

THIS INSTRUMENT PREPARED BY:  
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STATE OF ALABAMA     )  
COUNTY OF SHELBY    )

**ASSUMPTION AGREEMENT**

THIS AGREEMENT, made effective the 29<sup>th</sup> day of July, 2012 is by and among **RENASANT BANK**, a banking corporation (the "Lender"), **MONTEVALLO PROPERTIES, L.L.C.**, an Alabama limited liability company ("MPLLC") and **LIGHTS COMPANY, LLC**, an Alabama limited liability company ("LCLLC"; MPLLC and LCLLC are collectively, "Original Borrowers") and **EVANGEL SCHOOL**, an Alabama limited liability company (the "Borrower").

**RECITALS:**

A. The Lender is the holder and owner of the following documents (hereinafter sometimes collectively referred to as the "Loan Documents"):

(i) Original Promissory Note and Security Agreement (Loan #2010002408-1) dated November 16, 2009, in the original principal face amount of Three Hundred Ninety-Five Thousand Two Hundred Forty-Four and 80/100 Dollars (\$395,244.80) executed and delivered by LCLLC in favor of Lender and that certain Original Promissory Note (Loan #2010001659-1) dated August 28, 2007 in the original principal face amount of Seven Hundred Thirty-Nine Thousand and 00/100 Dollars (\$739,00.00) executed and delivered by MPLLC in favor of Lender (hereinafter collectively referred to as the "Original Notes and Security Agreement"); and

(ii) UCC-1 Financing Statement in favor of Renasant Bank as the Secured Party and LCLLC as the Debtor, which said UCC-1 Financing Statement was filed on May 8, 2009 with the Alabama Secretary of State in Filing #09-0219830 (hereinafter referred to as the "UCC"), which encumbers the equipment and other collateral as described therein; and

(iii) Mortgage given by MPLLC as "Mortgagor" to Lender as "Mortgagee" dated August 28, 2007, which Mortgage is recorded on the Judge of Probate of Shelby County, Alabama at Instrument #20070830000408940 (hereinafter referred to as the "Mortgage"), and which Mortgage encumbers the real property as described on Exhibit A attached hereto and made a part hereof (the "Property"); and

(iv) Assignment of Rents and Leases dated August 28, 2007, from MPLLC in favor of Lender and recorded at Instrument Number 20070830000408950 with the said Judge of Probate.



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(v) That certain Renewal Promissory Note and Loan Agreement (Loan #2010003647-1) dated October 1, 2011, in the original principal amount of Nine Hundred Eighty-Eight Thousand Seven Hundred Two and 00/100 Dollars (\$988,702.00) executed and delivered by in favor of Lender which renewed and combined Loans #2010002408-1 and #2010001659-1 (hereinafter collectively referred to as the "Renewal Note"); and

(vi) Non-Revolving Line of Credit Agreement (Loan #2010003647-3) dated October 1, 2011, in the original principal face amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) executed and delivered by Original Borrowers in favor of Lender (hereinafter referred to as the "Line of Credit"); and

B. Borrower desired to acquire the Original Borrower's fee simple estate in the improvements and real property described in Exhibit A and described in and encumbered by the Mortgage (said fee simple estate is collectively, the "Premises"), subject to the lien thereof, and has requested that Lender consent to such acquisition and permit the assumption by Borrower of the Loan and the obligations of Original Borrowers under the Loan Documents. Lender has agreed to permit such acquisition and assumption pursuant to the terms of this Agreement. All obligations of Bases Loaded under the Loan Documents are collectively referred to herein as the "Loan Obligations."

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing, and the representations, warranties, covenants and agreements herein set forth, the parties hereby agree as follows:

1. **Affirmation of Recitals; Definitions.** The parties hereby acknowledge the foregoing Recitals to be true and correct. Lender hereby warrants to Borrower that the Loan Obligations are embodied in the Loan Documents, all as herein described.

