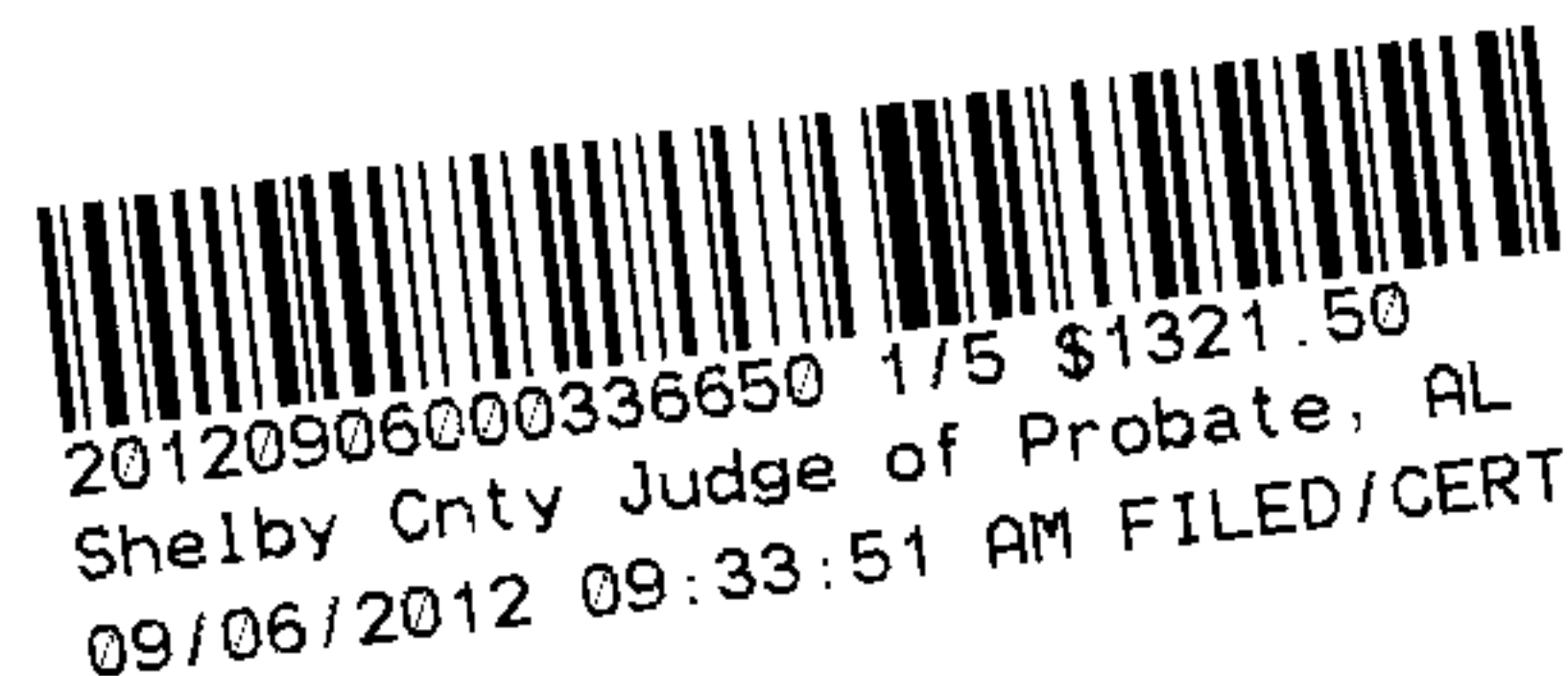


THIS INSTRUMENT PREPARED BY:

Michael B. Odom
Haskell Slaughter Young & Rediker, LLC
2100 Park Place, Suite 1400
Birmingham, Alabama 35203



REAL ESTATE MORTGAGE

KNOW ALL PERSONS BY THESE PRESENTS:

(1) **PEAVINE ESTATES LLC** ("Mortgagor"), for valuable consideration, does hereby grant, bargain, sell, convey and deliver unto **Margaret Allen, Gerald Oldham, Brenda Morris, and Fonda Thomas** ("Mortgagee"), and unto his heirs, successors and assigns, the property described in the attached Exhibit "A" (the "Property").

This Mortgage also grants to Mortgagee the right to receive all income, rents, royalties, revenue, issues, profits, proceeds and other benefits ("Rents") of such property from time to time accruing, whether under leases or tenancies now existing or hereafter created. However, the foregoing sentence notwithstanding, Mortgagee grants to Mortgagor a license to collect, receive and retain the Rents, so long as Mortgagor is not in default hereunder.

(2) TO HAVE AND TO HOLD the same unto Mortgagee, its successors and assigns forever.

