

UNION STATE BANK MORTGAGE

Mortgagor:

Riverside Baptist Church  
Helena, Alabama  
5324 Highway 17 South  
Helena, Alabama 35080

Mortgagee:

UNION STATE BANK  
3449 Lorna Road  
Birmingham, Alabama 35218

Anst # 1998-19600

05/28/1998-19600  
01:44 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
026 MCD 896.00

STATE OF ALABAMA )

SHELBY COUNTY )

This Mortgage made this 13th day of May, 1998, by RIVERSIDE BAPTIST CHURCH, HELENA, ALABAMA, as Mortgagor (herein called the "Borrower") to UNION STATE BANK, an Alabama banking corporation (herein, together with its successors and assigns, called the "Lender").

Simultaneously with the execution hereof, the Lender is making a loan to the Borrower in the principal amount of \$550,000.00 (herein called the "Loan") evidenced by a portion of Promissory Note of even date herewith (herein called the "Note"). In consideration of the Loan and as security therefor, the Borrower has this day executed various documents in favor of the Lender including, without limitation, the Note, and various other security agreements (all the foregoing, together with this Mortgage and all loan and security documents hereafter executed by the Borrower in favor of the Lender with respect to the Loan, being referred to collectively herein as the "Loan Documents").

NOW, THEREFORE, in consideration of the Loan and the promises and covenants contained herein, and in order to secure the payment of the Loan with the interest thereon, and any extensions or renewals thereof and as security for all other indebtedness (including future advances) now or hereafter owed by the Borrower to the Lender, whether such indebtedness is primary or secondary, direct or indirect, contingent or absolute, matured or unmatured, joint or several and otherwise secured or not, and further to secure the performance of the covenants, conditions and agreements hereinafter set forth, the Borrower hereby does irrevocably grant, bargain, sell, convey, assign, alien, remise, release and confirm the Lender and to its successors and assigns, with right of entry and possession as provided below, and grants to the Lender a security interest in, the following (herein together called the "Mortgaged Property"):

(A) The land described in Exhibit A attached hereto and made a part hereof as well as all development rights, air rights, water, water rights and water stock relating to the Land, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditament and appurtenances whatsoever in any way belonging, relating or appertaining to any of the land and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property possession, claim and demand whatsoever at law and in equity of the Borrower of, in and to the same, including but not limited to the other rights herein enumerated.

(B) INTENTIONALLY DELETED.

(C) All present and future structures, buildings, improvements and appurtenances of any kind now or hereafter situated on the Land (herein called the "Improvements") and all fixtures, fittings, apparatus, equipment and appliances of every kind and character now or hereafter attached or appertaining to the Improvements and all extensions, additions, improvements, betterments, renewals, substitutions, accessions, attachments and replacements to any of the foregoing, including, without limitation, all plumbing fixtures, ornamental and decorative fixtures, elevators, gas, steam, electric, solar and other heating, lighting, ventilating, air conditioning, refrigerating, cooking and washing equipment and appliances and sprinkling, smoke, fire and intrusion detection devices, it being intended and agreed that all such items will be conclusively considered to be a part of the real property conveyed by this Mortgage, whether or not attached or affixed to the Land. Nothing contained herein shall be construed to permit Lender to disallow future construction on the Mortgaged Property.

(D) All appurtenances to the Land and all rights of the Borrower in and to any streets, roads, public places, easements or rights of way relating to the Land, including, without limitation, all rights of the Borrower to any septic system, sewer line, agreements, permits, easements, equipment, licenses, resolutions and related rights pertaining to any sewer and septic system on the Land.

(E) All the rents, revenues, receipts, royalties, issues, income and profits of the Land and the Improvements and all rights of the Borrower under all present and future leases and subleases affecting the Land and the Improvements.

(F) All proceeds and claims arising on account of any damage to or taking of the Land or any Improvements thereon, either



voluntary or involuntary or any part thereof and all causes of action and recoveries for any loss or diminution in the value of the Land or any Improvements, including, without limitation, proceeds of insurance policies and condemnation awards and damage claims and all unearned premiums accrued and to accrue under any and all insurance policies obtained by Borrower.

(G) All building materials, equipment, fixtures, fittings and appliances of every kind and character now owned or hereafter acquired by the Borrower for the purpose of being used for or in connection with the Improvements, whether such building materials, equipment, fixtures, fittings and appliances are actually located on or adjacent to the Land and whether in storage or otherwise, wheresoever the same may be located, including, without limitation, all lumber and lumber products, bricks, building stones and blocks, sand, cement, roofing and flooring material, paint, doors, windows, hardware, nails, insulations, wires and wiring, plumbing and plumbing fixtures, heating and air conditioning equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures and all gas, steam, electric, solar and other heating, lighting, ventilating, air conditioning, refrigerating, cooking and washing equipment and appliances.