2. **Outstanding Principal Balance of Loan; No Default.** The parties hereby acknowledge and agree that all accrued interest on the outstanding principal balance of the Loan has been paid current as of and including the date hereof. The outstanding principal balance being assumed by the Borrower is \$934,000.00 after a principal paydown of ~~\$149,795.35~~. A portion of the principal paydown shall be used to pay off the Line of Credit. The parties hereby further acknowledge and agree that, to the best of their knowledge and belief, there presently exists no Event of Default under the Loan Documents, nor any event which, upon the giving of any required notice or the expiration of any stipulated grace or cure period, would constitute an Event of Default under the Loan Documents.

3. **Assumption of Loan Obligations.** Except as modified herein, Borrower hereby assumes and agrees to be fully bound by the Loan Obligations as stated in the Loan Documents from the date hereof and forward, including all covenants, agreements and waivers therein set forth, and shall be unaffected by any offset, defense or defect in enforceability of any of the Loan Documents against Original Borrowers, all of which are hereby expressly waived by Borrower. Any and all references to the "Grantor", "Borrower", "Maker" and "Assignor" contained in any

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Loan Document shall hereafter be deemed to refer to Montevallo Properties, L.L.C. and Lights Company, LLC, jointly and severally, mutatis mutandis, with full and equal force and effect.

4. **Representations and Warranties.** Original Borrowers and Lender represent and warrant, to the best of their knowledge, no Default or Event of Default exists as to the Loan Documents. As a material inducement to Lender's agreement to permit the assumption of the Loan Obligations by Borrower, Borrower hereby further represents and warrants to Lender as follows:

(a) There are no actions, suits, or proceedings pending or, to the best of Borrower's knowledge, threatened, which might materially and adversely affect the financial condition of Borrower or which might materially impair the value of any collateral taken or to be taken by Lender in connection with the transactions contemplated hereby. Borrower is not in violation of any agreement, the violation of which might reasonably be expected to have a materially adverse effect on Borrower's business or assets, and Borrower is not in violation of any order, judgment, or decree of any court, or any statute or governmental regulation to which Borrower is subject. Neither the execution and performance of this Agreement or of any of the Loan Documents will result in any breach of any deed, security deed, lease, credit or loan agreement or any other instrument which may bind or affect Borrower.

(b) All financial statements of Borrower heretofore given and hereafter to be given to Lender are and will be true and complete in all material respects as of their respective dates and prepared in accordance with generally accepted accounting principles consistently applied, and fairly represent the financial conditions of the Borrower as of the date thereof, and no materially adverse change shall have occurred in the financial conditions reflected therein during the period between the date thereof and the date of delivery of such financial statements to Lender.

(c) To the best of Borrower's knowledge, there are no proceedings pending or threatened to acquire, by power of condemnation or eminent domain, any portion of the Premises, or any interest therein, or to enjoin or similarly prevent the use of any of the Premises for the purposes contemplated by Borrower.

(d) All documents furnished to Lender by or on behalf of Borrower as part of or in support of the Borrower's application to assume the Loan are true, correct, complete and accurately represent the matters to which they pertain in all material respects.

5. **Consent to Assumption.** In consideration of the representations, warranties and agreements of Borrower and Original Borrowers herein set forth, Lender does hereby (a) consent to the transfer of the Premises from Original Borrowers to Borrower, and (b) consent to the assumption of the Loan Obligations by Borrower.

6. **Costs.** Borrower shall pay all costs of the assumption made hereby, to include without limitation, attorneys' fees and recording costs, as well as the cost of an endorsement to Lender's title insurance policy insuring the lien of the Mortgage after the recording of this Agreement. Such cost shall be due at closing hereunder and the payment thereof shall be a condition precedent to Lender's consent to the transfer of the Property to Borrower. In the event



that it is determined that additional costs relating to this transaction are due, Borrower agrees to pay such costs immediately upon demand.

