



201107150070

Skagit County Auditor

7/15/2011 Page

1 of

12 12:05PM

**WHEN RECORDED RETURN TO:**

Presbyterian Church (U.S.A.), A Corporation  
100 Witherspoon Street/Room 1043A  
Louisville, KY 40202

**Document Title:**

**DEED OF TRUST**

Recording numbers of related documents on page n/a of document.

**NAME OF GRANTOR:**

Baker Community Presbyterian Church, a Washington nonprofit corporation

**NAME OF GRANTEE:**

Presbyterian Church (U.S.A.), A Corporation

**ABBREVIATED LEGAL**

**DESCRIPTION:**

Ptn NE 1/4 Of NE 1/4, 31-34-4 E W.M.

Complete legal description is on Exhibit A of document

**ASSESSOR'S PROPERTY**

**TAX PARCEL ACCOUNT**

**NUMBER(S):**

APN: P29280

LAND TITLE OF SKAGIT COUNTY

138508.0E

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST**

*THIS FIRST LIEN DEED OF TRUST* made this 15th day of July, A.D. 2011 by Baker Community Presbyterian Church, a Washington nonprofit corporation whose address is 134 East Victoria Avenue, Burlington, Washington 98233 hereinafter called the Trustor and the Land Title and Escrow Company whose address is 111 East George Hopper Road, P.O. Box 445, Burlington, Washington 98233 hereinafter called the Trustee; for the benefit of the PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION, a Not For Profit Corporation organized under the laws of the Commonwealth of Pennsylvania whose address is 100 Witherspoon Street, Louisville, Kentucky 40202 hereinafter called the Beneficiary.

*(Whenever used herein, the terms "Trustor, Trustee and Beneficiary" include all the respective parties to this instrument and the heirs, legal representatives and assigns of individuals and the successors and assigns of corporations).*

**WITNESSETH:** that for good and valuable consideration the Trustor hereby grants, bargains, sells, alienates, remises, conveys and confirms unto the Trustee in trust, with Power of Sale, all Property situated in Skagit County, State of Washington more particularly described on the attached Exhibit A which by this reference is made a part hereof.

*To Have and to Hold*, the same, together with the tenements, hereditaments and appurtenances thereto belonging and the rents, issues and profits thereof, unto the Trustor, in fee simple (collectively with the legal description above hereinafter referred to as "Property").

**For the Purpose of Securing** (1) the payment of the sum of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) with interest thereon according to the terms of the promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary and any extensions or renewals thereof ("Promissory Note"); (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it as so secured; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

**And** the Trustor covenants to the Beneficiary that the Trustor is indefeasibly seized of Property in fee simple; that the Trustor has good and marketable title and lawful authority to convey Property as aforesaid; that the Trustor will make such further assurances to perfect the fee simple title to Property and will defend the same against the lawful claims of all persons whomsoever; and that Property is free and clear of all encumbrances.

**Provided Always**, that if the Trustor shall pay unto the Beneficiary any and all sums due under the Promissory Note and shall perform, comply with and abide by each and every the agreements, stipulations, conditions and covenants thereof and of this Deed of Trust, then this Deed of Trust and the estate hereby created, shall cease, terminate and be null and void, and Beneficiary shall reconvey or cause Trustee to reconvey the interests conveyed in this Deed of Trust.