(3) And Mortgagor covenants with Mortgagee, its successors and assigns, that Mortgagor will forever warrant and defend the title to all the property against all lawful claims whatever.

(4) Provided, however, the foregoing conveyance is given as a Mortgage for the purpose of securing the following:

(a) The payment of a non-recourse Promissory Note ("Note"), of even date herewith, and all successive extensions and renewals of the indebtedness represented thereby, evidencing a principal indebtedness (which indebtedness represents all extensions and renewals thereof and which is hereinafter called the "Indebtedness") of Eight Hundred Sixty-Five Thousand & 00/100 Dollars (\$865,000.00), executed by Mortgagor payable to the order of Mortgagee, the Note bearing interest from date until maturity at the rate in the Note, such Note maturing on February 10, 2031 at which time the entire principal balance plus accrued interest shall be paid in full.



20120906000336650 2/5 \$1321.50
Shelby Cnty Judge of Probate, AL
09/06/2012 09:33:51 AM FILED/CERT

(b) Also, the repayment to the holder of the indebtedness secured hereby of all reimbursable expenses at any time accruing to such Mortgagee under the provisions of Paragraph (7) hereof.

(5) Upon the payment of all such sums, this Mortgage will become void and Mortgagee shall file a release of mortgage to be recorded at the expense of Mortgagor.

(6) If Mortgagee shall offer to sell and/or assign the Note and Mortgage to a third party, Mortgagee shall first offer the Note and Mortgage for sale to Mortgagor at the same price and upon the same terms as those proposed to any third party.

(7) This Mortgage secures a non-recourse obligation of Mortgagor under the Note and Mortgagor shall have no personal liability for the payment of the Indebtedness evidenced by the Note or the performance of the obligation set forth herein. Mortgagee's sole recourse for Mortgagor's default under the Note or this Mortgage shall be *in rem* against the Property.

(8) Mortgagor agrees:

(a) to pay, prior to delinquency, all taxes, special improvement assessments and other governmental charges against the Property, at any time levied or becoming due;

(b) to keep the improvements on the Property insured against loss or damage by fire, wind, lightning, tornado, or other hazards for the fair and reasonable insurable value thereof, and to maintain a policy of general liability insurance with policy limits of One Million Dollars (\$1,000,000.00) naming the Mortgagee as an additional insured. So long as the Mortgagor is not in default under the Note or Mortgage, any insurance proceeds payable as a result of any loss or damage to the Property caused by any casualty shall be paid to the Mortgagor.


(c) to prevent the Property from becoming encumbered by any lien or charge having priority over, or on a parity with, the lien of this Mortgage; and to comply with all statutes, ordinances and regulations relating to such property.

(9) Subject to Paragraph (11) below, Mortgagee may, at its option, declare the entire unmatured portion of all Indebtedness secured hereby, together with all interest accrued on the entire secured debt, to be immediately due and payable if default is made in the payment of any part of the Indebtedness secured hereby.

(10) If Mortgagee shall expend any sum or sums for the protection of any of the mortgaged property or the lien of this mortgage, the repayment of such sum or sums will constitute a part of the Indebtedness secured hereby. The expenditures thus made reimbursable

will include (without limiting the foregoing) taxes, special improvement assessments, insurance premiums and sums paid to discharge prior liens. The cost of any abstract or title work procured by Mortgagee to facilitate foreclosure will also constitute a part of the reimbursable expenses secured hereby.

(11) In the event of a default hereunder, Mortgagee shall be entitled to foreclose this Mortgage through applicable Alabama mortgage foreclosure laws. Notwithstanding anything herein to the contrary, in the event a default occurs under this Mortgage or the Note, Mortgagee shall provide Mortgagor written notice, executed by each Mortgagee, specifying the nature of such default and shall provide Mortgagor with ninety (90) days from receipt of such notice to cure any such default prior to Mortgagee's acceleration of the Indebtedness secured hereby and prior to Mortgagee exercising any of its rights contained herein. Mortgagee shall provide Mortgagor with written notice, executed by each Mortgagee, of its election to exercise any of its rights contained herein including, but not limited to, acceleration of the Indebtedness.

