

## MORTGAGE AND SECURITY AGREEMENT

STATE OF ALABAMA       )  
                                  )  
COUNTY OF SHELBY     )

This Mortgage is executed by Mortgagor, for the benefit of Mortgagee, on the date shown below.

### Article I - Definitions

Section 1.01. As used herein, the following terms shall have the following meanings:

- (a) "Mortgage" means this instrument.
- (b) "Mortgagor" means BETHEL BAPTIST CHURCH OF COLUMBIANA, ALABAMA, an Alabama nonprofit corporation, whose address is Highway 49, Columbiana, Alabama 35051.
- (c) "Mortgagee" means RELIANCE TRUST COMPANY, a Georgia Bank and Trust Company, whose address is 3295 Northcrest Road NE, Atlanta, Georgia 30340, in its capacity as trustee for the Bondholders (herein defined) under the Trust Indenture (herein defined), and its successors and assigns.
- (d) "Trust Indenture" means a trust indenture dated November 10, 1994 by and between Mortgagor and Reliance Trust Company, in its capacity as trustee for the Bondholders.
- (e) "Bonds" means those certain First Mortgage Bonds issued by Mortgagor, pursuant to the terms and provisions of the Trust Indenture, in the aggregate principal amount of SIX HUNDRED AND NO/100 THOUSAND (\$600,000).
- (f) "Bondholders" means the holders of the Bonds.

Section 1.02. Other terms may be defined elsewhere in this Mortgage.

### Article II - Conveyance to Mortgagee

Mortgagor, for and in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid by Mortgagee to Mortgagor, and the debt and trust hereinafter mentioned, has MORTGAGED, GRANTED, BARGAINED, SOLD, AND CONVEYED and does hereby MORTGAGE, GRANT, BARGAIN, SELL, AND CONVEY unto Mortgagee the following described property in Shelby County, Alabama:

All of that real and personal property described on Exhibit A, Parts I and II, which exhibit is incorporated herein by reference for all purposes.

TO HAVE AND TO HOLD the property described above, together with all improvements thereon and all rights, hereditaments, and appurtenances appertaining or belonging thereto including, without limitation, all renewals, replacements, and substitutions thereof and additions and accessions thereto and all rights and interests now owned or hereafter acquired by Mortgagor in and to all easements, streets, and rights-of-way of every kind and nature next to or adjoining said property (all such property being hereinafter referred to as the "Mortgaged Premises"), unto the Mortgagee forever. Mortgagor does hereby bind itself, and its successors and assigns, to warrant and forever defend all and singular the Mortgaged Premises, unto the Mortgagee against every person whomsoever lawfully claiming or to claim the same or any part thereof, upon the terms and conditions set forth herein.

### Article III - Indebtedness Secured

Section 3.01. THIS CONVEYANCE, however, is made to secure and enforce the payment of the following described indebtedness, obligations, and liabilities (collectively the "Secured Indebtedness"):

- (a) Mortgagor's obligation to pay the Bonds, with interest, as provided therein and in the Trust Indenture, such bonds maturing as set forth on Exhibit B, which exhibit is incorporated herein by reference for all purposes;
- (b) All other indebtedness and liabilities of all kinds of Mortgagor arising out of or created or mentioned in the Trust Indenture, whether such indebtedness and liabilities are now existing or hereafter arising, whether fixed or contingent, joint, several, or joint and several, direct or indirect, primary or secondary, and regardless of how created or evidenced, including specifically, but without limitation, all other or further series of bonds issued under or related to the Trust Indenture (additional series of bonds may be issued after the date hereof and secured

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by this Mortgage, by a separate Mortgage, or both, but in any case any such supplemental bonds may share the same lien priority as the Bonds with respect to the Mortgaged Premises);

- (c) All sums advanced or costs or expenses incurred by Mortgagee which are made or incurred pursuant to or allowed by the terms of this Mortgage or the Trust Indenture, plus interest thereon at the maximum rate allowed by the Trust Indenture; and
- (d) Any and all renewals, extensions, or modifications of the above, whether or not Mortgagor executes any renewal, extension, or modification agreement.

#### Article IV - Transfer of Other Rights and Interests

##### Section 4.01. Also to secure payment of the Secured Indebtedness:

- (a) All of the rents, royalties, issues, profits, revenue, income, and other benefits derived from the Mortgaged Premises or arising from the use or enjoyment of any portion thereof or from any existing or future lease or agreement pertaining thereto (hereinafter called the "Rents and Profits") are hereby absolutely assigned, transferred, conveyed, and set over by Mortgagor to Mortgagee to be applied by Mortgagee in payment of the Secured Indebtedness. Prior to the occurrence of any default hereunder, Mortgagor shall collect and receive all Rents and Profits as trustee for the benefit of Mortgagee, and Mortgagor shall apply the funds so collected first to the payment of the principal and interest and all other sums payable on the Secured Indebtedness. So long as no default hereunder has occurred, the balance shall be distributed to the account of Mortgagor. Mortgagor will not (i) execute an assignment of any of its right, title or interest in the Rents or Profits, or (ii) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease of the Mortgaged Premises or any part thereof, now or hereafter existing having an unexpired term of one year or more except that any lease may be cancelled, provided that promptly after the cancellation or surrender thereof, a new lease is entered into with a new lessee having a credit standing at least equivalent to that of the lessee whose lease was cancelled, on substantially the same terms as the terminated or cancelled lease, or (iii) modify any lease of the Mortgaged Premises or any part thereof so as to shorten the unexpired term thereof so as to decrease the amount of rent payable thereunder, or (iv) accept prepayments of any installments of rent to become due under any of such leases in excess of one month, except prepayments in the nature of security for the performance of the lessee thereunder or (v) in any other manner impair the value of the Mortgaged Premises. Mortgagor will not execute any lease of all or any substantial portion of the Mortgaged Premises except for actual occupancy by the lessee thereunder, and will at all times promptly and faithfully perform, or cause to be performed, each covenant, condition, and agreement contained in each lease of the Mortgaged Premises now or hereafter existing, on the part of lessor thereunder to be kept and performed. Mortgagor shall furnish to Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written statement containing the names of all lessees of the Mortgaged Premises, the terms of their respective leases, the spaces occupied, and the rentals payable thereunder.
- (b) Mortgagor further warrants and covenants that: (i) Mortgagor has good title to the Lease Agreements (as hereinafter defined) and the rents and profits generated thereby, has full authority to assign them and no other person or entity had any right, title, or interest therein; (ii) all of the Lease Agreements are valid and in full force and effect with no defaults of the Mortgagor or any tenant thereunder; (iii) Mortgagor has not otherwise pledged or assigned the Lease Agreements or the rents generated thereunder; (iv) Mortgagor agrees to perform all obligations of Landlord under the Lease Agreements; (v) Mortgagor agrees to provide Mortgagee with notice of any default occurring under the Lease Agreements; (vi) Mortgagor hereby indemnifies and holds Mortgagee harmless from all liability, damage, and expense incurred by Mortgagee from any claims under the Leases; and (vii) Mortgagor will comply with all applicable laws concerning liens for improvements made by a lessee so as to preclude such liens as against the interest of Mortgagee.
- (c) Notwithstanding the foregoing assignment of rents clause, Mortgagor shall not lease any part of the Mortgaged Premises for a below market rent without the written consent of Mortgagee. A market rent shall be determined by the Mortgagor at the time the lease is entered into, taking into account the portion of the Mortgage Premises being leased, the nature of the lease, the terms of the lease, and what rents in Shelby County, Alabama, would be generated from similar property under similar circumstances.
- (d) All judgments, awards of damages, and settlements hereafter made resulting from condemnation proceedings (or threatened condemnation proceedings) or the taking of all or



any part of the Mortgaged Premises under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Premises or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets, are hereby assigned, transferred, conveyed, and set over by Mortgagor to Mortgagee to be applied in accordance with the terms and provisions of the Trust Indenture. Mortgagee is hereby authorized, but shall not be required, on behalf of and in the name of Mortgagor, to execute and deliver acquittances for, and to appeal from, any such judgments or awards. Mortgagor hereby designates and appoints Mortgagee as Mortgagor's attorney-in-fact for such purposes, and Mortgagor acknowledges that such appointment constitutes a power coupled with an interest. Mortgagee shall apply all such sums or any part thereof so received, after the payment of all expenses, including costs and attorneys' fees, in accordance with the terms and provisions of the Trust Indenture.

