided however, such permission shall not include the right to further assign the same and any such further assignment without Mortgagee's advance written consent shall be void.

D. Contract and Other Rights. Together with a security interest in all of the Mortgagor's right, title and interest in and to any and all (a) contracts, written or oral, express or implied, now existing or hereafter entered into or arising, in any manner related to the ownership, development, improvement, financing, leasing, operation, use or disposition of any of the Mortgaged Property together with any deposits and/or prepaid sums thereunder, including by way of illustration, but not in limitation, service contracts, equipment leases, and contracts concerning the design and construction of any improvements on or in connection with the Premises, whether heretofore or hereafter constructed, including architectural contracts, engineering contracts, construction contracts, developer's agreements, utility agreements, and all amendments, revisions, modifications and supplements to the foregoing; (b) insurance policies and the proceeds of said insurance policies pertaining to the Mortgaged Property; (c) licenses, franchise agreements, governmental permits, approvals, impact fee payments and deposits relating to the Mortgaged Property; (d) all sewer and/or water agreements, rights, capacity, allocations, reservations, deposits, prepaid fees and/or charges, and tap rights relating to the Mortgaged

Property; (e) architectural plans, specifications, documents, studies and information pertaining to the Mortgaged Property; (f) engineering plans, documents, data, studies and information pertaining to the Mortgaged Property; (g) topographical, boundary, as built and other surveys pertaining to the Mortgaged Property; (h) environmental data, studies, documents and information, including but not limited to any Development of Regional Impact and/or Development Order and constituent data, studies, documents, information and rights pertaining to the Mortgaged Property; and (i) any market, feasibility, traffic, environmental, and/or development studies and/or information pertaining to the Mortgaged Property.

E. Other Intangibles. Together with a security interest in all Mortgagor's right, title and interest in and to any and all (a) tradenames and trademarks pertaining to the Mortgaged Property; (b) all judgments awards or damages and settlements resulting from condemnation proceedings or the taking, under the power of eminent domain, of any of the Mortgaged Property, any part thereof, or of any rights appurtenant thereto, or for any damages (whether or not caused by condemnation proceedings or by any such taking) to the Mortgaged Property, any part thereof, or to any rights appurtenant thereto; (c) all proceeds of any sales or other disposition of the Mortgaged Property or any interest therein; and (d) accounts, instruments and general intangibles, as defined in the Florida Uniform Commercial Code, in any manner related to the ownership, development, improvement, financing, leasing, operation, use and disposition of any of the Mortgaged Property.

F. Proceeds and Products. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing property into cash or other liquidation claims and all products, replacements, additions, substitutions, remedies, and accessions to any of the foregoing property. Everything referred to in paragraphs A, B, C, D, and E hereof and any additional property hereafter acquired by Mortgagor which is subject to or made subject to this Mortgage, are herein referred to as the "Mortgaged Property".

This Mortgage is a self-operative security agreement with respect to such personal property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may, at any time hereafter, request in order to perfect its security interest or to impose the lien hereof more specifically upon any such property. Mortgagee shall have all the rights and remedies, in addition to those specified herein, of a secured party under the Uniform Commercial Code.

TO HAVE AND TO HOLD THE MORTGAGED PROPERTY and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use and benefit in fee simple forever, subject, however, to the terms and conditions herein contained.

PROVIDED ALWAYS, however, that if Mortgagor shall pay to Mortgagee the Note at the times and in the manner stipulated therein and in all other instruments securing the Note, including renewals, extensions or modifications thereof, and shall keep and perform all covenants in this Mortgage and in all other instruments securing the Note, to be kept, performed or observed by Mortgagor, then this Mortgage shall cease and be void, but shall otherwise remain in full force and effect.

The Mortgagor covenants and agrees with Mortgagee as follows:

1. Compliance With Note and Mortgage. Mortgagor shall comply with all the provisions of the Note, this Mortgage, and every other instrument securing the Note, and will promptly pay to Mortgagee the principal, with interest thereon, and all other sums required to be paid by Mortgagor under the Note and pursuant to the provisions of this Mortgage and every other instrument securing the Note.

2. Warranty of Title, Power and Non-Homestead. Mortgagor warrants that Mortgagor is Indefeasibly seized of the Mortgaged Property in fee simple free and clear of all encumbrances and interests except non-delinquent real estate taxes and Mortgagor has full power and lawful authority to convey, mortgage, and encumber the same as provided by this Mortgage. Mortgagor fully warrants the title to the Mortgaged Property, and Mortgagor will forever defend same and the validity and priority of the lien hereof against the claims of all persons whomsoever. If Mortgagor is a corporation, it represents and warrants that it is duly organized and validly exists, that it is in good standing under the laws of the state of its incorporation and is qualified to do business in and is in good standing in the State of Florida, with full power and authority to consummate the loan secured hereby; if Mortgagor is a partnership that it is duly formed and validly exists, and is fully qualified to do business in the State of Florida, with full power and authority to consummate the loan secured hereby; and if Mortgagor is a limited liability company, it represents and warrants that it is duly organized and validly exists, that it is in good standing under the laws of the state of its organization and is qualified to do business in and is in good standing in the State of Florida, with full power and authority to consummate the loan secured hereby. If Mortgagor is an individual, Mortgagor fully warrants and represents that the Mortgaged Property is commercial property and is not the homestead of Mortgagor, or of any spouse of Mortgagor, or of any dependent of Mortgagor or of any spouse of any dependent of Mortgagor and that neither Mortgagor nor any of the foregoing resides on the Mortgaged Property.