(H) All general intangibles relating to the development or use of the Land, including, without limitation, and governmental permits relating to construction on the Land, all names under or by which the Land or any Improvements on the Land may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Land;

(I) All shares of stock or other evidence of ownership of any part of the Land that is owned by the Borrower in common with others and all documents of membership in any owners' or members' association or similar group having responsibility for managing operating any part of the Land; and

(J) All furniture, furnishings, machinery, equipment, appliances and other personal property of every kind and character now owned or hereafter acquired by the Borrower located on or used in connection with the Land and the Improvements and all extensions, additions, Improvements, betterments, renewals, substitutions, accessions, attachments and replacements to any of the foregoing, including, without limitation, all furniture (including desks, tables, chairs, sofas, shelves, lockers and cabinets), office furnishings, appointments and supplies, office machines, equipment, appliances and apparatus, gas, steam,

electric, solar and other heating, lighting, ventilating, air conditioning, refrigerating, cooking, washing and cleaning equipment and appliances, floor and window coverings and treatments (including rugs, carpets, draperies, shades, curtains and wings), building maintenance equipment, appliances and apparatus, tools, implements and instruments, and machinery, equipment and apparatus used or useful in the manufacture, fabrication, production, processing, assembly, handling, conversion, repair, treatment, storage and distribution of goods, raw materials, products, merchandise, articles, stock, wares and commodities.

This instrument secures:

(1) The payment and performance of the Borrower's indebtedness and obligations under the Note, including all extensions, renewals, substitutions, modifications and replacements Mortgage, and all the properties, interest and rights hereby granted, bargained, and sold shall cease, determine and be void, but shall otherwise remain in full force and effect.

**ARTICLE I**

**COVENANTS OF THE BORROWER**

In addition to covenants contained elsewhere herein, the Borrower covenants and agrees with the Lender as follows:

1.1 Performance of Loan Documents. The Borrower covenants and agrees to pay, perform and observe all covenants, terms, conditions and obligations contained herein and in the other Loan Documents in accordance with their respective terms and to duly and punctually pay the principal and interest due under the Note and all other indebtedness secured hereby.

1.2 Warranty of Title. The Borrower covenants that he is lawfully seized of an indefeasible estate in fee simple in the land, the Lease and real property hereby mortgaged and has good and absolute title to all existing personal property hereby mortgaged 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 set forth on any commitment for title insurance applicable to this Mortgage, including, as to personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements and anything of a similar nature; and that the Borrower will warrant and forever defend the title thereto unto the Lender and its successors and assigns against the claims of all persons whomsoever. Borrower



warrants that there is no default in the Lease and that the option to purchase the Project as that term is defined in the Lease in Section 9.4 of the Lease is available to Borrower.

1.3 Further Assurances. After Acquired Property. The Borrower covenants and represents that all the Loan Documents executed by the Borrower have been duly executed and delivered and are valid and enforceable obligations of the Borrower in accordance with the terms thereof. The Borrower agrees to execute and deliver to the Lender on demand and at the Borrower's expense any documents, additional mortgages and instruments of further assurance, required or desired by the Lender to effectuate, complete, enlarge, perfect, continue and preserve (a) the obligations of the Borrower under the Note, this Mortgage and the other Loan Documents and (b) the lien of this Mortgage as a first and prior lien upon all the Mortgaged Property, whether now owned or hereafter acquired by the Borrower. Upon any failure of the Borrower to execute and deliver any such instruments, the Lender may execute and record any such instruments for and in the name of the Borrower, and the Borrower irrevocably appoints the Lender the agent and the attorney-in-fact of the Borrower for such purpose. The lien hereof will automatically attach, without further act, to all after-acquired property attached to, made a part of or substituted for any of the Mortgaged Property.

1.4 Assignment of Leases and Rents.

(a) All the existing and future rents, revenues, royalties, issues, income and profits of the Mortgaged Property that arise from its use or occupancy, including, without limitation, security deposits and advance rentals (herein together called the "Rents") and all leases, subleases or management, leasing or occupancy agreements pertaining to the Land or the Improvements (herein together called the "Leases") are hereby absolutely and presently assigned to the Lender.

(b) The Borrower will not execute any Leases without first having received the prior written approval from the Lender of the form and content of the same and/or of any managing agent. Without limiting the foregoing, any managing, leasing or similar fee shall be subordinated to the lien of this Mortgage.

(c) Without the prior written consent of the Lender, the Borrower will not accept prepayments of rent exceeding one month under any of the Leases, nor modify or amend any of the Leases, nor in any manner impair the Borrower's interest in the Rents. The Borrower will perform all covenants of the lessor under the Leases. Upon the Lender's request, the Borrower will execute and deliver to

the Lender for recordation an assignment of leases in form acceptable to the Lender.

(d) If required by the Lender, the Leases must provide, in a manner approved by the Lender, that the Leases are junior and subordinate to the lien of this Mortgage, and that the tenant will recognize as its lessor any person succeeding to the interest of the Borrower upon any foreclosure of this Mortgage.

(e) Nothing herein shall render the Lender liable under any existing or future Leases, regardless of the collection of rents thereunder, for any of the covenants or agreements of the Borrower under such Leases.

