

RETURN ADDRESS:

PEOPLES BANK
MOUNT VERNON OFFICE
1801 RIVERSIDE DRIVE
MOUNT VERNON, WA
98273



200710150159

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

M-17085

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200508310243

Additional on page _____

Grantor(s):

1. SPRING MEADOWS, L.L.C.

Grantee(s)

1. PEOPLES BANK

Legal Description: LOT 2, 3 AND 4 CITY OF BURLINGTON BINDING SITE PLAN NO. BSP NO. 1-00

Additional on page 2

Assessor's Tax Parcel ID#: 8026-000-002-0000, 8026-000-003-0000 AND 8026-000-004-0000

THIS MODIFICATION OF DEED OF TRUST dated October 5, 2007, is made and executed between SPRING MEADOWS, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, whose address is 1016 S 3RD ST, MOUNT VERNON, WA 98273-4302 ("Grantor") and PEOPLES BANK, whose address is MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5110223-205

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 29, 2005 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED AUGUST 31, 2005 IN THE OFFICE OF SKAGIT COUNTY AUDITOR, FILE NO. 200508310243.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in SKAGIT County, State of Washington:

LOTS 2, 3 AND 4 CITY OF BURLINGTON BINDING SITE PLAN NO. BSP NO. 1-00, APPROVED MARCH 1, 2000 AND RECORDED MARCH 3, 2000, UNDER AUDITOR'S FILE NO. 200003030001 AND BEING A PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4, SECTION 8, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M. TOGETHER WITH THAT CERTAIN ACCESS AND UTILITY EASEMENT RECORDED FEBRUARY 13, 1991, UNDER AUDITOR'S FILE NO. 9102130063, AND THE AMENDMENT THERETO, RECORDED JANUARY 15, 1993, UNDER AUDITOR'S FILE NO. 9301150112, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF BURLINGTON, COUNTY OF SKAGIT, STATE OF WASHINGTON
The Real Property or its address is commonly known as LOT 2, 3 AND 4 OF THE TUDOR COMMERCIAL SHORT PLAT, BURLINGTON, WA 98233. The Real Property tax identification number is 8026-000-002-0000, 8026-000-003-0000 AND 8026-000-004-0000.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED AUGUST 29, 2005 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED OCTOBER 5, 2007 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT.

THE PRINCIPAL AMOUNT IS \$500,000.00, WHICH INCLUDES A NEW ADVANCE OF \$50,000.00.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation makers, 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 Deed of Trust 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 DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED OCTOBER 5, 2007.

GRANTOR:

SPRING MEADOWS, L.L.C.

By *Michael V. Fohn*
MICHAEL V. FOHN, MANAGER/MEMBER OF SPRING MEADOWS, L.L.C.

LENDER:

PEOPLES BANK

X *James M. Bandy*
Authorized Officer



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5110223-205

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CORPORATE ACKNOWLEDGMENT

STATE OF Washington

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COUNTY OF Skagit

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On this 12th day of OCTOBER, 2007, before me, the undersigned Notary Public, personally appeared MICHAEL V. FOHN, MANAGER/MEMBER of SPRING MEADOWS, L.L.C., and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By S Wardell

Residing at Mount Vernon

Notary Public in and for the State of WA

My commission expires 2-21-2010

LENDER ACKNOWLEDGMENT

STATE OF Washington

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) SS

COUNTY OF Skagit

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On this 12th day of OCTOBER, 2007, before me, the undersigned Notary Public, personally appeared James M Vander Mey and personally known to me or proved to me on the basis of satisfactory evidence to be the Senior Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By S Wardell

Residing at Mount Vernon

Notary Public in and for the State of WA

My commission expires 2-21-2010



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Skagit County Auditor