3. Payment of Taxes and Liens.

(a) Notwithstanding any other provision of this Mortgage, if the Mortgagor shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property or Premises, or if the same or any part thereof are or become delinquent, then the Mortgagee, at its option, may at any time pay the same, together with any interest thereon and any accrued delinquency, redemption, or other charges, fees, costs or expenses related thereto, and all payments made or costs incurred by the Mortgagee in connection therewith, shall be secured by the lien of this Mortgage and shall be, without demand, immediately repaid by the Mortgagor to the Mortgagee with interest thereon from the date of such payment at the maximum rate provided by law, except that Mortgagee may in its sole discretion permit Mortgagor to make such repayment in monthly installments of principal, together with said interest thereon, over a limited term of months established by Mortgagee (which monthly installments, if established by Mortgagee, may be prepaid by Mortgagor), and except that Mortgagee may in its sole discretion set the interest due on such payment at a rate less than the maximum rate provided by law. Mortgagee shall have no obligation on its part to determine the validity or necessity of any payment of taxes, etc. described herein and any such payment shall not waive or affect any option, remedy, lien equity or right of Mortgagee under or by virtue of this Mortgage, to include without limitation any right or option to foreclose same. Nothing herein shall be construed as requiring Mortgagee to advance or expend monies for any of the purposes

mentioned in this paragraph.

(b) Mortgagor shall not permit or suffer any mechanics', laborers', materialmen's, statutory or other lien to be created or to remain a lien upon any of the Mortgaged Property.

(c) If any state, federal, municipal or other governmental law, order, rule or regulation, passed subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or other debts secured by mortgages, or the manner of collecting taxes so as to adversely affect Mortgagee, the entire balance of the sums secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of Mortgagee.

4. Government Fees and Charges and Curing of Violations. Mortgagor shall promptly pay and discharge any and all license fees or similar charges, together with any penalties and interest thereon, which may be imposed by any governmental authority having jurisdiction over the Mortgaged Property. Furthermore, Mortgagor shall promptly cure any violation of law and comply with any order of said governmental authority in respect of the repair, replacement or condition of the Mortgaged Property. Mortgagor shall also promptly pay any and all governmental taxes or charges on or as a result of this transaction or any subsequent modification or advances hereunder excluding any income taxes, together with any interest and penalties thereon including, but not limited to, any Florida Documentary Stamp Taxes and/or Florida Intangibles Taxes.

5. Insurance. To keep and maintain during the term of the loan (i) if required by Mortgagee, a policy of general public liability insurance affording coverage to the Mortgagee as an additional insured in an amount of \$1,000,000.00 per person and \$3,000,000.00 in the aggregate for any occurrence; (ii) in the event that improvements requiring a certificate of occupancy in order to be lawfully occupied are either presently located, or contemplated to be constructed, on the Premises, then, an "all perils" policy of "extended" or "broad-form" casualty insurance, insuring said improvements against casualty loss in an amount equal to at least one hundred per cent of the full replacement cost of the improvements, existing or contemplated to be constructed on the Premises and, in any event, in an amount sufficient to prevent the Mortgagor from becoming a co-insurer with respect to any loss covered by said policy; and (iii) in the event that there are permanent improvements constructed upon the Premises which improvements lie in a special flood hazard area designated as such, under the National Flood Insurance Program, then (x) a policy of flood insurance insuring said improvements, and (y) proof of payment of the premium due thereunder. The policies of insurance required to be provided and maintained hereunder shall be issued by a company or companies to be approved by the Mortgagee, and the policy or policies to be held by and payable to the Mortgagee; and in the event any sum of money becomes payable under such policy or policies, the Mortgagee shall have the option to receive and apply the same on account of the indebtedness hereby secured or to permit the Mortgagor to receive and use it, or any part thereof, for other purposes, without thereby waiving or impairing any equity, lien or right under or by virtue of this Mortgage. In the event the Mortgagor shall for any reason fail to keep the said Premises so insured, or fail to deliver promptly any of the said policies of insurance to the Mortgagee, or fail promptly to pay fully any premium therefore, the Mortgagee may place and pay for such insurance or any part thereof without waiving or affecting the option to foreclose or any right hereunder, and each and every such payment so made by the

Mortgagee shall be deemed to have been added to the outstanding principal balance then due under the Note, shall bear interest from the date thereof until paid by the Mortgagor at the Default Rate and shall be secured by the lien of this Mortgage. In the event that the Mortgagor and Mortgagee have entered into a Loan Agreement or Construction Loan Agreement in connection with the Loan from Mortgagee to Mortgagor evidenced by the Note, the terms and conditions of any such Loan Agreement relating to insurance shall be deemed to supplement the provisions set forth herein.

6. Condemnation. If all or a material part (which determination shall be made by Mortgagee in its sole and absolute discretion) of the Mortgaged Property shall be damaged or taken through condemnation (which term, when used herein, shall include any damage or taking by any governmental authority or any other authority authorized by the laws of Florida or of the United States of America to so damage or take, and any transfer by private sale in lieu thereof, either temporarily or permanently), the entire indebtedness and other sums secured hereby shall, at the option of Mortgagee, become immediately due and payable. All compensation awarded or otherwise paid in connection with any condemnation shall be paid directly to Mortgagee and Mortgagee is hereby authorized, at its option, to commence, appear and to prosecute in its own or Mortgagor's name any action or proceeding relating to any condemnation or to settle or compromise any claim in connection therewith. In any such condemnation proceedings and/or negotiations, Mortgagee may be represented by counsel of its selection and Mortgagor shall pay Mortgagee's reasonable attorney's fees therefor and its other costs and expenses including appraisal fees, consulting fees, and expert witness fees. All such compensation awards and any other payments or relief and the right thereto are hereby assigned by Mortgagor to Mortgagee, and Mortgagee, after deducting therefrom all of its expenses including attorney's fees, may release money so received without affecting the lien of this Mortgage or may apply the same in such manner as Mortgagee shall determine to the deduction of the indebtedness secured hereby, whether same is then matured or is to mature in the future. Mortgagor agrees to execute such further assignments of any compensation, awards, damages, claims, rights of action and proceeds, as Mortgagee may require.

7. Care of Mortgaged Property.

Mortgagor shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear accepted. Mortgagee may inspect the Property at any time and take reasonable action to protect and preserve such Property.

