



200812300168

Skagit County Auditor

12/30/2008 Page 1 of 8 4:03PM

WHEN RECORDED RETURN TO:

Name: Stephen R. Dawson
National Covenant Properties
Address: 5101 North Francisco Avenue
City, State, Zip: Chicago, IL 60625

PREPARED BY:

Name: Heather J. Rose
Erickson-Papanek-Peterson-Erickson
Address: 1625 Shermer Road
City, State, Zip: Northbrook, IL 60062

**First Deed of Trust ("Deed of Trust")
Short Form**

Reference number(s) of related documents:
N/A

CHICAGO TITLE CO.

1646903

Grantor:
1. NORTH PACIFIC CONFERENCE OF THE EVANGELICAL COVENANT CHURCH

Grantee:
1. NATIONAL COVENANT PROPERTIES
Chicago Title Co. : Trustee

Legal Description:
1. Lot 3, SKAGIT COUNTY SHORT PLAT NO. 97-0016
2. Additional legal description is on page 2 of document

Assessor's Property Tax Parcel Account Numbers:
340401-1-007-0107; AND ~~340401-1-007-0300~~

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First Deed of Trust ("Deed of Trust")

Short Form

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 29th day of December, 2008, between NORTH PACIFIC CONFERENCE OF THE EVANGELICAL COVENANT CHURCH, a Washington non profit corporation, GRANTOR, whose address is 9311 SE 36th Street, Suite 208, Mercer Island, Washington 98040, **CHICAGO TITLE COMPANY – ISLAND DIVISION, a corporation, TRUSTEE, whose address is 425 Commercial Street, P.O. Box 638, Mount Vernon, Washington 98273, and NATIONAL COVENANT PROPERTIES, an Illinois not for profit corporation, BENEFICIARY, whose address is 5101 North Francisco Avenue, Chicago, IL 60625,**

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

Lot 3 of SKAGIT COUNTY SHORT PLAT NO. 97-0016, approved April 5, 2000 and recorded April 5, 2000 as Auditor's File No. 200004050059, records of Skagit County, Washington; being a portion of the Northwest quarter of the Northeast quarter of Section 1, Township 34 North, Range 4 East, W.M., records of Skagit County, Washington,

Situated in Skagit County, Washington,

Assessor's Parcel Numbers: 340401-1-007-0107; and 340401-1-007-0300



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TOGETHER WITH all the tenements, hereditaments and appurtenances, now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to all and singular existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights-of-way, and easements of record, and to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

THIS DEED OF TRUST IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor incorporated by reference or contained herein and payment of the sum of TWO HUNDRED FORTY THOUSAND and NO/100 Dollars (\$240,000.00) with interest thereon according to the terms of a First Deed of Trust Note Secured by Real Estate of even date herewith (the "Note"), payable to Beneficiary or order and made by Grantor, all renewals, modifications or extensions thereof.

SEE RIDER ATTACHED HERETO AND MADE A PART HEREOF.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 35 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the twenty-fifth (25th) day of July, 1968, in the Official Records of the offices of the County Auditors of the following counties in Washington in the book and at the page designated after the name of each county, to-wit:

The undersigned Grantor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at the address hereinbefore set forth.

COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S NO.	FILE
Adams	2 of Record. Instr.	513-16	122987	
Asotin	Microfilmed Under Auditors No.		101896	
Benton	241 of Official Rec.	695 A-C	592931	
Chelan	688 of Official Rec.	1682-1685	681844	
Clallam	315 of Official Rec.	195-198	383176	
Clark	Aud. Microfilm No.	702859-702862	G-519253	
Columbia	49 of Deeds	198-201	F-3115	
Cowlitz	747 of Official Rec.	234-237	675475	
Douglas	125 of Mtgs.	120-123	151893	
Ferry	28 of Deeds	413-416	153150	
Franklin	11 of Official Rec.	138-141	309636	
Garfield	Microfilmed under Auditors No.		13044	
Grant	44 of Rec. Doc	373-376	538241	
Grays Harbor	21 of General	31-34	207544	
Island	181 of Official Rec.	710-713	211628	
Jefferson	4 of Official Rec.	316-319	196853	
King	5690 of Mtgs.	436-439	6382309	
Kitsap	929 of Official Rec.	480-483	934770	
Kittitas	111 of Mtgs.	361-364	348693	
Klickitat	1201 of Mtgs.	107-110	131009	
Lewis	7 of Official Rec.	839-842	725562	



COUNTY	BOOK OR VOL.	PAGE NO.	AUDITOR'S NO.	FILE
Lincoln	107 of Mortgages	776-779	316596	
Mason	Reel 48	Frame 835-838	236038	
Okanogan	121 of Mortgages	517-519A	560658	
Pacific	213 of Official Rec.	649-652	55707	
Pend Oreille	27 of Mtgs.	8-11	126854	
Pierce	1254 of Mtgs.	707-710	2250799	
San Juan	28 of Mtgs.	459-462	69282	
Skagit	28 of Mtgs.	459-462	69282	
Skamania	47 of Mtgs.	41-44	70197	
Snohomish	233 of Official Rec.	540-543	2043549	
Spokane	14 of Official Rec.	1048-1051	376267C	
Stevens	109 of Mtgs.	394-397	390635	
Thurston	454 of Official Rec.	731-734	785350	
Wahkiakum	17 of Mtgs.	89-92	24732	
Walla Walla	308 of Mtgs.	711-714	495721	
Whatcom	82 of Official Rec.	855-858	1047522	
Whitman	1 of Misc.	291-294	382282	
Yakima	712 of Official Rec.	147-150	2170555	

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and, by executing this Deed of Trust, the Grantor acknowledges receipt of such Master Form Deed of Trust.

