HYPOTHECATION AGREEMENT

THIS AGREEMENT, made and entered into effective as of July 31, 2007, is by and between **MADISON PARK CHURCH OF GOD, INC.,** 2200 Madison Square, Anderson, Indiana 46011, an Indiana non-profit corporation (hereinafter called "Issuer/Pledgor") and **SAN JOAQUIN BANK,** 4600 California Avenue, Bakersfield, California 93309, a California corporation (hereinafter called "Lender/Pledgee").

W I T N E S S E T H:

WHEREAS, Issuer/Pledgor is an issuer of certain First Mortgage Bonds, 2007 Series A (hereinafter called "Bonds");

WHEREAS, Lender/Pledgee desires to extend credit to Issuer/Pledgor;

WHEREAS, to induce the Lender/Pledgee to make such loan, in addition to the grant of a co-first joint mortgage, the Issuer/Pledgor has agreed in consideration of the agreement of Lender/Pledgee to extend such credit to Issuer/Pledgor, to issue into its treasury, and to pledge certain bonds to the Lender/Pledgee as security for repayment of such extension of credit; and

WHEREAS, Issuer/Pledgor desires hereby to provide such security for the said extension of credit by hypothecating to Lender/Pledgee the Bonds issued by Issuer/Pledgor into its treasury hereinafter described on the terms and conditions herein set forth.

IT IS THEREFORE AGREED:

1. **DEFINITIONS.**

   Capitalized terms used herein and not otherwise defined shall be as set forth in that certain Loan Agreement dated July 31, 2007 by and between Issuer/Pledgor and Lender/Pledgee (the "Loan Agreement").

2. **CREATION OF SECURITY INTEREST.**

   Issuer/Pledgor, for a valuable consideration, receipt of which is hereby acknowledged, grants to Lender/Pledgee, and Lender/Pledgee accepts from Issuer/Pledgor, a security interest under the provisions of the Uniform Commercial Code as adopted in Indiana and in accordance with the laws of the State of Indiana in the bonds shown on Exhibit "A," attached hereto and made a part hereof by this reference (the "Pledged Bonds"), and Additional Collateral, as such term is defined in Section 6 hereof.

3. **PLEDGE.**

   In consideration of the extension of credit by Lender/Pledgee as evidenced by that certain Promissory Note dated July 31, 2007, and to secure the Obligations as defined in the

EXHIBIT

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Loan Agreement (hereinafter called the "Secured Indebtedness"), the Issuer/Pledgor hereby pledges, hypothecates, assigns to the Lender/Pledgee and grants a security interest in the Bonds. Issuer/Pledgor represents and warrants that the Bonds have been duly issued by Issuer/Pledgor and are held in a brokerage account in the name of Lender/Pledgee and Issuer/Pledgor as a designated collateral account for which the account broker has agreed to act on entitlement orders originated by Lender/Pledgee without further consent of Issuer/Pledgor. This brokerage account is intended to comply with the provisions of the Uniform Commercial Code and in accordance with the laws of the State of Indiana. The Issuer/Pledgor hereby appoints each Vice President and higher officer, of Lender/Pledgee, its attorney-in-fact, to arrange for and obtain the transfer and registration of the Bonds and any Additional Collateral in book entry form in the name of Lender/Pledgee for collateral purposes to secure said loan. This power of attorney is coupled with an interest and may not be revoked or cancelled by Issuer/Pledgor without Lender/Pledgee's written consent.

4. **TERM.**

The Lender/Pledgee is granted a security interest in the Bonds as security for the Secured Indebtedness. The Bonds shall remain so pledged to the Lender/Pledgee until sold, with the proceeds being delivered to Lender/Pledgee or until the Secured Indebtedness is repaid in full with interest, if any. Lender/Pledgee shall not encumber or otherwise dispose of the Bonds or the Additional Collateral except in the event of a default in payment of the Secured Indebtedness and in accordance with the provisions of this Agreement.

5. **REPRESENTATIONS.**

The Issuer/Pledgor warrants and represents that there is no restriction against this hypothecation of the Bonds, and that the Issuer/Pledgor has the right to pledge the Bonds.