- (e) It is the intention of Mortgagee and Mortgagor that the assignment effectuated by this Mortgage with respect to the rents under the Lease Agreements shall constitute the granting of a lien, security interest, or pledge for the purpose of securing the Secured Indebtedness. It is agreed and understood that the forwarding of a notice to Mortgagor after the occurrence of a default, advising Mortgagor that Mortgagee is entitled to immediate possession of all rents shall be sufficient action by Mortgagee to (i) perfect such lien on or security interest in or pledge of the rents, (ii) to take possession thereof and (iii) entitle Mortgagee to immediate and direct payment of the rents for application as provided in this Mortgage, all without necessity of any further action by Mortgagee, including, without limitation, any action to obtain possession of the Mortgaged Premises.

#### Article V - Other Covenants and Agreements.

Section 5.01. Mortgagor's Obligations. Mortgagor will pay all of the Secured Indebtedness when the same shall become due, and further, Mortgagor shall punctually and properly perform all of Mortgagor's covenants, obligations, and liabilities under this Mortgage, the Trust Indenture, and under any other security agreement, mortgage, deed of trust, collateral pledge agreement, contract, assignment, loan agreement, or other instrument or agreement of any kind now or hereafter existing as security for, executed in connection with, or related to the Secured Indebtedness or any part thereof.

Section 5.02. Title/Authority/Further Assurances. (a) Mortgagor has in its own right good, perfect, and indefeasible title to the Mortgaged Premises in fee simple, free from any encumbrance superior to the Secured Indebtedness, and Mortgagor has full right to make this conveyance. In the event Mortgagor does not hold such title to all or any part of the Mortgaged Premises on the date hereof, then the lien created hereby shall automatically and immediately attach to such property when title to same is acquired by Mortgagor.

(b) This section is applicable if Mortgagor is a corporation. Mortgagor is a non-profit organization duly organized, validly existing under the laws of the state of its incorporation, and in good standing under the laws of the State of Alabama, has complied with all conditions prerequisite to its lawfully doing business in the state where the Mortgaged Premises are situated, and has all requisite corporate power and all governmental certificates of authority, licenses, permits, qualifications, and documentation to own, lease, and operate its properties, to carry on its business as now conducted, and as proposed to be conducted, and to enter into the transaction(s) contemplated by the Trust Indenture and this Mortgage. Mortgagor shall preserve and keep in full force and effect its existence and rights.

(c) Mortgagor, upon the request of Mortgagee, shall execute, acknowledge, deliver, and record such further instruments and do such further acts as may be necessary, desirable, or proper to carry out the purposes of this Mortgage or the Trust Indenture and to subject the liens and security interests created thereby to any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, improvements, or appurtenances to the Mortgaged Premises.

Section 5.03. Insurance. Mortgagor will keep the Mortgaged Premises insured against the risks covered by policies of fire and extended coverage insurance and such other risks as Mortgagee shall deem necessary to protect the Mortgaged Premises; such insurance to be written in such amounts so as to prevent the application of any co-insurance clause and be provided by insurance carriers which fall into a financial category, as designated in Best's Key Rating Guide, of B/iii or better (the Mortgagee may make an exception upon specific request and explanation), with loss made payable to Mortgagee under a standard mortgagee clause customarily used in the County where the Mortgaged Premises are located, and will deliver the policies of insurance (or copies thereof) to Mortgagee promptly as issued; and in case Mortgagor fails to do so, Mortgagee may, but shall not be obligated to, procure such insurance at Mortgagor's expense. All renewal and substitute policies of insurance shall be delivered at the office of Mortgagee, premiums paid, at least fifteen (15) days before termination of policies theretofore delivered to Mortgagee. In case of loss, Mortgagee, at its option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same in

accordance with the terms and provisions of the Trust Indenture. If any loss shall occur at any time when Mortgagor shall be in default in the performance of this covenant, Mortgagee shall be entitled to the benefit of all policies of insurance held by or for Mortgagor, to the same extent as if it had been made payable to Mortgagee and upon foreclosure hereunder, Mortgagee shall become the owner thereof.

Section 5.04. Taxes. Mortgagor agrees to pay, at least 10 days prior to delinquency, all taxes, standby fees, impact fees and assessments (including without limitation non-government levies or assessments such as maintenance charges or owner association dues) against or affecting the Mortgaged Premises. If Mortgagor fails to do so, Mortgagee may pay them, together with all costs and penalties thereon, at Mortgagor's expense.

Section 5.05. Insurance and Tax Reserve Fund. If requested by Mortgagee, Mortgagor shall create a fund or reserve for the payment of all insurance premiums, taxes, standby fees, impact fees, and assessments against or affecting the Mortgaged Premises by paying to Mortgagee, on the day of each month designated by Mortgagee prior to the maturity of the Secured Indebtedness, a sum equal to the premiums that will next become due and payable on the hazard insurance policies covering the Mortgaged Premises, or any part thereof, plus taxes, standby fees, impact fees and assessments next due on the Mortgaged Premises, or any part thereof, as estimated by Mortgagee, less all sums paid previously to Mortgagee therefor, divided by the number of months to elapse before one month prior to the date when such premiums, taxes, standby fees, impact fees and assessments will become delinquent, such sums to be held by Mortgagee, without interest unless interest is required by applicable law, for the purposes of paying such premiums, taxes, standby fees, impact fees and assessments. Any excess reserve shall, at the discretion of Mortgagee, be credited by Mortgagee on subsequent reserve payments or subsequent payments to be made on the Secured Indebtedness, and any deficiency shall be paid by Mortgagor to Mortgagee on or before the date when such premiums, taxes, standby fees, impact fees and assessments shall become delinquent. Transfer of legal title to the Mortgaged Premises shall automatically transfer the interest of Mortgagor in all sums deposited with Mortgagee under the provisions hereof or otherwise. In the event Mortgagee does not require an escrow fund as hereinabove provided for, Mortgagor agrees to furnish to Mortgagee within thirty (30) days after the date upon which such taxes, standby fees, and assessments are due and payable, official receipts of the appropriate taxing authority, or other proof satisfactory to Mortgagee, evidencing the payments thereof.

Section 5.06. Defense of Title. If, while this Mortgage is in force, the title of the Mortgagee to, or the interest of Mortgagee in, the Mortgaged Premises hereby conveyed or any part thereof, shall be endangered or shall be attached directly, or indirectly, Mortgagor hereby authorizes Mortgagee, at Mortgagor's expense, to take all necessary and proper steps for the defense of such title or interest, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such title or interest. At any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Mortgage, or upon any rights, titles, liens, or security interests created hereby, or upon the Secured Indebtedness, or any part thereof, Mortgagor shall immediately pay all such taxes. Mortgagor shall at any time and from time to time, furnish promptly, upon request, a written statement or affidavit, in such form as may be required by Mortgagee, stating the unpaid balance of the Secured Indebtedness, and that there are no offsets or defenses against full payment of the Secured Indebtedness and performance of the terms hereof, or if there are any such offsets and defenses claimed, specifying them.

Section 5.07. Reimbursements. If, in pursuance of any covenant contained herein or in the Trust Indenture or in any other agreement executed in connection with the Secured Indebtedness, Mortgagee shall expend any money chargeable to Mortgagor or subject to reimbursement by Mortgagor under the terms of such covenant or agreement, Mortgagor will repay the same to Mortgagee immediately at the place where the Secured Indebtedness is payable, together with interest thereon at the rate of interest payable on account of the Secured Indebtedness in the event of a default thereunder from and after the date of Mortgagee's making such payment. The sum of each such payment shall be added to the Secured Indebtedness and thereafter shall form a part of the same, and it shall be secured by this Mortgage and by subrogation to all the rights of the person or entity receiving such payment.

Section 5.08. Maintenance of Mortgaged Premises/Compliance With Law. (a) Mortgagor will keep every part of the Mortgaged Premises in good repair and condition and presenting a first-class appearance, making promptly all repairs, renewals, and replacements necessary to such end, and doing promptly all else necessary to such end. Mortgagor will discharge all claims for labor performed and material furnished therefor, and will not suffer any lien of mechanics or materialmen to attach to any part of the Mortgaged Premises. Mortgagor will guard every part of the Mortgaged Premises from removal, destruction, or damage, and will not do or suffer to be done any act whereby the value of any part of the Mortgaged Premises may be lessened.