**To protect the security of this Deed of Trust**, Trustor agrees as follows:

1. Trustor shall at Trustor's expense maintain or cause to be maintained all of the Property and any and all improvements thereof in good condition and repair. Trustor represents and warrants to Beneficiary that (a) the Property is not used principally for agricultural purposes, and (b) the Loan secured by this Deed of Trust was not made primarily for personal, family or household purposes.
2. Trustor covenants with the Beneficiary to at all times during the continuance of this Deed of Trust or any extension or renewal thereof to comply with all ordinances and/or any requirement of any governmental authority having jurisdiction over Property.
3. The Trustor shall permit no waste to Property and shall promptly repair, replace or rebuild any part of Property that shall be damaged by vandalism, fire, windstorm, hail, water or any other acts of man or nature and shall restore Property to good condition as of the date of this Deed of Trust.
4. Trustor shall not remove, demolish or materially alter any portion of Property without the prior express written consent of the Beneficiary.
5. Trustor shall not change, alter or modify in any way, any or all of the restrictive covenants presently governing the Property or enacted in the future without the Beneficiary's prior express written consent.
6. The Beneficiary reserves the right to enter and inspect Property at any reasonable time including, but not limited to, the interior and exterior of any outbuildings now or in the future constructed on Property.
7. That in the event Property or any part thereof, shall be condemned or taken for public use under the powers of eminent domain, the Beneficiary shall have the right to demand that all money awarded for the appropriation thereof or damage to Property shall be paid to the Beneficiary up to the amount of the outstanding secured indebtedness, plus interest and may be applied upon the payment last payable under this Deed of Trust and the obligation secured hereby. Such condemnation or application shall not otherwise affect or vary the obligation of Trustor to pay the secured indebtedness.



8. Trustor shall not convey or purport to convey Property or any portion thereof. Any direct or indirect conveyance, purported conveyance, attempted conveyance or contract to convey shall cause the then balance due under this Deed of Trust to be forthwith due and payable in full.

9. If any sum of money herein referred to be not promptly paid when due or if all the agreements, stipulations, conditions and covenants of said Promissory Note and this Deed of Trust or either, are not fully performed, complied with and abided by, then the entire sum mentioned in said Promissory Note and this Deed of Trust or the entire balance unpaid thereon, shall forthwith or thereafter, at the option of the Beneficiary, become and be due and payable, anything in said Promissory Note or herein to the contrary notwithstanding. Failure by the Beneficiary to exercise any of the rights or options herein provided shall not constitute a waiver of any rights or options under said Promissory Note or this Deed of Trust accrued or thereafter accruing. The Beneficiary may institute an action, including, sale under the Power of Sale or a judicial foreclosure, to collect the entire unpaid balance of this Deed of Trust and Promissory Note and may institute foreclosure or exercise any other rights the Beneficiary may have in law or in equity.

10. Trustor warrants that Trustor shall at all times maintain general liability, fire, windstorm and extended coverage insurance on the Property. Flood insurance will be required if the Property being deeded is found to be in a flood hazard area as determined by the Federal Emergency Management Agency (FEMA). Any and all policies shall be in an amount not less than full insurable value or the amount of indebtedness evidenced by the Promissory Note, whichever is greater. Trustor shall give Beneficiary notice of cancellation of coverage thirty (30) days prior to cancellation. If Beneficiary pays the premium or secures substitute coverage the amount of premiums paid by Beneficiary shall be added to the amount of indebtedness outstanding under the Promissory Note. Trustor shall provide Beneficiary with a copy of the insurance policy and evidence of payment premiums. Trustor warrants that Trustor shall at all times material to the Promissory Note and this Deed of Trust name the Beneficiary as an additional insured and loss payee on any and all insurance policies insuring the subject Property.

11. Events of default not set forth otherwise in this Deed of Trust are the following:

a. Nonpayment of any tax charged or assessment by any lawful taxing authority having jurisdiction over Property.

b. The nonpayment of any sum under and by virtue of the Promissory Note and this Deed of Trust as it shall be promptly due including, but not limited to, interest.

c. The Trustor shall permit any waste or deterioration of Property making it unsuitable for the purpose for which it is presently utilized.

d. Failure to pay any and all insurance premiums insuring Property for general liability, fire, windstorm, flood and extended coverage, and/or the failure of Trustor to show the Beneficiary as an additional insured as the Beneficiary's interests may appear.

12. Trustor shall not permit any lien or other encumbrance of Property. In the event any such lien or encumbrance shall attach to Property, Trustor shall within thirty (30) days of being notified of such lien or encumbrance, cause such to be removed by payment, bond or otherwise. In the event of any alleged lien or encumbrance, Trustor shall promptly notify the Beneficiary thereof.

13. Notices hereunder to the Trustor shall be in writing at 134 East Victoria Avenue, Burlington, Washington 98233. Notices to the Beneficiary shall be in writing at Attn: Office of Legal Services, 100 Witherspoon Street, Room 5625, Louisville, Kentucky, 40202-1396.

