

After recording, return to:

Lane Powell Spears Lubersky LLP  
520 S.W. Yamhill, Suite 800  
Portland, Oregon 97204-1383  
Attn: Bryan E. Powell

KATHY HILL  
SKAGIT COUNTY AUDITOR

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RECORDED \_\_\_\_\_ FILED \_\_\_\_\_  
REQUEST OF \_\_\_\_\_

**FIRST AMENDMENT TO  
DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

FIRST AMERICAN TITLE CO.  
SS361-1

THIS FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Agreement") is made as of June 7, 1999, by WASHINGTON ALDER, LLC, a Washington limited liability company ("Grantor"), and FIRST AMERICAN TITLE INSURANCE COMPANY OF SKAGIT COUNTY ("Trustee"), and CAPITAL CONSULTANTS, INC., an Oregon corporation, in its capacity as investment advisor and agent for certain participant lenders it represents ("Beneficiary"), each of whose address is as stated in the Trust Deed.

**RECITALS**

A. Grantor conveyed to Beneficiary a security interest in real property located in Skagit County, Washington, under the terms of a certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of June 25, 1998, and recorded in the records of Skagit County, Washington on June 29, 1998 under file number 98-06290067 ("Trust Deed"). The real property is more particularly described in Exhibit A attached hereto and incorporated herein by this reference. Unless otherwise defined in this Agreement, terms with initial capitals shall have the meanings given them in the Trust Deed.

B. Grantor gave the Trust Deed for the purpose of securing a promissory note executed by Grantor in favor of Beneficiary dated June 25, 1998, in the original principal amount of Ten Million and 00/100 Dollars (\$10,000,000.00) ("Note"). The Trust Deed also secures payment of interest, late charges, and premiums on the Note and the performance by Grantor of its covenants in the Note, Trust Deed, and payment of any other indebtedness of Grantor to Beneficiary arising directly or indirectly therefrom or any other security instrument given for the further security of Beneficiary.

C. By a First Amendment to Loan Documents of the same date herewith, Beneficiary and Grantor have this day modified and amended certain terms and provisions of the Loan Documents (the "First Amendment").

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NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree:

1. **Grantor's Representations and Warranties.** Grantor represents, warrants, and covenants to and for the benefit of Beneficiary that (a) Each of the facts stated in the Recitals to this Agreement is true, correct, and complete in all material respects; and (b) No event has occurred and no condition exists that would constitute an Event of Default under Trust Deed, either with or without notice, the lapse of time, or both.

2. **Amendment to Trust Deed.** The reference to maturity date of the Note shall be amended to read: "June 30, 2004, subject to any extensions or renewals", and the reference to the Note principal amount shall be revised to read: "\$30,000,000.00", instead of "\$10,000,000.00".

3. **Ratification.** Except to the extent expressly amended hereby, the Trust Deed is each ratified and confirmed in all respects.

4. **Entire Agreement.** This Agreement contains the entire agreement of the parties relative to the amendment of the Note and other Loan Documents and supersedes any prior or contemporaneous negotiations or writings. This Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, personal representatives, successors, and assigns. Grantor shall pay all reasonable charges, premiums, costs and expenses incurred by Beneficiary in connection with this Agreement.

5. **Consent Limited; No Waiver.** Beneficiary's consent in this Agreement is limited to this transaction only, and this Agreement shall not constitute a waiver or modification of any terms, provisions or requirements of the Loan Documents in any respect except as herein specifically set forth or as otherwise expressly agreed to by Beneficiary in writing. Except as specifically modified in this Agreement, nothing herein contained shall be considered as modifying, releasing, altering or affecting the Loan Documents, the original priority thereof, or the rights, benefits, duties or obligation of the parties thereto.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first above written.

**"GRANTOR"**

WASHINGTON ALDER, LLC,  
a Washington limited liability company

By: \_\_\_\_\_

Michael L. Knobel, President

**"BENEFICIARY"**

CAPITAL CONSULTANTS, INC., an Oregon  
corporation, as investment advisor and as agent for  
certain lenders

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first above written.

