

RETURN ADDRESS:

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



200409010121

Skagit County Auditor

9/1/2004 Page

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10 2:37PM

FIRST AMERICAN TITLE CO.

MODIFICATION OF DEED OF TRUST

82057-9

Reference #: 200005250067

Additional on page _____

Grantor(s):

1. Jensen, Larry R. (as successor in interest to Triple J Enterprises)

Grantee(s):

1. Washington Mutual Bank
2. First American Title Insurance Company, Trustee

Legal

PTN Lot 4 SP PL00-00408 AF#2002080100118; Lot 4 SP PL02-0485

Description:

AF#200209160059; Lot 3 SP PL00-0408 AF#20020600118

Additional on pages 9 and 10

Assessor's
Tax Parcel
ID#:

340224-0-001-0009 P20682; 340224-0-002-0206 P20684; 340224-1-001-0007 P20708; 340224-1-002-0006 P20709; 340319-0-001-0005 P22140; 340319-0-002-0004 P22141; 340213-0-002-0100 P119459

THIS MODIFICATION OF DEED OF TRUST 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" or "Jensen") and Washington Mutual Bank, 1301 Fifth Avenue, Suite 1204, RBB 1204, Seattle, WA 98101 ("Lender").

DEED OF TRUST. Lender and Triple J Enterprises ("Triple J"), a Washington general partnership comprised of Larry R. Jensen, a single man, and Michael L. Jensen and Catherine L. Jensen, husband and wife entered into a Deed of Trust dated May 10, 2000 (the "Deed of Trust") which was recorded in Skagit County, State of Washington, as follows:

Recorded May 25, 2000 as Instrument No. 200005250067 in Skagit County, Washington, as modified from time to time.

REAL PROPERTY DESCRIPTION. The Deed of Trust 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 number is: 340224-0-001-0009 P20682; 340224-0-002-0206 P20684; 340224-1-001-0007 P20708; 340224-1-002-0006 P20709; 340319-0-001-0005 P22140; 340319-0-002-0004 P22141; 340213-0-002-0100 P119459.

TRANSFER OF REAL PROPERTY. On or about August __, 2004, Triple J transferred to Grantor the Property, Improvements and related assets which are subject to the Deed of Trust (collectively the "Transferred Assets") which have not otherwise expressly been released by Lender. Lender has agreed to such transfer in consideration of, among other terms, Grantor's assumption of all of the terms, conditions and obligations of Grantor under the Deed of Trust as more fully set out herein.

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

1.1 **No Maximum Lien.** Any reference in the Deed of Trust to a "maximum lien" is hereby deleted.

1.2 **Borrower.** The word "Borrower" is amended to include both Larry R. Jensen and Country Cousins, Inc. or either of them and all other persons and entities signing a Note in whatever capacity.

1.3 **Grantor.** From and after the date of this Modification, the word "Grantor" means Larry R. Jensen.



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

1.4.1 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;

1.4.2 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;

1.4.3 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;

1.4.4 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;

1.4.5 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;

1.4.6 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;

1.4.7 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

1.4.8 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.**

1.5 **Terms Dealing with Transfer and Assumption.**

1.5.1 Approval of Transfer. Lender consents to the transfer of the Transferred Assets from Triple J to Jensen. In connection with said consent to transfer of the Transferred Assets, Lender hereby waives, solely with respect to the transfer of the Transferred Assets to Jensen as consented to herein, those provisions of the Note, Deed of Trust, and Related Documents pursuant to which such transfer could be construed as a default, or Event of Default. Such consent to transfer shall not be deemed to waive



Lender's right to approve or disapprove any future transfer of all or any part of the Transferred Assets, or any interest therein, or any other matters made subject to Lender's consent as provided in the Note, Deed of Trust, and Related Documents.

