

4

2007 046784

2007 APR 11 10:02

REAL ESTATE MORTGAGE

True Light Fellowship Ministries, Inc., a corporation existing and duly formed under the laws of the State of Indiana, ("Mortgagor"), mortgage and warrant to **Church Extension Plan**, a corporation existing and duly formed under the laws of the State of Oregon ("Mortgagee") the following described real estate in Lake County, Indiana:

Property Address: 1257 N. Cline Avenue, Griffith, Indiana

Legal Description: The South 4 acres of the North 5.5 acres of the West 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 26, Township 36 North, Range 9 West of the Second Principal Meridian, in Lake County, Indiana, excepting therefrom the East 30 feet.

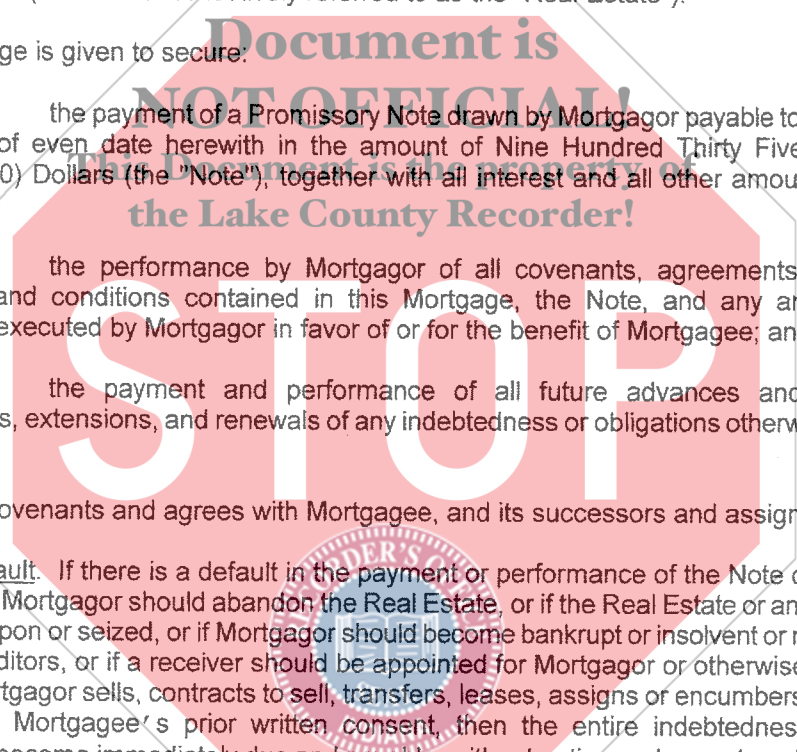
together with all buildings, improvements, appurtenances, and fixtures attached, erected or used in connection with the real estate or hereafter acquired, attached, erected, appurtenant or used in connection with the real estate, and together with all rents, issues, income, profits, rights, privileges, interests, easements and hereditaments thereof (hereinafter collectively referred to as the "Real Estate").

This Mortgage is given to secure:

- (a) the payment of a Promissory Note drawn by Mortgagor payable to the order of Mortgagee of even date herewith in the amount of Nine Hundred Thirty Five Thousand (\$935,000.00) Dollars (the "Note"), together with all interest and all other amounts payable thereunder;
- (b) the performance by Mortgagor of all covenants, agreements, promises, payments, and conditions contained in this Mortgage, the Note, and any and all other documents executed by Mortgagor in favor of or for the benefit of Mortgagee; and
- (c) the payment and performance of all future advances and all future modifications, extensions, and renewals of any indebtedness or obligations otherwise secured hereby.

Mortgagor covenants and agrees with Mortgagee, and its successors and assigns, as follows:

1. **Default.** If there is a default in the payment or performance of the Note or any indebtedness hereby secured, or if Mortgagor should abandon the Real Estate, or if the Real Estate or any part thereof should be attached, levied upon or seized, or if Mortgagor should become bankrupt or insolvent or make an assignment for the benefit of creditors, or if a receiver should be appointed for Mortgagor or otherwise with respect to the Real Estate, or if Mortgagor sells, contracts to sell, transfers, leases, assigns or encumbers all or any part of the Real Estate without Mortgagee's prior written consent, then the entire indebtedness aforesaid will, at Mortgagee's option, become immediately due and payable, without notice or demand, and the Real Estate will be subject to foreclosure of this Mortgage, and Mortgagee, if Mortgagee elects to foreclose the same, will become entitled to the immediate possession of the Real Estate together with the rents, issues, income and profits therefrom and all amounts due are payable without relief from valuation or appraisal laws and Mortgagor will pay all costs and attorneys' fees incurred by Mortgagee in the enforcement of the terms hereof. Without limiting the foregoing, Mortgagor will pay to Mortgagee, as additional amounts due hereunder and under



TICOR CP
920065529

\$20
TJ
CP

the Note, the amount of any and all reasonable costs and expenses, including but not limited to attorneys' fees, incurred by Mortgagee in enforcing any of its rights under this Mortgage or under the Note or otherwise with respect to any obligations secured by this Mortgage. Time is of the essence of this Mortgage.

2. Condition and Use of Real Estate. For the duration of any indebtedness hereby secured, Mortgagor will use the Real Estate for use as a religious church or organization and for no other purposes without the written consent of Mortgagee, which shall not be unreasonably withheld. All uses of the Real Estate will be in accordance with all applicable laws, statutes, ordinances, regulations, and rules, including but not limited to zoning requirements.

For the duration of any indebtedness hereby secured, Mortgagor will keep the Real Estate in a good state of repair, without waste, normal wear and tear excepted. Mortgagor will not initiate or acquiesce in a change in the zoning classification of the Real Estate without Mortgagee's prior written consent.

3. Taxes and Assessments. Mortgagor will pay and discharge or cause to be paid and discharged when due, and before any penalty attaches, all taxes, general and special assessments, water and sewer rents or assessments, and all other governmental and municipal charges and impositions of any kind imposed upon or assessed against Mortgagor or the Real Estate, or any part thereof, or arising in respect of the occupancy, use or possession thereof.

4. Liens and Encumbrances. Mortgagor will pay or otherwise keep the Real Estate free from all encroachments, statutory liens, fines and impositions attributable to the Real Estate which are not expressly subordinated to this Mortgage, and Mortgagor will pay when due any indebtedness which may be secured by a lien or charge on the Real Estate, whether or not superior to the lien of this Mortgage.

5. Insurance. Mortgagor will maintain one or more policies of insurance with respect to the Real Estate, which insurance will insure against extended casualty and damage to the Real Estate by fire, vandalism, explosion, windstorm, or any other cause customarily included in the term "extended coverage", the policies to be issued by insurance companies reasonably satisfactory to Mortgagee and to contain terms reasonably acceptable to Mortgagee, such insurance to be for the full replacement value of the Real Estate, and in no event in a sum that is less than the amount secured hereby. Mortgagor will pay all premiums for all such insurance. Mortgagor shall name Mortgagee as an additional insured on all such policies, with loss payable to Mortgagee.

6. Inspection. Mortgagee and its agents may make reasonable entries upon and inspections of the Real Estate. Mortgagee will give Mortgagor notice at the time of or prior to an inspection.

7. Performance by Mortgagee. If Mortgagor fails to make any payment or to obtain any insurance, service or materials necessary for the performance of any of Mortgagor's covenants above set forth, or if Mortgagor otherwise fails to take any action required hereunder, then Mortgagee at its option may do so, and its expenditures for any such purpose will be added to and become part of the indebtedness hereby secured. Any amounts disbursed by Mortgagee pursuant to this paragraph 7, with interest thereon, will become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, such amount will be immediately due and payable and will bear interest from the date of disbursement at the rate stated in the Note unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amount will bear interest at the highest rate which may be collected from Mortgagor under applicable law.

8. Limitation on Waivers. Mortgagee, at Mortgagee's option may extend the time for the payment

of any indebtedness hereby secured, or reduce the payments thereon, or accept a note or renewal note therefor, or release any part of the security, or any person liable for the indebtedness, without consent of any junior lienholder, and without the consent of Mortgagor. No such extension, reduction, renewal or release will effect the priority of this Mortgage or impair the security hereof in any manner whatsoever, or release, discharge or affect in any manner the personal liability of Mortgagor to Mortgagee. No delay by Mortgagee in the exercise of any of Mortgagee's rights hereunder will preclude the exercise thereof so long as Mortgagor is in default hereunder and no failure of Mortgagee to exercise any of Mortgagee's rights because of one default will preclude the exercise thereof for a subsequent default. Mortgagee may enforce any one or more of Mortgagee's rights or remedies hereunder successively or concurrently.

