



200907220084

Skagit County Auditor

7/22/2009 Page

1 of

3 3:42PM

**RETURN ADDRESS:**

Seattle Bank, a  
Washington state  
chartered stock savings  
bank  
Bellingham HomeBuilders  
Construction Group  
190 Queen Anne Ave. N  
Suite 100  
Seattle, WA 98109

GUARDIAN NORTHWEST TITLE CO.

B92003

**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): DT#200706240098

Additional on page \_\_\_\_

Grantor(s):

1. HANSELL/MITZEL, LLC

Grantee(s)

1. Seattle Bank, a Washington state chartered stock savings bank

Legal Description: \_\_\_\_\_

Additional on page \_\_\_\_

Assessor's Tax Parcel ID#: 340409-2-007-006 <sup>D</sup><sub>A</sub> P24350

THIS MODIFICATION OF DEED OF TRUST dated May 22, 2009, is made and executed between Hansell/Mitzel, LLC ("Grantor") and Seattle Bank, a Washington state chartered stock savings bank, whose address is Bellingham HomeBuilders Construction Group, 190 Queen Anne Ave. N, Suite 100, Seattle, WA 98109 ("Lender").

**MODIFICATION OF DEED OF TRUST  
(Continued)**

Loan No: 70000045

Page 2

**DEED OF TRUST.** Lender and Grantor have entered into a Deed of Trust dated June 27, 2007 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

June 28, 2007 under Auditor's File No. 200706290098, records of Skagit County, Washington.

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

That portion of Section 19, Township 31 North, Range 3 East, W.M., as more particularly described under parcels A, B, C, D and E on Exhibit "A" attached hereto and incorporated herein by this reference.

The Real Property or its address is commonly known as XXXX Francis Road, Mount Vernon, WA 98273. The Real Property tax identification number is 340409-2-007-006.

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

**Cross Collateralization.** In addition to the Note, this Deed of Trust secured the following Related Loan: Promissory Note dated June 27, 2007, executed by Hansell/Mitzel, LLC in the amount of \$1,820,000.00, secured by a Deed of Trust of even date in favor of Seattle Savings Bank, n/k/a Seattle Bank, and encumbering a portion of the NW/4 and N/2SW/4 Section 19, T31N, R3E, W.M., Camano County, Washington, as specifically described in said Deed of Trust.

**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 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.

**CROSS-DEFAULT/CROSS-COLLATERAL.** Borrower understands that the Loan is cross-defaulted with the other loans from Lender to Borrower or its affiliates (collectively, the "Related Loans"), such that a default under any one of the Related Loans constitutes a default under the Loan. Additionally, all of the Related Loans are cross-collateralized, such that following an event of default under any of the Related Loans, Lender, in its discretion, may exercise its rights and remedies against any and all of the collateral securing any of the Related Loans. Notwithstanding such cross-collateralization, Lender shall have the sole and exclusive right to segregate the separate security interests granted under the Related Loans so that the deed of trust given for each particular Related Loan shall act as security only for such obligations of Borrower as Lender, in its sole discretion, shall determine, and thereby to remove all other obligations of Borrower from the scope of the obligations secured thereby. Lender may exercise its right to segregate the different collateral as security for particular obligations of Borrower unilaterally, and without prior notice to or consent by Borrower or any other party, by providing written notice to Borrower at any time prior to a foreclosure sale of any portion of any of the collateral for the Related Loans. Such notice shall identify by any reasonable means those particular obligations of Borrower that shall remain secured by each deed of trust and provide that any other obligations of Borrower to Lender shall no longer be secure by such deed(s) of trust. Such notice shall be effective immediately to amend the Loan Documents in accordance therewith. Borrower hereby irrevocably designates and appoints Lender as its attorney in fact, such power of attorney coupled with an interest, for the limited purpose of preparing any amendments required in accordance with this Section.

**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 22, 2009.**

**GRANTOR:**

HANSELL/MITZEL, LLC

By:

Jeffrey D. Hansell, Manager of HANSELL/MITZEL, LLC

By:

Daniel R. Mitzel, Manager of HANSELL/MITZEL, LLC

**LENDER:**

SEATTLE BANK, A WASHINGTON STATE CHARTERED STOCK SAVINGS BANK

X

Authorized Officer



200907220084

Skagit County Auditor

7/22/2009 Page

2 of

3

3:42PM

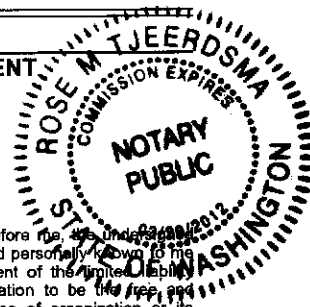
MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 70000045

Page 3

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA )  
COUNTY OF Skagit ) SS



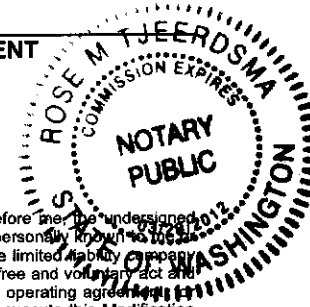
On this 30 day of June, 20 09, before me, the undersigned Notary Public, personally appeared Jeffrey D. Hansell, Manager of HANSELL/MITZEL, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed 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 he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Jeffrey D. Hansell  
Notary Public in and for the State of WA

Residing at Burlington  
My commission expires 3/29/2012

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA )  
COUNTY OF Skagit ) SS



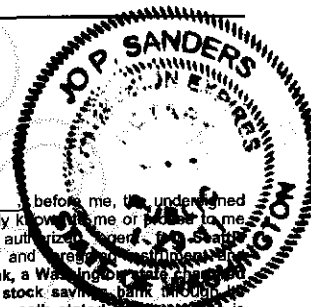
On this 30 day of June, 20 09, before me, the undersigned Notary Public, personally appeared Daniel R. Mitzel, Manager of HANSELL/MITZEL, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed 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 he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Rose M. Tjeerdsma  
Notary Public in and for the State of WA

Residing at Burlington  
My commission expires 3/29/2012

LENDER ACKNOWLEDGMENT

STATE OF Washington )  
COUNTY OF King ) SS



On this 30th day of June, 20 09, before me, the undersigned Notary Public, personally appeared Bruce E. Thompson and personally known to me or proved to me on the basis of satisfactory evidence to be the SA Vice President, authorized agent of Seattle Bank, a Washington state chartered stock savings bank that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Seattle Bank, a Washington state chartered stock savings bank, duly authorized by Seattle Bank, a Washington state chartered stock savings bank through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that Seattle Bank is authorized to execute this said instrument and in fact executed this said instrument on behalf of Seattle Bank, a Washington state chartered stock savings bank.

By J. P. Sanders  
Notary Public in and for the State of Washington

Residing at Edmonds  
My commission expires 1/29/2011



200907220084  
Skagit County Auditor