1.5.2 Assumption of Loan Document Obligations by Jensen. Jensen hereby assumes, effective upon the date of this Agreement, all of the obligations of "Grantor" of every kind and nature contained in the Related Documents, and further agrees and promises to Lender to fulfill all other obligations and duties of Grantor contained in and in accordance with the Loan Documents, all as though the Loan Documents had originally been executed by Jensen. Jensen acknowledges and confirms that the Real Property has been or is being acquired by Jensen subject to all liens, charges, and encumbrances created by the Related Documents. As collateral security for the Note and all other obligations to Lender secured by the Deed of Trust, Jensen hereby:

a. In consideration of this Modification, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the obligations described in the Deed of Trust, grants, bargains, sells, and conveys to Trustee (as defined in the Deed of Trust) and its successors in trust and assigns, forever, in trust, with power of sale, all of Jensen's estate, right, title, interest, claim, and demand in and to the Real Property and Improvements (as defined in the Deed of Trust);

b. Assigns, transfers, and sets over to Lender any and all rights of Jensen in and to all leases, Rents, income, receipts, revenues, issues, and profits now due or that become due or to which Jensen may now or shall hereafter become entitled or may demand or claim arising from or out of the Real Property or any part thereof; and

c. Grants to Lender, as secured party, pursuant to the Uniform Commercial Code of the state of Washington, a security interest in all rights of Jensen in all Personal Property (as defined in the Deed of Trust).

1.5.3 Further Conditions. This Modification shall not become effective as to Lender until it has been executed by all parties hereto and the following shall be provided to Lender by Jensen at his expense:

a. An up-date to Lender's mortgagee's policy of title insurance, showing the fee simple title to the Real Property to be in the name of LARRY R. JENSEN and showing Lender's continuing lien position subject only to other liens held by Lender and that certain mortgage recorded May 27, 1994 in favor of Alvin Sparks, Thad Hodgins, James Neff, Pat Good, Karen Kesselring and Ronald E. Kesselring.

b. A UCC-1 financing statement indicating Lender's secured party status for all Personal Property, with LARRY R. JENSEN designated as "Debtor," together with a UCC-3 amendatory financing statement(s) amending the original UCC-1



financing statement filed in connection with the Loan to show LARRY R. JENSEN designated as "Debtor", each of which Lender is hereby authorized to file without the necessity of obtaining the signature of Jensen;

c. Certificate of Insurance showing coverage as required by Lender in the name of Jensen;

d. Copy of all documents and instruments conveying title to the Real Property and the Personal Property, including, without limitation, the recorded deed transferring the Real Property to Jensen; and

e. Copies of such authorizing resolutions, certificates of formation and existence and other documents and instruments as Lender shall require in connection with the transfer of the Real Property and the Personal Property;

Each of the foregoing shall be subject to the review and approval of Lender.

1.5.4 Amendment to Loan Documents. Each of the Related Documents is amended to provide that (i) all references to Triple J shall be deemed to be a reference to Jensen, (ii) any reference to each Related Document shall be deemed to be a reference to such Related Document as amended hereby, and (iii) a default under this Modification or the failure of any representation or warranty herein by Jensen shall constitute a default under the Indebtedness and the Related Documents.

1.6 **Debt Secured.** The following language is added to the Deed of Trust:

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS, (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST, AND (3) PAYMENT AND/OR PERFORMANCE OF SUCH OTHER AGREEMENT(S) AS MAY EXPRESSLY STATE THAT IT IS/THEY ARE SECURED BY SUCH DEED OF TRUST.

Notwithstanding anything else contained in the Deed of Trust, the Deed of Trust shall secure only the obligations set out in this paragraph.

1.7 **Revolving Line of Credit.** Specifically and without limitation, this Deed of Trust 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 Deed of Trust will remain in full force and effect notwithstanding any zero balance.

2. CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust 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 Deed of Trust. 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 notes or other credit agreement(s) secured by the Deed of Trust. It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Nothing contained in this Modification and nothing done pursuant hereto shall in any way affect the lien or charge of the Security Instruments or the priority thereof over other liens or charges. 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 AS OF JULY 30, 2004.

GRANTOR:

X

Larry R. Jensen
Larry R. Jensen, a single man

LENDER:

WASHINGTON MUTUAL BANK

X

Robert W. Johnson
Authorized Officer

114902.0056/1124407.6



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Skagit County Auditor

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INDIVIDUAL ACKNOWLEDGMENT

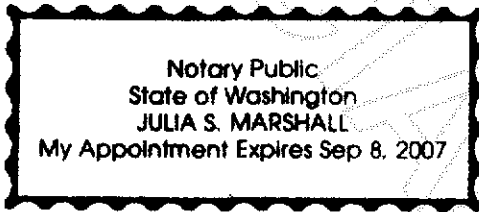
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

