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P-91052-E

LAND TITLE COMPANY OF SKAGIT COUNTY

Deed Of Trust

THIS DEED OF TRUST, made this 5 day of NOVEMBER, 1999, between LA CONNER NEIGHBORHOOD CHURCH OF THE ASSEMBLIES OF GOD, a WA corporation, whose address is 874 Snee Oosh Road, La Conner WA 98257, hereinafter called "GRANTOR", LAND TITLE OF SKAGIT COUNTY, whose mailing address is 111 E George Hopper Rd, Burlington WA 98233, hereinafter called "TRUSTEE", and FOUNDATION MINISTRIES LOAN FUND, a Washington wholly charitable trust, hereinafter called "BENEFICIARY". The mailing address for the Beneficiary is 1600 North Boonville Avenue, Suite C, Springfield, Missouri 65803,

WITNESSETH: That Grantor does hereby irrevocably GRANT, BARGAIN, SELL AND CONVEY TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in the County of SKAGIT, State of WA, described as follows:

See attached Schedule A. SW NE 35-34-2
 340235-0-002-0104
 (Herein referred to as "property");

TOGETHER WITH all the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits;

FOR THE PURPOSE OF SECURING:

1. Performance of each agreement of grantor herein contained.
2. Payment of the indebtedness evidenced by a Promissory Note, of even date herewith, and any extension or renewal thereof, in the principal sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), payable to the Beneficiary or



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Kathy Hill, Skagit County Auditor

order and made by Grantor, the final payment of principal and interest thereof, if not sooner paid, to be finally due and payable on _____.

3. To secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary herein to the Grantor herein, or any or either of them, while record owner of present interest, for any purpose, and any notes, drafts or other instruments representing such further loans, advances or expenditures together with interest on all such sums at the rate therein provided. Provided, however, that the making of such further loans, advances or expenditures shall be optional with the Beneficiary, and provided, further, that it is the express intention of the parties to this Deed of Trust that it shall stand as continuing security until paid for all such loans, advances or expenditures, together with interest thereon.

A. To protect the security of this Deed of Trust Grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor;

2a. Grantor shall bear the risk of loss of said property from all causes except any loss caused by Beneficiary or any agent of Beneficiary, and shall cause all of the insurable improvements on the real property described in this Deed of Trust to be insured against loss by fire, and other hazards, casualties, contingencies, and risks embraced within the term "extended coverage", in an amount not less than their full insurable value in company authorized to sell casualty insurance in Missouri approved by Beneficiary. Said policy of insurance shall include an endorsement insuring all of the parties to this Deed of Trust as their interest may appear under the terms of this Deed of Trust. Grantor shall maintain such insurance policy in full force and effect and shall pay all premiums due and owing on said insurance policy in full when they become due. All notices issued by the insurance company pertaining to any changes in insurance coverage under the insurance policy shall be sent to both Grantor and Beneficiary. Evidence of such insurance policy shall be delivered to the Beneficiary. Beneficiary shall have the right at any time to require Grantor to provide to Beneficiary a copy of such insurance policy, together with any amendments or additions to such insurance policy and evidence that all payments required to be made in order to maintain such insurance in full force and effect have been paid in full by Grantor.

2b. In the event of any loss or destruction of the property described in this Deed of Trust by any insured cause, Grantor shall have the right to elect to use the insurance proceeds paid or payable to the parties to this Deed of Trust as a result of said insured loss, to repair or restore the damaged property, PROVIDED THAT and ON CONDITION that, Grantor shall give Beneficiary written notice of Grantor's intent to so use such proceeds within thirty (30) days following the occurrence of such loss. The amount required to repair or restore such damage shall be taken first from that portion of the insurance proceeds that are payable to Grantor and the remainder, if any shall thereafter be taken from that portion of the insurance proceeds that are payable to Beneficiary. In the event that Grantor does not elect to repair or restore such damaged



property or if the amount required or expended to repair or restore such damage is less than the amount of the insurance proceeds paid or payable to the parties as a result of such loss, then and in that event all proceeds not used to repair or restore the damaged property shall be paid and applied to the balance due on the indebtedness secured hereby.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay; at least ten days before delinquency all taxes and assessments affecting said property, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto: all costs, fees and expenses of this Trust. In addition to the payments due in accordance with the terms of the note hereby secured the Grantor shall at the option, and on demand of the Beneficiary, pay each month 1/12th of the estimated annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, nevertheless in trust for Grantor's use and benefit and for the payment by Beneficiary of any such items when due. Grantor's failure so to pay shall constitute default under this Trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the rate stated on the note.

