


This Instrument Prepared By and Return To:

Eric L. Pruitt
Baker Donelson Bearman
Caldwell & Berkowitz, P.C.
420 North 20th Street
1600 Wells Fargo Tower
Birmingham, Alabama 35203


20110726000217180 1/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

STATE OF ALABAMA

COUNTY OF SHELBY

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, AND FIXTURE FILING (this "Mortgage") is made and entered into this 1st day of July, 2011, by SOUTHERN RESOURCE RESERVE, LLC, an Alabama limited liability company (the "Mortgagor") in favor of SOUTHEASTERN COMMERCIAL FINANCE, L.L.C., an Alabama limited liability company (the "Mortgagee").

RECITALS:

A. Mortgagee has made a loan to Mortgagor and AUA, INC., a North Carolina corporation (together with Mortgagor, collectively, "Borrower") in the principal amount of \$750,000.00 (the "Loan") and in connection therewith Borrower executed a Loan and Security Agreement of even date herewith in favor of Mortgagee (the "Loan Agreement") and a Promissory Note of even date herewith in the stated principal amount of \$750,000.00 (the "Note"). This Mortgage is the "Mortgage" referred to in the Loan Agreement.

B. As security for Mortgagor's repayment of the Loan and as inducement to Mortgagee to make the Loan, Mortgagor hereby agrees to execute in favor of Mortgagee this Mortgage on the property described herein, subject and subordinate only to a prior mortgage described herein.

NOW, THEREFORE, the undersigned Mortgagor, in consideration of the Loan, and to secure the prompt payment of the following (collectively, the "Obligations"):

- (a) Borrower's obligations under the Loan Agreement and the Note, and the documents referenced in the Loan Agreement (collectively, the "Loan Documents") or under any renewal, amendment, replacement, extension or modification thereof, or under any promissory notes evidencing the same;
- (b) all future advances made by Mortgagee for taxes, levies, insurance, and repairs to or maintenance of the "Mortgaged Property" (as hereinafter defined); and
- (c) all other present or future liabilities or indebtedness of Borrower to Mortgagee, either direct or indirect, however incurred, together with interest on all of the foregoing;

and further, to secure the performance of the covenants, conditions and agreements hereinafter set forth, Mortgagor does hereby GRANT, BARGAIN, SELL and CONVEY unto the Mortgagee, its successors and assigns, the following described property and interests in property and does hereby grant unto the Mortgagee a security interest in said property and interests in property (which, together with any additional property or interests in property hereafter acquired by the Mortgagor and subject to the lien of this Mortgage, or intended to be so, as the same may from time to time be constituted, is hereinafter referred to as the "Mortgaged Property"):

- A. The real estate more particularly described on the attached **Exhibit "A"** (the "Real Estate") and all improvements, structures, buildings and fixtures now or hereafter situated thereon (the "Improvements");
- B. All permits, easements, licenses, rights-of-way, contracts, privileges, immunities, tenements and hereditaments now or hereafter pertaining to or affecting the Real Estate or the Improvements;
- C.
 - (i) All leases, written or oral, and all agreements for use or occupancy of any portion of the Real Estate or the Improvements with respect to which the Mortgagor is the lessor, any and all extensions and renewals of said leases and agreements and any and all further leases or agreements, now existing or hereafter made, including subleases thereunder, upon or covering the use or occupancy of all or any part of the Real Estate or the Improvements (all such leases, subleases, agreements and tenancies heretofore mentioned are hereinafter collectively referred to as the "Leases");
 - (ii) any and all guaranties of the lessee's and any sublessee's performance under any of the Leases;
 - (iii) the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which the Mortgagor may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim, arising or issuing from or out of the Leases or from or out of the Real Estate or any of the Improvements, or any part thereof, including, but not limited to, minimum rents, additional rents, percentage rents, common area maintenance charges, parking charges, tax and insurance premium contributions, and liquidated damages following default, the premium payable by any lessee upon the exercise of any cancellation privilege provided for in any of the Leases, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Real Estate or the Improvements, together with any and all rights and claims of any kind that the Mortgagor may have against any such lessee under the Leases or against any subtenants or occupants of the Real Estate or any of the Improvements, all such monies, rights and claims in this paragraph described being hereinafter referred to as the "Rents"; provided, however, so long as no "Event of Default" (as defined in Article II hereof) has occurred, the Mortgagor shall have the right under a license granted hereby to collect, receive and retain the Rents (but not prior to accrual thereof); and