1.5 No Encumbrances. Without the prior written consent of the Lender (a) the Borrower shall not mortgage or encumber in any way whatsoever any interest in any part of the Mortgaged Property or sell, lease with an option to purchase, assign or otherwise transfer or convey any interest in any part of the Mortgaged Property, provided, however, that the Borrower will deliver to the Lender a copy of any contract to sell or option to purchase with respect to the Mortgaged Property promptly after the execution thereof; (b) no general or limited partner of the Borrower (if the Borrower is a partnership) shall contract to sell, lease with option to purchase or otherwise transfer or convey any interest in the Borrower as a partner of the Borrower; (c) no stockholder of the Borrower (if the Borrower is a corporation) shall contract to sell, lease with option to purchase or otherwise transfer or convey any interest in the Borrower as a stockholder of the Borrower; and (d) the Borrower shall not sell, assign or otherwise dispose of or permit the sale, assignment or other disposition of, any legal or beneficial interest in the stock of the Borrower, if a corporation, or in any general or limited partnership interest in the Borrower, if a general or limited partnership. For purposes of this paragraph, a joint venture shall be deemed to be a general or limited partnership. The foregoing restrictions shall also apply to any sale, conveyance, transfer or pledge of a beneficial interest in the Borrower, if a trust or any other entity. The Lender shall not be obligated to consent to any such encumbrance, sale, contract, lease, assignment or other transfer (all said encumbrances, sales, contracts, leases, assignments and other transfers described above being herein together called a "Prohibited Transfer"), and the Lender's consent may be withheld regardless of whether any Prohibited Transfer may or may not impair the Lender's security or whether or not it may or may not be reasonable (commercially or otherwise) for the Lender to consent to any Prohibited Transfer. Without limiting the foregoing, the Lender's consent may, if given in the Lender's sole discretion, be



conditioned upon (by way of illustration only and not being limited to): an increase in the interest rate on the Note, an approval of the credit of any such grantee, vendee, optionee or transferee, a management contract acceptable to the Lender with a manager acceptable to the Lender, an assignment to the Lender of any security given to the Borrower in connection with the transaction, including without limitation, any purchase money second mortgage, and/or a change any of the other terms and conditions of this Mortgage or any of the other Loan Documents. Any Prohibited Transfer made without the consent of the Lender shall be void.

1.6 Compliance with Laws. The Borrower will promptly comply with all present and future laws, ordinances, rules, regulations and requirements of all governmental authorities having jurisdiction over the Mortgaged Property or any part thereof. Without the prior written consent of the Lender, the Borrower will not seek, make or consent to any change in the zoning or conditions of use of the Mortgaged Property. The Borrower will comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Mortgaged Property, including but not limited to those contained in any declaration and constituent documents of any condominium, cooperative or planned development project on the Mortgaged Property.

1.7 Books and Records. Financial Statements. The Borrower will keep true and correct financial books and records in which he will make full and correct entries of all his business activities and financial affairs and the operation of the Mortgaged Property sufficient to reflect correctly the results of all operations, leasing and other income-producing activities by the Borrower on the Mortgaged Property, and to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. In the event Borrower is in default under this Mortgage, the Note or any of the Loan Documents, the Lender will have the right to examine, copy and audit the Borrower's records and books of account at all reasonable times. The Borrower will deliver to the Lender at such times and in such form and containing such information as shall be required by the Lender, and in no event less than sixty (60) days after the end of each fiscal year, whether or not requested by the Lender, financial statements, including, without limitation, balance sheets, profit-and-loss statements, income and expense statements and all schedules and exhibits thereto as are customarily required by sound accounting practice, including financial statements respecting the operation of the Mortgaged Property. Such statements and information shall be prepared in accordance with generally accepted accounting principles by the Borrower or, at the Lender's option, by an

independent certified public accountant approved by the Lender in advance of delivery of such statements and information.

1.8 Performance by the Lender. The Borrower will, at his own expense, appear in and defend any action or proceeding that might affect the Lender's security or the rights or powers of the Lender that purports to affect any of the Mortgaged Property. If the Borrower fails to perform any covenant, condition, term or agreement contained in this Mortgage, or if any action or proceeding of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor-relief proceeding) is commenced which might affect the Lender's interest in the Mortgaged Property or the Lender's right to enforce its security, then the Lender may, at its option, take any actions and disburse any sums as may be necessary or desirable to protect or enforce this Mortgage or to remedy the failure of the Borrower to perform its covenants (without, however, waiving any default of the Borrower). The Borrower agrees to pay all reasonable expenses of the Lender thus incurred (including, without limitation, fees and disbursements of counsel). Any such expenses incurred by the Lender will be additional indebtedness of the Borrower to the Lender secured by this Mortgage, will bear interest at the after-maturity rate specified in the Note and will be payable by the Borrower upon demand. The Lender shall be the sole judge of the necessity for any such actions and of the amount to be paid or expended in connection therewith. The Lender is hereby empowered to enter and to authorize others to enter upon the Land or any part thereof for the purpose of performing or observing any defaulted covenant, condition, term or agreement hereof, without thereby becoming liable to the Borrower or any party in possession holding under the Borrower. This paragraph will not be construed to require the Lender to incur any expenses or take any actions.

1.9 Personal Property.

(a) This Mortgage constitutes a SECURITY AGREEMENT with respect to all personal property in which the Lender is granted a security interest hereunder and constitutes a lien on such property, and the Lender shall have all the rights and remedies of a secured party under the Alabama Uniform Commercial Code as well as all other rights and remedies available at law or in equity. The Borrower hereby agrees to execute and deliver on demand and to file with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as the Lender may require in order to impose or perfect, or continue the perfection of, the lien or security interest created hereby. Upon any failure of the Borrower to execute and deliver any such instruments, the Lender may execute



and record any such instruments for and in the name of the Borrower, and the Borrower irrevocably appoints the Lender the agent and the attorney-in-fact of the Borrower for such purpose. Upon the occurrence of an Event of Default hereunder, the Lender shall have the right to cause any of the Mortgaged Property which is personal property and subject to the security interest of the Lender hereunder to be sold at any one or more public or private sales as permitted by applicable law, and the Lender shall further have all other rights and remedies, whether at law, in equity or by statute, as are available to secured creditors under applicable law. Any such disposition may be conducted by an employee or agent of the Lender. Any person, including both the Borrower and the Lender, shall be eligible to purchase any part or all of such property at such disposition.