6. **ADJUSTMENTS.**

In the event that during the term of the pledge, any bond principal, interest, reclassification, readjustment or other change is declared or made, or any subscription, warrant or other option is exercisable with respect to the Bonds, all dollar amounts, new, substituted or additional bonds, or other securities issued by reason of any such change or option, are hereby assigned to Lender/Pledgee to be held by the Lender/Pledgee under the terms of this Agreement in the same manner as the Bonds originally pledged hereunder (collectively the "Additional Collateral").

7. **RESALE OF BONDS.**

The Issuer/Pledgor together with its underwriter will continue to market and sell the Bonds which will be sold free and clear of the security interest of Lender/Pledgee upon transfer of or concurrent with the delivery of proceeds of the sale of the Bonds to Lender/Pledgee to be applied to the repayment of the Loan.

8. **REDELIVERY OF PLEDGE.**

Upon payment of all outstanding principal and interest of the Secured Indebtedness, the Lender/Pledgee shall immediately release its security interest in the Bonds and any Additional Collateral pledged hereunder to the Lender/Pledgee, together with all rights received by Lender/Pledgee, and this Agreement shall terminate.

9. **DEFAULT.**

In addition to the rights and remedies provided for in the mortgage and the other loan documents, in the event of default in the performance of any of the terms of the Secured Indebtedness, the Bonds, the Indenture, Loan Agreement or any other instrument or agreement executed to obtain, or in connection with, the Secured Indebtedness, the Lender/Pledgee shall have the rights and remedies provided a secured creditor, including those set forth in the Uniform Commercial Code and in accordance with the laws of the State of Indiana, or any other applicable law or statute, as amended from time to time. If any notification of intended disposition of any of the Bonds or Additional Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed to Issuer/Pledgor at least five (5) days before such disposition, postage prepaid. Upon default, Lender/Pledgee may (i) hold the outstanding Pledged Bonds that have not been sold in satisfaction of the debt and will be treated as having purchased the Bonds and become a bondholder, (ii) sell any or all of the Pledged Bonds at a public or private sale under the terms of the documents evidencing the loans, or (iii) pursue any other remedies available at law or in equity. If the Lender/Pledgee elects option (ii) above and the proceeds from the disposition of the Pledged Bonds by a Lender/Pledgee is less than the outstanding balance of the Loans, the Issuer will have no responsibility for a deficiency except for circumstances involving fraud, willful misconduct or material misrepresentation by Borrower, its trustees, its members, its principals, its affiliates, its agents or its employees. Any proceeds of any disposition of the Bonds may be applied by the Lender/Pledgee to the payment of expenses in connection with disposition, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be first applied by the Lender/Pledgee toward the payment of the Secured Indebtedness, and the balance of the proceeds, if any, shall be paid to the Issuer/Pledgor. All rights and remedies of the Lender/Pledgee expressed hereunder are in addition to all other rights and remedies possessed by the Lender/Pledgee. No delay or failure on the part of the Lender/Pledgee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Lender/Pledgee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of the Lender/Pledgee permitted hereunder shall impair or affect the Lender/Pledgee's rights in and to the Bonds or the Additional Collateral. Time is of the essence of this Agreement.

Notwithstanding anything to the contrary contained herein, Lender/Pledgee and the Issuer/Pledgor agree that:

(a) The Issuer/Pledgor shall be liable upon the Secured Indebtedness and for the other obligations arising under the Secured Indebtedness, the Loan Agreement and this Agreement to the full extent (but only to the extent) of the security therefor.

(b) If a default occurs in the timely and proper payment of all or any part of the Secured Indebtedness, Lender/Pledgee may enforce the liability and obligation of the Issuer/Pledgor contained in the Secured Indebtedness, the Loan Agreement or this Agreement against the Bonds, but may not seek a money judgment or deficiency against the Issuer/Pledgor.

(c) The provisions of this Section shall not (i) constitute a waiver, release or impairment of any obligation evidenced or secured by the Secured Indebtedness, the Loan Agreement or this Agreement; or (ii) affect the validity or enforceability of any indemnity, guaranty or similar instrument made in connection with the Secured Indebtedness, the Loan Agreement or this Agreement.