8. Financial and Operating Statements. Mortgagor shall keep and maintain at all times complete, true and accurate books of accounts and records reflecting results of the operation of the Mortgaged Property. Mortgagor shall furnish Mortgagee such financial information concerning the Mortgaged Property as Mortgagee may request from time to time all in form satisfactory to Mortgagee, including, without limitation, financial and operating statements of the Mortgaged Property and the Mortgagor, within ninety (90) days after the end of each fiscal year of Mortgagor certified in a manner satisfactory to Mortgagee. The financial and operating statements shall include a balance sheet and an income statement prepared in accordance with generally accepted accounting principles, containing reasonable detail and such other information as Mortgagee may require including a copy of the Mortgagor's federal tax return showing the

taxable net income from the Mortgaged Property and other sources. Mortgagee shall have the continuous right to audit or cause an audit of the books and records of the Mortgagor and of the Mortgaged Property at any time and Mortgagor shall pay all costs incurred by Mortgagee in executing all such audits.

Signed financial statements of each Guarantor shall be submitted to the Mortgagee within thirty (30) days of the anniversary date of the latest financial statements on file with the Mortgagee. Signed tax returns on each Guarantor shall be submitted to the Mortgagee within ninety (90) days after the end of each calendar year.

9. No Transfer, Credit Approval, Interest Adjustment. It is understood and agreed by Mortgagor that as part of the inducement to Mortgagee to make the loan evidenced by the Note, Mortgagee has considered and relied on the credit worthiness, character, experience and expertise of Mortgagor. Mortgagor covenants and agrees that until all sums secured hereby are paid in full, Mortgagor shall not, without Mortgagee's prior written consent, allow, create, effect, contract for, commit to or consent to or suffer or permit any conveyance, sale, assignment, transfer, ground lease, any other lease, hypothecation, lien, pledge, mortgage, security interest or any other encumbrance or alienation (or any agreement to do any of the foregoing) of the Mortgaged Property or of any part thereof, or any interest therein or title thereto (either legal or beneficial), in any manner or way, whether voluntary or involuntary, and any such conveyance, sale, assignment, transfer, ground lease, lease, hypothecation, lien, pledge, mortgage, security interest or other encumbrance or alienation made without Mortgagee's prior written consent shall be void. If any person or entity should obtain an interest (either legal or beneficial) in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor and an event of default hereunder; any other violation of this paragraph shall also be an event of default hereunder. In that event, Mortgagee, at its option (and not to the exclusion of any other remedy which it may have) may declare all the sums secured by this Mortgage to be immediately due and payable. Any waiver or consent to the occurrence of any of the foregoing shall not waive the applicability of this paragraph as to any subsequent occurrence.

10. Change in Ownership of Mortgagor. Mortgagor further covenants and agrees that, until all sums secured hereby are paid in full, Mortgagor will not, without the prior written consent of Mortgagee, allow, create, effect, contract for, commit to or consent to or suffer or permit any of the following:

(a) if Mortgagor or any constituent of Mortgagor is a corporation, (i) transfer, assign, sell or encumber any stock in Mortgagor or any such constituent held by any stockholder of Mortgagor or any such constituent as of the date hereof (whether such purported transfer shall be by direct transfer by such stockholder, by operation of law, the result of encumbrance of such stock by such stockholder, the result of action by any party against such stockholder, or otherwise) or (ii) the issuance of any additional stock of Mortgagor or any such constituent after the date hereof.

(b) if Mortgagor or any constituent of Mortgagor is a partnership, (i) transfer, assign, sell or encumber any partnership interest in Mortgagor or any such constituent held by any partner

(general or limited) of Mortgagor or any such constituent as of the date hereof (whether such purported transfer shall be by direct transfer by such partner, by operation of law, the result of encumbrance of such partnership interest by such partner, the result of action by any party against such partner, or otherwise) or (ii) admit to Mortgagor or any such constituent any new partner (general or limited).

(c) If Mortgagor or any constituent of Mortgagor is the trustee pursuant to a trust, (i) transfer, assign, sell or encumber any beneficial interest of any beneficiary of any such trust as of the date hereof (whether such purported transfer shall be by direct transfer by such beneficiary, by operation of law, the result of encumbrance of such beneficial interest by said beneficiary, the result of action by any party against such beneficiary, or otherwise) or (ii) admit any new beneficiary of the trust.

(d) If Mortgagor or any constituent of Mortgagor is a limited liability company or limited liability partnership, (i) transfer, assign, sell or encumber the membership interest, or any portion thereof, held by Mortgagor or any such constituent as of the date hereof (whether such purported transfer shall be by direct transfer by such member, by operation of law, the result of encumbrance of such membership interest, the result of action by any party against such member, or otherwise) or (ii) the issuance of any members of Mortgagor or any such constituent after the date hereof.

If any violation of this paragraph occurs, such violation shall be an event of default hereunder, and Mortgagee, at its option (and not to the exclusion of any other remedy which it may have) may declare all the sums secured hereby to be immediately due and payable. Transfers of title or interest to heirs, executors or personal representatives caused by death or incompetency of any shareholder, partner or beneficiary, as the case may be, of Mortgagor shall not be deemed to violate this paragraph. Any waiver or consent to the occurrence of any of the foregoing shall not waive the applicability of this paragraph as to any subsequent occurrence.

11. Asbestos And Other Hazardous Materials. Mortgagor covenants, warrants, represents to and agrees with Mortgagee as follows:

(a) The Mortgaged Property does not contain: (i) any asbestos in any form; (ii) urea formaldehyde foam insulation; (iii) transformers or other equipment containing polychlorinated biphenyls (PCBs) in amounts that exceed acceptable standard levels; (iv) underground storage tanks; nor (v) any other materials or substances that are regulated or prohibited by Federal, State or local laws, or that are known to pose a hazard to the environment or to human health; and

(b) The Mortgaged Property and operations at the Mortgaged Property are in compliance with all applicable Federal, State and local statutes, laws and regulations; and

