

RETURN ADDRESS:

Lane Powell Spears Lubersky LLP
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101
Attention: Joan Robinson



200409010122

Skagit County Auditor

9/1/2004 Page

1 of

9 2:40PM

FIRST AMERICAN TITLE CO.

MODIFICATION OF ASSIGNMENT OF RENTS

82057-5

Reference #: 9808070009

Additional on page _____

Grantor(s):

1. Jensen, Larry R.

Grantee(s):

1. Washington Mutual Bank
2. Land Title Company of Skagit County, Trustee

Legal Description: Ptn of E 1/2 of NW 1/4, 22-34-3 E W.M

Additional on pages 8 and 9

Assessor's

Tax Parcel

ID#:

340322-0-010-0009 P22264; 340322-2-012-0300 P107384; 340322-2-007-0100 P107723;

THIS MODIFICATION OF ASSIGNMENT OF RENTS dated as of July 30, 2004, is made and executed between **Larry R. Jensen**, a single man, whose address is 15356 Produce Lane, Mount Vernon, WA 98273 ("Grantor") and **Washington Mutual Bank**, 1301 Fifth Avenue, Suite 1204, RBB 1204, Seattle, WA 98101 ("Lender").

ASSIGNMENT OF RENTS. Lender and Grantor have entered into an Assignment of Rents dated August 5, 1998 (the "Assignment") which has been recorded in Skagit County, State of Washington, as follows:

Recorded August 7, 1998 as Instrument No. 9808070009 in Skagit County, Washington, as modified from time to time.

REAL PROPERTY DESCRIPTION. The Assignment covers the real property located in Skagit County, State of Washington and described on Exhibit "A" attached hereto and by this reference incorporated herein.

The Real Property tax identification numbers are: 340322-0-010-0009 P22264; 340322-2-012-0300 P107384; 340322-2-007-0100 P107723.

1. MODIFICATION. Lender and Grantor hereby modify the Assignment as follows:

1.1 Borrower. The word "Borrower" is added as a definition, and means and includes both Larry R. Jensen and Country Cousins, Inc. or either of them and all other persons and entities signing a Note in whatever capacity.

1.2 Note. The word "Note" is amended to include the following debt instruments:

1.2.1 Promissory Note executed by Larry R. Jensen as Borrower in favor of Lender dated August 5, 1998 in the original principal amount of \$400,000.00;

1.2.2 Promissory Note executed by Larry R. Jensen as Borrower in favor of Lender dated July 5, 2001 in the original principal amount of \$30,917.60;

1.2.3 Promissory Note executed by Larry R. Jensen as Borrower in favor of Lender dated April 5, 2002 in the original principal amount of \$54,375.00;

1.2.4 Promissory Note executed by Larry R. Jensen as Borrower in favor of Lender dated June 24, 2002 in the original principal amount of \$651,542.01;



1.2.5 Promissory Note executed by Country Cousins, Inc. as Borrower in favor of Lender dated February 1, 2003, as amended from time to time, as of the date of this modification in the maximum principal amount at any one time outstanding of \$3,000,000.00;

1.2.6 Promissory Note executed by Country Cousins, Inc. as Borrower in favor of Lender dated February 1, 2003 in the original principal amount of \$819,500.00;

1.2.7 Unlimited Commercial Guaranty of Larry R. Jensen in favor of Lender dated as of July 30, 2004 securing all obligations of Country Cousins, Inc. to Lender; and

1.2.8 Equipment Lease Agreement dated May 2, 1996 between Triple J Enterprises and Lender, the outstanding obligation for which has been assumed by Larry R. Jensen;

in each case, together with all renewals of, extensions of, modifications of, refinancing of, consolidations of, and substitutions for such promissory note or agreement. **Notice to Grantor: Some or all of the Notes contain a variable rate of interest.**

1.3 **Debt Secured.** The following language is added to the Assignment:

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS ASSIGNMENT.

1.4 **Revolving Line of Credit.** Specifically and without limitation, this Assignment secures one or more revolving lines of credit, with variable rates of Interest, which obligate Lender to make advances to Borrower so long as Borrower complies with all the terms of the relevant Note and the line of credit has not been terminated, suspended or canceled; the relevant Note allows negative amortization. Funds may be advanced by Lender, repaid, and subsequently re-advanced. The unpaid balance of the revolving line of credit may at certain times be lower than the amount shown or zero. A zero balance does not terminate the line of credit or terminate Lender's obligation to advance funds to Borrower. Therefore, the lien of this Assignment will remain in full force and effect notwithstanding any zero balance.

1.5 To the extent that Grantor is not also the direct Borrower on a particular Note,

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Assignment is executed at Borrower's request and not at the request

of Lender; (b) Grantor has the full power, right, and authority to enter into this Assignment and to hypothecate the Rents; (c) the provisions of this Assignment do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Assignment.

