

When Recorded Mail to:

Kathy E. Knapp
Reliance Trust Company
1100 Abernathy Road
500 Northpark, Suite 400
Atlanta, GA 30328-5646

This Instrument Prepared By:

Reliance Trust Company



200704250001

Skagit County Auditor

4/25/2007 Page

1 of 16 8:34AM

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CHICAGO TITLE COMPANY IC40564
P122423 & P123791

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**DEED OF TRUST,
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT,
FINANCING STATEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, FINANCING STATEMENT AND FIXTURE FILING (herein "Instrument") is made this 17th day of April, 2007, by the Mortgagor/Grantor, CASCADE CHRISTIAN CENTER OF SKAGIT VALLEY, whose address is 2901 Martin Road, Mount Vernon, Washington 98273 (herein "Borrower"), FIDELITY NATIONAL TITLE COMPANY (herein "Trustee"), SAN JOAQUIN BANK, a corporation, duly organized and existing under the laws of the State of California, whose address is 4600 California Avenue, Bakersfield, California 93389, and RELIANCE TRUST COMPANY, as Trustee for First Mortgage Bondholders, a bank and trust company organized and existing under the laws of the State of Georgia, whose address is 1100 Abernathy Road, 500 Northpark, Suite 400, Atlanta, Georgia 30328-5646. San Joaquin Bank and Reliance Trust Company are herein collectively referred to as the "Lenders."

WHEREAS, Borrower is indebted to Lenders in the aggregate principal sum of ONE MILLION FIVE HUNDRED NINETY NINE THOUSAND AND NO/100 DOLLARS (\$1,599,000.00), which indebtedness is evidenced by Borrower's \$1,599,000.00 Promissory Note with San Joaquin Bank dated April 20, 2007, providing for payments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on April 20, 2008, and evidenced by Borrower's Trust Indenture in the amount of \$1,599,000.00 for the benefit of certain Bondholders of Series 2007 First Mortgage Bonds dated April 20, 2007, as defined in that certain Agreement Between Lienholders dated April 20, 2007, attached hereto as Exhibit "C" and incorporated herein by reference thereto.

TO SECURE TO RELIANCE TRUST COMPANY, as Trustee for First Mortgage Bondholders, 2007 Series (a) the repayment of the indebtedness evidenced by Borrower's bonds dated April 20, 2007, (herein "Bonds") in the principal sum of One Million Five Hundred Ninety Nine Thousand Dollars (\$1,599,000.00), with interest thereon, issued pursuant to a Trust Indenture (the "Trust Indenture") dated April 20, 2007 between Borrower as Issuer thereunder and Reliance Trust Company as Trustee thereunder, which Trust Indenture provides for payments by Issuer into a sinking fund maintained by Trustee's disbursement agent and/or paying agent for periodic payments to the holders of the Bonds of principal and interest on the Bonds, with the balance of the indebtedness, if not sooner paid, due and payable on April 20, 2037, and all renewals, extensions and modifications thereof; (b) the payment of all other sums including, but not limited to, the repayment of any future advances, with interest thereon, advanced in accordance herewith to protect the security of this Instrument (the "Future Advances"); (c) the performance of the

covenants and agreements of Borrower contained in the Trust Indenture; and (d) the performance of the covenants and agreements of Borrower herein contained, Borrower in consideration of the indebtedness herein recited and the trust herein created, irrevocably does hereby mortgage, grant, convey and assign to Lenders, with mortgage covenants, the property located in Skagit County, State of Washington, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

AND ALSO TO SECURE TO SAN JOAQUIN BANK (a) the repayment of the indebtedness evidenced by Borrower's Promissory Note dated April 20, 2007 in the principal sum of One Million Five Hundred Ninety Nine Thousand Dollars (\$1,599,000.00) between Borrower and San Joaquin Bank providing for payments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on April 20, 2008 and all renewals, extensions and modifications thereof; (b) the payment of all other sums, but not limited to, the repayment of any Future Advances, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; (c) the performance of the covenants and agreements of Borrower contained in the Loan Agreement; and (d) the performance of the covenants and agreements of Borrower herein contained, Borrower in consideration of the indebtedness herein recited and the trust herein created, irrevocably does hereby mortgage, grant, convey and assign to Lenders, with mortgage covenants, the property located in Skagit County, State of Washington, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.