**"GRANTOR"**

WASHINGTON ALDER, LLC,  
a Washington limited liability company

By: \_\_\_\_\_  
Michael L. Knobel, President

**"BENEFICIARY"**

CAPITAL CONSULTANTS, INC., an Oregon  
corporation, as investment advisor and as agent for  
certain lenders

By: \_\_\_\_\_  
Name: Jeffrey L. Grayson  
Title: Chairman & CEO

**EXHIBIT A**

**Real Property Description**

**Legal Description: A leasehold interest in the following:**

**The South 966.00 feet of Lot 3 Skagit County Short Plat No. 7-89, approved March 1, 1989, and recorded March 2, 1989 in Volume 8 of Short Plats, pages 112 and 113, records of Skagit County, Washington, being a portion of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 9, township 34 North, Range 3 East, W.M.**

**EXCEPT the East 210.00 feet thereof;**

**AND EXCEPT any portion thereof lying Northeasterly of a line drawn parallel with and 25 feet Southwesterly of the Southwesterly bank of the existing drainage ditch maintained by Drainage District No. 19, running along the toe of the hill.**

**SUBJECT TO AND TOGETHER WITH easements, reservations, restrictions, covenants, liens and other instruments of record.**

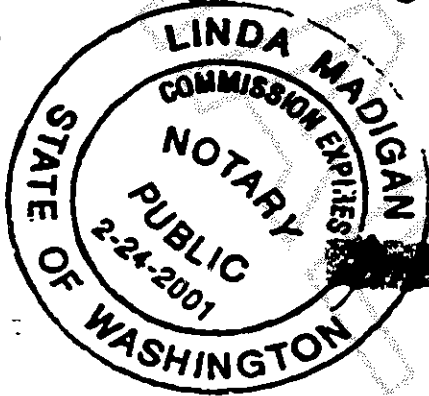
**Situated in the County of Skagit, State of Washington.**

**Assessor's Property Tax Parcel Account Number(s): 340309-2-005-0009**

STATE OF WASHINGTON)

County of Skagit) ss.

On this 7th day of June, 1999, personally appeared Michael L. Knobel of Washington Alder, LLC, a Washington limited liability company, and acknowledged the foregoing instrument, on behalf of such company, as its voluntary act and deed.



Linda Madigan  
Notary Public for Washington  
My commission expires: 2-24-2001

STATE OF OREGON )

County of \_\_\_\_\_) ss.

This instrument was acknowledged before me on June \_\_\_\_\_, 1999, by \_\_\_\_\_ as \_\_\_\_\_ of CAPITAL CONSULTANTS, INC., an Oregon corporation, in its capacity as investment advisor and agent for certain participant lenders it represents.

\_\_\_\_\_  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON)

County of )

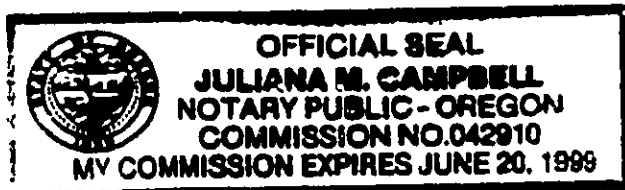
On this \_\_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared \_\_\_\_\_ of Washington Alder, LLC, a Washington limited liability company, and acknowledged the foregoing instrument, on behalf of such company, as its voluntary act and deed.

Notary Public for \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF OREGON. )

County of Multnomah ) ss.

This instrument was acknowledged before me on June 7<sup>th</sup>, 1999, by Jeffrey L. Grayson as Chairman & CEO of CAPITAL CONSULTANTS, INC., an Oregon corporation, in its capacity as investment advisor and agent for certain participant lenders it represents.



Juliana M. Campbell  
Notary Public for Oregon  
My commission expires: 6/20/99