7. **Attorneys' Fees.** All costs incurred by Lender in enforcing this Agreement and in collection of sums due Lender from Borrower, to include, without limitation, reasonable attorneys' fees in an amount not to exceed 33% of the outstanding balance due on the Loans through all trials, appeals, and proceedings, to include, without limitation, any proceedings pursuant to the bankruptcy laws of the United States and any arbitration proceedings, shall be paid by Borrower.

8. **Covenants.** Clayton Fund, Ltd. ("Guarantor") covenants that its unencumbered liquidity shall never be less than \$2,000,000.00 at any given time (to be measured quarterly) and agrees to submit quarterly brokerage statements to Lender on or before the fifteenth (15th) day of the month following the end of each quarter. Furthermore, Guarantor and Borrower both covenant and agree to submit current annual tax returns to Lender during the life of the loan which are to be remitted to the Lender on or before the 15th day of every June in conjunction with the annual principal payments as outlined in Paragraph 9 of this Agreement.

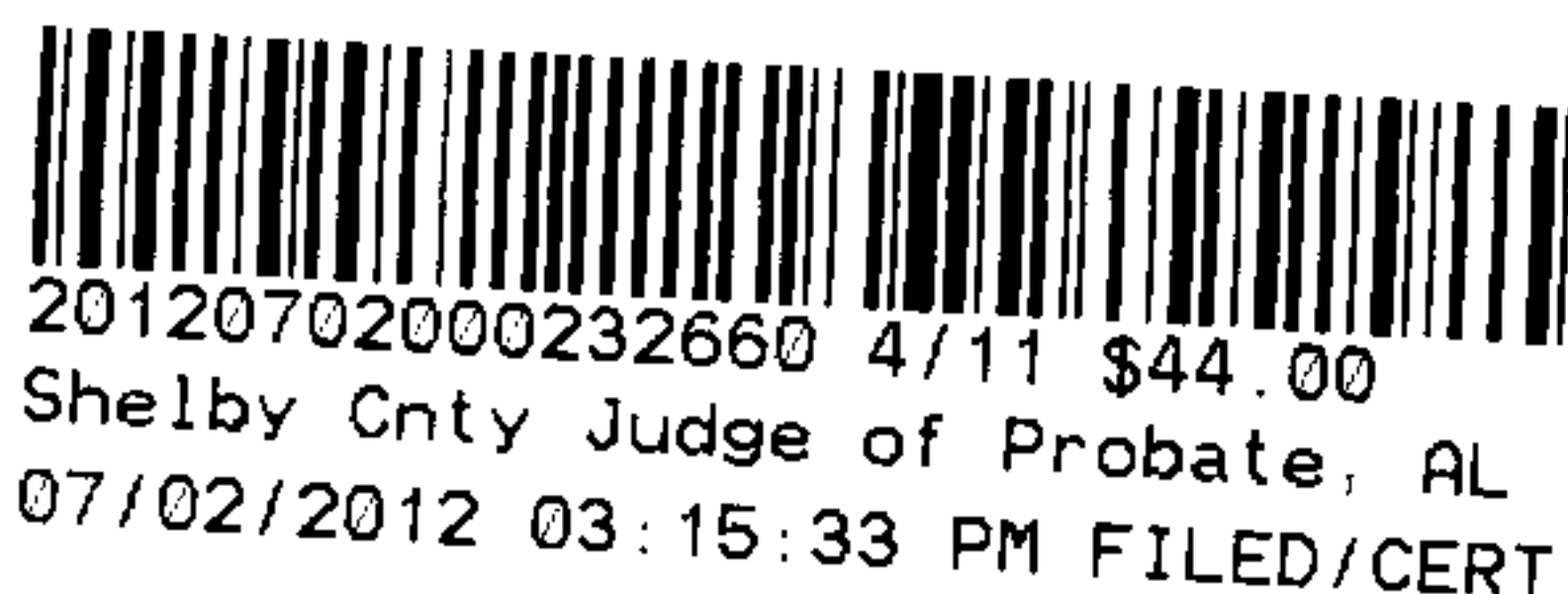
9. **Loan Documents.** The Loan Documents are hereby modified as follows:

(a) Principal and interest are unconditionally due and owing to the Lender and modified to provide the interest rate shall be four and one-quarter percent (4.25%) per annum on the outstanding principal balance with monthly interest only payments due on or before the 15th day of every month with the first monthly payment due on or before July 15, 2012. In addition to the monthly interest only payments, the Borrower is to make annual principal payments in the amount of Four Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and No/100 Dollars (\$466,667.00) on the 15<sup>th</sup> day of June every year beginning with the first annual payment due on or before June 15, 2013, until the loan has been paid and satisfied in full. The monthly interest only payments for the first year of (due beginning July 15, 2012 through June 15, 2013) shall be in the amount of \$3,307.92. The monthly interest only payments for the second year (due beginning July 15, 2013 through June 15, 2014) shall be in the amount of \$1,655.14. The final balance due on the loan in the amount shall be due and payable on or before July 15, 2014.

(b) As further consideration for Lender consenting to the transfer of the Property to the Borrower and consenting to the assumption of the Loan Documents by the Borrower, Lender is requiring the guaranty of Clayton Fund, Ltd. (hereinafter referred to as the "Guarantor") on the Loans which are the subject of this Agreement (Loan #2010003647-1) which is made by the execution of a separate Guaranty Agreement by Clayton Fund, Ltd.

(c) ***The Lender shall give the Borrower and the Guarantor ten (10) days written notice to cure any monetary default.***

(d) ***The Lender shall give the Borrower and the Guarantors thirty (30) days written notice to cure any non-monetary defaults*** and if such non-monetary default is not capable of being cured within such thirty (30) day period, then such thirty (30) day period shall be extended for an additional thirty (30) day period for a total of sixty (60) days, provided





Borrower or Guarantor has commenced cure and is diligently pursuing such cure in such initial thirty (30) day period.

10. **Release of Original Borrowers.** In consideration and recognition of the Assumption of the loan obligations by Borrower, Lender hereby releases the Original Borrowers from any and all obligations and/or liabilities imposed by the loan documents.

11. **Further Assurances.** Upon request by the Lender, the Borrower will make, execute and deliver or cause to be made, executed and delivered, to the Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed reasonably necessary by the Lender, any and all such instruments of further assurance, certificates and other documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to effectuate, complete, perfect, or to continue and preserve the Loan Obligations of the Borrower assumed hereby, and the lien and security title of the Loan Documents as a first and prior lien upon and security interest in all of the Premises.

12. **Miscellaneous.**

(a) Any provision in this Agreement which may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof; provided, however, that if the assumption of the Loan Obligations by Borrower set forth herein shall be unenforceable or invalid, then this Agreement shall be deemed null and void ab initio.


(b) Section headings are inserted for convenience of reference only and shall be disregarded in the interpretation of this Agreement. The provisions of this Agreement shall be construed without regard to the party responsible for the drafting and preparation hereof.

(c) The Mortgage, the Assignment and the UCC shall continue to secure, without limitation, the Notes, as may be amended, modified, extended and renewed from time to time. Borrower expressly ratifies and confirms all Loan Documents, it being the intent that this Assumption Agreement shall not constitute a novation nor adversely affect or impair the priority of the Mortgage nor any other Loan Documents.

(d) Time is of the essence regarding this Agreement and the performance of each of the covenants and agreements contained herein and in the Loan Documents.

(e) This Agreement and the obligations of the parties hereunder shall be binding upon and enforceable against, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.


(f) No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

  
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(g) This Agreement may be executed in any number of counterparts bearing the original signatures of one or more of the parties hereto, each of which shall constitute an original, but all of which, taken together, shall evidence but one and the same Agreement.