14. In the event of any liens, encumbrances or challenge to the rights of the Beneficiary hereunder, the Trustor shall, at its own cost and expense, defend the Beneficiary and shall in the event of any claim, indemnify the Beneficiary from any action, judgment, claim or otherwise affecting Property. In the event the Beneficiary shall be required to engage legal counsel (the engagement thereof shall be at the sole judgment and discretion of the Beneficiary) the Trustor shall indemnify the Beneficiary for its reasonable attorneys fees and costs.



15. The Trustor shall, at the expense of the Trustor, promptly record this Deed of Trust and forward one filed and recorded copy to the Beneficiary.

16. In the event of Trustor's breach of any covenant or agreement in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, the Beneficiary, prior to acceleration, shall give notice in writing to Trustor at 134 East Victoria Avenue, Burlington, Washington 98233.

17. Trustor hereby represents and warrants that it has not taken and will not take an action during the term of this Loan to cease to use the Property described in this Deed of Trust in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*. This Deed of Trust and the obligation it secures shall become immediately due, payable and collectible upon an act of termination of use of the Property described in this Deed of Trust in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*, in the sole opinion of the Beneficiary after consultation with the Trustor's next higher governing body. In the event the Trustor and the next higher governing body sign a written declaration indicating termination of use of the Property in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*, said termination of use shall be deemed conclusively to have occurred. The Trustor affirms that an act of termination of use or the declaration above mentioned shall have no relevance other than to make this Deed of Trust and the obligation it secures immediately due, payable and collectible and does not relieve the Trustor from compliance with any provisions of the *Constitution of the Presbyterian Church (U.S.A.)*. In the event of a transfer, sale or lease of the Property described in this Deed of Trust without the written approval of the Beneficiary and the Presbytery of North Puget Sound, The Presbyterian Church (U.S.A.), this Deed of Trust and the obligation it secures shall immediately become due, payable and collectible.

It is hereby agreed that if default be made in the payment of any of said principal and interest or any part thereof, at the time or in the manner hereinbefore specified by the payment thereof, or if failure be made to perform any of the covenants or agreements contained in this Deed of Trust securing the Note, then at the option of the holder of the same and upon written notice, the principal sum remaining unpaid, with accrued interest, shall at once become due and collectible, time being of the essence of this contract, and said principal sum shall bear interest at the rate of two percentage points above the current interest rate set forth in the specific loan, within the legal limits set forth by the state; and said accrued interest shall bear interest at the rate of two percentage points above the current interest rate set for the specific loan, within the legal limits set forth by the state, from such time until paid; and it is also agreed that in such case the maker of the Note shall pay all costs of collection together with a reasonable sum for Attorney's fees.

18. This Deed of Trust will be governed by and construed and enforced in accordance with the laws of the State of Washington. Borrower irrevocably (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Deed of Trust or the Promissory Note may be brought in a court of competent jurisdiction located in Mount Vernon, Washington. If any provision contained in this Deed of Trust is held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision and this Deed of Trust shall be considered as if such invalid, illegal or unenforceable provision had never been included herein.

19. In the event that any provision or clause of this Deed of Trust conflicts with applicable laws, such conflict shall not affect other provisions which can be given effect and the provisions of this Deed of Trust are severable.

20. That upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said Promissory Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, Property then held hereunder. The recitals in such reconveyance 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." Five years after issuance of such full reconveyance, Trustee may destroy said Promissory Note and this Deed of Trust (unless directed in such request to retain them).

21. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said Property, in accordance with the Deed of Trust Act of the State of Washington (RCW Chapter 61.24 as now



existing or hereafter amended), which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said Promissory Note and all documents evidencing expenditure secured hereby.

22. After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given as then required by law Trustee, without demand on Trustor, 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 may postpone sale of all or any portion of said Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or 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 Trustor, Trustee or Beneficiary as hereinafter defined, may purchase at such sale.