(b) Mortgagor, the Mortgaged Premises, and the use thereof by the Mortgagor shall comply with all laws, rules, ordinances, regulations, covenants, conditions, restrictions, orders, and decrees of any governmental authority or court applicable to Mortgagor or the Mortgaged Premises and its use, and Mortgagor shall pay all fees or charges of any kind in connection therewith.



**Section 5.09. Due on Sale or Transfer.** It shall be a default hereunder if Mortgagor should sell (by executory Contract for Deed or otherwise), assign, transfer, or convey any part or all of the Mortgaged Premises (regardless of whether the buyer or assignee "assumes" the indebtedness hereby secured or takes "subject to" such indebtedness) without first obtaining Mortgagee's written consent or release. Mortgagee's consent may be withheld with or without cause and in Mortgagee's sole and absolute discretion, and any consent which may be given may be conditioned on any terms Mortgagee may choose to impose, including specifically, but without limitation, payment of additional monetary consideration, an increase in the interest rate on the Secured Indebtedness, and payment of all costs incurred thereby, including the costs of amending the Trust Indenture, this Mortgage, and any other documents.

**Section 5.10. Change in Ownership.** If the ownership of the Mortgaged Premises or any part thereof becomes vested in a person other than Mortgagor, or in the event of a change of ownership of more than fifty percent interest in Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Secured Indebtedness in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Indebtedness. No sale of the Mortgaged Premises, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Indebtedness, given by Mortgagee, shall operate to release, discharge, modify, change, or adversely affect the original liability of Mortgagor or the liability of any guarantor or sureties of Mortgagor hereunder or under the Trust Indenture, either in whole or in part.

**Section 5.11. Defaults.** (a) In addition to other defaults described in this Mortgage, the Trust Indenture, or any other document executed in connection with the Secured Indebtedness, Mortgagor shall be in default hereunder upon the occurrence of any of the following events or the existence of any of the following conditions:

- (1) Failure to make punctual payment when due of any of the Secured Indebtedness; or
- (2) Breach of any of the warranties contained in, or failure of any of the Obligated Parties (as defined below) to properly perform any of the obligations, covenants, or agreements contained in the Trust Indenture, this Mortgage, or any other written agreement (now existing or made hereafter) relating to the Secured Indebtedness; or
- (3) The levy of any execution, attachment, sequestration, or other writ against any real or personal property, or the like, or any part thereof, representing the security for the Secured Indebtedness; or
- (4) The transfer, whether voluntarily or by operation of law, of all or any portion of the Mortgaged Premises or the ownership of Mortgagor; or
- (5) The making by any of the Obligated Parties of a transfer in fraud of creditors; or
- (6) Any material representation or warranty made by any of the Obligated Parties is or proves to have been false, misleading, or erroneous; or
- (7) The failure of any of the Obligated Parties to pay any money judgment against that party before the expiration of thirty (30) days after the judgment becomes final and no longer appealable; or
- (8) Failure to pay when due all or any part of any other fee owing from Mortgagor to Mortgagee in connection with the Secured Indebtedness; or
- (9) Mortgagor's default under any other indebtedness secured by a lien on the Mortgaged Premises, including, but not limited to a Subordinate Mortgage (as hereinafter defined); or
- (10) Any of the Obligated Parties' insolvency, liquidation, termination of existence, loss of not-for-profit status, merger or consolidation with another, forfeiture of right to do business, or appointment of a trustee or receiver for any part of their property, or the calling of any meeting of creditors of any of the Obligated Parties for the purpose of considering an arrangement or composition, or any assignment by any of the Obligated Parties for the benefit of their creditors; or
- (11) A filing by any of the Obligated Parties of a voluntary petition in bankruptcy, seeking reorganization or rearrangement or taking advantage of any Debtor Relief Laws, or an answer admitting the material allegations of a petition filed against any of the Obligated Parties, as the case may be, in any bankruptcy, reorganization, insolvency, conservatorship or other similar proceeding, or an admission by any of the Obligated Parties in writing of an inability to pay its or their debts as they become due; or

(12) Any other circumstance or condition which causes Mortgagee to deem itself insecure or to deem the prospect of repayment of the Secured Indebtedness or performance hereunder or under the Trust Indenture impaired (including, without limitation, the discovery or occurrence of any fact or circumstance which would cause there to be or reasonably expected to be a material adverse change in the present financial condition of Mortgagor as disclosed to Mortgagee).

(b) The term "Obligated Parties" used above means Mortgagor and any other party or parties liable, in whole or in part, for the payment of the Secured Indebtedness, whether as maker, endorser, guarantor, surety, or otherwise, and any party executing any deed of trust, mortgage, security agreement, pledge agreement, assignment, or other contract of any kind executed as security in connection with or pertaining to the Secured Indebtedness. The term "Debtor Relief Laws" used above shall mean any applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization, or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(c) Upon the occurrence of any Event of Default, Mortgagee, at its option, after notice (if any) as provided in the Trust Indenture, may pursue any rights and remedies it may have hereunder, or at law or in equity, and Mortgagee may, without limitation and without further notice of any kind (including notice of intention to accelerate maturity unless such notice is required by statute), declare the entire indebtedness secured hereby immediately due and payable, whereupon it shall be so due and payable.

(d) Prior or subsequent to taking possession of the Mortgaged Premises or taking any action with respect to such possession, Mortgagee may do any one or more of the following: (i) collect or sue for the rents under the Lease Agreements in Mortgagee's own name, give receipts and releases therefor, and after deducting all expenses of collection, including attorneys' fees and expenses, apply the net proceeds thereof to any Secured Indebtedness as Mortgagee may elect; (ii) make, modify, enforce, cancel, or terminate any of the Lease Agreements and otherwise do anything Mortgagee deems advisable in connection with the Mortgaged Premises; (iii) apply the rents so collected to the operation and maintenance of the Mortgaged Premises, including the payment of management, brokerage, and attorneys' fees and expenses; and (iv) require Mortgagor to transfer all security deposits and records thereof to Mortgagee together with all original counterparts of the Lease Agreements.

Section 5.12. Release. If Mortgagor shall perform faithfully each of the covenants and agreements herein contained, then, and only then, this conveyance shall become null and void and shall be released in due form, at Mortgagor's expense in accordance with the Trust Indenture; otherwise it shall remain in full force and effect. No release of this conveyance, or of the lien, security interest, or assignment created and evidenced hereby, shall be valid unless executed by Mortgagee.

Section 5.13. (a) Foreclosure/Deed in Lieu of Foreclosure. If Mortgagor shall default hereunder, Mortgagee may enforce its rights under this Mortgage by foreclosure proceedings as herein provided or may, at its option, take back a deed in lieu of foreclosure, and convey the Mortgaged Premises regardless of how title is obtained.

(b) If an Event of Default shall have occurred Mortgagee may sell the Mortgaged Premises to the highest bidder at public auction in front of the courthouse door in the county or counties, as may be required, where the Mortgaged Premises is located, either in person or by auctioneer, after having first given notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county or counties, as may be required, and, upon payment of the purchase money, Mortgagee or any person conducting the sale for Mortgagee is authorized to execute to the purchaser at said sale a deed to the Mortgaged Premises so purchased, Mortgagee may bid at said sale and purchase the Mortgaged Premises, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Premises 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 as Mortgagee may elect. The provisions of this Mortgage concerning Mortgagee's security interest shall apply with respect to Mortgagee's enforcement of rights or interests in personal property which constitutes Mortgaged Premises hereunder.

(c) The proceeds of any foreclosure sale pursuant to the above paragraph shall be applied as follows:

(1) First, to the costs and expenses of (i) retaking, holding, storing and processing the collateral and preparing the collateral or the Mortgaged Premises (as the case may be) for sale, and (ii) making the sale, including a reasonable attorney's fee for such services as may be necessary in the collection of the indebtedness secured by this Mortgage or the foreclosure of this Mortgage;

(2) Second, to the repayment of any money, with interest thereon to the date of sale at the applicable rate or rates specified in the Bonds, this Mortgage, or the Trust Indenture, as applicable, which Mortgagee may have paid, or become liable to pay, or which it may then be necessary to pay for taxes,



insurance, assessments or other charges, liens, or debts as hereinabove provided, and as may be provided in the Bonds or the Trust Indenture, which repayment to be applied in the manner determined by Mortgagee.