(c) No notices claiming a violation of regulations or statutes, nor notices demanding payment or contribution for injury to the environment or human health have been served on the undersigned, or, to the best of my knowledge, on any former owner/operator of the Mortgaged Property, by any government agency, individual, or other entity. The undersigned agrees to forward a copy of any such notices received after the date hereof to the Mortgagee within three days of their receipt, and the undersigned acknowledges that the Mortgagee shall not be

obligated to make any disbursements if condemnation proceedings are commenced or threatened against all or any part of the Mortgaged Property; and

(d) Any hazardous or potentially hazardous materials used in the conduct of business at the Mortgaged Property or generated as a product or by-product are now and will continue to be stored, used, and maintained in accordance with applicable Federal, State and local laws and regulations and that all hazardous wastes will be disposed of by duly licensed contractors in accordance with all governing regulations. The undersigned acknowledges that the Mortgagee, in its sole and absolute discretion, may require the undersigned to submit a report, satisfactory to the Mortgagee, prepared by a consultant acceptable to the Mortgagee, certifying that the undersigned has complied and is complying with the aforementioned provisions and further acknowledges that the Mortgagee reserves the right to require systematic and periodic monitoring of the Mortgaged Property throughout the term of the mortgage loan.

(e) Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and against all losses, costs, damages, claims, demands, judgments, suits, proceedings, litigation, actions, causes of action, injuries, administrative orders, consent agreements and orders, liabilities, penalties, fines, expenses of every kind (including, by way of illustration and not by way of limitation, attorney's and expert's fees and expenses incurred in the investigation, defense and settlement of civil claims and/or criminal violations asserted against Mortgagee and/or the Mortgaged Property) which may at any time be imposed upon, incurred by or asserted or awarded against Mortgagee and/or the Mortgaged Property relating to or arising from the presence of any Hazardous Materials on, in, under or affecting the Mortgaged Property or any part thereof and/or removal of any such Hazardous Materials from the Mortgaged Property or any surrounding or affected areas and/or compliance with any federal, state or local laws, rules, regulations or orders relating thereto, regardless of whether any of such matters arise before or after foreclosure hereunder or other taking of title to all or any portion of the Mortgaged Property by Mortgagee. This indemnity shall survive the release and satisfaction of this Mortgage, any foreclosure hereunder, or conveyance of all or a part of the Mortgaged Property by deed in lieu of foreclosure. Any sum for which Mortgagee is entitled to indemnity under this paragraph shall be secured by this Mortgage.

12. Future Advances. This Mortgage is given to secure not only the existing indebtedness but also such additional sum or sums as may be advanced by the then holder of the Note at any time within **twenty (20)** years from the date hereof, together with interest thereon at the predefault rate specified in the Note or, if otherwise provided at the time of any such future advance, then at the rate so provided, to the same extent as if such future advances were made on the date of the execution of this Mortgage and although there may be no indebtedness outstanding at the time any such future advance is made, and all such future advances shall be equally secured with and have the same priority as the original indebtedness secured hereby and shall be subject to all of the terms and provisions of this Mortgage, whether or not such future advance is evidenced by promissory note and whether or not it is specified that such note or future advance is secured by this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid principal balance so secured at any one time shall not exceed a maximum principal amount of twice the original principal face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property, with interest on such

disbursements at the Default Rate. Provided, nevertheless, that the provisions of this paragraph shall not be construed to obligate the Mortgagee to make any such future advances.

13. After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property of whatever kind located in or on, or attached to, or used or intended to be used in connection with or in the operation of the Mortgaged Property.

14. Warranties and Representations/Conditions. All warranties and representations by Mortgagor set forth in Mortgagor's Loan Application (the "Application") submitted by Mortgagor to Mortgagee and pursuant to which Mortgagee issued to Mortgagor Mortgagee's commitment letter (the "Commitment"), dated June 7, 2007, for the loan (the "Loan") evidenced by the Note and secured, e.g., by this Mortgage, are hereby incorporated herein by this reference. Mortgagor warrants and represents to Mortgagee that all said warranties and representations were true, correct and complete when made and that same remain true, correct and complete as of the date hereof. Mortgagor further warrants and represents that all conditions precedent specified in the Commitment which have not been waived by Mortgagee, in writing, have been fully satisfied. Breach of any of said warranties and/or representations shall constitute a default under this Mortgage.

15. Mortgagee's Right to Make Certain Payments. In the event Mortgagor fails to pay or discharge the taxes, assessments, levies, liabilities, obligations and encumbrances, or fails to keep the Mortgaged Property insured or to deliver the policies, premiums paid, or fails to repair the Mortgaged Property as herein agreed, or defaults in the performance or observance of any other covenant, condition or term in this Mortgage or any other instrument securing the Note or collateral thereto, Mortgagee may at its option pay or discharge the taxes, assessments, levies, liabilities, and/or obligations and/or encumbrances on any part thereof, procure and/or pay for such insurance and/or make and/or pay for such repairs and/or pay such sums as are necessary to perform or observe any such other covenant, condition or term of this Mortgage or any other instrument securing the Note or collateral thereto, and Mortgagee shall have no obligation on its part to determine the validity or necessity of any payment thereof and any such payment shall not waive or affect any option, lien equity or right of Mortgagee under or by virtue of this Mortgage. The full amount of each and every such payment shall be immediately due and payable and shall bear interest from the date thereof until paid at the Default Rate described in the Note, and, together with such interest, shall be secured by the lien of this Mortgage. Nothing herein contained shall be construed as requiring Mortgagee to advance or expend monies for any of the purposes mentioned in this paragraph. Mortgagee is hereby empowered to enter, and to authorize others to enter, the Mortgaged Property or any part thereof for the purpose of performing or observing any defaulted covenant, condition or terms without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor and without becoming a mortgagee in possession.