23. Trustor agrees to reimburse Beneficiary for all costs, expenses, and reasonable attorneys' fees that Beneficiary incurs in connection with the realization or enforcement of any obligation or remedy contained in the Promissory Note, this Deed of Trust or other related documents, with or without litigation. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

24. Beneficiary or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties, must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this deed is recorded and the name and address of the new Trustee.

25. The undersigned Trustor requests a copy of any notice of default and any notice of sale required under the Washington Deed of Trust Act hereunder be delivered or mailed to it at its address hereinabove set forth.

(SIGNATURES ON FOLLOWING PAGE)



**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

*In Witness Whereof*, the said Trustor has hereunto executed this Deed of Trust.

Attest:

Baker Community Presbyterian Church, a  
Washington nonprofit corporation

By: 

Alex Kim

\_\_\_\_\_  
Secretary

Title: Secretary

By: 

Joseph Lee

Title: Treasurer/Chair

(SEAL)

STATE OF WASHINGTON )

) SS.

COUNTY OF SKAGIT )

On this 13th day of July, 2011 before me personally appeared Alex Kim  
and Joseph Lee to me known to be the Secretary and Treasurer/Chair  
of the corporation that executed the within and foregoing 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/she was authorized to execute  
said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal.

My commission expires: 9/11/2014





Notary Public in and for the State of Washington

Name (printed): Karen Ashley

111 E. George Hopper Road, Burlington, WA 98233  
Address



**EXHIBIT A**  
**LEGAL DESCRIPTION**

The South 207.30 feet of the North 799.5 feet of that portion of the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 31, Township 34 North, Range 4 East, W.M., lying East of the Great Northern Railway right of way,

EXCEPT State Highway and ditch rights of way.

ALSO TOGETHER WITH the South 171.5 feet of the North 971.0 feet, as measured at right angles to the North line of Section 31, of the following described tract:

That portion of the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 31, Township 34 North, Range 4 East, W.M., lying and being East of the right of way of the Seattle and Montana Railroad Company, now the Great Northern Railroad Company, EXCEPT any portion lying within the North 799.5 feet thereof, AND EXCEPT Old Highway 99 and rights of way of ditches.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



201107150070

Skagit County Auditor

Mount Vernon, Washington/Baker Community Presbyterian Church  
Principal Amount: \$450,000.00

### **PROMISSORY NOTE**

1. **Promise to Pay.** FOR VALUE RECEIVED, **BAKER COMMUNITY PRESBYTERIAN CHURCH**, a Washington nonprofit corporation located at 134 East Victoria Avenue, Burlington, Washington 98233, its successors and/or assigns (hereinafter "**Borrower**"), promises to pay to the order of the **PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION**, which corporation was organized under the laws of the Commonwealth of Pennsylvania, located at 100 Witherspoon Street, Room 1043A, Louisville, Kentucky 40202, its successors or assigns (hereinafter the "**Lender**") the principal sum of **FOUR HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$450,000.00)** with interest thereon until maturity as described below, in monthly payments of principal and interest in the amount set forth below in lawful money of the United States at the address of Lender set forth above or such other location as the Lender may designate by written notice to Borrower.
2. **Payments, Interest Rate and Term.** Borrower agrees to make monthly installments of principal and interest at the interest rate of **3.5%** per annum in the amount of **TWO THOUSAND SIX HUNDRED NINE AND 82/100 DOLLARS (\$2,609.82)** commencing on the 25th day of August 2011, and like payments on the same day of each succeeding month for a total of **two hundred forty (240) consecutive months**. Lender, through the General Assembly Mission Development Resources Committee (or its successors or assigns), reserves the right to adjust the rate of interest on the fifth anniversary date of this Promissory Note (hereinafter "**Note**") and periodically thereafter as deemed necessary by the General Assembly Mission Development Resources Committee not to exceed the maximum permitted by applicable law. The current term of this loan is for a period of **twenty (20) years**. The Borrower reserves the right to make prepayment hereunder without penalty. Notwithstanding any provision of this Note, Lender does not intend to charge and Borrower shall not be required to pay any amount of interest or other charges in excess of the maximum permitted by applicable law. Any payment in excess of such maximum shall be refunded to Borrower or credited against principal, at the option of Lender.
3. **Secured Interest.** Payment of this Note is secured by a Deed of Trust dated this 15th day of July, 2011 executed and delivered by the Borrower to the Lender, mortgaging, granting, and conveying the property located at 3001 Old Highway 99 South Road, Mount Vernon, Washington 98273 and more fully described in the Deed of Trust duly recorded in the County of Skagit, State of Washington, the terms of which are incorporated herein by reference and made a part hereof. The Deed of Trust must be properly recorded prior to any commencement of construction or other similar activity financed hereunder.



