

Prepared by and return to:

Aliant Bank, a division of USAmeriBank
Birmingham – Corporate Office
1100 Corporate Parkway
Meadow Brook Corporate Park
Birmingham, AL 35242



20130104000004900 1/11 \$42.00
Shelby Cnty Judge of Probate, AL
01/04/2013 09:25:45 AM FILED/CERT

CROSS DEFAULT/CROSS COLLATERALIZATION AGREEMENT

THIS CROSS DEFAULT/COLLATERALIZATION AGREEMENT (the "Agreement") is made and entered into on December 12, 2012, by and between **South Partnership, L.L.P.** (the "Borrower"), and **South Partnership, LLP** (the "Grantor") and **Cecil J. South, Jr., Jeffrey D. South, Michael D. South and Alabama Brick Delivery, Inc.** (the "Guarantor") AND **ALIAN BANK, a division of USAMERIBANK**, a Florida banking corporation, (the "Lender").

RECITALS

A. Borrower is indebted to Lender as evidenced by a Promissory Note of even dated as of December 12, 2012 in the original amount of \$156,000.00 (the "First Note").

B. Repayment of the indebtedness evidenced by the First Note is secured by various security instruments as described on Exhibit "A" attached hereto and made a part hereof, which together with all documents and instruments delivered with respect thereto are hereinafter referred to as the "First Loan Documents", which encumber the real property described on Exhibit "B" attached hereto and made a part hereof (the "First Real Property").

C. Borrower is indebted to Lender as evidenced by a certain Promissory Note dated as of December 12, 2012 in the original principal amount of \$156,000.00 (the "Second Note").

D. Repayment of the indebtedness evidenced by the Second Note is secured by various security instruments as described on Exhibit "C" attached hereto and made a part hereof, which together with all documents and instruments delivered with respect thereto are hereinafter referred to as the "Second Loan Documents", which encumber the real property described on Exhibit "D", attached hereto and made a part hereof (the "Second Real Property").

E. The First Note and the Second Note are hereinafter sometimes together referred to as the "Notes".

F. The First Loan Documents and the Second Loan Documents are hereinafter sometimes together referred to as the "Loan Documents".

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

MORTGAGE PRIVELEGE TAX IN THE AMOUNT OF \$234.00 WILL BE COLLECTED AND WILL BE AFFIXED TO THE ORIGINAL MORTGAGE TO BE RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE IN SHELBY COUNTY, ALABAMA. MORTGAGE PRIVELEGE TAX IN THE AMOUNT OF \$234.00 HAS BEEN COLLECTED AND WAS AFFIXED TO THE ORIGINAL MORTGAGE TO BE RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE IN TUSCALOOSA COUNTY, ALABAMA.

1. Recitals. The above recitals are true and correct and are incorporated herein.

2. Cross-Default Cross Collateralization. Both of the Notes shall be deemed to be in default in the event of any default made by Borrower in connection with either one of the Notes or any one of the Loan Documents. Each and every one of the Loan Documents shall be deemed to be in default in the event of any default made by Borrower in connection with either one of the Notes or any one of the Loan Documents. All references in all documents hereinabove mentioned to "loans" or "indebtedness" or "amounts secured" shall be deemed to include, but not be limited to, the entire indebtedness described in the First Note and the Second Note, as may be hereinafter modified, amended, increased or renewed together with all other indebtedness of every kind owing by Borrower to Lender, whether now existing or hereafter incurred, direct or indirect, and whether the indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred, and including any sums advanced and any expenses incurred by Lender pursuant to the Loan Documents or any other note or evidence of indebtedness.

All collateral named in each and every one of the Loan Documents shall be collateral for both the Notes. The proceeds received by Lender from such collateral whether by liquidation or otherwise shall be applied to such Notes and in such order as Lender may determine in Lender's sole discretion.

3. Ratification. Except as modified and amended hereby, the terms and conditions of the Notes and the Loan Documents and all other documents executed with respect thereto are hereby ratified and affirmed and shall remain in full force and effect.

4. Novation. It is the intent of the parties that this instrument shall not constitute a novation and shall in no way adversely affect the lien priority of the Loan Documents. In the event that this Agreement, or any part hereof, shall be construed by a court of competent jurisdiction as operating to affect the lien priority of the Loan Documents over claims which would otherwise be subordinate thereto then to the extent that this Agreement is so construed to create an additional charge or burden upon the collateral encumbered, and to the extent that third persons acquiring an interest in such property between the time of execution of the Loan Documents and the execution hereof, are prejudiced thereby, this Agreement or such portion hereof, as shall be so construed, shall be void and of no force and effect and this Agreement shall constitute, as to that portion, a subordinate lien on the collateral, incorporating by reference the terms of the Loan Documents and at such time the Loan Documents shall be enforced pursuant to the terms therein contained independent of this Agreement; provided, however, that notwithstanding the foregoing, the parties hereto, as between themselves, shall be bound by all terms and conditions hereof until all indebtedness owing from Borrower to the Lender shall have been paid in full.