(3) Third, to the payment of the indebtedness (including but not limited to the Bonds secured hereby, with interest to date of sale at the applicable rate or rates specified in the Bonds, this Mortgage, or the Trust Indenture, as applicable, whether or not all of such indebtedness is then due.

(4) Fourth, the balance, if any, shall be paid as provided by law.

(d) At the option of the Mortgagee, 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 Mortgagee exercises its option to foreclose this Mortgage in equity, Mortgagee may, at its option, foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Premises 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 Mortgagor, a defense to any proceeds instituted by the Mortgagee to collect the sums secured hereby, or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Premises.

(e) Mortgagor 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 Mortgagor waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Mortgaged Premises be set off against any part of the indebtedness secured hereby.

Section 5.14. Possession of Premises. Mortgagor agrees, to the full extent that it lawfully may, that in case of defaults hereunder, then, and in every such case, Mortgagee shall have the right and power to enter into and upon and take possession of all or any part of the Mortgaged Premises and may exclude Mortgagor and all persons claiming under Mortgagor, wholly or partly therefrom; and holding the same, Mortgagee may use, administer, manage, operate, and control the Mortgaged Premises and conduct the business thereof to the same extent as Mortgagor, its successors or assigns, might at the time do and may exercise all rights and powers of Mortgagor, in the name, place and stead of Mortgagor, or otherwise as Mortgagee shall deem best; and in the exercise of any of the foregoing rights and powers Mortgagee shall not be liable to Mortgagor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Mortgagee.

Section 5.15. Appointment of Receiver. If an Event of Default shall have occurred, Mortgagee shall be entitled, to the extent permitted by law, as a matter of right and without regard to the value or condition of the Mortgaged Premises or the adequacy thereof as security and by ex parte proceedings without notice to Mortgagor, to the appointment of a receiver for all or any part of the Mortgaged Property, whether such receivership is incidental to a proposed sale of the Mortgaged Property or otherwise. Mortgagor hereby consents to the appointment of such receiver and covenants not to oppose any such appointment.

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Section 5.19. Continued Security. Any part of the Mortgaged Premises may be released by Mortgagee without affecting the lien, security interest, and assignment hereof against the remainder. The lien, security interest, and other rights granted hereby shall not affect or be affected by any other security taken for the Secured Indebtedness or any part thereof. The taking of additional security, or the extension or renewal of the indebtedness secured hereby or any part thereof, shall not release or impair the lien, security interest, and other rights granted hereby, or affect the liability of any party, or improve the right of any permitted junior lienholder. This Mortgage, as well as any instrument given to secure any renewal or extension of the Secured Indebtedness, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Premises not expressly released until the indebtedness secured hereby is completely paid.

Section 5.20. Waiver. (a) To the extent that Mortgagor may lawfully do so, Mortgagor agrees that Mortgagor shall not assert and hereby expressly waives, any right under any statute or rule of law pertaining to the marshalling of assets, the exemption of homestead, the administration of estates of decedents, or other matter whatever to defeat, reduce, or affect the right of Mortgagee, under the terms of this Mortgage, to sell the Mortgaged Premises for the collection of the Secured Indebtedness (without any prior or different resort for collection) or the right of Mortgagee, under the terms of this Mortgage, to the payment of such indebtedness out of the proceeds of sale of the Mortgaged Premises in preference to every other person and claimant whatever as herein provided.

(b) With respect to the Secured Indebtedness, and except as otherwise provided in the Trust Indenture, Mortgagor and any other Obligated Parties, severally waive the order of their liability, demand for payment, presentment for payment, notice of dishonor, protest and notice of protest, notice of intent to accelerate the maturity thereof (and of the acceleration thereof), and agree to all renewals and extensions of

the Secured Indebtedness, partial payments and releases or substitutions of security, in whole or in part, with or without notice, before or after maturity. In case of any renewal or extension of the Secured Indebtedness, all securities and liens securing payment thereof will continue to secure payment of the renewal or extension.

**Section 5.21. Fixtures.** All awnings, door and window screens, storm window screens, storm windows and doors, mantels, cabinets, rugs, carpeting, linoleum, wall and in-a-door beds, stoves, shades, blinds, pews, organs, alters, pulpits, oil and other fuel-burning systems and equipment, water heaters, radiator covers and all plumbing, heating, lighting, cooking, ventilating, cooling, air conditioning and refrigerating apparatus and equipment, and such goods and chattels and personal property as are commonly used by any church facility or ever furnished by landlords in letting or operating an unfurnished building, or which are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry, or in other manner, and all additions thereto and replacements thereof, and such built-in equipment as shown by plans and specifications, are and shall be deemed to be fixtures and accessions to the Mortgaged Premises, being hereby agreed to be immovables and a part of the realty as between the parties hereto, and shall be deemed to be a part and portion of the Mortgaged Premises.

**Section 5.22. Subordinate Liens.** Mortgagor will not, without the prior written consent of Mortgagee, which consent may be at Mortgagee's sole and absolute discretion, execute or deliver any pledge, security agreement, mortgage, or deed of trust covering all or any portion of the Mortgaged Premises (hereinafter called "Subordinate Mortgage"). In the event of consent by Mortgagee to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable by the provisions of any applicable law, Mortgagor will not execute or deliver any Subordinate Mortgage unless there shall have been delivered to Mortgagee not less than ten (10) days prior to the date hereof a copy thereof which shall contain express covenants to the effect:

(a) That the Subordinate Mortgage is in all respects unconditionally subject and subordinate to the lien, security interest, and assignment evidenced by this Mortgage and each term and provision hereof;

(b) That if any action or proceeding shall be instituted to foreclose the Subordinate Mortgage (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), no tenant of any portion of the Mortgaged Premises will be named as a party defendant, nor will any action be taken with respect to the Mortgaged Premises which would terminate any occupancy or tenancy of the Mortgaged Premises without the prior written consent of Mortgagee;

(c) That the Rents and Profits, if collected through a receiver or by the holder of the Subordinate Mortgage, shall be applied first to the obligations secured by this Mortgage, including principal and interest due and owing on or to become due and owing on the Bonds and the other indebtedness secured hereby and then to the payment of maintenance, operating charges, taxes, assessments, and disbursements incurred in connection with the ownership, operating, and maintenance of the Mortgaged Premises; and

(d) That if any action or proceedings shall be brought to foreclose the Subordinate Mortgage, written notice of the commencement thereof will be given to Mortgagee contemporaneously with the commencement of such action or proceeding.

**Section 5.23. Payment Of Other Liens.** To the extent that any of the Secured Indebtedness is used to pay any outstanding lien, charge, or encumbrance against or affecting the Mortgaged Premises, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to all rights, interests, and liens owned or held by any owner or holder of such outstanding liens, charges, and encumbrances irrespective of whether such liens, charges, or encumbrances are released of record.

**Section 5.24. Savings Clause.** Regardless of any provision contained in this Mortgage, the Trust Indenture, or any documents executed or delivered in connection therewith, Mortgagee and the Bondholders will never be considered to have contracted for or to be entitled to charge, receive, collect, or apply as interest, and hereby disavow any intention to so receive, collect, or apply as interest, any amount in excess of the maximum amount permissible under applicable law. Without limiting its general applicability, the preceding sentence specifically applies to any acceleration of the Secured Indebtedness or any part thereof. In the event that Mortgagee or any Bondholder ever receives, collects, or applies as interest any such excess, the amount which would be excessive interest will be applied to the reduction of the principal balance of the Secured Indebtedness, and, if the principal balance of the Secured Indebtedness is paid in full, any remaining excess shall forthwith be paid to Mortgagor and Mortgagor agrees to accept such payment from Mortgagee or the Bondholders, together with interest on such sums at the maximum lawful rate then in effect. In determining whether the interest paid or payable exceeds the maximum amount permissible under applicable law, Mortgagor and Mortgagee shall, to the greatest extent permitted under applicable law,

- (i) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense or fee rather than as interest,



- (ii) exclude voluntary prepayments and the effect thereof; and
- (iii) amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the Secured Indebtedness so that the interest rate is uniform throughout the term.