- (iv) any award, dividend or other payment made hereafter to the Mortgagor in any court procedure involving any of the lessees under the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court and any and all payments made by lessees in lieu of rent. The Mortgagor hereby appoints the Mortgagee as the Mortgagor's irrevocable attorney-in-fact to appear in any action and to collect any such award, dividend or other payment;

D. All building materials, equipment, fixtures, tools, apparatus and fittings of every kind or character now owned or hereafter acquired by the Mortgagor for the purpose of, or used or useful in connection with the Improvements, wherever the same may be located, including, without limitation, all lumber and lumber products, bricks, stones, building blocks, sand, cement, roofing materials, paint, doors, windows, hardware, nails, wires, wiring, furnaces, tanks, generators, plumbing, plumbing fixtures, air-conditioning and heating equipment and appliances, electrical and gas equipment and appliances, hot water heaters, other appliances, carpets, rugs, window treatments, lighting, fixtures, pipes, piping, decorative fixtures, and all other building materials, equipment and fixtures of every kind and character used or useful in connection with the Improvements; and


E. All other personal property of the Mortgagor, now or hereafter acquired;

SUBJECT TO that certain Mortgage and Security Agreement executed on October 21, 2009 by the Mortgagor in favor of Alamerica Bank and recorded on October 22, 2009 as Instrument No. 20091022000397270, in the Office of the Judge of Probate, Shelby County, Alabama (the "Prior Mortgage");

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Mortgagee, its successors and assigns forever, subject, however, to the terms and conditions herein.

AND the Mortgagor covenants and agrees with the Mortgagee as follows:

ARTICLE I
COVENANTS OF MORTGAGOR


20110726000217180 3/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

1.01. Warranty of Title: The Mortgagor is lawfully seized of an indefeasible estate in fee simple in the Real Estate, subject only to the Prior Mortgage, and has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid; that the same is free and clear of all liens, charges and encumbrances whatsoever, except as reflected herein.

1.02. Performance of Loan and Mortgage: The Mortgagor shall perform, observe and comply with all provisions hereof and of the Loan, and shall duly and punctually (a) pay to Mortgagee the sum of money due on the Loan, with interest thereon, and (b) pay all other sums required to be paid by the Mortgagor pursuant to the provisions of this Mortgage and the Prior Mortgage, all without any deductions or credit for taxes or other similar charges paid by the Mortgagor.

1.03. Covenants to Pay Taxes, Etc.: The Mortgagor, shall pay and discharge, from time to time when the same shall become due, all taxes of every kind and nature (including real and personal

property taxes and income, franchise, withholding, profits and gross receipts taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, all charges for public utilities, and all other public charges whether of a like or different nature, ordinary or extraordinary, foreseen or unforeseen, imposed upon or assessed against it or the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof.

1.04. Insurance:

(a) The Mortgagor shall at all times keep the Mortgaged Property insured, for the mutual benefit of the Mortgagee and the Mortgagor, as their respective interests may appear, pursuant to the requirements of the Loan Agreement. Subject to the rights of the holders of the Prior Mortgage (the "Prior Mortgagee"), any amounts payable on account of a loss, shall be payable to the Mortgagee.

(b) If any portion of the Mortgaged Property or any improvements, fixtures or equipment thereof, thereon or therein or appurtenant thereto are damaged or destroyed by fire or other casualty, Mortgagor shall forthwith give notice thereof to Mortgagee, and shall make prompt proof of loss to the applicable insurance companies. Subject to the rights of the Prior Mortgagee, all insurance proceeds shall be made available to Mortgagee for the purpose of paying for the cost of restoration and repair of the damage. Any excess over the cost of restoration shall be applied to the Obligations.