As to both lenders, together with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents (subject, however, to the assignment of rents to Lenders herein), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pews, altars, organs, pictures, antennas, trees and plants; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this Instrument is on a leasehold) now owned or hereafter acquired including but not limited to the property described on Exhibit "B" attached hereto and incorporated herein by this reference; all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument, and all of the foregoing, together with said property are herein referred to as the "Property;" all interest of Borrower in (1) other tangible personal property of any nature whatsoever located in or upon the real property and (2) intangible personal property relating to the development, use or operation of the real property including, but not limited to, all inventories, accounts, accounts receivable, contract rights, chattel paper, leases (subject, however, to the assignment of rents to Lenders herein), instruments, deposits, monies due and to become due (including guaranties and security for the payment of same) and all proceeds, benefits and claims arising as a result of loss in value of the property or damage to any improvements therein or thereupon (including, but not limited to, insurance proceeds, awards for condemnation and causes of action against third persons or entities).

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant, convey and assign the Property (and if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the



Property against all claims and demands, subject to any easements and restrictions listed in the Title Insurance Policy.

Covenant. Borrower and Lenders covenant and agree as follows:

Definition. "Loan Documents" means the Note, this Instrument, the Loan Agreement and the Hypothecation Agreement between the Borrower and San Joaquin Bank all of even date herewith, the Agreement Between the Lien Holders among the Borrower and the Lenders of even date herewith, and any other documents now or in the future executed by Borrower or any other person in connection with the loan evidenced by the Note, and the Bonds and the Trust Indenture as such documents may be amended from time to time.

Uniform Covenants. Borrower and Lenders covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due all obligations to the Lenders as evidenced by the Loan Documents, including, but not limited to, the sinking fund payments as provided in the Trust Indenture, the principal of and interest on the indebtedness evidenced by the Bonds, any prepayment and late charges provided in the Trust Indenture and all other sums secured by this Instrument and/or any of the remaining Loan Documents, including any renewals, extensions, advances under or modifications thereof.
2. **TRUST INDENTURE.** Borrower shall comply with the covenants and conditions of the Trust Indenture which is hereby incorporated by this reference and made a part hereof.
3. **CONDEMNATION.** Borrower shall promptly notify Lenders of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lenders in writing. Borrower authorizes Lenders, at Lenders' option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lenders' or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lenders subject, if this Instrument is on a leasehold to the rights of lessor under the ground lease. Borrower authorizes Lenders to apply such awards, payments, proceeds or damages, after the deduction of Lenders' expenses incurred in the collection of such amounts as provided in the Trust Indenture.
4. **BORROWER AND LIEN NOT RELEASED.** From time to time, Lenders may, at Lenders' option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Lenders' part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness of any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Bonds or change the amount of the monthly installments payable thereunder. Any actions taken by Lenders pursuant to the terms of this paragraph 4 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Lenders a reasonable service



charge, together with such title insurance premiums and attorney's fees as may be incurred at Lenders' option, for any such action if taken at Borrower's request.

5. **FORBEARANCE BY LENDERS NOT A WAIVER.** Any forbearance by Lenders in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any right or remedy. The acceptance by Lenders of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lenders' right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lenders shall not be a waiver of Lenders' right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lenders' receipt of any awards, proceeds or damages under paragraph 3 hereof operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

6. **ESTOPPEL CERTIFICATE.** Borrower shall, within ten days of a written request from Lenders, furnish Lenders with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument.

