

200509270205  
Skagit County Auditor  
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RECORDED AT THE REQUEST OF  
AND AFTER RECORDING RETURN TO:

Robert B. Fikso  
McCullough Hill Fikso Kretschmer Smith PS  
2025 First Avenue, Suite 1130  
Seattle, WA 98121-2100

115494  
LAND TITLE OF SKAGIT COUNTY

Grantor: Skagit Highlands, LLC, a Washington limited liability company  
Grantee: The Quadrant Corporation, a Washington corporation  
Reference No.: Auditor's No. 200411010183  
Legal Description: Lot 10, Boundary Line Adjustment Survey, Auditor's File No. 200308180300;  
Ptn. Sec. 15, 22 & 23, T34N, R4E, W.M.  
Tax Parcel Number: 340415-3-013-0404, 340422-1-001-0007, 340423-2-010-0128

**MODIFICATION OF  
DEED OF TRUST, ASSIGNMENT OF RENTS  
AND SECURITY AGREEMENT WITH FIXTURE FILING**

THIS MODIFICATION OF DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT WITH FIXTURE FILING ("First Amendment") is made this ~~26~~ day of September, 2005, among THE SKAGIT HIGHLANDS, LLC, a Washington limited liability company ("Grantor"), LAND TITLE COMPANY OF SKAGIT COUNTY (the "Trustee"), whose address is P.O. Box 445, 111 East George Hopper Road, Burlington, Washington 98233; and THE QUADRANT CORPORATION, a Washington corporation, whose address is 1110 112<sup>th</sup> Avenue N.E., Suite 300, P.O. Box 130, Bellevue, WA 98009 ("Beneficiary").

RECITALS:

- A. Grantor granted to Trustee for the benefit of Beneficiary that certain Deed of Trust, Assignment or Rents and Security Agreement with Fixture Filing, dated October 27, 2004 and recorded in Skagit County under Recording No. 200411010183 ("Deed of Trust").
- B. Grantor and Beneficiary desire for the Deed of Trust to be modified as set forth in this Modification.

MODIFICATION:

NOW, THEREFORE, the Deed of Trust is modified as follows:

1. The last sentence of the third introductory paragraph of the Deed of Trust, beginning "To secure Grantor's obligations...", is hereby deleted and replaced in its entirety with the following sentence:

To secure Grantor's obligations under the Purchase Agreements as they exist as of the date of this Deed of Trust or as they may hereafter be amended, including without limitation, Grantor's obligation to return to Beneficiary, in accordance with the terms of the Purchase Agreements, any payments or deposits of earnest money or other funds made by Beneficiary to Grantor on, prior to or after the date of this Deed of Trust or any Modification hereof (including without limitation \$700,000 of earnest money deposited for Division 1, and \$2,500,000 of earnest money deposited for Division 2 as of the date of the first Modification of this Deed of Trust), Grantor has agreed to grant Beneficiary this Deed of Trust in the Property.

2. The initial paragraph following the section entitled "GRANTING CLAUSES", beginning "NOW, THEREFORE,..." is hereby deleted and replaced in its entirety with the following paragraph:

**NOW, THEREFORE, to secure the payment of all sums due Beneficiary and obligations to be performed by Grantor under the Purchase Agreements, and under any documents executed in connection with the Purchase Agreements, as the Purchase Agreements and any such other documents may exist on the date of this Deed of Trust or as they may hereafter be amended, including without limitation this Deed of Trust (collectively, the "Purchase Documents") including the costs and expenses of enforcing any provision of any of the Purchase Documents and performance by Grantor of its obligations under the Purchase Documents, and in order to charge the Property and the revenue arising from the Property with the obligation to perform the obligations of the Purchase Documents, Grantor does hereby bargain, sell and convey to Trustee, in trust, with power of sale, all right, title and interest of Grantor now owned or hereafter acquired, in and to the Property;**

3. Except as expressly modified herein, the terms and conditions of the Deed of Trust are hereby ratified and affirmed and the Deed of Trust shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Modification on the date first set forth above.

GRANTOR:

THE SKAGIT HIGHLANDS, LLC,  
a Washington limited liability company

By: \_\_\_\_\_

James Tosti  
Managing Member



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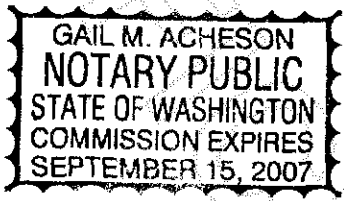
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STATE OF WASHINGTON )  
 ) : ss.  
COUNTY OF King )

I certify that I know or have satisfactory evidence that JAMES TOSTI is the person who appeared before me, and s/he acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Member of THE SKAGIT HIGHLANDS, LLC, the limited liability company that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 23rd day of September, 2005.



Gail M. Acheson  
[Signature of Notary]

GAIL M. ACHESON  
[Print Name of Notary]

Notary Public in and for the State of Washington,  
residing at KLICKLAND  
My commission expires: 9/15/07.



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