1.05. Condemnation: In the event that the Mortgaged Property, or any part thereof, is taken under the power of eminent domain or by condemnation, or sold at private sale in lieu thereof, the Mortgagee, its successors and assigns, shall as a matter of right be entitled to the entire proceeds of the award which is hereby assigned to the Mortgagee, its successors and assigns. In the event that (i) all of the Mortgaged Property shall be taken; (ii) twenty-five percent (25%) or more of the buildings on the Mortgaged Property shall be taken; or (iii) all reasonable means of egress to and from the Mortgaged Property shall be permanently eliminated by reason of a taking, then except as hereinafter provided, the proceeds of the awards shall be applied to the payment of the Obligations; and if such proceeds shall exceed the amount required under the terms and provisions of this Mortgage to release the Mortgaged Property, then the excess shall be paid to the Mortgagor. In the event of a partial taking, provided that no "Event of Default" (as defined in Section 2.01 hereof) then exists hereunder, the award shall be used first to restore the damaged building or buildings in accordance with plans and specifications to be submitted by Mortgagor and approved by the Mortgagee (which approval shall not be unreasonably withheld or delayed); provided that in the reasonable judgment of the Mortgagee such restoration is practicable, and provided further, that such award is sufficient to cover the cost of such restoration. If the amount of the award shall exceed the cost of such restoration, the surplus shall be applied to the repayment of the Obligations. If any Event of Default shall have occurred hereunder at the time of the taking by eminent domain or by condemnation, the entire award shall be applied to the Obligations or to restoration, as the Mortgagee may elect in its sole discretion. Mortgagor shall be permitted to negotiate a settlement with the condemning authority in connection with the amount of the award to be paid by reason of the taking by power of eminent domain or by condemnation of the Mortgaged Property or any part thereof; provided, however, that no agreement as to the amount of any such award shall become final or binding upon the Mortgagee until consent thereto in writing by the Mortgagee; provided further, that Mortgagee shall not unreasonably withhold or delay such consent, and provided that any award, whether paid as a result of a negotiated settlement or judgment, shall be

paid to the Mortgagee; and the Mortgagee is hereby appointed attorney-in-fact for this purpose and as such is duly authorized and empowered to accept receipt for, discharge and satisfy any such award and judgment, whether joint or several, on behalf of Mortgagor, its successors and assigns, which said receipt, discharge and satisfaction shall be as legally effective and binding as if given directly to Mortgagor, or its successors-in-interest.


1.06. Care of the Property: The Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, and shall not commit or suffer any waste and shall not do or suffer to be done anything which will increase the risk of fire, or other hazard to the Mortgaged Property or any part thereof; shall not permit nor perform any act which would in any way impair the value of the Mortgaged Property; and shall not demolish any building or improvement located on the Real Estate without the prior written consent of Mortgagee.

1.07. Inspection: The Mortgagee or his duly authorized representative is hereby authorized to enter upon and inspect the Mortgaged Property at any reasonable time. The Mortgagor shall pay all reasonable costs of Mortgagee in connection with such inspections, including, without limitation, all appraisal costs, survey costs, environmental assessment costs, and property condition assessment costs.

1.08. Compliance: The Mortgagor shall promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

1.09. Mortgagee's Cure of Mortgagor's Defaults: If the Mortgagor shall default in (a) the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property, (b) the payment of any utility charge, whether public or private, (c) the payment of any insurance premium, (d) the procurement of insurance coverage and the delivery of the insurance policies required hereunder, or (e) the performance or observance of any other covenant, condition or term of this Mortgage, and the period applicable thereto within which Mortgagor may correct the same has expired (provided that in the event of an emergency or where in Mortgagee's reasonable judgment its rights or security hereunder would be impaired by delay, Mortgagee may act without notice or delay of any kind), then the Mortgagee, at his option, may perform or observe the same, and all payments made or incurred by the Mortgagee, with interest thereon at the rate provided in the Loan, shall be added to the Obligations, shall be secured by this Mortgage and shall be immediately due and payable by Mortgagor to Mortgagee. The Mortgagee is hereby empowered to enter, and to authorize others to enter, upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without becoming liable therefor to the Mortgagor, or any person in possession holding under the Mortgagor.

1.10. Assignment of Leases and Rents: The Mortgagor hereby assigns unto the Mortgagee, his successors and assigns, all Contracts (as that term is defined in the Loan Agreement), Leases (as that term is defined in the Loan Agreement), and Rents (as that term is defined in the Loan Agreement) respecting the Mortgaged Property, or any part thereof, during the lifetime of this Mortgage, it being understood that as long as there is no default in the performance or observance of any of the covenants or agreements herein contained, Mortgagor shall have the privilege of collecting and receiving all Rents accruing under the Leases or Contracts for the Mortgaged Property, or any part thereof.