The property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.

NORTH PACIFIC CONFERENCE OF THE
EVANGELICAL COVENANT CHURCH, a
Washington non profit corporation

By: Mark A. Novak

Its Superintendent

And: _____

Its _____



STATE OF WASHINGTON)

ss.

COUNTY OF Pierce)

On this 29th day of December, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mark A. Novak and _____, to me known to be the Superintendent _____, respectfully, of NORTH PACIFIC CONFERENCE OF THE EVANGELICAL COVENANT CHURCH, the corporation that executed the 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 the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.



Nella R. Hawks

Notary Public in and for the State of Washington,
residing at Puyallup

Nella R. Hawks

My commission expires: 3/25/2009

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE,

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 20 _____



RIDER ATTACHED TO FIRST DEED OF TRUST ("DEED OF TRUST")
BETWEEN NORTH PACIFIC CONFERENCE OF THE EVANGELICAL COVENANT
CHURCH, GRANTOR
AND NATIONAL COVENANT PROPERTIES, BENEFICIARY

1. **Conflict.** Where the terms of this Rider and Deed of Trust conflict, the Rider shall control.
2. **Transfer of the Property.** If all or any part of the Property or any interest in it is sold or transferred without National Covenant Properties' ("Beneficiary") prior written consent, Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust.
3. **Prepayment.** Grantor shall have the right to repay the Note in whole or in part at any time without penalty. Prepayments shall first be applied to the interest due, and then to the remaining principal.
4. **Event of Default; Remedy.** In the event that Grantor shall breach any obligation under this Deed of Trust, the Note, or in the event that Grantor shall:
 - (a) Receive notice that any violation of any Federal, State or local environmental, health or safety law or regulation may have been committed or is about to be committed by Grantor in connection with the Property;
 - (b) Receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against Grantor alleging violations of any Federal, State or local environmental law or regulation or requiring Grantor to take any action in connection with the release of toxic or hazardous substances or release of petroleum or any petroleum product (including, without limitation, crude oil or any fraction thereof) into the environment in connection with the Property;
 - (c) Receive any notice from a Federal, State or local governmental agency or private party alleging that the Grantor may be liable or responsible for costs associated with a response to or clean up of a release of toxic or hazardous substance or release of petroleum or any petroleum product (including, without limitation, crude oil or any fraction thereof) into the environment or any damages caused thereby in connection with the Property;
 - (d) Receive any notice that Grantor is subject to Federal, State or local investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste, substance or constituent, petroleum, or petroleum products (including, without limitation, crude oil or any fraction thereof) or any other substance into the environment in connection with the Property;
 - (e) Incur any additional debt without the prior written consent of Beneficiary in connection with the Property;
 - (f) Fail to maintain its affiliation with The Evangelical Covenant Church or its status as an organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code;



(g) Commit fraud or material misrepresentation or material omission on its own account, or by or through any of its officers, directors, trustees, or any guarantor in connection with any one or more of the following:

- (A) the application for or creation of the indebtedness secured by this Deed of Trust;
- (B) any financial information, attendance record or other report or information provided to Beneficiary prior to incurrence of or during the term of the indebtedness secured by this Deed of Trust; or
- (C) any request for Beneficiary's consent to any proposed action, including a request for disbursement of funds under any construction escrow or related agreement;

or in the event that:

- (a) Beneficiary shall reasonably deem itself insecure;
- (b) Any proceeding shall be instituted by or against Grantor under any bankruptcy or insolvency statute;
- (c) Grantor shall make an assignment for the benefit of creditors;
- (d) A receiver shall be appointed for Grantor or Grantor's property,

Beneficiary may, at its option, without notice or demand, require immediate payment in full of the unpaid principal balance outstanding, any accrued interest, the prepayment premium, if any, and all other amounts payable under the Note secured by this Deed of Trust. Beneficiary may exercise this option to accelerate regardless of prior forbearance.

5. Maintenance and Repair of Property. Grantor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed; (2) keep said Property in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien; and (3) comply with all requirements of law or municipal ordinances with respect to the Property and the use thereof.
6. Insurance. Grantor shall keep all buildings and improvements now or hereafter situated on said Property insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, whichever is greater, all in companies satisfactory to Beneficiary under insurance policies payable, in case of loss or damage, to Beneficiary, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver certificates of insurance evidencing such coverage, to Beneficiary, and in case of insurance about to expire, shall deliver renewal certificates not less than ten (10) days prior to the respective dates of expiration.
7. Payment of Costs and Expenses. Grantor agrees to pay reasonable attorneys' fees, costs and expenses incurred by Beneficiary in the collection and enforcement of the above referenced Note. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
8. Construction Mortgage. The within Deed of Trust secures an obligation incurred for the construction of an improvement on the land mortgaged herein, (including the acquisition



cost of the land) and constitutes a "construction mortgage" within the meaning of Article 9 of the Uniform Commercial Code.

9. Waiver of Jury Trial. GRANTOR AND BENEFICIARY EACH SEPARATELY AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THE NOTE SECURED BY THIS DEED OF TRUST OR THE RELATIONSHIP BETWEEN THE PARTIES AS GRANTOR AND BENEFICIARY THAT IS TRIABLE BY A JURY AND WAIVES 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 OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.
10. Headings. The headings and captions of the sections of this Rider are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope, intent, or meaning of the provisions of this Rider.
11. Acceptance of Terms. The above terms which are incorporated into the Deed of Trust referenced above are agreed to and accepted by the Grantor.