(b) The expenses of retaking, holding, preparing for sale, selling or the like shall be borne by the Borrower and shall include the Lender's attorneys' fees and legal expenses. Upon demand of the Lender, the Borrower shall assemble such personal property and make it available to the Lender at the Land, a place which is hereby deemed to be reasonably convenient to the Lender and the Borrower. The Lender shall give the Borrower at least five (5) days prior written notice of the time and place of any public sale or other disposition of such property or of the time of or after which any private sale or other intended disposition is to be made, and if such notice is sent to the Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to the Borrower.

1.10 Expenses. The Borrower will pay or reimburse the Lender for all costs and expenses (including, without limitation, attorneys' fees) incurred by the Lender in connection with the closing of the loan (whether or not collected at closing and including, without limitation, all title, recording, survey, and legal fees and expenses), in any proceeding involving the estate of a decedent or an insolvent, or in any action, proceeding or dispute of any kind in which the Lender is involved or is made a party, or appears as party plaintiff or defendant, affecting the Note, Mortgage, the other Loan Documents, the Borrower or the Mortgaged Property, including, without limitation, the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property or any action to protect the security hereof or to enforce any provision hereof and in any situation where the Lender employs an attorney to protect the Lender's rights hereunder, whether or not legal proceedings are commenced or involved. Any such expenses incurred by the Lender will be additional indebtedness of the Borrower to the Lender secured by this Mortgage, will bear interest at the after-maturity rate specified in the Note and will be

payable by the Borrower upon demand.

1.11 Sewage Systems. The Borrower understands that any septic system, sewage treatment facility or sewer line on the Land or to be constructed from the Land to a public sewer line and all personal property appurtenant thereto and rights therein are conveyed to the Lender hereunder as part of the Mortgaged Property, whether located on the Land or adjacent to or connected with the same. The Borrower covenants not to allow any connections to any such sewer facility or sewer line or to allow any person to use the sewer facility or sewer line or to make any modifications in the plans and specifications or construction contract for the construction of any such sewer facility or sewer line without the prior written consent of the Lender. The Borrower understands that such consent may be withheld and/or conditioned upon receipt of documentation and assurances acceptable to the Lender and that the Lender will have the first right and lien as secured hereby to any moneys or revenues arising from any such connections or use.

1.12 Monthly Tax Deposits. If requested by the Lender at any time, the Borrower will pay to the Lender on the first day of each month, together with and in addition to the regular installment of principal and interest on the Note, an amount equal to one-twelfth (1/12) of the yearly taxes assessments as estimated by the Lender to be sufficient to enable the Lender to pay, at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof. Such added payments shall not be deemed to be trust funds but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Such amounts shall be used by the lender to pay ad valorem taxes and assessments when due. Upon demand of the Lender to pay such taxes, assessments and similar charges. In the event of a default or an Event of Default under any of the Loan Documents, the Lender may apply to the reduction of the sums secured hereby, in such manner as the Lender shall determine, any such amount remaining to the Borrower's credit.

1.13 Other Taxes, Utilities and Liens. (a) The Borrower will pay promptly when and as due, and will promptly deliver to the Lender receipts for the payment of, all taxes, assessments, water rates, dues, charges, fines and impositions of every nature whatsoever levied, assessed or imposed upon or against the Mortgaged Property or any part thereof, or upon the interest of the Lender in the Mortgages Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality, district or other taxing authority upon the Borrower or in respect of the Mortgages Property or any part thereof, or any



charge which, if unpaid, would become a lien or charge upon the Mortgages Property prior to or equal to the lien of the Mortgage for any amounts secured hereby or would have priority over or equality with the Mortgage in distribution of the proceeds of any foreclosure sale of the Mortgages Property or any part thereof.

(b) The Borrower will promptly pay all charges by utility companies, whether public or private, for electricity, gas, water, sewer or other utilities.

(c) The Borrower will promptly pay and will not suffer any mechanic's, laborer's, statutory or other lien which might or could be prior to or equal to the lien of the Mortgage to be created or to remain outstanding upon any of the Mortgaged Property.

(d) The Borrower shall cause to be paid when due all rental payments and other charges due under the Lease and prove such payments to Lender. Additionally, if not required by Lender as hereinafter set out in paragraph 3.18, Borrower shall timely exercise the option to purchase the Project (as that term is defined in the Lease) and as set forth in Section 9.4 of the Lease.