20110726000217180 5/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

1.11. Security Agreement: This Mortgage is also intended to constitute a security agreement within the meaning of the Uniform Commercial Code as in effect in the State of Alabama, with respect to all those parts of the Mortgaged Property which constitute personal property. This Mortgage is and shall be deemed to be a fixture filing under the Uniform Commercial Code, as enacted in the State where the Mortgaged Property is located.

1.12. Liens: Mortgagor will not permit any liens, encumbrances, mechanics', materialmen's, laborer's, statutory or other liens and charges upon the Mortgaged Property (other than the Prior Mortgage), and shall pay and promptly discharge, at Mortgagor's cost and expense, all such liens, encumbrances and charges upon the Mortgaged Property or any part thereof or interest therein. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall first deposit acceptable security with the court of competent jurisdiction sufficient to eliminate the lien as a lien upon the Mortgaged Property. If Mortgagor shall fail to transfer the lien to a bond or otherwise discharge any such lien, encumbrance or charge, then in addition to any other right or remedy of Mortgagee, Mortgagee may, but is not obligated to, discharge same either by paying the amount claimed to be due or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law.

1.13. Hazardous Waste: Mortgagor expressly represents to Mortgagee that the Mortgaged Property or any part thereof has not in the past been used, is not now being used, nor will in the future be used for handling, storage, transportation, or disposal of hazardous substances or materials or toxic materials or petroleum products. Mortgagor shall not use, generate, manufacture, store or dispose of, on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any flammable explosives, radioactive materials, including any substances defined or included in the definition of "hazardous substances, hazardous waste, hazardous materials, and toxic substances" under any applicable federal or state laws or regulations in effect during the term of this Mortgage (collectively, the "Hazardous Materials"). The Mortgagor covenants that Mortgagor is in compliance with and maintains compliance with all the provisions of the Federal Water and Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980, and other similar federal, state and local statutory schemes imposing liability on Mortgagor.

Mortgagor hereby agrees to indemnify Mortgagee and hold Mortgagee harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorney's fees, paralegal charges and expenses), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Mortgaged Property of any Hazardous Materials or releases or discharges of Hazardous Materials on, under or from the Mortgaged Property, (b) any activity carried on or undertaken on or off the Mortgaged Property, whether prior to or during the term of the Mortgage, and whether by Mortgagor or any predecessor in title or any employees, agents, contractors or subcontractors of Mortgagor or any predecessor in title, or third persons at any time occupying or present on the Mortgaged Property in connection with the treatment, decontamination, handling, removal, storage, clean-up, transport or disposal of any Hazardous Materials at any time located or present on or under the Mortgaged Property; and (c) any breach of the covenants contained in this Section 1.13. The foregoing indemnity shall further apply to any residual contamination on or under

the Mortgaged Property or affecting any natural resources, any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. The obligation of Mortgagor to indemnify and hold harmless under this Section 1.13 shall survive release of the lien of this Mortgage or any foreclosure of this Mortgage or any transfer of the Mortgaged Property by deed in lieu of foreclosure.

1.14. Covenant with Respect to Prior Mortgage: This is a second mortgage, which as of the date hereof is subject and subordinate only to the Prior Mortgage, and subsequent to the date hereof shall be subject and subordinate only to such Prior Mortgage or to any other mortgage or security interest issued to the Prior Mortgagee or to any other secured lender, as a successor to any of the Prior Mortgagee through assignment or otherwise, in connection with all presently existing debt of the Mortgagor to the Prior Mortgagee and any renewals, extensions, substitutions, refundings, refinancings, replacements or additions to such indebtedness. The Mortgagor shall perform, observe and comply with all provisions of the Prior Mortgage and the notes which such Prior Mortgage secures (the "Prior Notes"). The Mortgagor shall, immediately upon receiving any knowledge or notice of any default under any of the Prior Mortgage, give to the Mortgagee (a) written notice thereof, and (b) immediately upon receipt thereof, a true copy of each and every notice, summons, legal process, or other communication relating in any way to the Prior Mortgage or the performance of enforcement thereof, or to any default thereunder. It is specifically agreed that in the event default should be made in the payment of principal, interest or any other sums payable under the terms and provisions of any such Prior Mortgage or Prior Notes, the Mortgagee shall have the right but not the obligation, without notice to anyone, to cure such default by paying whatever amounts may be due under the terms of the Prior Notes or Prior Mortgage so as to put the same in good standing, and any and all payment, including reasonable attorney's fees, shall be added to the Obligations and shall be secured by this Mortgage, and the same, with interest thereon, shall be immediately due and payable by Mortgagor to Mortgagee, and this Mortgage shall be subject to foreclosure in all respects as provided by law and by the provisions hereof.