9. Successors and Assigns. This Mortgage shall apply and extend to, and be binding upon and inure to the benefit of Mortgagor, Mortgagor's heirs, administrators, successors and assigns, and all persons or entities claiming under or through Mortgagor, and the word "Mortgagor" shall include all such persons or entities and shall apply and extend to and be binding upon and inure to the benefit of Mortgagee and Mortgagee's successors and assigns. The word "Mortgagee" shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note.

10. Notices. All notices under this Mortgage will be in writing and will be personally delivered or sent by certified mail, return receipt requested. Notices will be deemed to have been given when personally delivered or when deposited in the United States mail, with all postage prepaid. Notices hereunder to Mortgagor will be given at the Real Estate or such other address as Mortgagor designates by notice to Mortgagee. Notices hereunder to Mortgagee will be given at 4070 27th Court, SE, Suite 210, Salem, Oregon 97302 or any other address Mortgagee designates by notice to Mortgagor.

11. Governing Law. This Mortgage will be governed by federal law and the law of the State of Indiana. If any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict will not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

12. Rights of Mortgagee upon Acceleration. Upon acceleration pursuant to the terms of this Mortgage or abandonment of the Real Estate, Mortgagee (by judicially appointed receiver) will be entitled to enter upon, take possession and manage the Real Estate and to collect the rents of the Real Estate including those past due. Any rents collected by Mortgagee or the receiver will be applied first to payment of the costs of management of the Real Estate and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

13. Release. Upon payment of all sums secured by this Mortgage, Mortgagee will deliver a duly executed and recordable Release of this Mortgage to Mortgagor without charge to Mortgagor.

14. Waivers. Mortgagor waives all right of valuation and appraisal and any homestead rights and exemptions which may accrue with respect to the Real Estate.

15. No Exclusive Remedy. Each and every right, power, and remedy conferred upon or reserved to Mortgagee in this Mortgage is cumulative and shall be in addition to every other right, power and remedy given in this Mortgage or now or hereafter existing at law or in equity. No delay or omission of Mortgagee in the exercise of any right, power or remedy shall be construed to be a waiver or any event of default or any acquiescence therein.

16. Condemnation. If all or any part of the Real Estate is taken or damaged pursuant to an exercise or threat of exercise of the power of eminent domain, the entire proceeds of the award or compensation payable in respect of the part so taken or damaged are hereby assigned to and shall be paid directly to Mortgagee. The proceeds of any award or compensation actually received by Mortgagee after deduction therefrom of all costs and expenses including reasonable attorneys' fees incurred by Mortgagee in connection with the taking, at Mortgagee's option, shall be applied without premium, in part or entirely to payment of the indebtedness or to restoration of the Real Estate.

17. Miscellaneous Provisions. Whenever used, the singular number will include the plural, and the use of any gender will include all genders. The captions and headings contained herein are inserted for convenient reference only, are not a part hereof and the same will not limit or construe the provisions to which they apply. In the event any one or more of the provisions of this Mortgage for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in this Mortgage.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor as of the 31st day of May 2007.

MORTGAGOR

True Light Fellowship Ministries, Inc.

By:

Scott S. Jefferson

Scott S. Jefferson, Its President and Duly Authorized Representative

STATE OF INDIANA)

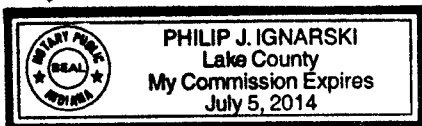
) SS:

COUNTY OF LAKE)

Before me, a Notary Public in and for the for State of Indiana and a resident of Lake County, Indiana, personally appeared Pastor Scott Jefferson, President and duly authorized representative of True Light Fellowship Ministries, Inc., and Indiana corporation, who, being duly sworn, acknowledged execution of the foregoing Mortgage.

Witness my hand and Notarial Seal this 31st day of May 2007.

My commission expires: _____
County of Lake



Paula E. Neff (Signature)
Paula E. Neff, Notary Public (Printed)