1.14 Insurance (a) The Borrower will procure, deliver to and maintain for the benefit of the Lender during the life of this Mortgage, insurance policies in such amounts as the Lender shall require, but in no event less than the full replacement cost of all the Improvements and with no more than \$5,000 deductible for the loss payable for any casualty, with extended coverage endorsement, insuring the Mortgaged Property against fire, flood, liability vandalism and malicious mischief, tornado, war damage (if available), collapse, loss of rents or rental value (with coverage in an amount to cover a minimum of twelve months of fair rental value or projected gross annual rentals of 100% occupancy of the Mortgaged Property, business interruption and such other insurable hazards, casualties and contingencies as the Lender may reasonably require. If the Land is located in a flood hazard area, flood insurance in an amount acceptable to the Lender shall also be provided by the Borrower. The policies shall include, without limitation, a "Replacement Cost Endorsement," a "Difference in Conditions" endorsement, boiler and machinery insurance covering pressure vessels, sewage treatment facilities, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and insurance against loss of occupancy or use arising from any such breakdown. All such policies and the companies issuing them shall be acceptable to the Lender. All policies shall contain (i) a standard, non-contributory mortgagee endorsement making losses payable to the Lender and (ii) an obligation of the insurer to notify the Lender in writing no less than ten (10) days

prior to any cancellation or change in coverage. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the Lender shall be delivered to the Lender. The Borrower shall deliver to the Lender receipts evidencing the payment of all such insurance policies and renewals. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Borrower in and to all insurance policies then in force shall pass to the purchaser or grantee.

(b) The Lender is hereby authorized and empowered to adjust or compromise any loss under any insurance policies on the Mortgaged Property and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the lender instead of to the Borrower and the Lender jointly. After deducting from said insurance proceeds any expenses incurred by it in the collection or handling of such proceeds, the Lender may apply the net proceeds, in its sole discretion, either toward restoring the Improvements or as a credit on any portion of the indebtedness secured hereby whether then matured or to mature in the future, or at the option of the Lender, such sums either wholly or in part may be paid over to the Borrower to be used to repair the Improvements or to construct new improvements in their place or for any other purpose or object satisfactory to the Lender without affecting the lien of the Mortgage for the full amount secured hereby before such payment took place. The Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) If requested by the Lender at any time, the Borrower will pay to the Lender on the first day of each month, together with and in addition to the regular installment of principal and interest on the Note, an amount equal to one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by the Lender to pay such insurance premiums when due. Such added payments shall not be deemed to be trust funds but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Upon demand of the Lender the Borrower agrees to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such insurance premiums. In the event of a default or an Event of Default under any of the Loan Documents, the Lender may apply to the payment of the indebtedness secured hereby, in such manner as the Lender shall determine, any such amount remaining to the Borrower's credit.



1.15 Condemnation. If all or any part of the Land or the Improvements shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall at the option of the Lender become immediately due and payable. The Lender shall be entitled to all compensation, awards and other payments or relief thereof and is hereby authorized, at its option to commence, appear in and prosecute in its own or the Borrower's name any action or proceeding relating to any condemnation. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Borrower to the Lender, which, after deducting therefrom all its expenses, including attorney's fees, may release any moneys so received by its without affecting the lien of this Mortgage or may apply the same in such manner as the Lender shall determine to the payment of the indebtedness secured hereby, and any balance of such moneys then remaining shall be paid to the Borrower. The Borrower agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require.

1.16 Care of the Property. Inspection. (a) The Borrower will preserve and maintain the Mortgaged Property in good condition and repair and will not commit or suffer any waste and will 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 or which might invalidate any insurance carried on the Mortgaged Property.

(b) Except as otherwise provided herein, no buildings, fixtures, personal property or other part of the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the Lender. The Borrower may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, appliances, machinery, fixtures or appurtenances which are subject to the lien hereof and which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, not exceeding in value at the time of disposition thereof One Thousand Dollars (\$1,000) for any single transaction, or a total of Five Thousand Dollars (\$5,000) in any one year, upon replacing the same by, or substituting for the same, other furniture, furnishings, equipment, appliances, machinery, fixtures, or appurtenances not necessarily of the same character but of at least equal value to the Borrower and costing not less than the amount realized from the property sold or otherwise disposed of, and such replacement or substitute

property shall forthwith become, without further action, subject to the lien of the Mortgage.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower will give immediate written notice of the same to the Lender.

(d) If any or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Borrower will promptly restore the Mortgaged Property to the equivalent of its original condition, regardless of whether insurance proceeds exist, are made available or are sufficient. If any part of the Mortgaged Property shall be physically damaged through condemnation, the Borrower will promptly restore, repair or alter the remaining property in a manner satisfactory to the Lender.

1.17 Estoppel Affidavits. Within ten (10) days after written request from the Lender, the Borrower shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of the interest on the Note and stating whether or not any offsets or defenses exist against such principal and interest, specifying the nature of the same.

1.18 Borrower shall keep the mortgaged property and the Land free of all toxic or hazardous substances as such terms and substances are now or in the future defined or known by any governmental law, rule or regulation and further, shall indemnify and hold Lender harmless from the existence of such substances on the Land or the mortgaged property at any time, including, without limitation, the time that Lender acquires fee title to the property by foreclosure or deed in lieu of foreclosure. At all times until Lender has received all sums due under the Note, Lender or its agent shall have the right to enter the Land to conduct tests of all kinds or varieties to determine that the Land does not contain any such hazardous substances and that the Land complies with all environmental rules, laws or regulations promulgated by any governmental agency.

