

When Recorded, Return to:

HILLIS CLARK MARTIN & PETERSON, P.S.
Attention: Gabriel S. Rosenthal
500 Galland Building
1221 Second Avenue
Seattle, WA 98101-2925



200608040089
Skagit County Auditor

8/4/2006 Page 1 of 6 11:28AM

SECOND AMENDMENT TO DEED OF TRUST

Grantor:	1) <u>ALAN L. THOMAS</u>	2) <u>BRENDA S. THOMAS</u>
	3) <u>THOMAS CREEK LLC</u>	
Grantee:	1) <u>ABBOTT GORDON THOMAS REVOCABLE TRUST UA MAY 1999</u>	
Legal Description (abbreviated):	<u>Section 2, Township 35, Range 4; NE-SW</u>	
<input checked="" type="checkbox"/> Additional on:	<u>EXHIBIT A</u>	
Assessor's Tax Parcel ID #:	<u>P35646 (350402-3-001-0006)</u>	
Reference Nos. of Documents Released or Assigned:	<u>200409270185, 200506290035</u>	

THIS SECOND AMENDMENT TO DEED OF TRUST ("Second Deed of Trust Amendment") is made as of this 31st day of July, 2006, by and among ALAN L. and BRENDA S. THOMAS, husband and wife, and THOMAS CREEK LLC, collectively as grantors (collectively, jointly and severally, "Borrower" herein), whose address is 22408 Bridgewater Road, Sedro Woolley, Washington 98284-7853; in favor of Hillis Clark Martin & Peterson, as trustee ("Trustee"), whose address is 500 Galland Building, 1221 Second Avenue, Seattle, Washington 98101-2925; for the benefit of ABBOTT GORDON THOMAS REVOCABLE TRUST UA May 1999, as Beneficiary ("Lender" herein), whose address is 8180 Vernon Street, Rockford, Minnesota 55373.

RECITALS

A. Alan L. and Brenda S. Thomas ("Thomas") obtained a loan from Lender (the "Loan") pursuant to the terms of a Promissory Note dated September 21, 2004, in the original principal amount of \$258,321.12 and a Replacement Note dated June 23, 2005,

in the original principal amount of \$304,821.12 (as amended and replaced, the "Note"). Thomas's obligations under the Note are secured by a Deed of Trust dated as of September 21, 2004, and recorded in the Official Records of Skagit County, Washington on September 27, 2004, under Instrument No. 200409270185, and by a First Amendment to Deed of Trust dated June 23, 2005, and recorded in the Official Records of Skagit County, Washington on June 29, 2005, under Instrument No. 200506290035 (as amended, the "Deed of Trust"). The Deed of Trust encumbers certain real property in Skagit County, Washington, legally described on Exhibit A, attached hereto and incorporated herein by this reference, together with any improvements on such real property and certain personal property (collectively, the "Property"). The Note, Deed of Trust, and all other documents evidencing or securing the Loan are referred to herein collectively as the "Loan Documents."

B. Borrower has requested that Lender agree to an increase in the principal amount of the loan.

C. Borrower has also requested that Lender consent to the transfer to Thomas Creek LLC of a portion of the Property known as Lots 2-8.

D. Lender has agreed to consent to such increase and to such transfer, provided that Thomas Creek LLC agrees to be jointly and severally liable for all obligations under the Note and Deed of Trust.

AGREEMENTS

In consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereby agree as follows:

1. **TERMINOLOGY.** The terms used in this Second Deed of Trust Amendment shall have the same meanings as in the Deed of Trust, unless a different meaning is required by the context hereof.

2. **AMENDMENTS TO DEED OF TRUST.**

2.1 **Amendment to Loan Documents.** The Deed of Trust is hereby amended and modified to secure, without limitation, the making of all payments and the performance of all obligations under the terms of the Loan Documents, as amended pursuant to the Second Replacement Note executed concurrently herewith. Among other changes contained in the Second Replacement Note, Borrower and Lender have agreed (i) to increase the maximum Loan Amount to \$350,589.87, and (ii) to obligate Thomas Creek LLC, as jointly and severally liable, for all obligations under the Loan Documents.

