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Shelby Cnty Judge of Probate, AL
02/23/2011 04:05:30 PM FILED/CERT

STATE OF ALABAMA)
 :
SHELBY COUNTY)

REAL ESTATE MORTGAGE

THIS MORTGAGE, is made and entered into as of this 3rd day of February, 2011 by Rex A. Horton and Lynn F. Horton (collectively the "Mortgagor"), whose address is 4224 Highway 31 South, Calera, Alabama 35040, in favor of Southern Pipe & Supply Company, Inc., a Delaware corporation (the "Mortgagee"), whose address is P.O. Box 5738, Meridian, Mississippi 39302.

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, Mortgagor are the borrowers and obligors under those certain Installment Promissory Notes (the "Note" or "Notes") payable to Mortgagee and issued in connection with that certain Loan and Security Agreement (the "Loan Agreement") dated the date hereof, and

WHEREAS, Mortgagor has agreed to enter into this Mortgage in order to secure up to \$386,811.24 of the obligations of the Mortgagor under the Notes.

NOW, THEREFORE, in consideration of the premises and in order to secure the payment and performance of all obligations of the Mortgagor under the Notes the Loan Agreement or any other indebtedness of Mortgagor to Mortgagee, and in order to secure compliance with all the covenants and stipulations hereafter contained, the Mortgagor does hereby grant, bargain, sell, and convey unto the Mortgagee the land situated in Shelby County, Alabama, more particularly described as follows:

Legal Description Attached as Exhibit A

together with all buildings and improvements thereon, and all equipment and fixture attached or appertaining thereto, all rents and other revenues therefrom, and all rights, privileges, easements, tenements, interests, improvements, and appurtenances thereunto belonging or in any way appertaining, including any after-acquired property, all of which shall be deemed realty and conveyed by this Mortgage (the "Mortgaged Property").

TO HAVE AND TO HOLD the same and every part thereof unto the Mortgagee and his successors, assigns, heirs and legal representatives forever. This mortgage is a future advance mortgage and the debt evidenced by the Notes is to be advanced by the Mortgagee to the Mortgagor in accordance with the terms of the Loan Agreement.

For the purpose of further securing the payment and performance of the Note and the compliance with all the covenants and stipulations hereinafter contained the Mortgagor warrants, covenants and agrees with the Mortgagee and its successors and assigns as follows:

1. The Mortgagor is lawfully seized in fee and possessed of the Mortgaged Property and has a good right to convey the Mortgaged Property, and the Mortgagor will warrant and forever defend the title to the Mortgaged Property against the lawful claims of all persons whomsoever. The Mortgaged Property is free and clear of all encumbrances, easements and restrictions except those of record filed with the Judge of Probate of Shelby County as of the date hereof.
2. The Mortgagor will pay all taxes, assessments, or other liens taking priority over this Mortgage when imposed on the Mortgaged Property. If the Mortgagor fails to make payment of the same or any part thereof, the Mortgagee may pay the same, but the Mortgagee is not obligated to do so.
3. The Mortgagor shall keep all buildings that are part of the Mortgaged Property continuously insured for the full insurable value thereof and in such manner and with such companies as may be satisfactory to the Mortgagee against loss by fire (including so-called extended coverage), wind, and such other hazards as the Mortgagee may specify with loss payable to the Mortgagee. The Mortgagor will deposit with the Mortgagee policies of such insurance or, at the Mortgagee's election, certificates thereof, and will pay the premiums therefor as the same become due. The Mortgagor shall give immediate notice in writing to the Mortgagee of any loss or damage to the Mortgaged Property. If the Mortgagor fails to keep said property insured as above specified, the Mortgagee may insure said property (but the Mortgagee is not obligated to do so) for its insurable value against loss by fire, wind, and other hazards for the benefit of the Mortgagor and the Mortgagee or the Mortgagee alone, at the Mortgagee's election. The proceeds of such insurance shall be paid by insurer to the Mortgagee, which is hereby granted full power to settle and compromise claims under all policies and to demand, receive, and receipt for all sums becoming due thereunder.
4. All amounts expended by the Mortgagee for insurance, the payment of taxes or assessments, or to discharge prior liens shall become a debt due the Mortgagee at once payable without demand upon or notice to any person and shall bear interest at the rate of eighteen percent (18%) per annum from date of payment by the Mortgagee. Such debt and the interest thereon shall be payable to the Mortgagee on demand and shall be secured by the lien of this Mortgage.
5. The Mortgagor shall take good care of the Mortgaged Property and shall not commit or permit any waste thereon. The Mortgagor shall make all necessary repairs and replacements to the Mortgaged Property and shall maintain the Mortgaged Property in good repair and operating condition at all times, reasonable wear and tear alone excepted.
6. No delay or failure of the Mortgagee to exercise any option to declare the maturity of any debt secured by this Mortgage shall be taken or deemed as a waiver of the right to exercise such option or to declare such forfeiture either as to past or present defaults on the