(h) **THE VALIDITY, INTERPRETATION, ENFORCEMENT, AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ALABAMA.**

(i) **THE PARTIES HERETO HEREBY MUTUALLY WAIVE ANY RIGHT TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR IN ANY WAY PERTAINING OR RELATING TO THIS AGREEMENT, ANY DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, OR IN CONNECTION WITH ANY OF THE TRANSACTIONS RELATED HERETO OR CONTEMPLATED HEREBY, OR THE EXERCISE OF ANY PARTY'S RIGHTS OR REMEDIES HEREUNDER, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. A COPY OF THIS PARAGRAPH MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY DISPUTE OR CONTROVERSY WHATSOEVER BETWEEN THEM SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY. NONE OF THE PARTIES HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH DISPUTE OR CONTROVERSY, SEEK TO ENFORCE THE PROVISIONS OF THIS PARAGRAPH.**

  
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ORIGINAL BORROWERS:

MONTEVALLO PROPERTIES, L.L.C.,  
an Alabama limited liability company

By: 

Print Name: Fred Richards

Its: Managing Member/Sole Member

STATE OF Alabama

Shelby COUNTY

I, the undersigned, a notary public in and for said county in said state, hereby certify that Fred Richards whose name as Managing Member/Sole Member of Montevallo Properties, L.L.C., an Alabama limited liability company, 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, as such Managing/Sole Member and with full authority, executed the same voluntarily for and as the act of said company.

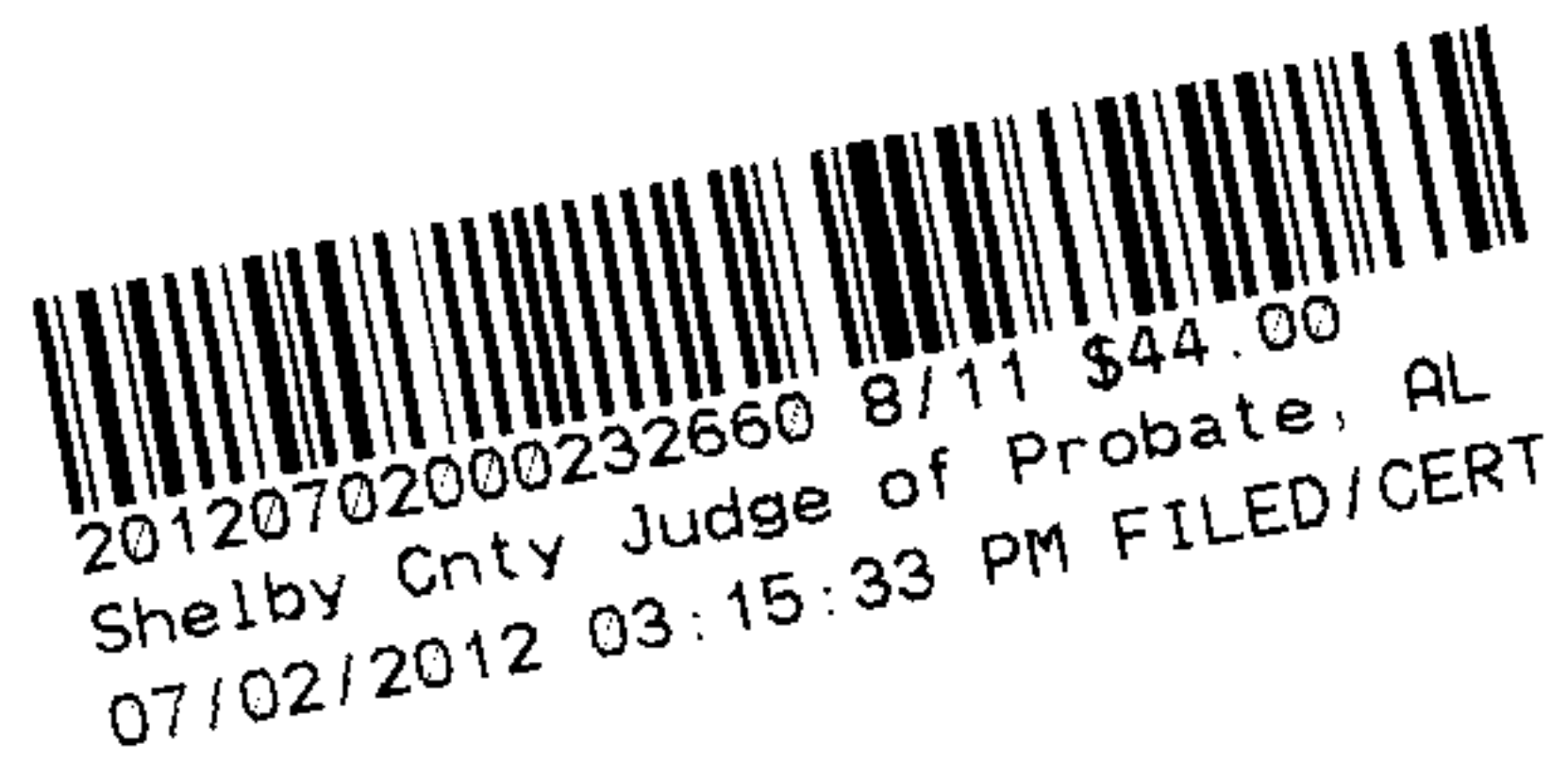
Given under my hand and official seal this 29<sup>th</sup> day of June, 2012.