4. **Disbursement of Funds under this Note.** Lender shall not be obligated to disburse funds under this Note until Borrower complies with the terms and conditions of the Commitment Letter dated May 20, 2011 incorporated herein by reference and meets all other standard conditions for receiving a loan from the Lender.

5. **Acceleration.**

- A. **Default.** "Default" is defined to mean 1) failure to make payment in the manner provided in this Note; 2) failure to perform any of the covenants or agreements contained in the Deed of Trust or this Note; 3) failure by the Guarantor to make payment in the manner provided in this Note pursuant to the Guaranty dated July 15, 2011; or 4) events described in 5B and 5C below. It is hereby agreed that if default be made in the payment of any of said principal and interest or any part thereof, at the time or in the manner hereinbefore specified by the payment thereof, or if failure be made to perform any of the covenants or agreements contained in the said Deed of Trust securing this Note, then at the option of the Lender of the same and upon written notice, the principal sum remaining unpaid, with accrued interest shall at once become due and collectible, time being of the essence of this contract, and said principal sum shall bear interest at the rate of two percentage points above the current interest rate set forth in the specific loan, within the legal limits set forth by the state and said accrued interest shall bear interest at the rate of two percentage points above the current interest rate set for the specific loan, within the legal limits set forth by the state from such time until paid. Presentment, notice of dishonor and protest are waived by Borrower.
- B. **Termination of Use.** Borrower hereby represents and warrants that it has not taken and will not take an action during the term of this loan to cease to use the property securing this Note in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*. This Note shall become immediately due, payable and collectible upon an act of termination of use of the property described in the Deed of Trust in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*, in the sole opinion of the Lender after consultation with the Borrower's next higher governing body. In the event the Borrower and the next higher governing body sign a written declaration indicating termination of use of the property in accordance with the *Constitution of the Presbyterian Church (U.S.A.)*, said termination of use shall be deemed conclusively to have occurred. The Borrower affirms that an act of termination of use or the declaration above mentioned shall have no relevance other than to make this Note immediately due, payable and collectible and does not relieve the Borrower from compliance with any provisions of the *Constitution of the Presbyterian Church (U.S.A.)*. In the event of a transfer, sale or lease of the property described in the Deed



of Trust without the written approval of the Lender and the Presbytery, this Note shall immediately become due, payable and collectible.

- C. **Material Adverse Change.** Borrower shall disclose in writing to the Lender any material event adversely affecting Borrower's ability to fulfill its obligations to the Lender under the terms and conditions of this Note and the Deed of Trust securing this Note, including, but not limited to, fire loss, litigation, ten percent (10%) decrease in Borrower's church membership in any one calendar year and damage caused by earthquake, floods, winds and other acts of God. Any material adverse change described above constitutes an event of default under this Note and at the option of the Lender, upon written notice to Borrower, the principal sum remaining unpaid, with accrued interest, shall at once become due, payable and collectible, time is of the essence of this agreement.