7. **UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.** This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property, which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lenders a security interest in said items. Borrower agrees that Lenders may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lenders, upon Lenders' request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Lenders may request to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lenders may reasonably require. Without the prior written consent of Lenders, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lenders shall have the remedies of a secured party under the Uniform Commercial Code and, at Lenders' option, may also invoke the remedies provided in paragraph 13 of this Instrument as to such items. In exercising any of said remedies, Lenders may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lenders' remedies under the Uniform Commercial Code or of the remedies provided in paragraph 13 of this Instrument.

8. **REMEDIES CUMULATIVE.** Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

9. **NOTICE.** Except for any notice required under applicable law to be given in another manner, all notices (including a statement of taxes assessed on real property), requests, demands, waivers, or other communications given as provided in this Instrument or in the Bonds will be in writing, and unless otherwise specifically provided in this Instrument, will be deemed to have been given: (i) if delivered in person, upon delivery, or (ii) if mailed by certified or registered mail, postage prepaid, and addressed to Borrower or Lenders at the addresses provided below on the second business day after deposit in the United States mail if addressed to an address located within the same



state in which the notice is being mailed or on the third business day after deposit in the United States mail if addressed to an address located within a state other than the state in which the notice is being mailed, or (iii) if sent by overnight express delivery service, enclosed in a prepaid envelope and addressed to Lenders or Borrower at the addresses provided below, on the first business day after deposit with the service, or (iv) if sent by tested telex, telegram, telecopy, or other form of rapid transmission confirmed by mailing (as provided in this paragraph), at substantially the same time as the rapid transmission. Lenders or Borrower may change its respective address as provided in this paragraph by giving written notice of the change as provided in this paragraph. The addresses for notice are:

(1) NOTICE TO BORROWER:

Cascade Christian Center of Skagit Valley
2901 Martin Road
Mount Vernon, Washington 98273
Attention: Guy L. Valle, Senior Pastor/President

(2) NOTICE TO LENDERS:

Reliance Trust Company
Trustee for First Mortgage Bondholders, 2007 Series
1100 Abernathy Road
500 Northpark, Suite 400
Atlanta, Georgia 30328-5646
Attention: Kathy Knapp, Vice President

and

San Joaquin Bank
4600 California Avenue
Bakersfield, California 93389
Attn: John W. Ivy, Executive Vice President

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS, CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lenders and Borrower. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lenders may act through its employees, agents or independent contractors as authorized by Lenders. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

11. GOVERNING LAW; SEVERABILITY. This Instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this Instrument or the Bonds conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Bonds which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Bonds are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Bonds, whether considered separately or together with other charges levied in connection with this Instrument and the Bonds, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lenders in excess of the



amounts payable to Lenders pursuant to such charges as reduced shall be applied by Lenders to reduce the principal of the indebtedness evidenced by the Bonds. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Bonds and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Bonds. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Bonds.

12. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDERS IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Bonds, Borrower hereby absolutely and unconditionally assigns and transfers to Lenders all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lenders or Lenders' agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lenders or Lenders' agents; provided, however, that prior to written notice given by Lenders to Borrower for the breach by Borrower of any covenant or agreement of Borrower in this Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lenders and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument in the order provided in the Trust Indenture, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lenders that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lenders to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Lenders entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lenders shall immediately be entitled to possession of all rents and revenues of the Property as the same become due and payable, including, but not limited to, rents then due and unpaid, and all such rents shall immediately, upon delivery of such notice, be held by Borrower as trustee for the benefit of Lenders only; provided, however, that the written notice by Lenders to Borrower of the breach by Borrower shall contain a statement that Lenders exercise their rights to such rents. Borrower agrees that, commencing upon delivery of such written notice of Borrower's breach by Lenders to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lenders or Lenders' agents on Lenders' written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lenders from exercising its rights under this paragraph 12, and that, at the time of execution of this Instrument, there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lenders such further assignments of rents and revenues of the Property as Lenders may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lenders may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lenders' security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or



termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Lenders elect to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Lenders or the receiver shall be entitled to receive a reasonable fee for so managing the Property. Lenders may obtain the appointment of a receiver by a court of competent jurisdiction, upon ex parte application without notice to Borrower, such notice being hereby waived by Borrower, as a matter of right and without regard to the value of the collateral or the adequacy of any security for the sums secured by this Instrument.