16. Payment of Expenses. Mortgagor shall pay or reimburse Mortgagee for all costs, charges and expenses, including reasonable attorney's fees (including, but not limited to, any such reasonable attorney's fees at trial or on appeal) and disbursements and costs incurred or paid by Mortgagee in any threatened, pending or completed action, proceeding or dispute in which Mortgagee is or might be made a party or appears as a party plaintiff or party defendant

and/or in which Mortgagee may be affected and which affects or might affect the Note, this Mortgage or any other instrument securing the Note, or collateral to the Note, or the Mortgaged Property or any part thereof, or the interests of Mortgagor or Mortgagee therein, including, but not limited to, the foreclosure of this Mortgage, condemnation involving all or any part of the Mortgaged Property or any action to protect the security hereof. Mortgagor shall also pay or reimburse Mortgagee for all costs, charges and expenses, including reasonable attorney's fees (including but not limited to reasonable attorney's fees at trial or on appeal), disbursements and cost of title searches and abstracts of title, incurred or paid at any time by Mortgagee due to the failure on the part of Mortgagor promptly and fully to perform, comply with and abide by any stipulation, agreement, condition or covenant of the Note, this Mortgage, or any other document securing or collateral to the Note. All costs, charges, and expenses so incurred or paid by Mortgagee, shall become due and payable immediately, whether or not there be notice, demand, attempt to collect or suit pending. The amounts so incurred or paid by Mortgagee, together with interest thereon at the Default Rate set forth in the Note from the date incurred until paid by Mortgagor, shall be added to the indebtedness and shall be secured by the lien of this Mortgage and any other instrument securing the Note.

17. Event of Default. Any one of the following shall constitute an event of default.

(a) Failure by Mortgagor to pay, as and when due and payable, any installment of principal and/or interest due under the Note, or any deposit for taxes and assessments and/or insurance premiums due hereunder, or any other sums to be paid by Mortgagor hereunder or under any other instrument securing the Note or any other instrument collateral to the Note or otherwise executed in connection with the Note (the Note, this Mortgage and all other said instruments securing the Note, collateral to the Note or otherwise executed in connection with the Note, being occasionally collectively referred to herein as the "Loan Documents").

(b) Failure by Mortgagor to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Mortgage or any other Loan Document when such failure continues for a period of ten (10) days.

(c) Institution of foreclosure proceedings against the Mortgaged Property as the result of any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage. The Mortgagee may, at its option, immediately upon institution of such suit or during the pendency thereof, declare this Mortgage and the indebtedness secured hereby due and payable forthwith and may, at its option, proceed to foreclose this Mortgage.

(d) Any trustee, receiver or liquidator of Mortgagor or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, is appointed without the prior written consent of Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of thirty (30) days whether or not consecutive.

(e) Any breach of any warranty or material untruth, incorrectness, or omission in any representation of Mortgagor or information contained in the Note, this Mortgage, Mortgagor's application to Mortgagee for the Loan to Mortgagee (all said representations and warranties therein are incorporated herein by this reference) or any other instrument securing the Note or in any instrument, document, financial statement, or other reports or writings delivered by

reserved to Mortgagee by the Note, this Mortgage or any other instrument securing the Note is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

22. Notices. Any notice to Mortgagor provided for in this Mortgage And Security Agreement shall be given by delivering it or by mailing it, postage prepaid, by United States Certified Mail, return receipt requested, addressed to Mortgagor's address set forth herein or such other address as Mortgagor hereafter designates by advance written notice to Mortgagee. Any notice to Mortgagee shall be given by delivering it or by mailing it, postage prepaid, by United States Certified Mail, return receipt requested, addressed to Mortgagee's address stated herein or any other address Mortgagee hereafter designates by advance written notice to Mortgagor. Any notice provided for in this Mortgage And Security Agreement shall be deemed to have been given to Mortgagor or Mortgagee when delivered, in the case of personal delivery, and on the earlier of actual receipt or three (3) days after mailing when mailed in compliance with the requirements of this paragraph.

23. Attorney's Fees. The term "attorney's fees" as used in this Mortgage includes any and all legal fees of whatever nature including, but not limited to, fees preceding any trial or proceedings, fees incident to any trial or proceedings, fees incident to any consultation in connection with this Mortgage, the Note, or any of the other Loan Documents, fees resulting from any appeal of an interlocutory order or final judgment or any other appellate proceedings arising out of any litigation. Further, such term shall not be limited to fees incurred by Mortgagee in the enforcement of rights under this Mortgage.

24. Applicable Law. This Mortgage And Security Agreement shall be governed by and construed under the laws of the State of Florida.

25. Jury Trial Waiver. MORTGAGOR AND MORTGAGEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE ENTERING INTO THIS MORTGAGE.

26. Successors and Assigns Bound: Joint and Several Liability and Benefits. Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included, and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective heirs, successors and assigns, whether or not so expressed. The obligations created and benefits granted hereunder shall be joint and several among multiple mortgagors.

27. Mortgage for Other's Indebtedness. This Mortgage is provided as collateral for the indebtedness of Michael D. Chiumento, Kristl Chiumento, Bruce Page, Irene Page and James A. Newslow III. Whether or not Mortgagor is a guarantor of such indebtedness, any

MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, 50 FOOT RIGHT-OF-WAY 25.0 FEET, THENCE NORTH 51°00'00" WEST 285.0 FEET TO THE SOUTHEASTERLY RIGHT OF WAY OF STATE ROAD 100, 80 FOOT RIGHT OF WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY 102.00 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 77.0 FEET TO THE POINT OF BEGINNING.

PARCEL IV

PARTS OF TRACTS 11 AND 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION, MAP BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF CANAL AVENUE (50' R/W) WITH THE EASTERLY RIGHT-OF-WAY LINE OF MARION STREET (25' R/W VACATED PER OFFICIAL RECORDS BOOK 315, PAGE 63 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA), SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID TRACT 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION; THENCE N00°17'12"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND SAID WESTERLY LINE OF TRACT 14 AND TRACT 11, BLOCK "C", A DISTANCE OF 147.86 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET (50' R/W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND WESTERLY LINE OF TRACTS 14 AND 11, S 51°06'13"E FOR A DISTANCE OF 94.91 FEET; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET S 40°12'30"W FOR A DISTANCE OF 115.57 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH THAT CERTAIN PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SOUTH TWENTY-SEVEN (27) FEET OF LOTS 7, 8, 9, 10, 11 AND 12 AND THE NORTH TWENTY-THREE (23) FEET OF LOTS 1, 2, 3, 4 AND 6, BLOCK 33, CITY OF BUNNELL, ACCORDING TO MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