## ARTICLE II

### EVENTS OF DEFAULT AND REMEDIES

2.1 Events of Default. The following shall be "Events of Default" hereunder, and the term "Event of Default" as used herein shall mean any one or more of the following events:

(a) The failure by the Borrower to make any payment required by the Note or by the other Loan Documents or the failure to pay



any other indebtedness secured hereby;

(b) The failure by the Borrower to perform any other covenant, condition or agreement contained in this Mortgage or in the other Loan Documents and the continuation of such failure for a period of ten (10) days after receipt of notice of such default;

(c) An attachment or judicial seizure of any substantial part of the Borrower's assets;

(d) The filing by the Borrower of a voluntary petition in bankruptcy or the Borrower's adjudication as a bankrupt or insolvent, or the filing by the Borrower of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for himself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the Borrower's seeking or consenting to or acquiescence in the appointment of any trustee, receiver or liquidator of the Borrower or of all or any substantial part of the Mortgaged Property or of any or all of the Rents, or the making of any general assignment for the benefit of creditors or the admission in writing of his inability to pay its debts generally as they become due;

(e) The entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against the Borrower seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof, or the appointment of any trustee, receiver or liquidator of the Borrower or of all or any substantial part of the Mortgaged Property or of any or all of the Rents without consent or acquiescence of the Borrower which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive);

(f) The occurrence of a breach of or default or an Event of Default under, or the failure to perform or the violation of any term, covenant, agreement, condition, provision, representation or warranty contained in, any Loan Document or under any agreement which guarantees any part of the indebtedness or obligations secured by this Mortgage;

(g) Any warranty, representation, disclosure or other

statement made to the Lender by the Borrower in any of the Loan Documents or in any loan application being false or misleading in any material respect at the time made;

(h) The occurrence of any other event which under the Note or under any other Loan Document constitutes a default or an Event of Default by the Borrower or gives the Lender the right to accelerate the maturity of all or any part of the indebtedness secured by this Mortgage;

(i) The occurrence of a breach or of a default or Event of Default under, or the failure to perform or the violation of any term, covenant, agreement, condition, provision, representation or warranty applicable to, (i) any other indebtedness of the Borrower to the Lender as described in clause (6) of the opening portions of this Mortgage and any mortgage, loan agreement, security agreement or other security instrument applicable to any such indebtedness, (ii) any indebtedness other than the Note applicable to the Land or any part of any thereof and any mortgage, loan agreement, security agreement or other security instrument applicable to any such indebtedness, and (iii) all extensions, renewals, substitutions, modifications and replacements of any of the foregoing;

(j) The declaration or determination by a court of competent jurisdiction that any term, condition, covenant or agreement contained in the Note, this Mortgage, any of the other Loan Documents or any document evidencing or securing any indebtedness secured hereby is invalid or unenforceable;

~~(k) The failure of Borrower to pay all charges due under the Lease and/or the failure of Borrower to exercise the option contained in Section 9.4 of the Lease.~~

2.2 Remedies. Upon the occurrence and continuation of an Event of Default, the Lender may, at its continuing option, and without notice to or demand upon the Borrower:

(a) Declare all or any part of the indebtedness secured by this Mortgage and the interest accrued thereon to be due and payable immediately;

(b) Enter onto and take possession of the Mortgaged Property and manage and operate the same, all as more particularly provided hereafter;

(c) Collect the Rents as more particularly provided hereinafter;



(d) Cause all or any part of the Mortgaged Property to be sold under the power of sale granted by this Mortgage in any manner permitted by applicable law as more particularly provided hereinafter; or

(e) Exercise any other right or remedy granted hereunder or under any of the other Loan Documents or available at law or in equity.

(f) Exercise on behalf of Borrower immediately, the options set out in Section 9.4 of the Lease. Borrower hereby appoints Lender as its irrevocable attorney-in-fact to exercise such option, which agency is coupled with an interest and nonrevocable.

### 2.3 Right of Lender to Enter and Take Possession.

(a) If an Event of Default shall have occurred and be continuing, upon demand of the Lender the Borrower shall forthwith surrender to the Lender the actual possession of the Mortgaged Property, and if and to the extent permitted by law, the Lender may enter and take possession of all or any part of the Mortgaged Property and may exclude the Borrower and his agents and employees wholly therefrom.

(b) Upon every such entering upon or taking of possession, the Lender may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property, (ii) insure or keep the Mortgaged Property insured, (iii) manage and operate the Mortgaged Property and exercise all the rights and powers of the Borrower in his name or otherwise with respect to the same and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lender, all as the Lender from time to time may determine to be to its best advantage, and the Lender may collect and receive all the Rents of such Mortgaged Property including those past due as well as those accruing thereafter.

(c) The Lender may deduct from such Rents (i) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes), (ii) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions, (iii) the cost of such insurance, (iv) such taxes, assessments and other charges prior to the lien of this

Mortgage as the Lender may determine to pay, (v) other proper charges upon the Mortgaged Property or any part thereof, and (vi) the reasonable compensation, expenses and disbursements of the attorneys and agent of the Lender. The lender shall apply the remainder of the moneys so received to the payment of the indebtedness and obligations secured by this Mortgage, whether due or to become due, in whatever order and proportions, the Lender elects in its absolute discretion and without regard to the adequacy of its security.