2.2 **Lien Priority.** The Property shall remain and continue in all respects subject to the Deed of Trust, and nothing in this Second Deed of Trust



Amendment or done pursuant to this Second Deed of Trust Amendment shall affect or be construed to affect Lender's lien priority with respect to the Property.

2.3 So long as Thomas Creek LLC agrees to become jointly and severally liable for all obligations of Borrower under the Loan Documents, Lender hereby consents to the transfer of a portion of the Property to Thomas Creek LLC concurrently herewith. Such consent shall not be deemed a waiver of Lender's rights to require approval of any future transfer, which will continue to require Lender's prior approval.

3. BINDING EFFECT. This Second Deed of Trust Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

4. APPLICABLE LAW. This Second Deed of Trust Amendment is to be construed in all respects and enforced according to the laws of the State of Washington.

EXECUTED as of the day and year first above written.

BORROWER/GRANTORS:

THOMAS CREEK LLC,
a Washington limited liability company

By *Brenda S. Thomas*
Name: Brenda S. Thomas
Its: President

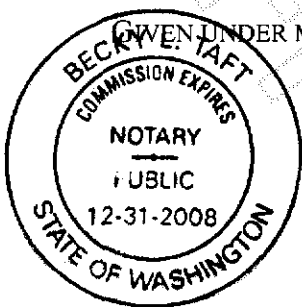
Alan L. Thomas by Brenda S. Thomas
ALAN L. THOMAS, by Brenda S. Thomas ^{P.C.A.}
as his attorney-in-fact under General Power
of Attorney dated 5/16/2006

Brenda S. Thomas
BRENDA S. THOMAS



STATE OF WASHINGTON }
COUNTY OF SKAGIT } ss.

On this day personally appeared before me Aug 2, 2006, to me known to be the Brenda Thomas of THOMAS CREEK LLC, the limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute such instrument.

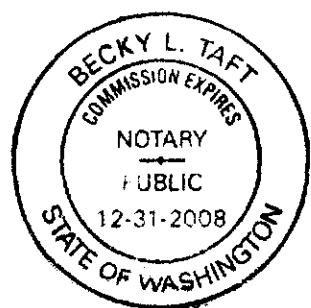


GIVEN UNDER MY HAND AND OFFICIAL SEAL this 2 day of Aug, 2006.

Becky L. Taft
Printed Name Becky L. Taft
NOTARY PUBLIC in and for the State of Washington,
residing at Secho Woolley
My Commission Expires 12-31-2008

STATE OF WASHINGTON }
COUNTY OF SKAGIT } ss.

On this day personally appeared before me ALAN L. THOMAS, by Brenda S. Thomas as his attorney-in-fact under General Power of Attorney dated 5/16/2006, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.



GIVEN UNDER MY HAND AND OFFICIAL SEAL this 2 day of Aug, 2006.

Becky L. Taft
Printed Name Becky L. Taft
NOTARY PUBLIC in and for the State of Washington,
residing at Secho Woolley
My Commission Expires 12-31-2008

STATE OF WASHINGTON

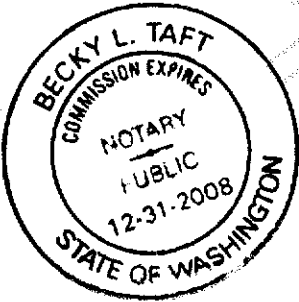
COUNTY OF SKAGIT



ss.

On this day personally appeared before me BRENDA S. THOMAS, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 2 day of Aug, 2006.



Printed Name Becky L. Taft

NOTARY PUBLIC in and for the State of Washington,
residing at Seeds Waulter

My Commission Expires 12-31-2008



EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel "A":

The Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 2, Township 35 North, Range 4 East, W.M., EXCEPT mineral rights as reserved by Deed recorded June 17, 1952 under Auditor's File No. 476723, records of Skagit County, Washington.

Parcel "B":

An easement for ingress, egress, road right-of-way purposes and utilities recorded November 12, 2003 under Auditor's File No. 200311120047.