Anne P. Marshall

Notary Public

[NOTARIAL SEAL]

My commission expires: 3/7/2015





EVANGEL SCHOOL FOUNDATION, LLC.

By: Howard O'Neal  
Print Name: Howard O'Neal  
Its: Member/Manager

STATE OF Alabama )  
 )  
Shelby COUNTY )

I, the undersigned, a notary public in and for said county in said state, hereby certify that Howard O'Neal, whose name as Member/Manager of Evangel School Foundation, LLC, an Alabama limited liability company, 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, as such Member/Manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 29<sup>th</sup> day of June, 2012.

Anne P. Marshall

Notary Public

[NOTARIAL SEAL]

My commission expires: 3/7/2015

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LIGHT COMPANY, LLC,

By: 

Print Name: Jeffrey R. Dugas

Its: Sole Member

STATE OF Alabama

Shelby COUNTY

I, the undersigned, a notary public in and for said county in said state, hereby certify that Jeffrey R. Dugas, whose name as Sole Member of Light Company, LLC, an Alabama limited liability company, 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, as such Sole Member and with full authority, executed the same voluntarily for and as the act of said company.


Given under my hand and official seal this 29<sup>th</sup> day of June, 2012.

Anne P. Marshall

Notary Public

[NOTARIAL SEAL]

My commission expires: 3/7/2015

  
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## **EXHIBIT "A"**

### **Parcel I:**

Begin at the Northeast corner of the Northeast 1/4 of Section 35, Township 21 South, Range 3 West, thence run S 03° 29' 03" W for a distance of 310.00 feet; thence run N 90° 00' 00" W for a distance of 1,609.53 feet; thence run N 12° 29' 42" E for a distance of 537.29 feet; thence run S 81° 54' 09" E for a distance of 1,527.36 feet to a point of beginning. Situated in Shelby County, Alabama.

Less and except any portion of subject property lying within a road right of way.

### **Parcel II:**

Commence at the Northeast corner of the Northeast 1/4 of Section 35, Township 21 South, Range 3 West, thence run South 03° 29' 03" West for a distance of 310.00 feet; thence run South 90° 00' 00" West for a distance of 2,026.78 feet to a point of beginning; thence run South 16° 36' 34" West for a distance of 52.18 feet; thence run North 90° 00' 00" East for a distance of 358.97 feet to a point on a curve having a radius of 200.00 feet and a chord direction of North 83° 43' 45" East; thence run along said curve for a distance of 43.69 feet; thence run North 12° 29' 42" East for a distance of 52.18 feet to a point on a curve having a radius of 150.00 feet and a chord direction of North 79° 04' 19" East; thence run along said curve for a distance of 56.87 feet; thence run South 90° 00' 00" West for a distance of 416.25 feet to a point of beginning. Being situated in Shelby County, Alabama.

Less and except any portion of subject property lying within a road right of way.