5. Warranties and Representations.

a. Borrower hereby affirms, warrants and represents that all of the warranties and representations made by Borrower in the Notes and Loan Documents described herein are true and correct as of the date hereof, that Lender is not in default of any of the Loan Documents or Notes nor aware of any default with respect thereto.

b. There is no claim, cause of action or set-off against Lender arising from any of the Loan Documents referred to in this Agreement, and Borrower hereby waives and releases Lender from any and all claims which may have arisen pursuant to the Loan Documents.

6. Miscellaneous.

a. Paragraph headings used herein are for convenience only and shall not be construed as controlling the scope of any provisions hereof.

b. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

c. Time is of the essence of this Agreement.

d. In the event that Lender resorts to litigation to enforce this Agreement, all costs of such litigation, to include reasonable attorney's fees through all trials, appeals and proceedings, to include, without limitation, any proceedings pursuant to the bankruptcy laws of the United States, shall be paid by Lender.

e. This Agreement shall inure to the benefit of and be binding upon the parties hereto as well as their successors and assigns, heirs and personal representatives.

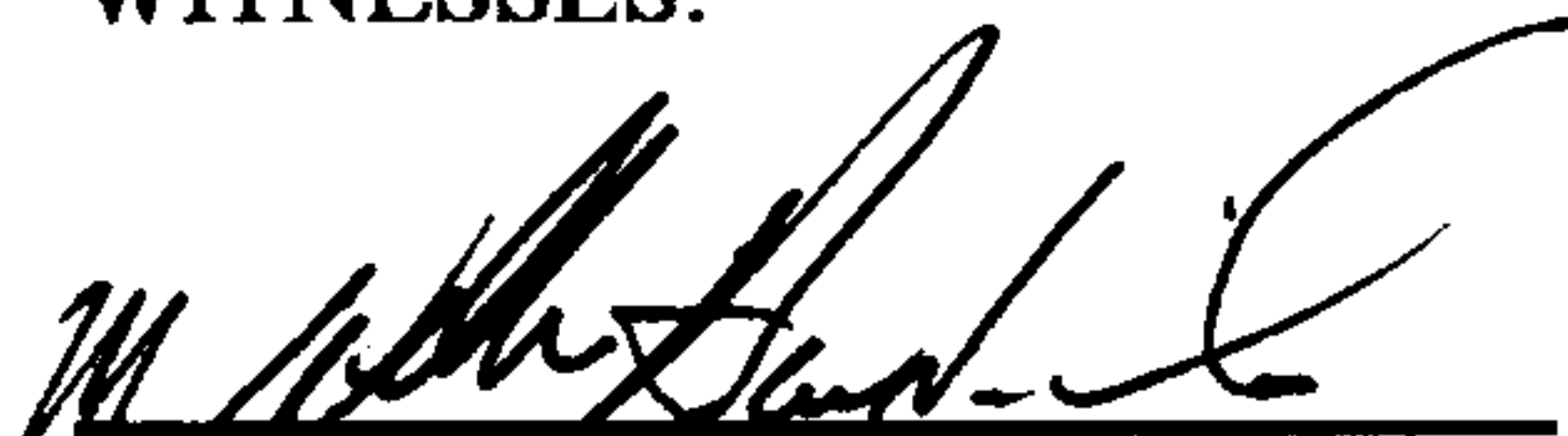
f. This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing at such counterpart.

IN WITNESS WHEREOF, the undersigned has signed and delivered this Agreement on the date above written.