All rents and revenues collected subsequent to delivery of written notice by Lenders to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Instrument. Lenders or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lenders shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lenders under this paragraph 12.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lenders for such purposes shall become indebtedness of Borrower to Lenders secured by this Instrument. Unless Lenders and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lenders to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Bonds or the Trust Indenture, as may be applicable, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lenders or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lenders under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Lenders.

Non-Uniform Covenants. Borrower and Lenders further covenant and agree as follows:

13. **ACCELERATION; REMEDIES.** Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, or of any of the Loan Documents, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, or of any of the Loan Documents, if such breach continues for a period of thirty (30) days, Lenders at Lenders' option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law or provided herein. Lenders shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fee, litigation expenses, costs of documentary evidence, abstracts and title reports.

Borrower acknowledges that the power of sale herein granted may be exercised by Lenders without prior judicial hearing. If Lenders invoke the power of sale, Lenders or Trustee shall give to those legally entitled notice of sale as required by the laws of the jurisdiction in which the Property is located. Borrower has the right to bring an action to assert the non-existence of a breach or any other defense of Borrower to acceleration and sale. Lenders shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to,



attorney's fees, litigation expenses, costs of documentary evidence, abstracts and title reports. If lenders invoke the power of sale, and it is determined in a hearing held in accordance with applicable law that Trustee can proceed to sale, Trustee shall take such action regarding notice of sale and shall give such additional notices to Borrower and to other persons as applicable laws may require. After the lapse of such time as may be required by applicable law and after the publication of the notice of sale, Trustee shall sell the Property according to applicable laws. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale as may be required by applicable law. Lenders or Lenders' designee(s) may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied, or with Special Warranty of title, at Trustee's discretion. The recitals in the Trustee's deed shall be prima facie evidence of the trust of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Instrument in such order as Lenders, in Lenders' sole discretion, directs; and (c) the excess, if any, to the person or persons legally entitled thereto.

14. **RECONVEYANCE.** Upon payment of all sums secured by this Instrument, Lenders shall request Trustee to reconvey the Property and shall surrender and release the lien of this Instrument and all bonds evidencing indebtedness secured by this Instrument to Trustee. Trustee shall reconvey and release the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying and releasing the Property.

15. **SUBSTITUTE TRUSTEE.** Lenders, at Lenders' option, may from time to time, by an instrument in writing, and in accordance with the laws of the jurisdiction in which the Property is located, appoint a successor trustee to any Trustee appointed hereunder, which instrument, when executed and acknowledged by conclusive proof of proper substitution of such successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title powers and duties conferred upon the Trustee herein and by applicable law. Said instrument shall contain the name of the original Lender(s), Trustee and Borrower hereunder, the book and page where this Instrument is recorded, and the name and address of the successor trustee. If notice of default has been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee have been paid to such Trustee who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of trustee shall govern the exclusion of all other provisions for substitution, statutory or otherwise.

16. **REQUEST FOR NOTICES.** Borrower requests that copies of the notice of default and notice of sale be sent to Borrower at Borrower's address stated herein.

17. **STATEMENT OF OBLIGATION.** Lenders may collect a fee not to exceed the maximum allowed by applicable law for furnishing a statement of obligation. If no maximum is stated by applicable law, the fee for furnishing such statement shall be \$100.00.

18. **FUTURE ADVANCES.** Upon request of Borrower, Lenders, at Lenders' options so long as this Instrument secures indebtedness held by Lenders, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes/indentures stating that said notes/indentures are secured hereby.