ARTICLE II

EVENTS OF DEFAULT; REMEDIES OF MORTGAGEE

2.01. Event of Default: The term "Event of Default," wherever used in this Mortgage, shall mean an Event of Default as defined in the Loan Agreement.

2.02. Acceleration of Maturity: Upon the occurrence of any Event of Default, then the entire principal amount of all the outstanding Obligations, with interest accrued thereon shall, at the option of the Mortgagee, become immediately due and payable without further notice to the Mortgagor.

2.03. Right of Mortgagee to Enter and Take Possession: Upon the occurrence of any Event of Default hereunder, the Mortgagor, upon demand by the Mortgagee, shall forthwith surrender to the Mortgagee the actual possession of the Mortgaged Property; and if and to the extent permitted by law, the Mortgagee may enter and take possession of all the Mortgaged Property, and may exclude the Mortgagor and its agents and employees wholly therefrom.


20110726000217180 7/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

2.04. Mortgagee's Power of Enforcement: If an Event of Default shall have occurred and be continuing, the Mortgagee may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy: (a) to enforce payment of the Obligations or the performance of any term thereof or any other right thereunder; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, as provided by law; and (c) to pursue any other remedy available to him, all as the Mortgagee shall deem most effectual for such purposes. The Mortgagee shall take action either by such proceedings or by the exercise of his powers with respect to entry or taking possession, as the Mortgagee may determine, in his sole discretion.

2.07. Appointment of Receiver: Upon or any time after the occurrence of any Event of Default hereunder and regardless of the adequacy of the Mortgaged Property to pay the Obligations or the solvency of Borrower, the Mortgagor shall be entitled, as a matter of strict right and without notice to Borrower, to appointment of a receiver by a court of competent jurisdiction to take possession of the Mortgaged Property, collect the Rents and remit the same to Mortgagee. Mortgagor hereby irrevocably consents to the appointment of such receiver, waives all right to notice and all defenses to such appointment, and agrees not to oppose such appointment. The appointment of such receiver shall in no way prejudice Mortgagee's rights to receive payment of the Rents or to pursue any other remedy provided in this Mortgage or the other Loan Documents. The receiver shall have all the usual powers of a court-appointed receiver, including, without limitation, the right to hold, develop, rent, lease, manage, maintain, operate, sell, and otherwise use or permit the use of the Mortgaged Property upon such terms and conditions as the receiver shall deem prudent and reasonable under the circumstances, but in any event with the consent and approval of Mortgagee. Such receivership shall, at the option of Mortgagee, continue until payment in full of the Obligations or until title to the Mortgaged Property passes by foreclosure or deed-in-lieu of foreclosure.

2.06. Power of Sale: Upon the occurrence of an Event of Default, Mortgagee may sell the Mortgaged Property, pursuant to power of sale, which is hereby granted, at public outcry to the highest bidder for cash in front of the Courthouse door in the county where the Mortgaged Property is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication one a week for three (3) successive weeks prior to said sale in some newspaper published in said county, and, upon payment of the purchase money, Mortgagee or any person conducting the sale for Mortgagee is authorized to execute to the purchaser at said sale a deed to the premises so purchased. Mortgagee may bid at said sale and purchase said premises, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or offered for sale and sold in any other manner Mortgagee may elect.