THE SAME BEING A FIFTY (50) FOOT STRIP OF LAND FROM EAST MOODY BOULEVARD TO EAST COURT STREET INCLUDING THE PREVIOUSLY VACATED ALLEYWAY, BEING SAME PROPERTY PREVIOUSLY DEEDED TO FIRST PARTY BY WARRANTY DEED RECORDED IN O.R. BOOK 131, PAGE 180, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

EXHIBIT A

PARCEL I

BLOCKS 18, 33, 34 AND 37, TOWN OF BUNNELL, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, LESS ROAD RIGHT-OF-WAY IN DEED BOOK 23, PAGE 207 AND DEED BOOK 24, PAGE 539 AND PARTIAL RELEASE IN DEED BOOK 39, PAGE 59 AND LESS THE SOUTH 27 FEET OF LOTS 7, 8, 9, 10, 11, AND 12 AND THE NORTH 23 FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, TOGETHER WITH THE NORTHEASTERLY 1/2 OF VACATED SOUTH PEACH STREET AND THE SOUTHWESTERLY 1/2 OF VACATED SOUTH ORANGE STREET VACATED BY CITY OF BUNNELL ORDINANCE #1979-4, RECORDED IN OFFICIAL RECORDS BOOK 264, PAGE 501, AND ALL RIGHT, TITLE AND INTEREST IN AND TO THE ALLEYWAYS VACATED BY CITY OF BUNNELL ORDINANCE #1977-1, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 555 AND THAT PORTION OF PEACH STREET AND ORANGE STREET LYING SOUTH OF EAST COURT AVENUE AND NORTH OF EAST CANAL AVENUE AS VACATED BY CITY OF BUNNELL ORDINANCE NO. 1977-2, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 556; ALSO MARION STREET BETWEEN THE NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED PER SAID TOWN OF BUNNELL, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63; ALL SITUATED AND RECORDED IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

SAID PARCEL ALSO BEING DESCRIBED AS PARCELS I-A, I-A AND II-B BELOW:

PARCEL I-A

BEGINNING AT THE NORTHWESTERLY CORNER OF BLOCK 37, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE NORTH 40°13'00" EAST ALONG THE NORTHWESTERLY BOUNDARY OF BLOCKS 37, 34, AND 18 OF SAID PLAT 730.0 FEET TO A POINT ON THE NORTHEASTERLY CORNER OF BLOCK 18 SAID POINT BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY OF SOUTH LEMON STREET 50 FOOT RIGHT-OF-WAY, THENCE SOUTH 51°00'00" EAST 172.40 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF MARION STREET 25 FOOT RIGHT-OF-WAY, THENCE SOUTH 00°13'44" WEST ALONG SAID WESTERLY RIGHT-OF-WAY OF MARION STREET 198.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF CANAL AVENUE, THENCE SOUTH 40°13'00" WEST ON THE SOUTHERLY BOUNDARY OF BLOCKS 18, 34, AND 37, 574.83 FEET TO THE SOUTHWESTERLY CORNER OF BLOCK 37, THENCE NORTH 51°00'00" WEST 300.00 FEET TO THE POINT OF BEGINNING. ALSO MARION STREET BETWEEN NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED, TOWN OF BUNNELL, MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

PARCEL II-A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 12, BLOCK 33, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, A 50 FOOT RIGHT-OF-WAY 73.0 FEET EAST, THENCE NORTH 51°00'00" WEST 285.0 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF STATE ROAD 100 AN 80 FOOT RIGHT-OF-WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY OF STATE ROAD 100, 98.0 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00' WEST 25 FEET TO THE POINT OF BEGINNING.

PARCEL II-B

BEGINNING AT THE SOUTHERLY CORNER OF LOT 1, BLOCK 33, AS SHOWN ON THE PLAT,

STATE OF FLORIDA)
COUNTY OF Flagler) SS.:

The foregoing instrument was acknowledged before me this 31st day of July, 2007
by James A. Newton III ~~2007, by~~ ~~_____~~, as ~~()~~ President of **FLAGLER**
CROSSROADS, INC., a Florida corporation, f/k/a Maluchi Development Corp. on behalf of the
corporation. He She is personally known to me or has produced a
_____ (type of identification) as identification.

[Handwritten Signature]

NOTARY PUBLIC,
Printed Name: _____
My Commission Expires: _____
[NOTARIAL SEAL]

MATTER NO.: 19169



UNOFFICIAL DOCUMENT

H:\Independent Bankers\Flagler Crossroads, et al\mortgage.doc

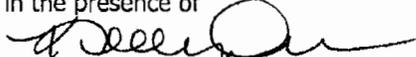
reference herein to a Note or indebtedness of Mortgagor shall also refer to and include the indebtedness of such other party for whose debt this Mortgage is given.

28. Indemnification. Mortgagor has read and does hereby approve the legal description of the real property which is the subject of this Mortgage as set forth on the first page of this Mortgage or in **Exhibit "A"** attached hereto, and hereby indemnifies Mortgagee, its successors or assigns, and their attorneys with respect to any liability which might arise as a consequence of Section 697.10, Florida Statutes, or any successors or amendments thereto.

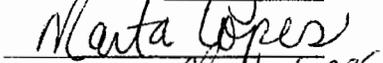
29. Satisfaction. The lien and security interest provided by the Loan Documents will continue unimpaired and in full force and effect unless and until the debt is paid in full, whereupon such lien and security interest will be without further force or effect, except that Mortgagor's indemnities for taxes and impositions and for Hazardous Substances as described herein shall survive until and unless expressly released in writing. Until this Mortgage shall be satisfied of record, Mortgagor hereby waives for itself, and all subsequent successors in title to the Mortgaged Property, any right it may now have or hereafter have, pursuant to Florida Statutes 697.04 (1) (b), as amended from time to time, to file for record a notice limiting the maximum amount which may be secured by this Mortgage.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage And Security Agreement, the day and year first above written.