(d) In the event of fraud, willful misconduct or intentional material misrepresentation by the Issuer/Pledgor, its trustees, its members, its principals, its affiliates, its agents or its employees in connection with the Loan, the limitation on recourse set forth herein will be null and void and completely inapplicable, and the Secured Indebtedness shall be with full recourse to Issuer/Pledgor against the undersigned.

If as a result of a default, Lender/Pledgee becomes the owner of the Bonds, Lender/Pledgee, or its successor or assigns, shall be entitled to all principal and interest payments on said Bonds and to receive a pro rata distribution of all foreclosure proceeds or other proceeds received by the Bond Trustee from the collateral, including, without limitation, the real property, pledged to secure the Bonds.

Nothing herein shall be deemed to be a waiver of any right which Lender/Pledgee may have under Sections 506(a), 506(b), 1111(b), or any other provisions, of 11 U.S.C. §101 et seq., as the same may be amended from time to time, to file a claim for the full amount of the Secured Indebtedness or to require that all collateral shall continue to secure all of the Secured Indebtedness, owing to Lender/Pledgee in accordance with the Secured Indebtedness, the Loan Agreement or this Agreement.

10. **BINDING EFFECT; APPLICABLE LAW.**

This Agreement shall be binding upon and inure to the benefit of the parties, their legal representatives, heirs and assigns. 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 Indiana apply to the creation, attachment, perfection and collection upon the security interest in the Pledged Bonds.

11. **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.

12. **SEVERABILITY.**

In the event any provision of this Agreement is held to be invalid or unenforceable, such holding shall not affect the validity or enforceability of any other provision hereof, and each provision of this Agreement is agreed to be severable.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written hereinabove.

"ISSUER/PLEDGOR"

MADISON PARK CHURCH OF GOD, INC.,
an Indiana non-profit corporation

By: James M Hanson, Elder Vice-Chair
James M. Hanson, Elder Vice-Chair

By: H L Baker
H. L. Baker, Resident Elder

"LENDER/PLEDGEE"

SAN JOAQUIN BANK
a California corporation

By: ______________________
John W. Ivy, Executive Vice President

EXHIBIT "A"
San Joaquin Bank

MATURITY SCHEDULE
MADISON PARK CHURCH OF GOD, INC.
$11,300,000 FIRST MORTGAGE BONDS, 2007 SERIES A

Maturity Date	Years	Interest Rate	Simple Available
01/31/2022	14.5	7.900%	182,000
07/31/2022	15.0	8.000%	189,000
01/31/2023	15.5	8.000%	196,000
07/31/2023	16.0	7.900%	204,000
01/31/2024	16.5	7.900%	213,000
07/31/2024	17.0	7.900%	221,000
01/31/2025	17.5	7.900%	229,000
07/31/2025	18.0	7.900%	238,000
01/31/2026	18.5	7.900%	248,000
07/31/2026	19.0	7.900%	258,000
01/31/2027	19.5	7.900%	268,000
07/31/2027	20.0	7.900%	278,000
01/31/2028	20.5	7.900%	290,000
07/31/2028	21.0	7.900%	301,000
01/31/2029	21.5	7.900%	313,000
07/31/2029	22.0	7.900%	325,000
01/31/2030	22.5	7.900%	338,000
07/31/2030	23.0	7.900%	351,000
01/31/2031	23.5	7.900%	365,000
07/31/2031	24.0	7.900%	380,000
01/31/2032	24.5	7.900%	394,000
07/31/2032	25.0	7.900%	411,000
01/31/2033	25.5	7.900%	426,000
07/31/2033	26.0	7.900%	443,000
01/31/2034	26.5	7.900%	461,000
07/31/2034	27.0	7.900%	479,000
01/31/2035	27.5	7.900%	498,000
07/31/2035	28.0	7.900%	518,000
01/31/2036	28.5	7.900%	538,000
07/31/2036	29.0	7.900%	559,000
01/31/2037	29.5	7.900%	581,000
07/31/2037	30.0	7.900%	605,000