

AFTER RECORDING RETURN TO:

U.S. BANK NATIONAL ASSOCIATION  
10800 NE Eighth Street, Suite 1050  
Bellevue, WA 98004  
Attn: Ms. Lisa Gilchrist

  
200506270112  
Skagit County Auditor  
6/27/2005 Page 1 of 5 10:49AM

**DEED OF TRUST SPREADING AGREEMENT**

Grantor: Chaffey North, LLC FIRST AMERICAN TITLE CO.  
84375  
Grantee: U.S. Bank National Association  
Legal Description: Lots 122 and 123, "PLAT OF EAGLEMONT, PHASE IB,  
DIVISION 3"  
Assessor's Property Tax Parcel or Account No.: 4844-000-122-0000 P122224 & 4844-000-123-0000 P122225  
Reference Numbers of Documents Assigned or Released: 200504280059

**PARTIES:**

CHAFFEY NORTH, LLC, a Washington limited liability company ("Grantor") and U.S. BANK NATIONAL ASSOCIATION ("Beneficiary").

**BACKGROUND:**

Grantor previously executed and delivered to Beneficiary a Deed of Trust dated as of April 4, 2005 (the "Deed of Trust") among Grantor, Beneficiary and U.S. Bank Trust Company, National Association, as Trustee. The Deed of Trust was recorded on April 28, 2005 under Recording No. 200504280059 of the Records of the Auditor of Skagit County, Washington. Grantor and Beneficiary wish to spread the lien of the Deed of Trust to cover other property. Therefore, they agree as set forth below.

**AGREEMENT:**

Grantor and Beneficiary agree as follows:

1. The lien of the Deed of Trust is hereby spread to cover the following-described property in Skagit County, Washington:

The property described on Exhibit A attached hereto and incorporated herein by this reference.

Grantor hereby irrevocably grants, bargains, sells and conveys to the Trustee in trust, with power of sale, for the benefit of Beneficiary and modifies the legal description in the Deed of Trust to include the above-described property, which property is not used principally or primarily for agricultural or farming purposes, together with all tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining and the leases, rents, issues and profits thereof, for the purpose of securing performance of each agreement, payment and undertaking secured by Deed of Trust. It is the intention of Grantor and Beneficiary that the Deed of Trust and this Agreement shall be construed as a single instrument and the powers and duties of the Trustee shall be the same as if the property conveyed herein had originally been included in the Deed of Trust.

2. Beneficiary's obligation to accept this Agreement is conditioned upon First American Title Insurance Company committing to issue to Beneficiary an endorsement to Beneficiary's policy of title insurance, in a form and content satisfactory to Beneficiary, that modifies the legal description of the land described in the policy and which is encumbered by the insured Deed of Trust to include the legal description described in paragraph 1 above and that shows no liens or encumbrances affecting the property, other than those in Schedule B of the policy and other than those approved in writing by the Beneficiary. Grantor shall pay the cost of such an endorsement.

3. Except as modified by this Agreement, all terms, covenants and provisions of the Loan Documents and the obligations evidenced and secured thereby shall remain in full force and effect and are hereby expressly ratified and confirmed by Grantor and Beneficiary.

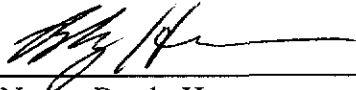


Dated as of June 7, 2005.

**GRANTOR:**

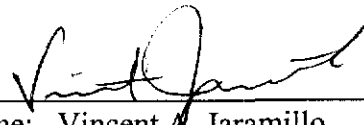
CHAFFEY NORTH, LLC, a Washington limited liability company

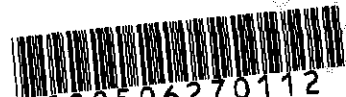
By: Chaffey Homes Inc., its Member

By:   
Name: Brody Hanssen  
Title: Chief Financial Officer

**BENEFICIARY:**

U.S. BANK NATIONAL ASSOCIATION

By:   
Name: Vincent A. Jaramillo  
Title: Vice President



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF King )

I certify that I know or have satisfactory evidence that Brady Hansen is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the CEO of Chaffey Homes Inc., the Member of Chaffey North, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 16, 2005.



Carina M. Shively  
(Signature of Notary)  
Carina M. Shively  
(Print or stamp name of Notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at: Kirkland  
My appointment expires: 9/20/05

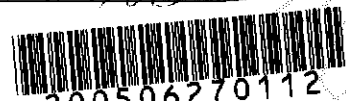
STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF King )

I certify that I know or have satisfactory evidence that Vincent Jaramillo is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the Vice President of U.S. BANK NATIONAL ASSOCIATION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: June 21, 2005.



Kenneth H. Hagen  
(Signature of Notary)  
Kenneth H. Hagen  
(Print or stamp name of Notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at: Seattle WA  
My appointment expires: 3/7/06



**EXHIBIT A**

**PARCEL B:**

LOTS 122 AND 123, "PLAT OF EAGLEMONT, PHASE 1B, DIVISION 3," RECORDED  
OCTOBER 25, 2004, UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200410250250,  
RECORDS OF SKAGIT COUNTY, WASHINGTON.