Signed, sealed and delivered
in the presence of



Print Name: Kelly DeVore



Print Name: Marta Lopez

FLAGLER CROSSROADS, INC., a
Florida corporation, f/k/a Maluchi
Development Corp.



By: JAMES A. NEWSTOW III

Its: (Vice) President

UNOFFICIAL DOCUMENT

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
 FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON Sharon B. Abner, Esquire (407) 647-2777	
B. SEND ACKNOWLEDGEMENT TO: Name Sharon B. Abner, Esquire	
Address	Swann & Hadley, P.A. 1031 West Morse Boulevard
Address	Suite 350
City/State/Zip	Winter Park, Florida 32789

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1a. ORGANIZATION'S NAME FLAGLER CROSSROADS, INC.				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 880 Airport Road, Suite 108 Oak Pointe Business Park		CITY Ormond Beach	STATE Florida	POSTAL CODE 32174 COUNTRY USA
1d. TAX ID# 41-2076394 <input type="checkbox"/>	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION Florida	1g. ORGANIZATIONAL ID# P03000008271

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2a. ORGANIZATION'S NAME				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID# <input type="checkbox"/>	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID# NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME The Independent Bankers' Bank of Florida				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS Post Office Box 958423		CITY Lake Mary	STATE Florida	POSTAL CODE 32795-8423 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

See Rider Attached

5. ALTERNATE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR
	AG. LIEN	NON-UCC FILING	SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

<input checked="" type="checkbox"/>	All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.
<input type="checkbox"/>	Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM - ADDENDUM**

8. NAME OF FIRST DEBTOR (1a OR 1b) ON RELATED FINANCING STATEMENT

8a. ORGANIZATION'S NAME			
8b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

9. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (10a OR 10b) - Do Not Abbreviate or Combine Names

10a. ORGANIZATION'S NAME			
10b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE COUNTRY
10d. TAX ID# <input type="checkbox"/>	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	10e. TYPE OF ORGANIZATION	10f. JURISDICTION OF ORGANIZATION 10g. ORGANIZATIONAL ID# NONE

11. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (11a OR 11b)

11a. ORGANIZATION'S NAME			
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE COUNTRY

12. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

13. Description of real estate:

See Exhibit "A" attached

14. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest).

15. Additional collateral description:

16. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

17. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction - effective 30 years
 Filed in connection with a Public-Finance Transaction - effective 30 years

RIDER TO FINANCING STATEMENT

THIS FINANCING STATEMENT between **FLAGLER CROSSROADS, INC.**, a Florida corporation ("Debtor"), and The Independent Bankers' Bank of Florida ("Secured Party") covers the following types and items of property: All property rights of Debtor of any kind whatsoever, whether real, personal, mixed or otherwise, and whether tangible or intangible, which pertain to or arise out of the ownership, development, improvement, financing, leasing, operations, disposition or use of that certain real estate and improvements, now or hereafter located thereon, situated in **Flagler County, Florida**, and legally described as:

See **Exhibit "A"** attached hereto and incorporated herein by this reference

(hereinafter called "Property") including, but not limited to the following:

A. Fixtures and Tangible Personal Property. All tangible personal property, goods and fixtures now or hereafter owned by Debtor which are now or hereafter located in, on or under the Property, whether actually or constructively attached to, installed in, affixed to, placed on the Property, used or usable in connection with the present or future operation or maintenance of the Property or which relate to or arise out of the ownership, development, improvement, financing, leasing, operation, disposition or use of any of the Property (including, e.g., all furniture, furnishings, fixtures, equipment, and goods related to any of the property described herein). The definitions of any of the foregoing terms which are defined in The Florida Uniform Commercial Code are incorporated herein.

B. Assignment of Rents, Leases and Revenue. All rents, royalties, issues, profits, revenue, income and other benefits from the Property to be applied to the indebtedness and obligations secured hereby, provided, however, that permission is hereby given to Debtor, so long as no default has occurred hereunder, to collect, receive and use such benefits from the Property as they become due and payable, but not in advance thereof; together with all right, title and interest of Debtor in and to any and all leases now or hereafter on or affecting the Property with all security therefor and all moneys payable thereunder. The foregoing assignment shall not be deemed to impose upon Secured Party any of the obligations or duties of Debtor provided in any such lease. This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income, leases, security deposits and sums payable under said leases, and other benefits from the Property, subject however to the conditional permission given to Debtor to collect, receive, take, use and enjoy the same so long as no default has occurred under the Note and other loan documents executed on even date herewith by Debtor for the benefit of Secured Party, provided however, such permission shall not include the right to further assign the same and any such further assignment without Secured Party's advance written consent shall be void.

C. Contract and Other Rights. All of the Debtor's right, title and interest in and to any and all (a) contracts, written or oral, express or implied, now existing or hereafter entered into or arising, in any manner related to the ownership, development, improvement, financing, leasing, operation, use or disposition of any of the Property together with any deposits and/or prepaid sums thereunder, including by way of illustration, but not in limitation, service contracts,

equipment leases, and contracts concerning the design and construction of any improvements on or in connection with the Property, whether heretofore or hereafter constructed, including architectural contracts; engineering contracts; construction contracts; developer's agreements; utility agreements, and all amendments, revisions, modifications and supplements to the foregoing; (b) insurance policies and the proceeds of said insurance policies pertaining to the Property; (c) licenses, franchise agreements, governmental permits, approvals, impact fee payments and deposits relating to the Property; (d) all sewer and/or water agreements, rights, capacity, allocations, reservations, deposits, prepaid fees and/or charges, and tap rights relating to the Property; (e) architectural plans, specifications, documents, studies and information pertaining to the Property; (f) engineering plans, documents, data, studies and information pertaining to the Property; (g) topographical, boundary, as built and other surveys pertaining to the Property; (h) environmental data, studies, documents, and information, including but not limited to any Development of Regional Impact and/or Development Order and constituent data, studies, documents, information and rights pertaining to the Property; and (i) any market, feasibility, traffic, environmental, and/or development studies and/or information pertaining to the Property.

