

Recording Requested By;  
After Recording Return to:

KEYBANK NATIONAL ASSOCIATION  
Residential Construction Loans, WA-31-18-0386  
601 - 108<sup>th</sup> Avenue N.E. 3<sup>rd</sup> Flr.  
Bellevue, WA 98004  
Attn: Becky Green



200110300121  
Skagit County Auditor  
10/30/2001 Page 1 of 5 3:28:26PM

LAND TITLE COMPANY OF SKAGIT CO

P90244

### FIRST AMENDMENT TO DEED OF TRUST

<b>Grantor(s):</b>	KABALO HEIGHTS, L.L.C.																									
<b>Grantee(s):</b>	Trustee: PSM FINANCIAL MANAGEMENT CORP.																									
	Beneficiary: KEYBANK NATIONAL ASSOCIATION																									
<b>Legal Description (abbreviated):</b>	Lots 1, 3-10, 14, 16-20 Kabalo Heights, Skagit County, Washington																									
<b>Assessor's Tax Parcel Identification No(s):</b>	<table border="0"><tr><td>4753-000-001-0000</td><td>4753-000-003-0000</td></tr><tr><td>4753-000-003-0100</td><td>4753-000-004-0000</td></tr><tr><td>4753-000-004-0100</td><td>4753-000-005-0000</td></tr><tr><td>4753-000-005-0100</td><td>4753-000-006-0000</td></tr><tr><td>4753-000-006-0100</td><td>4753-000-007-0000</td></tr><tr><td>4753-000-008-0000</td><td>4753-000-009-0000</td></tr><tr><td>4753-000-010-0000</td><td>4753-000-014-0000</td></tr><tr><td>4753-000-014-0100</td><td>4753-000-016-0000</td></tr><tr><td>4753-000-016-0100</td><td>4753-000-017-0000</td></tr><tr><td>4753-000-017-0100</td><td>4753-000-018-0000</td></tr><tr><td>4753-000-018-0100</td><td>4753-000-019-0000</td></tr><tr><td>4753-000-019-0100</td><td>4753-000-020-0000</td></tr></table>		4753-000-001-0000	4753-000-003-0000	4753-000-003-0100	4753-000-004-0000	4753-000-004-0100	4753-000-005-0000	4753-000-005-0100	4753-000-006-0000	4753-000-006-0100	4753-000-007-0000	4753-000-008-0000	4753-000-009-0000	4753-000-010-0000	4753-000-014-0000	4753-000-014-0100	4753-000-016-0000	4753-000-016-0100	4753-000-017-0000	4753-000-017-0100	4753-000-018-0000	4753-000-018-0100	4753-000-019-0000	4753-000-019-0100	4753-000-020-0000
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4753-000-019-0100	4753-000-020-0000																									
<b>Reference Nos. of Related Documents:</b>	1999090170105																									

This First Amendment to Deed of Trust (this "*Amendment*") is dated as of October 24, 2001, by and between KABALO HEIGHTS, L.L.C., a Washington limited liability company ("*Borrower*"), and KEYBANK NATIONAL ASSOCIATION, a national banking association ("*Lender*").

### RECITALS

A. Borrower obtained a land acquisition and development loan from Lender (the "*Loan*") pursuant to the terms of a Loan Agreement dated September 10, 1999, (the "*Loan Agreement*"). The Loan is also evidenced by a Promissory Note dated September 10, 1999, in the maximum principal amount of \$1,265,000.00 (the "*Note*").

B. Borrower's obligations under the Loan Agreement and the Note are secured by a Deed of Trust, Security Agreement, Fixture Filing and Assignment of Rents recorded with Auditor/Recorder of Skagit County, Washington, under Recording No. 1999090170105 (the "**Deed of Trust**") against the real property legally described therein. Subsequent to the recording of the Deed of Trust, a portion of the property subject thereto may have been reconveyed from the lien of the Deed of Trust. That portion of the property described in the Deed of Trust that has not been reconveyed shall be referred to herein as the "**Property**".

C. The Loan Agreement, Note, Deed of Trust, and all other documents evidencing, securing, or otherwise governing the Loan are referred to herein collectively as the "**Loan Documents**".

D. Borrower now desires to extend the Maturity Date and otherwise to modify the terms of the Loan as set forth in the First Amendment to Land Acquisition and Development Loan Agreement (the "**Modification Agreement**"). Borrower is entering into this Amendment pursuant to the terms of the Modification Agreement to modify the Deed of Trust to secure all of Borrower's obligations under the Loan Documents as modified contemporaneously herewith by the Modification Agreement.