19. **COUNTERPARTS.** This Instrument may be simultaneously executed and delivered in counterpart each, as an original, shall constitute one and the same Instrument.



20. **CONFLICT.** In the event of conflict between the terms, covenants and conditions of the Trust Indenture and this Instrument, the terms of this Instrument shall control.

21. **ATTORNEY'S FEES.** As used in this Instrument and in the Indenture and Promissory Note, "attorney's fees" shall include attorney's fees, if any, which may be awarded by a court of competent jurisdiction.

22. **LEGAL CAPACITY.** All parties signing the within instrument have declared themselves to be of full legal capacity.

23. **WAIVER OF STATUTE OF LIMITATIONS.** Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce any Loan Document, the Bonds or the Trust Indenture.

24. **WAIVER OF TRIAL BY JURY.** TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER AND LENDERS EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDERS THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OR RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

25. **DUE ON SALE PROVISION:** IF ALL OR ANY PART OF THE PROPERTY OR ANY INTEREST IN THE PROPERTY IS SOLD OR TRANSFERRED (OR IF A BORROWER IS NOT A NATURAL PERSON AND A BENEFICIAL INTEREST IN BORROWER IS SOLD OR TRANSFERRED) WITHOUT LENDERS' PRIOR WRITTEN CONSENT, LENDERS MAY REQUIRE IMMEDIATE PAYMENT IN FULL OF ALL SUMS SECURED BY THIS DEED OF TRUST TO THE EXTENT PERMITTED BY APPLICABLE LAW. IF LENDERS EXERCISE THE OPTION TO REQUIRE IMMEDIATE PAYMENT IN FULL, LENDERS SHALL GIVE BORROWER NOTICE OF ACCELERATION. THE NOTICE SHALL PROVIDE A PERIOD OF NOT LESS THAN THIRTY (30) DAYS FROM THE DATE THE NOTICE IS FORWARDED WITHIN WHICH BORROWER MUST PAY ALL SUMS SECURED BY THIS DEED OF TRUST. IF BORROWER FAILS TO PAY THESE SUMS PRIOR TO THE EXPIRATION OF THE PERIOD, LENDERS MAY INVOKE ANY REMEDIES PERMITTED BY THIS DEED OF TRUST AND APPLICABLE LAW.



IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed and sealed by its representatives thereunto duly authorized.

Signed, sealed and delivered in the presence of the following in Skagit County, Washington:

BORROWER:

CASCADE CHRISTIAN CENTER
OF SKAGIT VALLEY
Mount Vernon, Washington

Mich Tneer
WITNESS
Print Name: Michelle Tneer

BY: [Signature]
GUY L. VALLE
Senior Pastor/President

David McFadden
WITNESS
Print Name: D McFadden

BY: [Signature]
KIMBERLY A. JOHNSON
Associate Pastor/Secretary

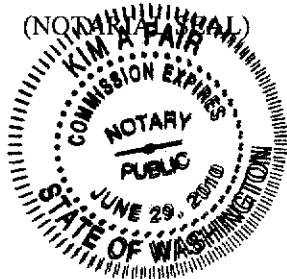
(CORPORATE SEAL)

STATE OF WASHINGTON

COUNTY OF SKAGIT

On 04/17/07, before me, Kim A. Fair, Notary Public, personally appeared Guy L. Valle, President/Senior Pastor and Kimberly A. Johnson, Associate Pastor/Secretary, ~~personally~~ known to me - OR - () proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal, this the 17 day of 04 2007.



Kim A. Fair
SIGNATURE OF NOTARY

My Commission Expires: 06/29/10



EXHIBIT "A"

Lot 9, PLAT OF CASCADE ADDITION TO MOUNT VERNON, according to the plat thereof recorded December 17, 2004, under Auditor's File No. 200412170126, records of Skagit County, Washington.