part of the Mortgagor. The procurement of insurance or payment of taxes or other liens or assessments by the Mortgagee shall not be taken or deemed as a waiver of the right to procure such insurance or to pay such taxes, liens, or assessments, it being agreed that no terms or conditions contained in this Mortgage can be waived, altered, or changed except as evidenced in writing signed by the Mortgagor and the Mortgagee.

7. The Mortgagor shall well and truly pay and discharge every obligation hereby secured as such obligations shall become due and payable.

8. After any default on the part of the Mortgagor under any Note, the Loan Agreement, this Mortgage or any other indebtedness of Mortgagor to Mortgagee, the Mortgagee shall, upon complaint filed or other proper legal proceeding being commenced for the foreclosure of this Mortgage, be entitled as a matter of right to the appointment by any competent court or tribunal, without notice to any party, of a receiver of the rents, issues, and profits of said Mortgaged Property, with power to lease and control the Mortgaged Property and with such other powers as may be deemed necessary. A reasonable attorney's fee shall, among other expenses and costs, be fixed, allowed, and paid out of such rents, issues, and profits or out of the proceeds of the sale of the Mortgaged Property.

9. All the covenants and agreements of the Mortgagor herein contained shall extend to and bind the successors, assigns, heirs and legal representatives of the Mortgagor and such covenants and agreements and all options, rights, privileges, and powers herein given, granted or secured to the Mortgagee shall inure to the benefit of the Mortgagee and the successors, assigns, heirs and legal representatives of the Mortgagee.

10. All notices and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or sent by private overnight delivery service, with charges and postage prepaid, to the address indicated on the first page of this mortgage or at such other address as shall be designated by either party in a written notice to the other party hereto.

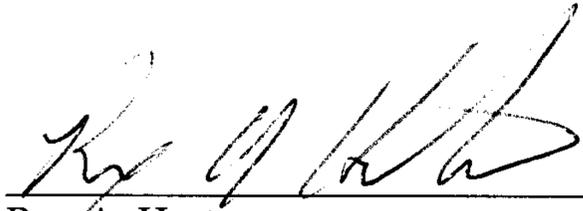
11. The provisions of this Mortgage are severable, and the invalidity or unenforceability of any provision of this Mortgage shall not affect the validity and enforceability of the other provisions of this Mortgage. The remedies provided to the Mortgagee herein are cumulative with the rights and remedies of the Mortgagee at law and in equity, and such rights and remedies may be exercised concurrently or consecutively.

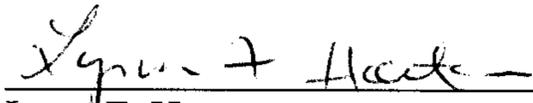
12. The Mortgagor waives, to the fullest extent permitted by law, the benefit of all laws now existing or hereafter enacted providing for (i) any appraisal before sale of any portion of the Property (commonly known as appraisal laws), or (ii) any extension of time for the enforcement of the collection of the debt or any creation or extension of a period of redemption from any sale made in collecting the debt (commonly known as stay laws and redemption laws).