**Section 5.25. No Waiver; Severability.** No waiver of any default on the part of Mortgagor or breach of any of the provisions of this Mortgage or of any other instrument executed in connection with the Secured Indebtedness shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. If any provision of this Mortgage is held to be illegal, invalid, or unenforceable under present or future laws effective while this Mortgage is in effect, the legality, validity, and enforceability of the remaining provisions of this Mortgage shall not be affected thereby. If any lien, security interests, or assignment of rents created by this Mortgage shall be invalid or unenforceable, the unsecured portion of the Secured Indebtedness shall be completely paid prior to the payment of the remaining and secured portion of such indebtedness and all payments made on account of the Secured Indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of such indebtedness.

**Section 5.26. Tenancy After Foreclosure.** In the event of a foreclosure sale hereunder and if at the time of such sale Mortgagor occupies the portion of the Mortgaged Premises so sold, or any part thereof, Mortgagor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Premises so occupied, such rental to be due and payable daily to the purchaser. Mortgagor, as tenant, may be evicted by summary proceedings if the tenant holds over after a demand in writing for possession of such Mortgaged Premises. This agreement and any foreclosure deed shall constitute a lease and agreement under which the tenant's possession, each and all, arose and continued.

**Section 5.27. General.** The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto, and to any substitute Mortgagee. Whenever used, the singular number shall include the plural and the singular, and the use of any gender shall be applicable to all genders. The term "Mortgagor" shall include in their individual capacities and jointly, all parties hereinabove named as Mortgagor. The term "Mortgagee" shall include any lawful owner, holder, pledgee, or assignee of any of the Secured Indebtedness (provided, however, that no Bondholder shall have the right to enforce the provisions of this Mortgage in its own name). The duties, covenants, conditions, obligations, and warranties of Mortgagor in this Mortgage shall be joint and several obligations of Mortgagor and each Mortgagor if more than one, and Mortgagor's successors and assigns. Each party who executes this Mortgage (other than Mortgagee), and each subsequent owner of the Mortgaged Premises, or any part thereof, covenants and agrees that it will perform, or cause to be performed, each condition, term, provision, and covenant of this Mortgage. Captions contained herein are for convenience only and should not be used in interpreting this instrument.

**Section 5.28. Flood Plain.** Mortgagor represents and warrants that none of the Mortgaged Premises, or any part thereof, is situated within a flood plain, flood prone area, special flood hazard area, or the like, as so designated by the applicable Flood Insurance Study or Flood Insurance Rate Map or any such similar study, map, or plat issued or controlled by the Federal Emergency Management Agency or any other federal agency appointed to regulate such matters under the Federal Flood Disaster Protection Act, as amended, or the Federal Flood Insurance Act, as amended, and Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from any claims or costs arising against or waived by Mortgagee if the Mortgaged Premises are, in fact, determined to be in such an area.

**Section 5.29. Environmental.** (a) Mortgagor covenants and warrants that Mortgagor and Mortgagor's use of the Mortgaged Premises will at all times comply with and conform to any and all present and future federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements, and other governmental restrictions (hereinafter collectively referred to as "Laws") relating to the environment or the Treatment or Release of pollutants, contaminants, chemicals, waste, waste products, petroleum products, radioactive waste, poly-chlorinated biphenyls, asbestos, or any other industrial, toxic, flammable, corrosive, hazardous, or harmful substances (hereinafter collectively or individually referred to as "Waste") into the environment including, without limitation, ambient air, surface water, ground water, sea water, or land, or otherwise relating to the Treatment or Release of Waste. Mortgagor further covenants that Mortgagor will not engage in or permit any party to engage in any Treatment or Release of Waste in, on, or affecting the Mortgaged Premises.

For purposes of this Section 5.29, the term "Treatment" shall mean the transportation, distribution, storage, placement, handling, treatment, discharge, manufacture, generation, production, processing, or disposal of Waste and the term "Release" shall mean, either individually or collectively, any emissions, discharges,

spills, leakage, venting, exposure, or releases or threatened releases of any kind, whether such is sudden or gradual, accidental or anticipated or caused by Mortgagor or not, of Waste.

(b) Immediately upon receipt of any Notice, as hereinafter defined, from any party, Mortgagor shall deliver to Mortgagee a true, correct, and complete copy of any written Notice or a true, correct, and complete report of any nonwritten Notice. "Notice" shall mean any oral or written communication concerning any of the following:

- (1) any suit, proceeding, investigation, order, consent order, injunction, writ, award, or action related to or affecting or indicating the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises;
- (2) any Release of any Waste in, on, or affecting the Mortgaged Premises;
- (3) any dispute relating to Mortgagor's or any other party's Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises;
- (4) any claims by or against any insurer related to or arising out of any Treatment or Release of Waste in, on, or affecting the Mortgaged Premises;
- (5) any recommendations or requirements of any governmental authority, regulatory authority, or insurer relating to any Treatment or Release of Waste in, on, or affecting the Mortgaged Premises;
- (6) any legal requirement or deficiency related to the Treatment or Release of Waste in, on, or affecting the Mortgaged Premises; or
- (7) any owner, tenant, licensee, concessionaire, manager, or other party or entity (hereinafter collectively or individually referred to as "Occupants") occupying or using the Mortgaged Premises currently or in the past, which has engaged in or engages in the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises.

(c) In the event of any Treatment or Release of Waste in, on, or affecting the Mortgaged Premises, or the discovery thereof during the term of this Mortgage, then Mortgagor shall immediately take all of the following actions:

- (1) notify Mortgagee, as provided above;
- (2) take all steps necessary to halt and clean up any Release and any contamination related to the Treatment or Release of Waste;
- (3) Mortgagor shall cease the Treatment or Release of Waste on the Mortgaged Premises whether by Mortgagor or Occupants;
- (4) fully restore the Mortgaged Premises to its condition prior to the Treatment or Release of Waste; and
- (5) allow Mortgagee to monitor and inspect all cleanup and restoration related to such Treatment or Release of Waste.

(d) Notwithstanding any other limitation of liability in this or any other agreement or instrument between Mortgagor and Mortgagee, Mortgagor hereby promises that it will fully indemnify, defend, save, and hold harmless Mortgagee, Bondholders, and Mortgagee's officers, directors, shareholders, employees, agents, partners, and their respective heirs, successors, and assigns (collectively "Indemnified Parties") against and from, and to reimburse the Indemnified Parties with respect to, any and all damages, claims, liabilities, losses, costs, and expenses (including, without limitation, reasonable attorney's fees and expenses, court costs, administrative costs, and costs of appeals), incurred by or asserted against the Indemnified Parties by reason or arising out of: (1) the breach of any covenant, warranty, representation, or undertaking of Mortgagor hereunder, or (2) the Treatment or Release of any Waste by Mortgagor or Occupants, in, on, or affecting the Mortgaged Premises, or (3) the failure to comply with any of the Laws. All costs or other payments required under this paragraph (d) shall be paid on demand. In addition to all other rights and remedies provided for Mortgagee, Mortgagor shall pay default interest after demand at the highest legal rate.

(e) Mortgagee and its environmental consultants or representatives are given the right, but not the obligation, to inspect, monitor, or test the Mortgaged Premises and Mortgagor's use of the Mortgaged Premises from time to time in order to confirm Mortgagor's compliance with the terms and representations set forth



herein. Mortgagee shall not be liable or in any way responsible for any discoveries made during testing or inspection. In the event Mortgagor shall fail to perform its obligations under paragraph (c) above, Mortgagee may also, but is not obligated to, enter the Mortgaged Premises in order to remedy any Release of Waste, or other environmental contamination with full indemnification by Mortgagor as provided above. If Mortgagee undertakes any action allowed in this paragraph, it is for Mortgagee's sole benefit and not for the benefit of Mortgagor or any other third party and by such action Mortgagee does not assume any obligation or liability to Mortgagor and Occupants, or any other third party. The cost of performing such inspection of the Mortgaged Premises or remedying any Release of Waste shall be paid by Mortgagor upon demand by Mortgagee and any such obligations shall be Secured Indebtedness under this Mortgage. Mortgagee's right to require such inspection or option to remedy such Release of Waste shall be for the sole purpose of protecting Mortgagee's security for the repayment of the Secured Indebtedness and shall not under any circumstances be construed as granting the right to participate or constitute participation by the Mortgagee in the management of the Mortgaged Premises or the business conducted thereon.