Situated in Skagit County, Washington

Assessor's Account No. 4850-000-009-0000 AND 4850-000-009-0100
Assessor's Property No.: P122423 and P123791



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Skagit County Auditor

EXHIBIT "B"

DEBTOR:

CASCADE CHRISTIAN CENTER OF SKAGIT VALLEY

A Washington Non-Profit Religious Corporation
2901 Martin Road
Mount Vernon, Washington 98273

SECURED PARTIES:

RELIANCE TRUST COMPANY

A Georgia Bank and Trust Company
1100 Abernathy Road
500 Northpark, Suite 400
Atlanta, Georgia 30328-5646

SAN JOAQUIN BANK

A California Corporation
4600 California Avenue
Bakersfield, California 93309

(a) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, machinery, equipment, building materials, appliances and goods of every nature now or hereafter located on or upon, or intended to be used in connection with, the Land or the improvements thereon, including, but not by way of limitation, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators and related machinery and equipment; all plumbing; and all personal property and fixtures of every kind and character now or at any time hereafter located in or upon the Land or the improvements thereon, or which may now or hereafter be used or obtained in connection therewith, including, without limitation, fixtures, machinery, equipment, appliances, vehicles (excluding Debtor's personal automobiles, if any), building supplies and materials, books and records, chattels, inventory, accounts, farm products, consumer goods, general intangibles and personal property of every kind and nature whatsoever now or hereafter owned by Debtor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Land or any improvements thereon, including all extensions, additions, improvements, betterments, after-acquired property, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, and all the right, title and interest of Debtor in any such fixtures, machinery, equipment, appliances, vehicles and personal property subject to or covered by any prior security agreement, conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposits or payments now or hereafter made by Debtor or on behalf of Debtor, all trade names, trademarks, service marks, logos and goodwill related thereto which in any way now or hereafter belong, relate or appertain to the Land or any improvements thereon or any part thereof or are now or hereafter acquired by Debtor; and all inventory, accounts, chattel paper, documents, equipment, fixtures, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any of the property described herein, and all other interests of every kind and character in all of the real, personal, intangible and mixed properties described herein which Debtor may now own or at any time hereafter acquire, all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Land as between the parties hereto and all persons claiming by, through or under them.

(b) All of the interest of Debtor in all easements, rights-of-way, licenses, operating agreements, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, oil and gas and other minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Land or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Debtor.

(c) All income (including but not limited to, all revenues, pledges, income, gifts, donations and offerings from whatever source owned by Debtor), rents, issues, royalties, profits, revenues and other benefits of the Land from time to time accruing, all payments under leases or tenancies, proceeds of insurance,



condemnation awards and payments and all payments on account of oil and gas and other mineral leases, working interests, production payments, royalties, overriding royalties, rents, delay rents, operating interests, participating interests and other such entitlements, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Debtor of, in and to the same (hereinafter collectively referred to as the "Revenues"); reserving only the right to Debtor to collect the Revenues as provided in the Deed And Agreement executed by Debtor in favor of Secured Party.

(d) All construction or development contracts, subcontracts, architectural agreements, labor, material and payment bonds, and plans and specifications relating to the construction of improvements on the Land including, without limitation (i) any engineering or architectural agreements entered into with respect to the design and other engineering or architectural services; (ii) the plans and specifications for the construction of said improvements prepared by any engineer or architect; and (iii) any agreements entered into with contractors, suppliers, materialmen or laborers with respect to construction of improvements on the Land.

(e) If applicable, any and all management contracts, agreements, or other correspondence entered into by and between Debtor and third parties for the management of the collateral secured hereby.

(f) Together with any and all additional items of personal property, furnishings, fixtures, equipment, furniture, trade fixtures, and other items of property not heretofore referenced above, including any and all musical instruments, church pews, chairs, pulpits, podiums, and all other items used in connection with the Issuer and Issuer's functions.