(d) Whenever all such Events of Default have been cured and satisfied, the Lender may, at its option, surrender possession of the Mortgaged Property to the Borrower, his successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur.

2.4 Collection of Rents. If an Event of Default shall have occurred and be continuing, the Lender may collect the Rents itself or by an agent or receiver. No action taken by the Lender to collect any Rents will make the Lender a "mortgagee-in-possession" of the Mortgaged Property, and possession by a court-appointed receiver will not be considered possession by the Lender. All Rents collected by the Lender or a receiver will be applied first to pay all expenses of collection, and then to the payment of all costs of operation and management of the Mortgaged Property, and then to the payment of the indebtedness and obligations secured by this Mortgage in whatever order and proportions the Lender elects in its absolute discretion and without regard to the adequacy of its security.

2.5 Power of Sale. If an Event of Default shall have occurred and be continuing, the Lender may sell the mortgaged Property at public outcry to the highest bidder for cash in front of the courthouse door in the county where the Land is located, either in person or by auctioneer, after having first given notice of the time, place, and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county. Upon payment of the purchase money, the Lender or any person conducting the sale for the Lender is authorized to execute to the purchaser at said sale a deed to the property so purchased. The Lender may bid at said sale and purchase said property or any part thereof if the highest bidder thereof. At any foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner the Lender may elect in its sole discretion.

2.6 Application of Sale Proceeds. The proceeds of any sale



under this Mortgage will be applied in the following manner:

First, the payment of the costs and expenses of the sale, including but not limited to the Lender's fees, legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of the Lender, together with interest at the rate provided under the Note on all advances made by the Lender.

Second, to the payment of all sums expended by the Lender under the terms of this Mortgage and not yet repaid, together with interest on such sums at the rate provided herein.

Third, to the payment of the indebtedness and obligations secured by this Mortgage, whether due or to become due, in whatever order and proportions the Lender elects in its absolute discretion and without regard to the adequacy of its security.

Fourth, to the remainder, if any, to the person or persons appearing of record to be the owner of the property sold.

2.7 Lender's Option on Foreclosure. At the option of the Lender, this Mortgage may be foreclosed as provided by law or in equity, in which event a reasonable attorney's fee shall, among other costs and expenses, be allowed and paid out of the proceeds of the sale. In the event the Lender exercises its option to foreclose the Mortgage in equity, the Lender may, at its option, foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by the Borrower, a defense to any proceedings instituted by the Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

## 2.8 Receiver.

(a) If an Event of Default shall have occurred and be continuing, the Lender, upon application to a court of competent jurisdiction shall be entitled, without notice and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect the Rents.

(b) The Borrower will pay to the Lender upon demand all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions of this

paragraph. All such expenses will be additional indebtedness of the Borrower to the Lender secured by this Mortgage, will bear interest at the after-maturity rate specified in the Note and will be payable by the Borrower upon demand.

2.9 Waiver of Manner of Sale. The Borrower waives all rights to direct the order or manner in which any of the Mortgaged Property will be sold in the event of any sale under this Mortgage, and also any right to have any of the Mortgaged Property marshalled upon any sale. The Lender may in its discretion sell any real and personal property together or in parts, in one or more sales, and in any sequence the Lender selects.

2.10 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, the Lender 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 Note or the performance of any term thereof or any other right, (b) to foreclose this Mortgage and to sell the Mortgaged Property as an entirety or in separate lots or parcels as provided by law and (c) to pursue any other remedy available to it, all as the Lender shall deem most effectual for such purposes. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession as the Lender may determine.

2.11 Suits to Protect the Mortgaged Property. The Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the Rents and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Lender.

### ARTICLE III

#### GENERAL PROVISIONS

3.1 Waiver of Exemption. The Borrower waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and the Borrower waives the benefit of any statute regulating the obtaining of deficiency judgment or requiring that the value of the



premises be set off against any part of the indebtedness secured hereby.

3.2 Delay or Omission No Waiver. No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every right, power and remedy given by this Mortgage to the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

3.3 No Waiver of One Default to Affect Another. (a) No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent or any other Event of Default or shall impair any rights, powers or remedies consequent thereto.

(b) If the Lender (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security for the payment thereof, (iii) waives or does not exercise any right granted herein or in the Note, (iv) releases any part of the Mortgaged Property from the lien of this Mortgage, (v) consents to the filing of any map, plat or replat of the Land, (vi) consents to the granting of any easement on the Land, (vii) makes or consents to any agreement subordinating the lien hereof, or (viii) enters into any agreement with the Borrower or any partner or stockholder thereof or any one or more of them changing any term of the Note or the other Loan Documents or releasing any partner or stockholder of the Borrower or any security or respecting any matter whatsoever, then any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note, this Mortgage or otherwise of the Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, nor shall any such act or omission preclude the Lender from exercising any right, power or privilege herein granted or intended to be granted upon an Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Lender, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, the Lender, without notice to any party is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of liabilities or undertakings hereunder.

3.4 Discontinuance of Proceedings, Position of Parties Restored. In case the Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, then and in every such case the Borrower and the Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Lender shall continue as if no such proceeding has been taken.