2.07. Application of Foreclosure Proceeds: The proceeds of any foreclosure sale pursuant to Section 2.05 of this Article II shall be applied as follows:

(a) First, to the reasonable expenses of making the sale including a reasonable attorney's fee for such services as may be necessary in the collection of said indebtedness or the foreclosure of this Mortgage;

(b) Second, to the repayment of any money, with interest thereon, which Mortgagee may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided;

(c) Third, to the payment and satisfaction of the Obligations;

(d) Fourth, the balance, if any, shall be paid to the party or parties appearing of record to be the owner of the premises at the time of the sale after deducting any expense incurred in ascertaining the identity of such owner.

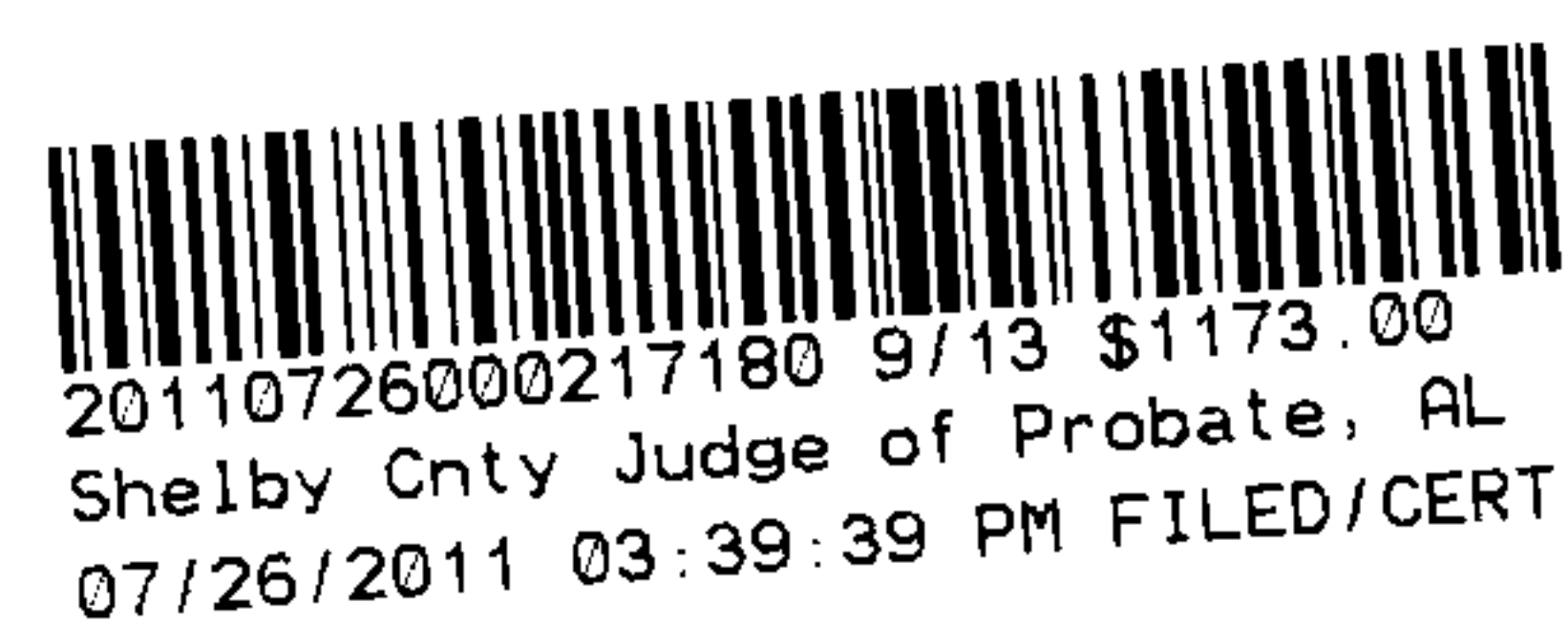
2.08. Expenses: Mortgagor shall pay or reimburse Mortgagee for all costs, charges and expenses, including reasonable attorney's fees, incurred or paid by Mortgagee in any action, proceeding or dispute in which Mortgagee is made a party or appears as a party plaintiff or party defendant because of the failure of the Mortgagor to promptly and fully perform and comply with all conditions and covenants of the Prior Mortgage, this Mortgage, the Loan or the Obligations, including, but not limited to, the foreclosure of the Prior Mortgage or this Mortgage, condemnation of all or part of the Mortgaged Property, or any action to protect the security thereof. All costs, charges and expenses so incurred by Mortgagee shall become immediately due and payable whether or not there be notice, demand, attempt to collect or suit pending together with interest thereon at the same rate as provided in the Loan from the date incurred until paid in full by Mortgagor. The amounts so paid or incurred by Mortgagee shall be added to the Obligations and shall be secured by the lien of this Mortgage.