BORROWER

WITNESSES:

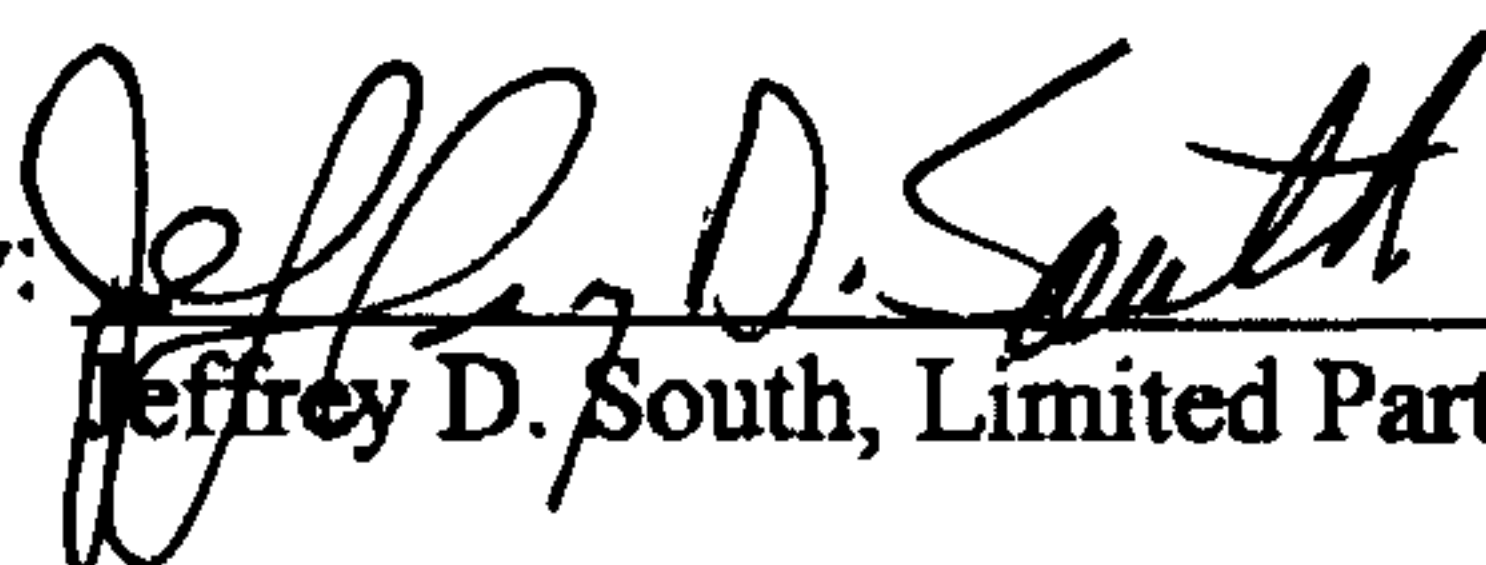
South Partnership, L.L.P.



Signature of Witness

Will Hardwick

Print or type Name of Witness

By: 
Jeffrey D. South, Limited Partner



Signature of Witness

Tanya Mettenbrink

Print or type Name of Witness

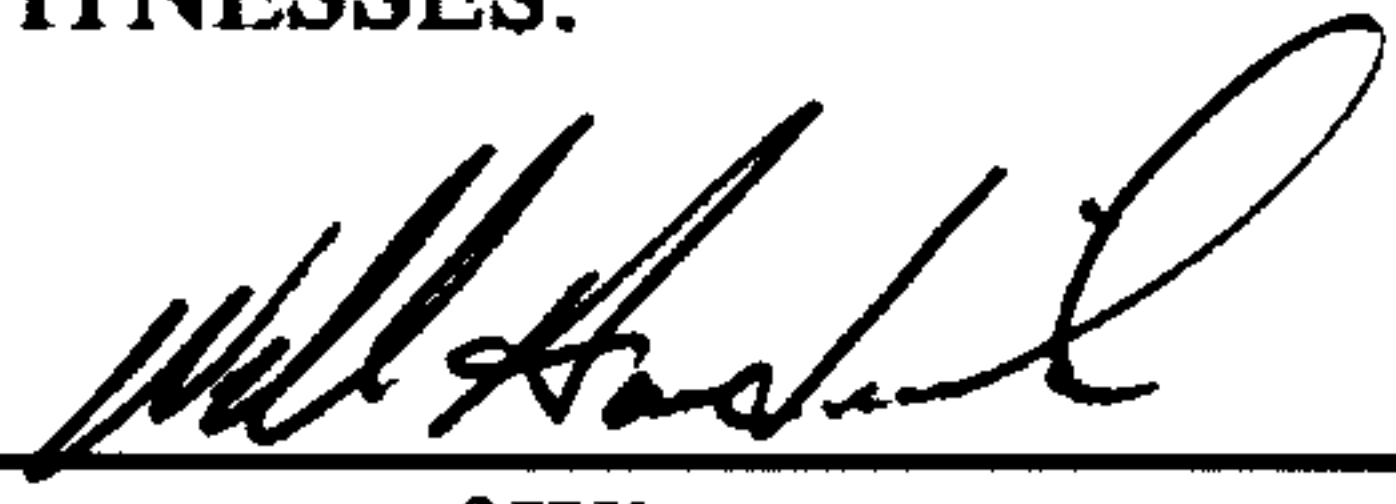


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GRANTOR


WITNESSES:

South Partnership, LLP


Signature of Witness

Will Hardwick
Print or type Name of Witness

By: 
Jeffrey D. South, Limited Partner


Signature of Witness
Tanya Mettenbrink
Print or type Name of Witness

LIMITED LIABILITY PARTNERSHIP ACKNOWLEDGMENT
(Cross Default/Cross Collateralization Agreement)

State of Alabama
County of Jefferson

I, the undersigned authority, a Notary Public in and for said State, hereby certify that Jeffrey D. South, Limited Partner for South Partnership, L.L.P. a limited liability partnership and South Partnership, LLP, a limited liability partnership is signed to the foregoing Cross Default/Cross Collateralization Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said Cross Default/Cross Collateralization Agreement, he as such Limited Partner and with full authority, executed the same voluntarily for and as the act of said limited liability partnership.

Given under my hand and official seal this 21 day of December, 2012.


Signature of Notary

Sylvia Renee Hancock
Printed Name

My Commission Expires: 11-30-2014
(SEAL)



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JOINDER BY GUARANTORS:

Guarantor joins in this Agreement for the purpose of consenting to the terms and conditions of said Agreement and to acknowledge and agree that Guarantor is liable for the repayment of the Notes as set forth herein and under the terms of the Loan Documents and pursuant to the terms and conditions of the Guaranty Agreements dated December 12, 2012 and December 12, 2012 from said Guarantor to Lender in connection with both Notes.

GUARANTORS:

WITNESSES:

Signature of Witness

Print or type Name of Witness

Signature of Witness

Print or type Name of Witness

Signature of Witness

Print or type Name of Witness

Signature of Jeffrey D. South

Jeffrey D. South

Signature of Michael D. South

Michael D. South

Signature of Cecil J. South, Jr.

Cecil J. South, Jr.

Alabama Brick Delivery, Inc.

By

Signature of Jeffrey D. South, President

Jeffrey D. South, President

Signature of Witness

Print or type Name of Witness

Signature of Witness

Print or type Name of Witness



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INDIVIDUAL ACKNOWLEDGMENT
(Cross Default/Cross Collateralization Agreement)

State of Alabama
County of Jefferson

I, the undersigned authority, a Notary Public in and for said State, hereby certify that Jeffrey D. South, whose name is signed to the foregoing Cross Default/Cross Collateralization Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Cross Default/Cross Collateralization Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of December, 2012.

Sylvia Renee Hancock
Signature of Notary

Sylvia Renee Hancock
Printed Name

My Commission Expires: 11-30-2014
(SEAL)

INDIVIDUAL ACKNOWLEDGMENT
(Cross Default/Cross Collateralization Agreement)

State of Alabama
County of Jefferson

I, the undersigned authority, a Notary Public in and for said State, hereby certify that Michael D. South, whose name is signed to the foregoing Cross Default/Cross Collateralization Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Cross Default/Cross Collateralization Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of December, 2012.

Sylvia Renee Hancock
Signature of Notary

Sylvia Renee Hancock
Printed Name

My Commission Expires: 11-30-2014
(SEAL)

INDIVIDUAL ACKNOWLEDGMENT
(Cross Default/Cross Collateralization Agreement)

State of Alabama
County of Jefferson

I, the undersigned authority, a Notary Public in and for said State, hereby certify that Cecil J. South, Jr. whose name is signed to the foregoing Cross Default/Cross Collateralization Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Cross Default/Cross Collateralization Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of December, 2012.

Sylvia Renee Hancock
Signature of Notary

Sylvia Renee Hancock
Printed Name

My Commission Expires: 11-30-2014
(SEAL)

CORPORATE ACKNOWLEDGMENT
(Cross Default/Cross Collateralization Agreement)

State of Alabama
County of Jefferson

I, the undersigned authority, a Notary Public in and for said State, hereby certify that Jeffrey D. South, President for Alabama Brick Delivery, Inc., 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 Cross Collateralization Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 21 day of December, 2012.