(f) Mortgagor hereby represents, warrants, and confirms to Mortgagee as follows:

- (1) Mortgagor is not now and will not be in the future engaged in the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises in violation of the Laws.
- (2) Mortgagor has complied with all Laws relating to the Treatment or Release of any Waste at, in, on, or affecting the Mortgaged Premises, including permits and approvals.
- (3) There is no suit, claim, proceeding, investigation, order, consent order, injunction, writ, award, or action (hereinafter collectively or individually referred to as "Action") threatened, pending, or in effect, which relates to the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises or which involves or affects Mortgagor or Occupants; nor does Mortgagor know of any basis for any Action.
- (4) To the best of Mortgagor's knowledge, after due diligence and investigation, no Occupant now or at any time in the past has engaged in or engages in the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises.
- (5) Specifically, there are no aboveground or underground storage tanks on the Mortgaged Premises. There are no structures, improvements, or equipment on the Mortgaged Premises which contain asbestos or poly-chlorinated biphenyls. Operations conducted on the Mortgaged Premises do not generate waste oil and do not result in the on-premises discharge of wastewater.
- (6) Mortgagor has received no note or notice regarding the Mortgaged Premises under the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Federal Insecticide Fungicide, and Rodenticide Act, as amended, the Occupational Safety and Health Act, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, as amended, the Solid Waste Disposal Act, as amended, and any other federal or state statutes addressing similar matters, and any other federal or state statutes providing for financial responsibility for cleanup or other actions with respect to the release or threatened release of hazardous substances, and further, Mortgagor knows of no such note or notice regarding the Mortgaged Premises.

Mortgagor shall immediately notify Mortgagee in the event that any of the representations set forth in this paragraph (f) are no longer true in any material respect at any time.

(g) Mortgagor shall insure that all leases, licenses, and agreements of any kind hereafter executed which permit any party to occupy, possess, or use in any way the Mortgaged Premises, whether oral or written (hereinafter collectively or individually referred to as "Lease Agreements") shall include an express prohibition of the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises and the failure to comply with such prohibition shall expressly constitute a default under any such Lease Agreement. All Lease Agreements shall also expressly require that the parties shall deliver upon request estoppel certificates to Mortgagor and to Mortgagee expressly stipulating whether any party is engaged in or has engaged in the Treatment or Release of any Waste in, on, or affecting the Mortgaged Premises, and whether such party has caused a Release at or affecting the Mortgaged Premises, and whether, to the best of their knowledge, a Release has otherwise occurred at or affecting the Premises.



(h) Notwithstanding anything in this Mortgage or any other instrument or agreement between Mortgagor and Mortgagee to the contrary, the representations and undertakings of Mortgagor in this Section 5.29 shall survive the expiration or termination of this Mortgage regardless of the means of such expiration or termination. Specifically, the indemnification in paragraph (d) shall run from the notice or discovery communicated to Mortgagee of any Treatment or Release of Waste, or other environmental condition covered by this Section 5.29.

(i) Upon the receipt by Mortgagee of Notice required by paragraph (b), or the discovery by Mortgagee of any Treatment or Release of Waste in breach of the warranties and representations or in any way in derogation of this Section 5.29, Mortgagee may in its discretion upon a determination that any Treatment or Release of Waste could result in liability under any applicable Laws, without limitation, (1) rescind its interests in the Mortgaged Premises, requiring Mortgagor to immediately refund all consideration previously transferred to Mortgagor which has not been repaid, or (2) accelerate the Secured Indebtedness and seek appointment of a receiver for the Mortgaged Premises, or (3) take any other action provided by any instrument executed by and between Mortgagor and Mortgagee relating to this transaction. Mortgagor consents to the rescission or receivership in such event.

**Section 5.30. General Indemnification.** Mortgagor will protect, indemnify and save harmless Mortgagee, its officers, directors, agents, and employees, from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against Mortgagee or any of such persons by reason of (a) ownership of any interest in the Mortgaged Premises or any part thereof, (b) any accident, injury to or death of person or loss of or damage to property occurring on or about the Mortgaged Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, disuse or condition of the Mortgaged Premises or any part thereof, or the adjoining sidewalks, curbs, vaults and vault space, if any, or any streets or ways, (d) any failure on the part of Mortgagor to perform or comply with any of the terms hereof or of the Agreement or any inaccuracy in any representation or warranty made by Mortgagor herein or in the Agreement, (e) any necessity to defend any of the right, title or interest conveyed by the Mortgage, (f) the performance of any labor or services or the furnishing of any materials or other property in respect to the Mortgaged Premises or any part thereof, or (g) any subsidence or erosion of any part of the surface of the Mortgaged Premises, including any shoreline or any bank of any river, stream, creek, lake, ocean or other water source. If any action, suit or proceeding is brought against Mortgagee, or any of its officers, directors, agents or employees, for any reason, Mortgagor, upon the request of such party, will, at Mortgagor's expense, cause such action, suit or proceeding to be resisted and defended by counsel satisfactory to Mortgagee or such person. Any amounts payable to an indemnified party under this Section which are not paid within ten (10) days after written demand therefor shall bear interest at the maximum lawful rate from the date of such demand, and such amounts, together with such interest, shall be indebtedness secured by this Mortgage. The obligations of Mortgagor under this Section shall survive any defeasance of the Mortgage.

**Section 5.31. Inspections; Information/Other Costs Related to Property.** (a) Mortgagor will allow Mortgagee, and any third party acting as agent for or on behalf of Mortgagee, to survey and inspect the Mortgaged Premises from time to time in order to determine that Mortgagor is complying with the terms of this Mortgage and the Trust Indenture. At the request of Mortgagee, from time to time, Mortgagor will provide to Mortgagee such financial information concerning the Mortgaged Premises as Mortgagee may request, including, without limitation, copies of rent rolls, operating statements, tax receipts, and vendor contracts.

(b) Whether or not an Event of Default shall have occurred, Mortgagor shall pay, or reimburse Mortgagee for, all costs and expenses, of every character incurred or expended from time to time in connection with the evaluation, monitoring, administration and protection of the Mortgaged Premises, the exercise by Mortgagee of any of its rights and remedies hereunder or at law, including but not limited to all appraisal fees, consulting fees, brokerage fees and commissions, insurance premiums, Uniform Commercial Code searches, fees incident to title searches and reports, investigation costs, escrow fees, attorneys fees, legal expenses, fees of auditors and accountants, court costs, fees of governmental authorities, auctioneer's fees and expenses, costs for environmental inspections or audits, or other costs involved with environmental problems or violations regarding the Property, and all other fees and expenses incurred in connection with the marshalling, guarding, management, operation, removal, maintenance, clean up, storage, auction, or liquidation of the Mortgaged Premises.

**Section 5.32. Security Agreement.** Additional terms and provisions of this Mortgage appear on Exhibit C attached hereto and incorporated herein by reference.

**Section 5.33. CONTROLLING AGREEMENTS.**

(a) THIS MORTGAGE IS EXECUTED AND DELIVERED ON THE TERMS AND FOR THE PURPOSES HEREIN STATED; HOWEVER, THIS MORTGAGE ARISES OUT OF THE TRUST INDENTURE AND SHALL, TO THE EXTENT OF ANY IRRECONCILABLE CONFLICT, BE GOVERNED AND CONTROLLED BY THE TERMS OF THE TRUST INDENTURE. THIS SECTION 5.33 SHALL NOT



BE CONSTRUED AS LIMITING ANY RIGHTS, REMEDIES, COVENANTS, AGREEMENTS, OR OTHER INTERESTS CONTAINED HEREIN OR IN THE TRUST INDENTURE FOR THE BENEFIT OF MORTGAGEE, EXCEPT TO THE EXTENT THAT SUCH LIMITATION IS NECESSARY IN ORDER TO RESOLVE AN IRRECONCILABLE CONFLICT OR IRRECONCILABLE CONFLICTS, IF ANY, BETWEEN THIS MORTGAGE AND THE TRUST INDENTURE.

(b) NOTHING CONTAINED IN THIS MORTGAGE SHALL BE CONSTRUED AS AUTHORIZING MORTGAGEE TO ACT IN CONTRAVENTION OF ITS AGREEMENTS WITH THE BONDHOLDERS WITH RESPECT TO THE BONDS.