2.09. Delay or Omission - No Waiver: No delay or omission of the Mortgagee in exercising any right, power or remedy accruing upon the occurrence of any Event of any Default hereunder shall exhaust or impair any such right, power and remedy given by this Mortgage to the Mortgagee, but each and every such right, power and remedy may be exercised from time to time and as often as may be deemed expedient by the Mortgagee.

2.10. Remedies Cumulative: No right, power, or remedy conferred upon or reserved to the Mortgagee by this Mortgage is intended to be 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 now or hereafter existing at law, in equity or by statute.

ARTICLE III **MISCELLANEOUS**

3.01. Condition: This Mortgage is given upon the condition that if the Mortgagor shall (a) pay in full or cause to be paid to the Mortgagee the entire principal and interest payable in respect of the Loan, and any renewals, amendments, replacements, extensions or modifications thereof, and (b) pay in full or cause to be paid to the Mortgagee any other outstanding Obligations, at the times and in the manner stipulated therein and herein, then this Mortgage, and all the properties, interest and rights hereby granted, bargained, and sold shall cease, terminate and be void, and shall have no further force or effect.



3.02. Successors and Assigns Included in Parties: Whenever in this Mortgage one of the parties hereto is named or referred to, the heirs, devisees, administrators, executors, successors and assigns of such party shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of the Mortgagor or by or on behalf of the Mortgagee shall bind and inure to the benefit of their respective heirs, devisees, administrators, executors, successors and assigns, whether so expressed or not.

3.03. Captions: The captions of the articles, sections, subparagraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

3.04. Invalid Provisions to Affect No Others: In case any one or more of the covenants, agreements, terms or provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein shall be in no way affected, prejudiced or disturbed thereby.

3.05. Waiver: The Mortgagee's acceptance of partial or delinquent payments or the failure of the Mortgagee to exercise any right granted hereunder shall not be deemed to waive any obligation of the Mortgagor or right of the Mortgagee or to modify this Mortgage or to waive any other similar default.


3.06. Time of Essence: Time is of the essence.

3.07. Construction: The laws of the State of Alabama shall govern the construction of this Mortgage and the rights and duties of the parties hereto.

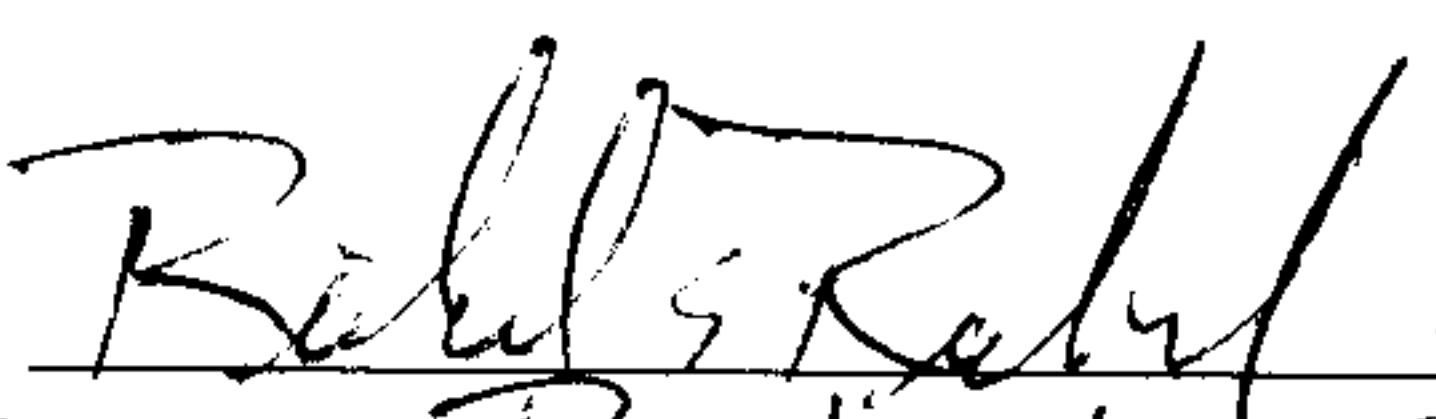
3.08. Notice: Any notice required or permitted to be given, made or sent hereunder shall be sent in accordance with the provisions of the Loan Agreement.