Sylvia Renee Hancock
Signature of Notary

Sylvia Renee Hancock
Printed Name

My Commission Expires: 11-30-2014
(SEAL)

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EXHIBIT "A"

- Promissory Note dated December 12, 2012 in the amount of \$156,000.00
- Mortgage of even date to be recorded in the Office of the Judge of Probate in Shelby County, Alabama.
- Assignment of Leases and Rents Dated of even date to be recorded in the Office of the Judge of Probate in Shelby County, Alabama.
- UCC Financing Statement to be recorded in the Office of the Judge of Probate in Shelby County, Alabama
- UCC Financing Statement to be filed with the State of Alabama
- Commercial Security Agreement of even date
- Along with all other ancillary documents

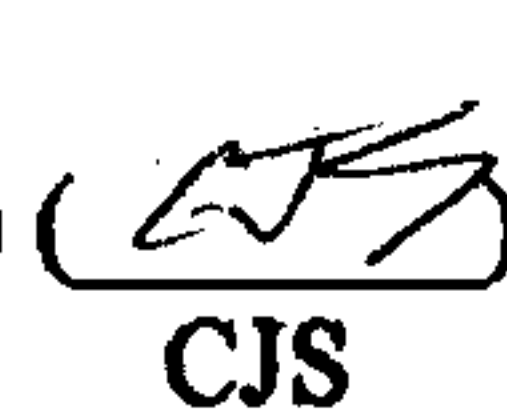


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Initials:


JDS


MDS


CJS


ALIANT

EXHIBIT "B"

Commence at the NW corner of the NE 1/4 of the NE 1/4 of Section 15, Township 21 South, Range 3 West; thence run South 0 degrees 52 minutes 06 seconds West along the west line of said 114 114 Section 80.72 feet to a point, said point begin on the south right of way of County Road 26(80 foot right of way); thence run South 86 degrees 20 minutes 40 seconds East, along said right of way, 131.28 feet to the beginning of a curve to the left, said curve having a radius of 2135.09 feet and a central angle of 6 degrees 07 minutes 47 seconds, said curve being subtended by a chord which bears South 89 degrees 24 minutes 33 seconds East a distance of 228.31 feet; thence run easterly along the arc of said curve and along said right of way 228.42 feet to the end of said curve; thence run North 87 degrees 31 minutes 33 seconds East along said right of way 67.68 feet to the Point of Beginning; thence continue along the last described course, 203.33 feet; thence run South 0 degrees 52 minutes 06 seconds West 220.52 feet; thence run North 89 degrees 07 minutes 54 seconds West 202.99 feet; thence run North 0 degrees 52 minutes 06 seconds East 208.67 feet to the point of beginning; being situated in Shelby County, Alabama.



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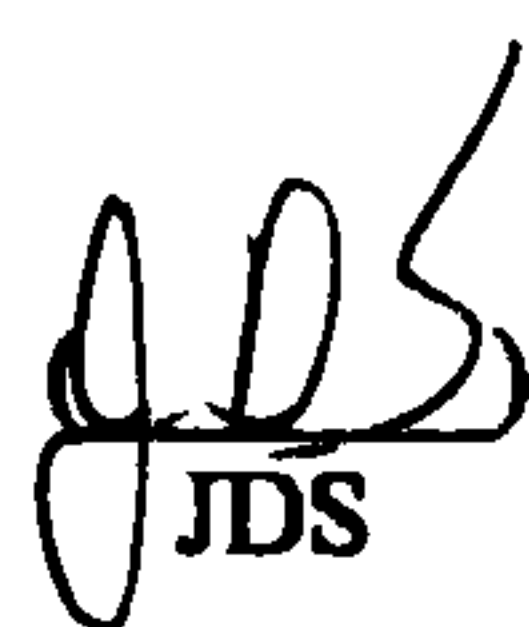



 JDS  MDS  CJS  ALIANT

EXHIBIT "C"

- Promissory Note dated December 12, 2012 in the amount of \$156,000.00
- Mortgage of even date to be recorded in the Office of the Judge of Probate in Tuscaloosa County, Alabama.
- Assignment of Leases and Rents Dated of even date to be recorded in the Office of the Judge of Probate in Tuscaloosa County, Alabama.
- UCC Financing Statement to be recorded in the Office of the Judge of Probate in Tuscaloosa County, Alabama
- UCC Financing Statement to be filed with the State of Alabama
- Commercial Security Agreement of even date
- Along with all other ancillary documents



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Initials:

JDS MDS CJS ALANT

EXHIBIT "D"

PARCEL I:

Lot 2, according to the Survey of J L S Development II, as recorded in Map Book 1998, page 107, in the Probate Office of Tuscaloosa County, Alabama.

SOURCE OF TITLE: Deed Book 1998, page 14051

PARCEL II:

Lot 4E, according to the Survey of J L S Development Subdivision, as recorded in Map Book 1997, page 2, in the Probate Office of Tuscaloosa County, Alabama.

SOURCE OF TITLE: Deed Book 2000, page 2398

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Initials:

JDS MDS CJS ALIANT