6. **Hazardous Substance Indemnification.** Borrower has disclosed to Lender that the property described in the Deed of Trust was identified as being contaminated by the State of Washington Department of Ecology due to prior uses of the property; however, evidence has been provided to Lender through a "No Further Action" determination letter as issued by the State of Washington Department of Ecology and Report Environmental Site Assessment Phase I stating no further remedial action is necessary to clean up contamination at the Site as defined in the "No Further Action" letter. Borrower represents and warrants to the Lender that the property described in the Deed of Trust, is not presently being used and will not be used in the future for the handling, storage, transportation or disposal of hazardous or toxic substances as those terms may be defined under applicable state and federal Environmental Laws. "Environmental Laws" means any and all present and future federal, state and local laws, ordinances, regulations, permits, guidance documents, policies and any other requirements of Government Authorities relating to health; safety; the environment or to any hazardous substance or hazardous substance activity, including without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation Recovery Act ("RCRA"), the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Water Act, the Endangered Species Act, the Clean Air Act, the Occupational Health and Safety Act and the applicable provision of the State Health and Safety Code and Water Code, and the rules, regulations and guidance documents promulgated or published thereunder. Borrower represents and warrants to the Lender that Borrower is and will continue for the term of the loan evidenced by this Note to be in compliance with all applicable Environmental Laws. Borrower agrees to indemnify and hold harmless the Lender from losses, claims and damages resulting from the past, present or future presence on the property described in the Deed of Trust of hazardous or toxic substances. This indemnification survives termination or expiration of this Note and/or sale or transfer of the property described in the Deed of Trust.



7. **Notice.** Any notice to be given by the Lender to the Borrower shall be in writing and shall be effective upon delivery (1) in person, overnight courier or by facsimile to the addresses set forth herein or (2) by first-class U.S. mail to the addresses set forth herein. Any notice to Lender shall be in writing and shall be effective upon delivery (1) in person, by overnight courier or by facsimile to Lender at the address set forth above or (2) by first-class U.S. mail to Lender at the address set forth above. Copies of all notices to either the Borrower or to the Lender will also be sent to the Guarantor at 1010 East Casino Road, Everett, Washington 98203. Delivery in person or by mail shall not be refused.
8. **Governing Law.** This Note shall be construed in accordance with the laws of the State of Washington.
9. **Assignment.** This Note shall not be assigned by Borrower without the prior written consent of Lender. Lender may assign this Note upon written notice to Borrower. The Lender may sell up to 100% of its interest in the loan evidenced by this Note. Should the Lender sell any of its interest in this loan or assign this Note, servicing of this loan will not be affected.
10. **Guaranty.** The Lender requires that this loan be guaranteed by the Presbytery of North Puget Sound, The Presbyterian Church (U.S.A.), a Washington nonprofit corporation ("Guarantor" and "Presbytery"). The Borrower has the responsibility for presenting a request for guarantee to the Presbytery at a regularly scheduled meeting in which a resolution is passed indicating the amount of the guarantee and the entity to which the guarantee is extended. A certified copy of the minutes of the Presbytery meeting guaranteeing the loan must be sent to the Lender prior to closing the loan. The guarantee is in addition to any action of the Presbytery approving the borrowing of funds by a church.
11. **Costs and Attorney's Fees.** In the event any legal action is taken by the Lender against the Borrower and/or Guarantor to enforce any of the terms and conditions of this Note, it is agreed that the Borrower and/or Guarantor, jointly and severally shall pay the Lender's costs, reasonable attorneys' fees and expenses.
12. **Late Payments.** Monthly payments are due on the 25<sup>th</sup> day of each month. Payments received more than ten (10) days after the due date are subject to a late charge equal to 2% of the payment.
13. **Financial Statements.** Borrower shall provide Lender with a copy of Borrower's fiscal year end financial statements (to include balance sheet, and income and expense information) within ninety (90) days of Borrower's fiscal year end.



201107150070  
Skagit County Auditor

14. **Additional Indebtedness.** Borrower covenants and agrees that it will not incur additional indebtedness nor permit any lien or any other encumbrances of the property securing this Note without the prior written consent of Lender.
15. **Waiver.** Borrower understands and agrees that failure by the Lender to exercise any of its rights or options provided in this Note shall not constitute a waiver of any rights or options accrued or thereafter accruing under this Note or the Deed of Trust securing this Note.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

Dated this 15th day of July, 2011.

**BAKER COMMUNITY PRESBYTERIAN CHURCH, a Washington nonprofit corporation  
"Borrower"**

BY: [Signature]

TITLE: Secretary

NAME: Alex Kim

BY: [Signature]

TITLE: Treasurer/Chair

NAME: Joseph Lee

(CORPORATE SEAL (if available))