13. This Mortgage shall be governed by the laws of the State of Alabama.

UPON CONDITION, HOWEVER, that if the Mortgagor shall well and truly pay and perform the Notes and the other obligations secured hereby as the same shall become due and payable and shall in all things do and perform all acts and agreements therein and herein agreed to be done by the Mortgagor according to the tenor and effect hereof, then and in that event only this conveyance shall be and become null and void, provided that this Mortgage shall remain in full force and effect for so long as the Loan Agreement is in effect; but if default be made in the payment and performance of the Notes and the other obligations secured hereby, or if default be made in the repayment of any sum expended by the Mortgagee under the authority of any of the provisions of this Mortgage, or if the Mortgagor shall sell, assign, transfer, convey, lease or encumber in any manner, voluntarily or involuntarily, all or any part of the Mortgaged Property without the prior written consent of the Mortgagee which may be granted or withheld in the sole discretion of the Mortgagee, or if the interest of the Mortgagee in the Mortgaged Property become endangered by reason of the enforcement of any lien or encumbrance thereon, or if a petition to condemn any part of the Mortgaged Property be filed by any authority having power of eminent domain, or if any law, either federal or state, be passed imposing or authorizing the imposition of a specific tax upon this Mortgage or the debt hereby secured or permitting or authorizing the deduction of any such tax from the principal or interest secured by this Mortgage or by virtue of which any tax or assessment upon the Mortgaged Property shall be charged against the owner of this Mortgage, or if at any time any of the stipulations contained in this Mortgage be declared invalid or inoperative by any court of competent jurisdiction, or if the Mortgagor fails to do and performs any other act or thing herein required or agreed to be done, then, in any of said events, this Mortgage shall be subject to foreclosure at the option of the Mortgagee, notice of the exercise of such option being hereby expressly waived. The Mortgagee shall have the right to enter upon and take possession of the Mortgaged Property and after or without taking such possession to sell the same before the courthouse door of the county (or the division thereof) where the Mortgaged Property, or a substantial part thereof, is located, at public outcry for cash, after first giving notice of the time, place, and terms of such sale by publication once a week for three consecutive weeks prior to said sale in a newspaper published in said county. Upon the payment of the purchase money, the Mortgagee or auctioneer is authorized to execute to the purchaser for and in the name of the Mortgagor a good and sufficient deed to the property sold. The Mortgagee shall apply the proceeds of said sale: first, to the expense of advertising, selling, and conveying, including a reasonable attorney's fee; second, to the payment of any amounts that may have been expended or that may then be necessary to expend in paying insurance, taxes, and other encumbrances, with interest thereon; third, to the payment in full of the Note and the other obligations secured hereby; and fourth, the balance, if any, to the Mortgagor or to whomsoever then appears of record to be the owner of the Mortgagor's interest in the Mortgaged Property. The Mortgagee may bid and become the purchaser of the Mortgaged Property at any foreclosure sale hereunder. The Mortgagor hereby waives any requirement that the Mortgaged Property be sold in separate tracts and agrees that the Mortgagee may, at the Mortgagee's option, sell said property en masse regardless of the number of parcels hereby conveyed.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be duly executed as of the date first written above.


Rex A. Horton


Lynn F. Horton

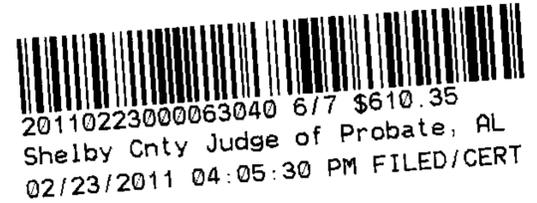


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STATE OF ALABAMA)

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SHELBY COUNTY :



I, the undersigned, a notary public in and for said county in said state, hereby certify that Rex A. Horton, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 2nd day of Feb, 11, 2011.

[Handwritten Signature]

Notary Public

[NOTARIAL SEAL]

My commission expires: 8-6-13

CHRISTY S. TUCKER
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
August 06, 2013

STATE OF ALABAMA)

)

SHELBY COUNTY :

I, the undersigned, a notary public in and for said county in said state, hereby certify that Lynn F. Horton, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 2nd day of Feb, 11, 2011.

[Handwritten Signature]

Notary Public

[NOTARIAL SEAL]

My commission expires: 8-6-13

CHRISTY S. TUCKER
Notary Public, State of Alabama
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My Commission Expires
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EXHIBIT A

A parcel of land located in the SW $\frac{1}{4}$ of Section 33, Township 21 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the NE corner of the NE $\frac{1}{4}$ - SE $\frac{1}{4}$ of said Section 33; thence S 3 deg. 45'00" E along the east line of said $\frac{1}{4}$ - $\frac{1}{4}$ section a distance of 681.6' (deed); thence S 87 deg. 30' W a distance of 3149.0' (deed) to a point lying on the westerly R.O.W. line of U.S. Highway #31 (100' R.O.W.) said point being the POINT OF BEGINNING; thence N 16 deg. 27' 23" W along said R.O.W. line a distance of 207.64' meas. (206.7 feet deed); thence leaving said R.O.W. line, S 87 deg. 28' 20" W a distance of 1102.87' meas. (1100.7 feet deed); thence S 10 deg. 47' 53" E a distance of 203.10' meas. (203.10 feet deed); thence N 87 deg. 30' 00" E a distance of 1123.63' meas. (1123.7 feet deed) to the POINT OF BEGINNING.