3.5 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any 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 or in equity or by statute. The Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

3.6 Notices. All notices given under this Mortgage must be in writing and will be effectively served by personal delivery or by certified United States mail, postage prepaid, to the Lender and the Borrower at the addresses appearing above. Such addresses may be changed by either party by written notice to the other party. The service of any notice of default or notice of sale under this Mortgage as required by law will be effective on the date of mailing.

3.7 Inspection.

(a) The Lender and its respective agents and representatives will have the right at any reasonable time to enter the Property and inspect all parts thereof, including environmental audits. The Lender will also have the right to examine, copy and audit the books, records, accounting data and other documents of the Borrower relating to the Mortgaged Property.

(b) The Lender is under no duty to supervise or inspect the Mortgaged Property or the operation of the Mortgaged Property or to examine any books and records. Any inspection or examination by the Lender is for the sole purpose of protecting the Lender's security and preserving the Lender's rights under this Agreement. No default of the Borrower will be waived by any inspection by the Lender.

3.8 Status and Authority. if the Borrower is a corporation or partnership:



(a) The Borrower warrants that (i) it is duly organized and validly existing, in good standing under the laws of the State of Alabama, (ii) it is duly qualified to do business and is in good standing in said State, (iii) it has the power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by the Loan Documents and (iv) the execution and delivery of the Loan Documents and the performance and observance of the Provisions thereof have been duly authorized by all necessary action.

(b) The Borrower agrees that so long as any of its obligations hereunder or under the Loan Documents remain unsatisfied, it will not make any changes in its structure or in the beneficial ownership of the Borrower or dissolve or liquidate (in whole or in part) its existence and that it will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or partnership without the prior written consent of the Lender.

3.9 Homestead. The Borrower represents and warrants that no part of the Mortgaged Property constitutes the homestead of the Borrower or his wife.

3.10 Joint and Several Liability. If the Borrower consists of more than one person or entity, each will be jointly and severally liable to perform the obligations of the Borrower.

3.11 Successors. The terms of this Mortgage will bind and benefit the heirs, legal representatives, successors and assigns of the Borrower and the Lender.

3.12 Applicable Law. This Mortgage shall be governed by the laws of the State of Alabama.

3.13 INTENTIONALLY DELETED.

3.14 Counterparts. This Mortgage may be executed in counterparts, but all counterparts shall constitute but one and the same document.

3.15 Entire Agreement. This Mortgage and the other Loan Documents constitute the entire agreement between the parties and supersede all prior agreements and understandings including, without limitation, any loan commitment letter from the Lender to the Borrower.

3.16 Severability. The provisions of this Mortgage are

severable, and the invalidity or unenforceability of any one or more provisions of this Mortgage will in no way affect any other provision.

3.17 Interpretation. The term "Borrower" includes both the original Borrower and any subsequent owner or owners of any of the Mortgaged Property, and the term "Lender" includes the original Lender, and also any future owner or holder, including pledgees, assignees and participants, of the Note or any interest therein. Whenever the context requires, all words used in the singular will be construed to have used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Mortgage are for convenience only and do not define or limit any terms or provisions.


3.18 INTENTIONALLY DELETED.


IN WITNESS WHEREOF, the Borrower has hereunto set its hand and seal on the day and year first above written.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT.

RIVERSIDE BAPTIST CHURCH, HELENA,  
ALABAMA

By:   
Its: Trustee

By:   
Its: Trustee

By:   
Its: Trustee

STATE OF ALABAMA )

COUNTY OF JEFFERSON )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that JOHN BATES, DON PARKER and NORMAN WILKIN, whose names as Trustees of RIVERSIDE BAPTIST CHURCH, HELENA, ALABAMA, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the



contents of said instrument, they, as such Trustees and with full authority, executed the same voluntarily for and as the act of said partnership on the day the same bears date.

Given under my hand and seal this 13 day of MAY, 1998.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 3.1.2001

# EXHIBIT A

A parcel of land and improvements thereon in the SW 1/4 of the NE 1/4 of Section 19, Township 20 South, Range 3 West, Shelby County, Alabama being more particularly described as follows:

From the NW corner of the SW 1/4 of the NE 1/4 of Section 19, Township 20 South, Range 3 West, run thence East along the North boundary of said SW 1/4 of NE 1/4 a distance of 208.44 feet to a point on the Northeasterly boundary of County Highway No. 52 (80' ROW) being the point of beginning of herein described parcel of land; thence continue along said course a distance of 1103.69 feet to the NE corner of aforementioned SW 1/4 of NE 1/4 thence turn 90°21'43" right and run 1035.21 feet along the East boundary of said SW 1/4 of NE 1/4 to a point on the Northerly boundary of aforementioned County Highway No. 52; thence turn 103°44'34" right and run 62.39 feet along said Highway boundary and the following courses: 03°21'31" right for 93.55 feet; 05°19'41" right for 110.23 feet; 06°30'25" right for 94.52 feet; 04°45'50" right for 102.63 feet; 06°11'06" right for 196.33 feet; 06°06'32" right for 100.84 feet; 04°44'23" right for 101.24 feet; 02°41'52" right for 110.66 feet to a concrete Highway R.O.W. monument; thence turn 01°34'04" right and continue along said Highway boundary a distance of 580.47 feet to the point of beginning of herein described parcel of land.

Situated in Shelby County, Alabama.

Inst # 1998-19600

Inst # 1998-19600

05/28/1998-19600  
01:44 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE  
026 HCD 896.00