EXHIBIT "C"

AGREEMENT BETWEEN LIENHOLDERS

THIS AGREEMENT is made by and between **RELIANCE TRUST COMPANY**, a Georgia Bank and Trust Company, as Trustee for the benefit of the Bondholders of **FIRST MORTGAGE BONDS, 2007 SERIES**, having a notice address at 1100 Abernathy Road, 500 Northpark, Suite 400, Atlanta, Fulton County, Georgia 30328, **SAN JOAQUIN BANK**, a California corporation (hereinafter "**Lender**"), having a notice address at 4600 California Avenue, Bakersfield, California 93309, and **CASCADE CHRISTIAN CENTER OF SKAGIT VALLEY**, a Washington non-profit corporation (hereinafter "**Issuer/Borrower**") whose address is 2901 Martin Road, Mount Vernon, Washington 98273.

RECITALS:

- 1.1 Borrower issued \$1,599,000 First Mortgage Bonds, 2007 Series, dated April 20, 2007 (hereinafter referred to as the "**Bonds**") that provided funds to: (1) refinance certain existing debt, (2) provide for a Reserve Account, (3) provide monies for the reimbursement of professional costs, and (4) pay costs incidental to this bond financing, including but not limited to, broker fees, escrow/title closing costs, etc. (the "**Project**"). The Bonds will be issued pursuant to a Trust Indenture dated as of April 20, 2007 naming Reliance Trust Company ("**Trust Agent**") as Trustee, Disbursement Agent, Paying Agent and Registrar (the "**Indenture**"). Borrower intends to obtain a loan in the maximum amount of \$1,599,000 from Lender (the "**Loan**"). The proceeds of the Loan will be used by Borrower to purchase a maximum amount of \$1,599,000 of the Bonds, in a private sale, which will be issued in the name of Borrower into its treasury and pledged to Lender to secure the Loan (the Bonds pledged to secure the Loan being referred to as the "**Pledged Bonds**"). Strongtower Financial, Inc. ("**Broker**") intends to resell the Pledged Bonds as the Borrower's agent in a public offering on a best-efforts basis. The proceeds from the resale of the Pledged Bonds will be used to repay the Loan. The Borrower has executed and delivered to Trust Agent and Lender a co-first Deed of Trust, Assignment of Rents and Security Agreement Financing Statement and Fixture Filing dated April 17, 2007 (the "**Deed of Trust**") on certain real property and improvements as described therein (the "**Property**") which will secure on an equal and parity basis both (i) the Pledged Bonds and other obligations under the Trust Indenture and (ii) the Loan. The Borrower has executed and delivered to Lender the Promissory Note dated April 20, 2007. As each of the Pledged Bonds is sold and the proceeds from the sale of each of the Pledged Bonds are paid to the Lender, Lender's security interest in each Pledged Bond will be released. Upon payment of the Loan from the resale of Pledged Bonds, Lender's interest under the Deed of Trust will be released. The Trust Agent and Lender have entered into the Agreement Between Lienholders setting forth their agreements with respect to default administration, application of proceeds and allocation of expenses.



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NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements herein contained, Lender, Trust Agent, and Issuer/Borrower do hereby agree as follows:

1. Equity of Liens. The parties do hereby agree that Issuer/Borrower shall execute the Deed of Trust and other collateral documents related thereto (the "**Security Documents**") as may be required by Lender or Trust Agent for the benefit of both Lender and Trust Agent and that such Security Documents shall jointly secure both the Note and the Bonds. The Note and the Bonds shall both be secured by a first lien of equal position and parity and shall be governed by the provisions of the Security Documents, or other documents or instruments creating the same, as well as, the provisions of this Agreement as hereinafter set forth.

2. Definition of Indebtedness. For purposes of this Agreement, the term "**Indebtedness**" shall refer to both (i) the Note, and (ii) the Bonds. The interest of Lender and Trust Agent in the Indebtedness shall vary as their respective interests therein may from time to time appear.