3.09. Entire Agreement: This Mortgage, together with the other Loan Documents, contains the entire agreement between the Mortgagee and the Mortgagor with respect to the Mortgaged Property. It may not be changed or terminated orally, but may only be changed or terminated by an agreement in writing signed by the party or parties against whom enforcement of any waiver, change, modification, discharge or termination is sought.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the date first above written.


20110726000217180 10/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

SOUTHERN RESOURCE RESERVE, LLC
an Alabama limited liability company

By: 
Print Name: Richard E. Rushing Jr.
Print Title: President

STATE OF Alabama)
COUNTY OF Jefferson)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Richard E. Rushing Jr., whose name as President of SOUTHERN RESOURCE RESERVE, LLC, an Alabama limited liability company, is signed to the foregoing Promissory Note, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Promissory Note, [s]he, as such President and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal, this the 22 day of July, 2011.

(SEAL)

Emma Honeycutt
Notary Public
My Commission Expires: Oct 15, 2011



20110726000217180 11/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

EXHIBIT A

Real Estate

The following described property situated in Township 21 South, Range 3 West, Shelby County, Alabama:

Section 18: That part of the Southwest Quarter of the Northeast Quarter (SW1/4 of NE1/4) South of Shelby County Road 260;

That part of the Southeast Quarter of the Northwest Quarter (SE1/4 of NW1/4) South of Shelby County Road 260;

The Northwest Quarter of the Southeast Quarter (NW1/4 of SE1/4);

The Northeast Quarter of the Southwest Quarter (NE1/4 of SW1/4) South of Shelby County Road 260;

The Southeast Quarter of the Southwest Quarter (SE1/4 of SW1/4);


The Southwest Quarter of the Southwest Quarter (SW1/4 of SW1/4) Less and Except the North One-Half of the North One-Half of the Southwest Quarter of the Southwest Quarter (N1/2 of N1/2 of SW1/4 of SW1/4).

Section 19: The Northwest Quarter of the Northwest Quarter (NW1/4 of NW1/4) West of Clark Creek Less and Except a rectangular parcel of land lying in the NW1/4 of the NW1/4 and the SW1/4 of the NW1/4 of said Section 19, described as follows:
Beginning at the Northwest corner of said Section 19; thence in a southerly direction with a bearing of South 18 degrees 31 minutes East a distance of 1,120.1 feet to the point of beginning; thence in a westerly direction with a bearing of South 79 degrees 17 minutes 30 seconds West a distance of 216.0 feet to a point; thence in a southerly direction with a bearing of South 10 degrees 42 minutes 30 seconds East a distance of 276.0 feet to a point; thence in an easterly direction with a bearing of North 79 degrees 17 minutes 30 seconds East a distance of 216.0 feet to a point; thence in a northerly direction with a bearing of North 10 degrees 42 minutes 30 seconds West a distance of 276.0 feet to the point of beginning;

That part of the Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) lying North and West of Clark Creek;

That part of the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) West of Clark Creek.

The following described property situated Township 21 South, Range 4 West, Shelby County, Alabama:


20110726000217180 12/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT

Section 24: The North One-Half of the Northeast Quarter (N1/2 of NE1/4);

 The Southwest Quarter of the Northeast Quarter (SW1/4 of NE1/4);


 The Southeast Quarter of the Northeast Quarter West of Clark Creek;

 The Northwest Quarter of the Southeast Quarter (NW1/4 of SE1/4);

 The Northeast Quarter of the Southeast Quarter (NE1/4 of SE1/4) West of Clark
 Creek;

 The Southwest Quarter of the Southeast Quarter (SW1/4 of SE1/4) North and
 West of Clark Creek;

 The Southeast Quarter of the Southeast Quarter (SE1/4 of SE1/4) North and West
 of Clark Creek.


20110726000217180 13/13 \$1173.00
Shelby Cnty Judge of Probate, AL
07/26/2011 03:39:39 PM FILED/CERT