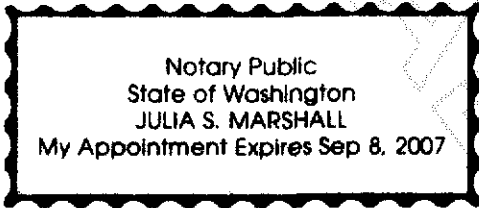
Julia S Marshall

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 I. (Parcel "A")

Those portions of both Lot 4 of Short Plat No. PL00-0408, approved July 31, 2002 and recorded as Auditor's File No. 200208010118, records Skagit County, Washington, and of Lot 4 of Short Plat No. PL02-0485, approved September 13, 2002 and recorded as Auditor's File No. 200209160059, records of Skagit County, Washington, lying Southerly and Easterly of the following described line:

Beginning at the Southeast corner of said Lot 4, Short Plat No. PL02-0485; thence Westerly along the South line of said Lot 4 to the Southeast corner of said Section 13, as shown on the "Plat of Skagit Beach No. 1", as per plat recorded in Volume 8 of Plats, page 71, records of Skagit County, Washington; thence North 89°21'46" West a distance of 2070.66 feet along an existing ditch to a line that is 40 feet East of the parallel with the East line of said "Plat of Skagit Beach No. 1"; thence South 45°28'30" West a distance of 229.39 feet along said parallel line; thence South 09°44'00" West a distance of 53.06 feet along said parallel line to an existing ditch; thence South 66°31'59" East a distance of 18.50 feet along said ditch; thence South 32°54'23" East a distance of 22.50 feet along said ditch; thence South 10°11'32" East a distance of 38.03 feet along said ditch; thence South 01°18'54" West a distance of 161.19 feet along said ditch; thence South 02°55'57" East a distance of 65.76 feet along said ditch; thence South 17°42'52" East a distance of 84.23 feet along said ditch; thence South 31°14'08" East a distance of 81.72 feet along said ditch; thence South 39°47'07" East a distance of 108.82 feet along said ditch; thence South 48°43'40" East a distance of 131.89 feet along said ditch; thence South 29°41'21" East a distance of 110.25 feet along said ditch; thence South 12°50'42" East a distance of 174.01 feet along said ditch; thence South 16°17'21" East a distance of 137.92 feet along said ditch; thence South 21°45'41" East a distance of 105.65 feet along said ditch; thence South 42°03'59" East a distance of 161.32 feet along said ditch; thence South 53°43'28" East a distance of 133.16 feet along said ditch; thence South 49°24'40" East a distance of 115.89 feet along said ditch; thence South 68°41'03" East a distance of 162.43 feet along said ditch; thence South 01°21'14" East a distance of 61.40 feet along said ditch; thence South 19°06'04" West a distance of 93.09 feet along said ditch; thence South 14°08'21" West a distance of 69.28 feet along said ditch; thence South 29°51'07" East a distance of 100.06 feet along said ditch; thence South 58°48'26" East a distance of 98.92 feet along said ditch; thence South 70°48'24" East a distance of 102.92 feet along said ditch; thence South



58°20'31" East a distance of 90.89 feet along said ditch; thence South 31°17'46" East a distance of 194.07 feet along said ditch; thence South 40°36'49" East a distance of 57.94 feet along said ditch; thence South 44°44'37" East a distance of 72.81 feet along said ditch; thence South 22°10'31" East a distance of 126.83 feet along said ditch; thence South 05°21'14" East a distance of 121.88 feet along said ditch; thence South 00°34'30" West a distance of 57.89 feet to the South line of the Southeast 1/4 of the Northeast 1/4 of said Section 24 and the terminus of said line at a point that is North 89°25'30" West a distance of 836.36 feet from the Southeast corner of said subdivision (East 1/4 corner of said Section 24).

ALL of the above being portions of Sections 13 and 24, in Township 34 North, Range 2 East W.M., and being a portion of Section 19, Township 34 North, Range 3 East W.M.

Parcel 2 (Parcel "JJ")

Lot 3 of Short Plat No. PL00-0408, approved July 31, 2002 and recorded as Auditor's File No. 200208010118, records of Skagit County, Washington; being located near the center of Section 13, Township 34 North, Range 2 East, W.M.