3. Application of Payments. The parties agree that the proceeds of the resale of the Pledged Bonds, to the extent received, will be used to pay the principal balance and accrued interest, to the extent received, of the Note.

4. Procedures upon Default. Notwithstanding any provisions to the contrary set forth or contained in (i) the Note, (ii) the Bonds, (iii) the Indenture, or (iv) the Security Documents or other security instrument or document securing the payment of the indebtedness, in the event of a default by Borrower under any of the terms and provisions of the instruments or legal documents described above, at the election of either Lender or Trust Agent all of the Indebtedness, both the Note and the Bonds, shall become immediately due and payable in full. In the event of a default under either, the Loan, the Bonds, or the Indenture, the party holding such defaulted obligation will give written notice to the other party within ten (10) days after learning of such event of default. If either Trust Agent or Lender elects to accelerate the Bonds or the Loan as a result of any default, such party shall likewise give written notice to the other party of such election prior to taking any action thereon and, in such event, both Trust Agent and Lender agree to accelerate their respective portion of the Indebtedness on such election by the other. In such event, all collection and foreclosure actions or proceedings shall be conducted jointly by Lender and Trust Agent. All legal fees, court costs and related expenses and all receipts from collection and foreclosure hereunder shall be shared proportionately between Lender and Trust Agent in the same proportion that the unpaid principal balance of each party's portion of the Indebtedness bears to the unpaid principal balance of the total Indebtedness; provided that, if the parties retain separate legal counsel to assist in collection or foreclosure or if a party retains legal counsel in addition to jointly-obtained counsel, then the party retaining such separate or additional legal counsel shall pay the fees and expenses thereof. In the event of a default under either portion of the



200704250001

Skagit County Auditor

Indebtedness, Trust Agent and Lender hereto agree to work together in good faith in attempting to make joint decisions regarding such matters as collection attempts, foreclosure, selection of counsel, and maintenance and disposition of the collateral. In the event of receipt of proceeds from the collateral, any such proceeds shall be divided between Lender and Trust Agent based upon the unpaid principal balance of each party's portion of the Indebtedness bears to the unpaid principal balance of the total Indebtedness.

5. Term. This Agreement shall continue until the earliest to occur of: (a) payment in full of the Note and release of Lender's interest in the Security Documents; (b) a repossession of the Property, or a final, nonappealable judgment has been entered foreclosing the Property, and the sale of the Property has been made and confirmed as required by law and the proceeds from such sale(s) disbursed to Lender and Trust Agent according to the terms hereof; or (c) the mutual written agreement of the parties to terminate this Agreement.

6. Enforcement. In any action brought to enforce or defend any of the provisions of this Agreement, the prevailing party or parties shall be entitled to recover its reasonable attorney's fees and expenses from any other party in addition to other relief awarded.

7. Construction. This Agreement does not make any party the employee, agent, partner or legal representative of any other party for any purpose whatsoever. No party is granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of any other party.

8. Issuer/Borrower's Indemnity. Issuer/Borrower enters into this Agreement hereby agreeing to the arrangement between Lender and Trust Agent set forth herein in all respects. Furthermore, Issuer/Borrower does hereby agree to indemnify and hold harmless Trust Agent of and from any loss, expense, damages, costs, attorney's fees or other liability incurred as a result of this agreement and the transactions contemplated hereby, and does hereby release Trust Agent from any liability or duty to inquire as to the validity of the Note owing to Lender, the proper use of the proceeds of the Note or the adequacy of funding documentation.

9. Applicable Law. This Agreement is given under and shall in all respects be governed by the laws of the State of California with the exception that the laws of the State of Washington apply to the creation, attachment, perfection and collection upon the security interest in the Pledged Bonds.

10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.



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Skagit County Auditor

4/25/2007 Page 16 of 16 8:34AM