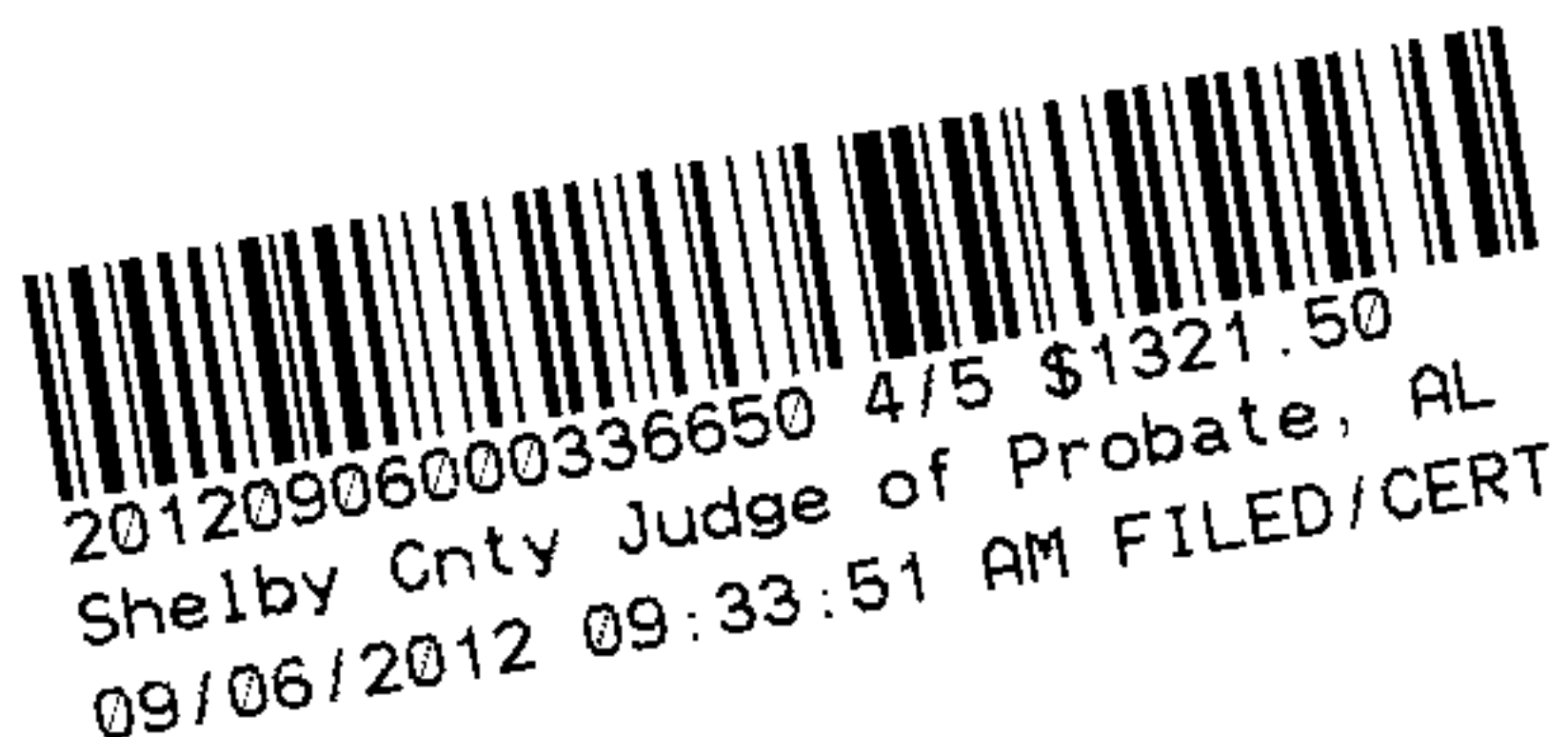

20120906000336650 3/5 \$1321.50
Shelby Cnty Judge of Probate, AL
09/06/2012 09:33:51 AM FILED/CERT

EXECUTED on this 22nd day of August, 2012.

MORTGAGOR:

PEAVINE ESTATES, LLC,
an Alabama limited liability company

By: Rebecca June, Manager
Rebecca June, Manager



ACKNOWLEDGMENT

STATE OF ALABAMA)
)ss
COUNTY OF SHELBY)

On this 22nd day of August, 2012, before me a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person Rebecca June, to me personally well known, who stated that she was the manager of **Peavine Estates LLC**, an Alabama limited liability company and was duly authorized in her capacity to execute the foregoing instrument for and in the name and behalf of said limited liability company, and further stated and acknowledged that she had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 22nd day of August, 2012.

Kelly B. Furgerson
NOTARY PUBLIC

My Commission Expires:
10-20-14
(S E A L)

KELLY B. FURGERSON
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
October 20, 2014

EXHIBIT "A"

DESCRIPTION OF REAL ESTATE

Lots 3, according to the Survey of Peavine Park, as recorded in Map Book 43, page 26, in the Probate Office of Shelby County, Alabama.

Together with rights of ingress/egress and public utilities as granted in easement recorded in Instrument 20120711000247350.



20120906000336650 5/5 \$1321.50
Shelby Cnty Judge of Probate, AL
09/06/2012 09:33:51 AM FILED/CERT