Section 5.34. Jury Trial. BY ACCEPTANCE HEREOF, MORTGAGOR AGREES THAT NEITHER MORTGAGOR, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF MORTGAGOR (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS MORTGAGE OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE SECURED INDEBTEDNESS, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE SECURED INDEBTEDNESS, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HERETO HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

EXECUTED this 3 day of NOV., 1994.

WITNESSED:

Sign: Christopher B. Bakane

Christopher B. Bakane  
(Print name)

Sign: Larry C. Ray

Larry C. Ray  
(Print name)

Bethel Baptist Church of Columbiana, Alabama

By: Doyce C. Armstrong  
Doyce C. Armstrong, Director

WITNESSED:

Sign: Christopher B. Bakane

Christopher B. Bakane  
(Print name)

Sign: Larry C. Ray

Larry C. Ray  
(Print name)

By: Lewis E. Gowers  
Lewis E. Gowers, Director

WITNESSED:

Sign: Christopher B. Bakane

Christopher B. Bakane  
(Print name)

Sign: Larry C. Ray

Larry C. Ray  
(Print name)

By: Kenneth A. Moore  
Kenneth A. Moore, Director

Prepared by:

Mr. Kendall D. Adair  
Harris, Finley & Bogle  
3100 Continental Plaza  
Fort Worth, TX 76102

STATE OF ALABAMA     )  
                                  )  
COUNTY OF SHELBY     )

I, Sallie B. Ray, a Notary Public in and for said County in said State, hereby certify that Doyce C. Armstrong, whose name as Director of the Bethel Baptist Church of Columbiana, Alabama, a nonprofit corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 3 day of Nov., 1994

Sallie B Ray  
Notary Public, State of Alabama

My Commission Expires:  
MY COMMISSION EXPIRES APRIL 14, 1998,

SALLIE B. RAY  
(Print or type name)

STATE OF ALABAMA     )  
                                  )  
COUNTY OF SHELBY     )

I, Sallie B Ray, a Notary Public in and for said County in said State, hereby certify that Lewis E. Gowers, whose name as Director of the Bethel Baptist Church of Columbiana, Alabama, a nonprofit corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 3 day of Nov, 1994

Sallie B Ray  
Notary Public, State of Alabama

My Commission Expires:  
MY COMMISSION EXPIRES APRIL 14, 1998,

SALLIE B RAY  
(Print or type name)



STATE OF ALABAMA )

COUNTY OF SHELBY )

I, Sallie B. Ray, a Notary Public in and for said County in said State, hereby certify that Kenneth A. Moore, whose name as Director of the Bethel Baptist Church of Columbiana, Alabama, a nonprofit corporation, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 3 day of Nov., 1994

Sallie B. Ray  
Notary Public, State of Alabama

My Commission Expires:  
MY COMMISSION EXPIRES APRIL 14, 1998

Sallie B. Ray  
(Print or type name)

EXHIBIT A TO  
MORTGAGE AND SECURITY AGREEMENT

Part I.

PARCEL I:

Begin at the NW corner of the SW 1/4 of the NE 1/4, Section 7, Township 21 South, Range 1 East, being a capped pipe found; thence run Easterly along the North boundary of said 1/4-1/4 for 75.71 feet to the point of intersection with a ditch; thence turn the following deflection angles and run the following distances along said ditch; thence turn 69 degrees 23 minutes 45 seconds right and run 18.19 feet; thence turn 8 degrees 30 minutes 17 seconds left and run 32.12 feet; thence turn 7 degrees 24 minutes 57 seconds right and run 61.37 feet; thence turn 6 degrees 30 minutes 34 seconds right and run 145.87 feet; thence 14 degrees 17 minutes 58 seconds left and run 51.18 feet; thence turn 2 degrees 52 minutes 07 seconds right and run 67.13 feet; thence turn 1 degree 05 minutes 44 seconds right and run 102.33 feet; thence turn 43 degrees 08 minutes 17 seconds left and run 28.30 feet; thence turn 26 degrees 08 minutes 43 seconds right and run 39.08 feet; thence turn 4 degrees 12 minutes 44 seconds right and run 42.78 feet; thence turn 5 degrees 37 minutes 31 seconds right and run 79.16 feet to the point of intersection of said ditch with the NW right of way line of Alabama Highway No. 25; thence turn an angle of 77 degrees 22 minutes 31 seconds to the right and run Southwesterly along said right of way, being along a curve to the left, having a radius of 2897.79 feet and a central angle of 3 degrees 57 minutes 16 seconds, for an arc distance of 200.00 feet to a point; thence turn an angle of 90 degrees to the right, from the tangent to the curve, and leaving said right of way run NW for 258.60 feet to the point of intersection with a ditch; thence turn the following deflection angles and run the following distances along said ditch; thence turn 128 degrees 10 minutes 16 seconds left and run 92.90 feet; thence turn 48 degrees 22 minutes 57 seconds right and run 42.59 feet; thence turn 29 degrees 32 minutes 08 seconds right and run 45.24 feet; thence turn 10 degrees 05 minutes 57 seconds right and run 63.07 feet; thence turn 52 degrees 04 minutes 45 seconds right and run 80.12 feet; thence turn 52 degrees 57 minutes 56 seconds left and run 52.92 feet; thence turn 36 degrees 07 minutes 14 seconds right and run 53.30 feet; thence turn 24 degrees 18 minutes 29 seconds right and run 86.98 feet; thence turn 12 degrees 08 minutes 32 seconds right and run 80.70 feet; thence turn 61 degrees 21 minutes 56 seconds left and run 102.31 feet; thence turn 48 degrees 51 minutes 19 seconds right and run 31.74 feet; thence turn 60 degrees 09 minutes 27 seconds right and run 55.86 feet; thence turn 42 degrees 46 minutes 41 seconds left and run 50.60 feet; thence turn 57 degrees 57 minutes 22 seconds left and run 51.71 feet; thence turn 22 degrees 04 minutes 21 seconds left and run 57.52 feet; thence turn 0 degrees 49 minutes right and run 69.60 feet; thence turn 10 degrees 49 minutes 23 seconds right and run 38.12 feet; thence turn 72 degrees 19 minutes 59 seconds right and run 31.33 feet; thence turn 68 degrees 53 minutes 46 seconds left and run 47.04 feet; thence turn 4 degrees 39 minutes 20 seconds right and run 84.17 feet; thence turn 5 degrees 24 minutes 57 seconds right and run 93.89 feet; thence turn 27 degrees 26 minutes 27 seconds right and run 53.42 feet; thence turn 49 degrees 51 minutes 37 seconds right and run 42.87 feet; thence turn 42 degrees 45 minutes 21 seconds left and run 65.22 feet; thence turn 22 degrees 43 minutes 31 seconds left and run 66.27 feet; thence turn 5 degrees 46 minutes 36 seconds right and run 44.27 feet; thence turn 36 degrees 30 minutes 59 seconds left and run 61.22 feet; thence turn 11 degrees 20 minutes 19 seconds right and run 74.89 feet; thence turn 46 degrees 04 minutes 54 seconds left and run 39.65 feet; thence turn 48 degrees 46 minutes 47 seconds right and run 43.34 feet; thence turn 51 degrees 09 minutes 51 seconds right and run 30.25 feet to the point of intersection with the North boundary line of the SE 1/4 of the NW 1/4, Section 7, Township 21 South, Range 1 East; thence turn an angle of 111 degrees 27 minutes 11 seconds to the right and run Easterly along said 1/4-1/4 line for 1178.09 feet to the point of beginning. Said parcel of land is lying in the SE 1/4 of NW 1/4 and the SW 1/4 of NE 1/4, Section 7, Township 21 South, Range 1 East, Shelby County, Alabama. In accordance with survey, dated February 1, 1994, of John Gary Ray, P.E. and L.S. No. 12295.