### AGREEMENTS

In consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

1. **TERMINOLOGY.** All capitalized terms used herein shall have the meaning given to them in the Loan Documents, unless a different meaning is assigned herein or required from the context in which such term is used.

2. **AMENDMENT TO DEED OF TRUST.** The Deed of Trust is hereby amended and modified to secure, without limitation, the making of all payments and the performance of all obligations under the terms of the Loan Documents as modified and amended by the Modification Agreement, including the obligation to make minimum principal reduction payments to Lender and an increased release price per lot, together with such additional obligations of Borrower as are otherwise set forth herein, and the definition of the term "**Loan Documents**" as used in the Deed of Trust is hereby modified to include this Amendment and the Modification Agreement.

3. **LIEN PRIORITY.** All of the Property shall remain and continue in all respects subject to the Deed of Trust, and nothing in this Amendment, or done pursuant to this Amendment, shall affect or be construed to affect the lien of the Deed of Trust or the priority thereof as to such property. Borrower shall provide, at Borrower's sole cost and expense, such endorsements to Lender's existing ALTA Extended Coverage Policy of Title Insurance as Lender may request insuring the first-lien position of the Deed of Trust as amended, and shall obtain such priority agreements, lien waivers, or other instruments from any and all parties who have performed work on or supplied materials to the Property, and shall execute such indemnity agreements, as may be required by the title company in connection with the issuance of such endorsements or policy.

4. **BINDING EFFECT.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

5. **APPLICABLE LAW.** This Amendment is to be construed in all respects and enforced according to the laws of the State of Washington, without regard to that state's choice of law rules.

6. NOTICE RE ORAL AGREEMENTS.

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

EXECUTED as of the day and year first above written.

**Borrower/Grantor:**

**KABALO HEIGHTS, L.L.C.,**  
a Washington limited liability company

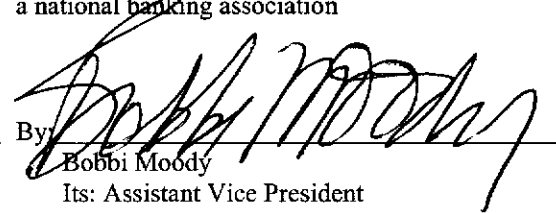
By

  
Donald H. Leavitt  
Its: Manager

**Lender/Beneficiary:**

**KEYBANK NATIONAL ASSOCIATION,**  
a national banking association

By

  
Bobbi Moody  
Its: Assistant Vice President



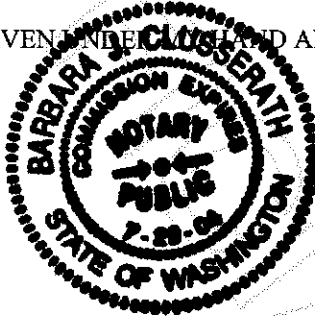
STATE OF WASHINGTON

COUNTY OF KING

SS.

On this day personally appeared before me DONALD H. LEAVITT, to me known to be the MANAGER of KABALO HEIGHTS L.L.C., the Washington limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 29<sup>th</sup> day of October, 2001.



Barbara J. Clusserath

Printed Name Barbara J. Clusserath

NOTARY PUBLIC in and for the State of WA,  
residing at Bellevue

My Commission Expires 7-29-04

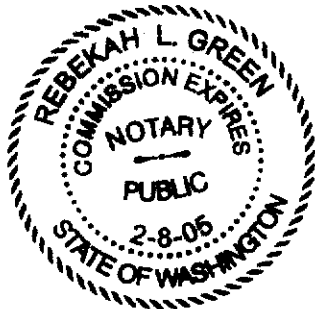
STATE OF WASHINGTON

COUNTY OF KING

SS.

On this day personally appeared before me BOBBI MOODY, to me known to be the ASSISTANT VICE PRESIDENT of KEYBANK NATIONAL ASSOCIATION, the national banking association that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such national banking association, for the uses and purposes therein mentioned, and on oath stated that she was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 29 day of October, 2001.



Rebekah L. Green

Printed Name Rebekah L. Green

NOTARY PUBLIC in and for the State of WA,  
residing at Seattle

My Commission Expires 2-8-05

DESCRIPTION:

Lots 1, 3, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, 19 and 20,  
"PLAT OF KABALO HEIGHTS", according to the plat thereof recorded  
May 25, 2000, under Auditor's File No. 200005250077, records of  
Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



200110300121

, Skagit County Auditor