

**PAOC REQUIREMENTS WHEN EXECUTING LOAN SECURITIES WITH OTHER
LENDERS ON BEHALF OF LOCAL CHURCHES.**

June 20, 2002

IF THE PROPERTY IS HELD BY THE PAOC IN TRUST FOR THE CHURCH,
and
IF THE CHURCH IS GOING TO BE BORROWING FROM A LOCAL LENDING
INSTITUTION.

The Pentecostal Assemblies of Canada will be pleased to execute security documents (mortgage) on behalf of the church, subject to the church verifying the following to the PAOC:

1. PAOC will need to have written confirmation of congregational approval to borrow the money, and to authorize the PAOC to execute security documents for this specified lender. The confirmation must include
 - a. Date of Meeting
 - b. A statement that the meeting was convened in accordance with the constitution
 - c. The number of members present and voting
 - d. The number of members in favor
 - e. The amount of borrowing approved
 - f. The name of the lender to whom the PAOC is authorized to execute security documents
 - g. Signature of an authorized person (such as the secretary of the church board)
2. PAOC will need confirmation that the District approves this borrowing.
3. The Church must advise its lender that any security documents to be signed by the PAOC must include the following limitation on the PAOC's Liability:

NON RECOURSE ON THE COVENANT CLAUSE

NOTWITHSTANDING any other provisions herein or other promise to pay, whether such provisions are included in substance or by law, the total liability of the Mortgagor hereunder or other promise to pay is strictly limited to any rights the Mortgagee may have against or in relation to the lands and premises charged, mortgaged or encumbered by this Mortgage.

4. The names of the local church board members should be listed on the mortgage as covenantors.
5. Mortgage documents can be signed either by the International Office of PAOC or by the district office of PAOC in consultation with David Hazzard of the International Office.