1.6 GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lenders commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

1.7 PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment, Borrower shall pay to Lender all Indebtedness secured by this Assignment as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Assignment, and the Related Documents.

1.8 EVENTS OF DEFAULT. With regard to the section of the Assignment entitled "EVENTS OF DEFAULT," references with regard to the failure to pay or perform or other breaches or defaults by the Grantor shall be deemed also to refer to Borrower, other than with regard to the subpart entitled "Default on Other Payments."


2. CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Assignment shall remain unchanged and in full force and effect. Terms with initial capital letters used but not defined herein have the meanings assigned to them in the original Assignment. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Assignment as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or notes or other credit agreement(s) secured by the Assignment. It is the intention of Lender to retain as liable all parties to the Assignment and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including



accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Assignment does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

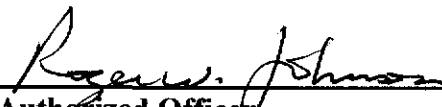
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF ASSIGNMENT AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF ASSIGNMENT IS DATED AS OF JULY 30, 2004.

GRANTOR:

X 
Larry R. Jensen, a single man

LENDER:

WASHINGTON MUTUAL BANK

X 
Authorized Officer

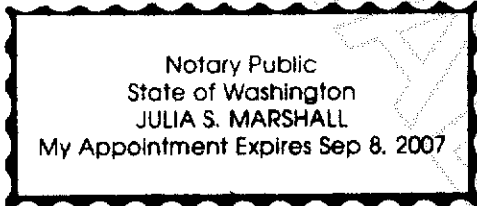


INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Larry R. Jensen, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary and deed, for the uses and purposes therein mentioned.

DATED: AUG 25, 2004



Julia S. Marshall
Print Name: Julia S. Marshall
NOTARY PUBLIC for the State of
Washington, residing at
Seattle Washington

My appointment expires:

Sept 8, 2007

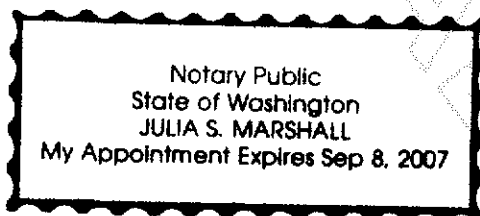


LENDER ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 25th day of August, 2004, before me personally appeared Roger W. Johnson to me known to be the VICE PRES of the financial institution that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said financial institution, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument and that the seal affixed is the corporate seal of said financial institution.

DATED: AUG 25, 2004



Julia S. Marshall
Print Name: Julia S. Marshall
NOTARY PUBLIC for the State of
Washington, residing at
Seattle, Washington

My appointment expires:
Sept 8, 2007



EXHIBIT A

Legal Description

The land referred to in this exhibit is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel One (BB-One)

That portion of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 22, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at a point on the South line of said subdivision, which point bears North $89^{\circ}24'$ East a distance of 174.75 feet from the Southwest corner of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence North $0^{\circ}10'59''$ East along a line which is parallel to and 175.75 feet east of the West line of said subdivision, a distance of 570 feet to the true point of beginning; thence North $89^{\circ}24'$ East, 115 feet; thence South $0^{\circ}10'$ West, 230.5 feet; thence South $89^{\circ}24'$ West, 115 feet; thence North $0^{\circ}10'59''$ East along said parallel line, a distance of 230.5 feet to the true point of beginning.

TOGETHER WITH a non-exclusive easement for ingress, egress, and utilities, over, across and under the East 20 feet of the West 194.75 feet of the South 339.50 feet of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$.

EXCEPT McLean Road along the South line thereof.

Parcel Two (BB-Three):

That portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 22, Township 34 North, Range 3 East W.M., described as follows:

Beginning at the Southeast corner of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence North along the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to a point 951.17 feet South of the Northeast corner of the said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence North along said East line 243 feet to the true point of beginning; thence West parallel to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ a distance of 30 feet; thence North parallel to the East line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, a distance of 460 feet; thence East parallel to the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ a distance of 30 feet,



more or less, to the East line of said Southwest 1/4 of the Northwest 1/4; thence South along said East line to the point of beginning.

Parcel Three (BB-Five)

The North 951.17 feet of the West 174.75 feet of the Southeast 1/4 of the Northwest 1/4 of Section 22, Township 34 North, Range 3 East W.M., (as measured along the North and West lines of said subdivision).

TOGETHER with a non-exclusive easement for ingress, egress and utilities over and across the East 20 feet of the West 174.75 feet of said Southeast 1/4 of the Northwest 1/4;

EXCEPT the North 951.17 feet thereof, as conveyed by Deeds recorded March 6, 1969, under Auditor's File Nos. 723910 and 723912;

AND EXCEPT County road along the South line thereof.