PARCEL II:

All of the following described property lying West of Shelby County Highway 49, more particularly described as a part of the SW 1/4 of NE 1/4 of Section 7, Township 21 South, Range 1 East, described as beginning at a point on the west line of said Columbiana-Wilsonville Highway about 50 feet west of the northeast corner of said forty acres and running southwesterly along said highway 402 feet to the point of beginning; thence northwest 365 feet, more or less, to a point on the north line of said forty acres; thence west 518 feet to a small branch; thence southerly along the meanderings of said branch (crossing the Chelsea road) about 700 feet to the NW line of said highway; thence northeasterly along said highway 1153.03 feet, more or less to point of beginning, LESS AND EXCEPT THE BETHEL CHURCH LOT, being more particularly described as follows: A part of the SW 1/4 of NE 1/4 of Section 7, Township 21, Range 1 East, more particularly described as commencing at the northwest corner of NE 1/4 of NE 1/4 of section 7, Township 21, Range 1 East and run south 2 degrees 45 minutes east 1263.40 feet; thence turn an angle to the left and run south 51 degrees 12 minutes west 996.25 feet to point of beginning of lot herein excepted; thence run north 47 degrees 21 minutes west 294.80 feet; thence run south 55 degrees 45 minutes west 130.70 feet; thence run south 49 degrees 12 minutes east 317.82 feet; thence run north 46 degrees 01 minute east along north right of way line of Columbiana-Wilsonville Highway a distance of 86.78 feet to point of beginning of said exception.

PARCEL III:

Seven-eighths (7/8) of an acre of land on the East side of a little branch and then when said branch turns into large branch and north of Wilsonville-Columbiana Road on which lot or parcel of land, Bethel Baptist Church is to be erected. Said seven-eighths (7/8) of an acre being a part of the SW 1/4 of NE 1/4 of Section 7, Township 21, Range 1 East, Shelby County, Alabama.



## Part II.

All equipment, fixtures and articles of personal property of Mortgagor now or hereafter attached to or used in and about the buildings and other improvements (such buildings and other improvements being hereinafter called the "Project") now or hereafter erected or constructed on the real property described herein which are necessary or useful for complete and comfortable use and occupancy of the Project for the purposes for which they were or are to be erected or constructed, or which are or may be used in or related to the financing or the operation thereof; all accounts receivable, contract rights, general intangibles, and inventory of Mortgagor, and the proceeds thereof, whether now owned or hereafter acquired, and including, without limitation, all general budget contributions, school tuition and fees, fees from nursery or day care services or operations, and sales of books or other materials, all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Project in any manner; all building materials and equipment now or hereafter delivered to the Project and intended to be installed therein; all plans and specifications for the Project; all contracts and subcontracts relating to the Project, all deposits (including tenant's security deposits), funds, accounts, contract rights, instruments, documents, general intangibles (including trademarks, trade names and symbols used in connection therewith), and notes or chattel paper arising from or by virtue of any transactions related to the Project; all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Project; all proceeds arising from or by virtue of the sale, lease or other disposition of any of the real or personal property described herein; all proceeds (including premium refunds) payable or to be payable under each policy of insurance relating to the Project; all proceeds arising from the taking of all or a part of the real property or any rights appurtenant thereto, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; and all other interest of every kind and character which Mortgagors now have, or at any time hereafter acquire, in and to the real and personal property described herein and all property which is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of Mortgagors with respect to such property.

**EXHIBIT B**  
**TO MORTGAGE AND SECURITY AGREEMENT**

[Description of Bond Maturities]

**SCHEDULE 1**

| <u>Simple Interest Bond</u> |                                            |                                                   | <u>Zero Coupon Bonds</u>                       |                                      |
|-----------------------------|--------------------------------------------|---------------------------------------------------|------------------------------------------------|--------------------------------------|
| <u>Maturity Date</u>        | <u>Total Principal Investment Maturing</u> | <u>Annual Interest Rate Payable Semi-Annually</u> | <u>Principal Amount of Investment Maturing</u> | <u>Value at Maturity per \$1,000</u> |
| 5-10-95                     | \$20,000.00                                | 7.00%                                             |                                                |                                      |
| 11-10-95                    | 21,000.00                                  | 7.00%                                             |                                                |                                      |
| 5-10-96                     | 22,000.00                                  | 7.00%                                             |                                                |                                      |
| 11-10-96                    | 23,000.00                                  | 7.25%                                             |                                                |                                      |
| 5-10-97                     | 24,000.00                                  | 7.25%                                             |                                                |                                      |
| 11-10-97                    | 24,000.00                                  | 7.25%                                             |                                                |                                      |
| 5-10-98                     | 25,000.00                                  | 7.50%                                             |                                                |                                      |
| 11-10-98                    | 27,000.00                                  | 7.50%                                             |                                                |                                      |
| 5-10-99                     | 27,000.00                                  | 7.50%                                             |                                                |                                      |
| 11-10-99                    | 28,000.00                                  | 8.00%                                             |                                                |                                      |
| 5-10-00                     | 29,000.00                                  | 8.00%                                             |                                                |                                      |
| 11-10-00                    | 31,000.00                                  | 8.00%                                             |                                                |                                      |
| 5-10-01                     | 32,000.00                                  | 8.50%                                             |                                                |                                      |
| 11-10-01                    | 33,000.00                                  | 8.50%                                             |                                                |                                      |
| 5-10-02                     | 33,000.00                                  | 8.50%                                             | 1,000.00                                       | 1,900.85                             |
| 11-10-02                    | 1,000.00                                   | 8.50%                                             | 17,000.00                                      | 1,984.01                             |
| 5-10-03                     |                                            |                                                   | 18,000.00                                      | 2,070.81                             |
| 11-10-03                    |                                            |                                                   | 16,000.00                                      | 2,161.41                             |
| 5-10-04                     |                                            |                                                   | 16,000.00                                      | 2,255.97                             |
| 11-10-04                    |                                            |                                                   | 15,000.00                                      | 2,354.67                             |
| 5-10-05                     |                                            |                                                   | 15,000.00                                      | 2,520.24                             |
| 11-10-05                    |                                            |                                                   | 13,000.00                                      | 2,633.65                             |
| 5-10-06                     |                                            |                                                   | 13,000.00                                      | 2,752.17                             |
| 11-10-06                    |                                            |                                                   | 13,000.00                                      | 2,876.01                             |
| 5-10-07                     |                                            |                                                   | 12,000.00                                      | 3,005.43                             |
| 11-10-07                    |                                            |                                                   | 11,000.00                                      | 3,239.83                             |
| 5-10-08                     |                                            |                                                   | 10,000.00                                      | 3,389.67                             |
| 11-10-08                    |                                            |                                                   | 11,000.00                                      | 3,546.44                             |
| 5-10-09                     |                                            |                                                   | 9,000.00                                       | 3,710.47                             |
| 11-10-09                    |                                            |                                                   | <u>10,000.00</u>                               | 3,882.08                             |
|                             | <u>\$400,000.00</u>                        |                                                   | <u>\$200,000.00</u>                            |                                      |



EXHIBIT C  
TO MORTGAGE AND SECURITY AGREEMENT

Notwithstanding any other provision herein to the contrary:

(a) Mortgagors agree that in addition to creating a lien upon all real property interests of Mortgagors under the property described in Part I of Exhibit A hereto, this instrument shall be construed as a security agreement insofar as it covers the personal property described under Part II of Exhibit A hereto. Mortgagors hereby grant a security interest in all of such personal property to Mortgagee, its successors and assigns, to secure payment of the indebtedness, obligations and liabilities described in this Mortgage, and with respect to all of such personal property, the holder of the indebtedness secured hereby shall have all the rights (including remedies) of a secured party under the Uniform Commercial Code ("Code") of Alabama. Mortgagors will execute and deliver to Mortgagee all financing statements and continuation statements that may from time to time be required by Mortgagee to establish, reflect, and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and will pay all costs and expenses of such researching and any searches reasonably required by Mortgagee. In the event of foreclosure sale, whether by the Mortgagee or under judgment of court, all of the above described property (both real and personal) may be sold as a whole at the option of the holder of the indebtedness secured hereby, or if Mortgagee should proceed to dispose of such property in accordance with the provisions of the Code, then ten (10) days' notice by Mortgagee to Mortgagors shall be deemed to be reasonable notice under any provision of the Code requiring such notice. Mortgagors shall give advance notice in writing to Mortgagee of any proposed change in Mortgagors' name, identity, or corporate structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any Mortgaged Premises described or referred to herein.

(b) Information concerning the security interest herein created may be obtained from Mortgagee, Secured Party, at the address stated above. Debtor's mailing address is as stated above.

Inst # 1995-00998

01/12/1995-00998  
08:24 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
019 MCD 953.50

Inst # 1995-00998