D. Other Intangibles. All Debtor's right, title and interest in and to any and all (a) tradenames and trademarks pertaining to the Property; (b) all judgments, awards, or damages and settlements resulting from condemnation proceedings or the taking, under the power of eminent domain, of any of the Property, any part thereof, or of any rights appurtenant thereto, or for any damages (whether or not caused by condemnation proceedings or by any such taking) to the Property, any part thereof, or to any rights appurtenant thereto; (c) all proceeds of any sales or other disposition of the Property or any interest therein; and (d) accounts, instruments and general intangibles, as defined in the Florida Uniform Commercial Code, in any manner related to the ownership, development, improvement, financing, leasing, operation, use and disposition of any of the Property.

E. Proceeds and Products. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing property into cash or other liquidation claims and all products, replacements, additions, substitutions, remedies, and accessions to any of the foregoing property.

UNOFFICIAL DOCUMENT

MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, 50 FOOT RIGHT-OF-WAY 25.0 FEET, THENCE NORTH 51°00'00" WEST 285.0 FEET TO THE SOUTHEASTERLY RIGHT OF WAY OF STATE ROAD 100, 80 FOOT RIGHT OF WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY 102.00 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 77.0 FEET TO THE POINT OF BEGINNING.

PARCEL IV

PARTS OF TRACTS 11 AND 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION, MAP BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF CANAL AVENUE (50' R/W) WITH THE EASTERLY RIGHT-OF-WAY LINE OF MARION STREET (25' R/W VACATED PER OFFICIAL RECORDS BOOK 315, PAGE 63 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA), SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID TRACT 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION; THENCE N00°47'12"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND SAID WESTERLY LINE OF TRACT 14 AND TRACT 11, BLOCK "C", A DISTANCE OF 147.86 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET (50' R/W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND WESTERLY LINE OF TRACTS 14 AND 11, S 51°06'13"E FOR A DISTANCE OF 94.91 FEET; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET S 40°12'30"W FOR A DISTANCE OF 115.57 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH THAT CERTAIN PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SOUTH TWENTY-SEVEN (27) FEET OF LOTS 7, 8, 9, 10, 11 AND 12 AND THE NORTH TWENTY-THREE (23) FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, CITY OF BUNNELL, ACCORDING TO MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

THE SAME BEING A FIFTY (50) FOOT STRIP OF LAND FROM EAST MOODY BOULEVARD TO EAST COURT STREET INCLUDING THE PREVIOUSLY VACATED ALLEYWAY, BEING SAME PROPERTY PREVIOUSLY DEEDED TO FIRST PARTY BY WARRANTY DEED RECORDED IN O.R. BOOK 131, PAGE 180, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

EXHIBIT A

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BLOCKS 18, 33, 34 AND 37, TOWN OF BUNNELL, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, LESS ROAD RIGHT-OF-WAY IN DEED BOOK 23, PAGE 207 AND DEED BOOK 24, PAGE 539 AND PARTIAL RELEASE IN DEED BOOK 39, PAGE 59 AND LESS THE SOUTH 27 FEET OF LOTS 7, 8, 9, 10, 11, AND 12 AND THE NORTH 23 FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, TOGETHER WITH THE NORTHEASTERLY 1/2 OF VACATED SOUTH PEACH STREET AND THE SOUTHWESTERLY 1/2 OF VACATED SOUTH ORANGE STREET VACATED BY CITY OF BUNNELL ORDINANCE #1979-4, RECORDED IN OFFICIAL RECORDS BOOK 264, PAGE 501, AND ALL RIGHT, TITLE AND INTEREST IN AND TO THE ALLEYWAYS VACATED BY CITY OF BUNNELL ORDINANCE #1977-1, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 555 AND THAT PORTION OF PEACH STREET AND ORANGE STREET LYING SOUTH OF EAST COURT AVENUE AND NORTH OF EAST CANAL AVENUE AS VACATED BY CITY OF BUNNELL ORDINANCE NO. 1977-2, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 556; ALSO MARION STREET BETWEEN THE NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED PER SAID TOWN OF BUNNELL, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63; ALL SITUATED AND RECORDED IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

SAID PARCEL ALSO BEING DESCRIBED AS PARCELS I-A, IIA AND II-B BELOW:

PARCEL I-A

BEGINNING AT THE NORTHWESTERLY CORNER OF BLOCK 37, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE NORTH 40°13'00" EAST ALONG THE NORTHWESTERLY BOUNDARY OF BLOCKS 37, 34, AND 18 OF SAID PLAT 730.0 FEET TO A POINT ON THE NORTHEASTERLY CORNER OF BLOCK 18, SAID POINT BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY OF SOUTH LEMON STREET 50 FOOT RIGHT-OF-WAY, THENCE SOUTH 51°00'00" EAST 172.40 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF MARION STREET 25 FOOT RIGHT-OF-WAY, THENCE SOUTH 00°13'44" WEST ALONG SAID WESTERLY RIGHT-OF-WAY OF MARION STREET 198.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF CANAL AVENUE, THENCE SOUTH 40°13'00" WEST ON THE SOUTHERLY BOUNDARY OF BLOCKS 18, 34, AND 37, 574.83 FEET TO THE SOUTHWESTERLY CORNER OF BLOCK 37, THENCE NORTH 51°00'00" WEST 300.00 FEET TO THE POINT OF BEGINNING. ALSO MARION STREET BETWEEN NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED, TOWN OF BUNNELL, MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

PARCEL II-A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 12, BLOCK 33, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, A 50 FOOT RIGHT-OF-WAY 73.0 FEET EAST, THENCE NORTH 51°00'00" WEST 285.0 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF STATE ROAD 100 AN 80 FOOT RIGHT-OF-WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY OF STATE ROAD 100, 98.0 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 25 FEET TO THE POINT OF BEGINNING.

PARCEL II-B

BEGINNING AT THE SOUTHERLY CORNER OF LOT 1, BLOCK 33, AS SHOWN ON THE PLAT,