6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, or in enforcing this Deed of Trust by judicial foreclosure, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It is mutually agreed that:

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary to be applied on any indebtedness secured hereby and after such indebtedness is paid in full any excess shall be paid to Grantor.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.



3. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said notes for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Notes to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any re-conveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. In the event of default, if Beneficiary elects to foreclose on this Deed of Trust pursuant to state law, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant of warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness

thereof. Any person, including the Beneficiary under the Deed of Trust, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payments of: all sums expended under the terms hereof, not then repaid with accrued interest at the rate stated on the note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. In the event of dissolution or resignation of the Trustee, the Beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the Office of the Recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

10. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust afforded by law or equity, and may be exercised concurrently, independently or successively.

11. The granting of credit by Beneficiary is personal to Grantor. In extending such credit to the Grantor the Beneficiary has relied on Grantor's credit reputation, Grantor's interest in the property described herein and intended use thereof, and financial market conditions at the time this Deed of Trust is made. Based upon these considerations, and others, it is agreed that during the term of this Deed of Trust, Grantor shall not be entitled to sell, encumber or convey the property described in this Deed of Trust or any part hereof or any equitable interest therein, nor shall Grantor be entitled to assign this Deed of Trust or any right, title or interest of Grantor herein, unless and until Grantor obtains the express written consent of Beneficiary. The granting of the express written consent by Beneficiary shall be and is a condition precedent to any sale, encumbrance, conveyance, or assignment, and any purported inter vivos sale, encumbrance, conveyance or assignment by Grantor without such consent shall be void and shall constitute a default by Grantor and which default shall entitle Beneficiary to effect any and all remedies provided to Beneficiary under the terms of this Deed of Trust upon the default by Grantor, including, without limitation, the right to declare all sums secured by this Deed of Trust to be immediately due and payable. If Grantor desires to sell, convey, encumber or assign the property



described in this Deed of Trust or any interest of Grantor in this Deed of Trust, Grantor shall submit a written request for such consent to Beneficiary together with such information, including without limitation, such credit information as Beneficiary shall deem necessary, and as will enable Beneficiary to evaluate the prospective Buyer, Grantee or Assignee. Beneficiary shall evaluate the prospective Buyer, Grantee, or Assignee, and such person's credit, such person's interest in the property and its intended use thereof, and the financial market conditions then existing, as if Beneficiary were a that time selling the property described in this Deed of Trust. If, after making said evaluation, Beneficiary reasonably determines that Beneficiary may not receive prompt payment of any amounts due to Beneficiary which are secured by this Deed of Trust or that there is an unacceptable chance of some other default; or if Beneficiary does not receive the required information, such consent shall be denied. If Beneficiary determines that the prospective Buyer, Grantee, or Assignee, is an acceptable risk and otherwise qualifies, including in such qualification, without limitation, his credit record and ability to pay the amounts due to beneficiary which are secured by the terms of this Deed of Trust, his interest in the property, and his intended use thereof, Beneficiary shall consent to such sale, conveyance, or assignment, provided that, such consent shall be subject to the following conditions:

(1) The prospective Buyer, Grantee, or Assignee shall assume full personal liability for payment and performance of the terms and conditions of this Deed of Trust and all obligations for indebtedness secured hereby;

(2) Grantor shall not be released or excused from personal liability for payment or performance of the terms and conditions of this Deed of Trust or any indebtedness or other obligation secured hereby; and

(3) Grantor shall pay all costs and expense, including without limitation, attorney's fees incurred by Beneficiary in connections with or arising out of the request for consent, the evaluation of such request by Beneficiary, and all costs and expense, including, without limitations, any attorneys fees and escrow holder fees incurred to complete such sale, conveyance, or assignment.

Request is hereby made that a copy of any Notice of Default and copy of any Notice of Sale hereunder be mailed to the Grantor at its address herein before set forth.

WITNESS the following signatures and seals.

LA CONNER NEIGHBORHOOD CHURCH OF THE ASSEMBLIES OF GOD

by John Bunting, Pastor

ATTEST:

by [Signature]



STATE OF WA)
) ss.
COUNTY OF SKAGIT)

On this 9 day of November, 1999, before me personally appeared John Canting and _____ to me known to be the President and _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public in and for the State of WA residing at:

Not a Notary

My commission expires 10-01-02



DESCRIPTION:

That portion of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 35, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at the Southeast corner of said Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$;

thence North along the East line of said Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ a distance of 638.15 feet to a point on the South line of the County road, said point being the true point of beginning;

thence South $89^{\circ}12'25''$ West along the South line of said road a distance of 210 feet;

thence South 314 feet;

thence North $89^{\circ}12'25''$ East a distance of 210 feet;

thence North along the East line of said Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$, 314 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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Kathy Hill, Skagit County Auditor