

RETURN ADDRESS:

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



200805230008
Skagit County Auditor

5/23/2008 Page 1 of 3 9:27AM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200708060138

Additional on page _____

Grantor(s):

1. FAR NIENTE, LLC

GUARDIAN NORTHWEST TITLE CO.

Grantee(s)

1. PEOPLES BANK

91762

Legal Description: SECTION 27, TOWNSHIP 35, RANGE 4; PTN SW NE (AKA LOT 3 SHORT PLAT NO. SW-11-80)

Additional on page 2

Assessor's Tax Parcel ID#: 350427-1-010-0207

ACCOMMODATION RECORDING ONLY

THIS MODIFICATION OF DEED OF TRUST dated May 19, 2008, is made and executed between FAR NIENTE, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, whose address is 1625 E FAIRHAVEN AVE, BURLINGTON, WA 98233-2103 ("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: 5026002-205

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 3, 2007 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

RECORDED AUGUST 6, 2007 UNDER RECORDING NUMBER 200708060138 IN RECORDS OF SKAGIT COUNTY, STATE OF WASHINGTON.

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

LOT 3, SHORT PLAT NO. SW-11-80, APPROVED OCTOBER 28, 1980, RECORDED NOVEMBER 7, 1980, UNDER AUDITOR'S FILE NO. 8011070019, IN VOLUME 4 OF SHORT PLATS, PAGE 200, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4, SECTION 27, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., EXCEPT THE NORTH 100 FEET THEREOF, AS CONVEYED TO SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 304 BY DEED RECORDED JANUARY 25, 1984, UNDER AUDITOR'S FILE NO. 8401250002.

TOGETHER WITH BENEFICIAL EASEMENT AGREEMENTS RECORDED UNDER AUDITOR'S FILE NOS. 8112210034, 8402080003, 8402240037 AND 8406090049, AS MODIFIED BY THAT CERTAIN MODIFICATION OF EASEMENTS RECORDED UNDER AUDITOR'S FILE NO. 9504280013.

ALSO TOGETHER WITH THAT CERTAIN DEDICATION OF CROSS EASEMENTS FOR INGRESS AND EGRESS RECORDED UNDER AUDITOR'S FILE NO. 9505050052

The Real Property or its address is commonly known as 2131-2151 HOSPITAL DRIVE, SEDRO WOOLLEY, WA 98284. The Real Property tax identification number is 350427-1-010-0207.

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 3, 2007 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED MAY 19, 2008 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 \$1,000,000.00, WHICH INCLUDES A NEW ADVANCE OF \$72,729.93

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 endorses 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 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 MAY 19, 2008.

GRANTOR:

FAR NIENTE, LLC

By:

RODNEY A. BRANDT, D.D.S., MEMBER OF FAR NIENTE, LLC

By:

NANNETTE E. CROWELL M.D., MEMBER OF FAR NIENTE, LLC

LENDER:

PEOPLES BANK

Authorized Officer



200805230008

Skagit County Auditor

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5026002-205

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

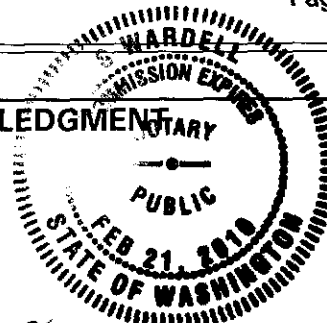
STATE OF Washington

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COUNTY OF Skagit

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On this 22nd day of MAY, 20 08, before me, the undersigned Notary Public, personally appeared **RODNEY A. BRANDT, D.D.S., MEMBER of FAR NIENTE, LLC and NANNETTE E. CROWELL M.D., MEMBER of FAR NIENTE, LLC**, and personally known to me or proved to me on the basis of satisfactory evidence to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company; by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned; and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By A Wardell
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires _____

LENDER ACKNOWLEDGMENT

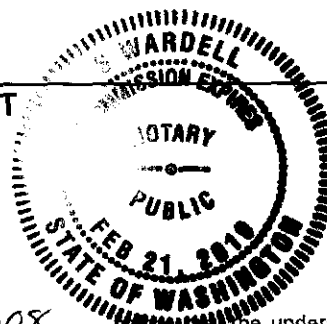
STATE OF Washington

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COUNTY OF Skagit

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On this 22nd day of MAY, 2008, before me, the undersigned Notary Public, personally appeared Jamesm Vandemey and personally known to me or proved to me on the basis of satisfactory evidence to be the Senior Vice President, authorized agent for **PEOPLES BANK** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **PEOPLES BANK**, duly authorized by **PEOPLES BANK** 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 in fact executed this said instrument on behalf of **PEOPLES BANK**.

By A Wardell
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires 2-21-10



200805230008
Skagit County Auditor