

Recording Requested By;
After Recording Return to:

Washington Federal Savings
Attn: Thomas Pozarycki
425 Pike Street
Seattle, WA 98101



200909300089
Skagit County Auditor

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CHICAGO TITLE CO.

1C37854-B

AMENDMENT TO DEED OF TRUST

(Skagit County)

Grantor:	CHAFFEY NORTH, LLC	
<input type="checkbox"/> Additional on page _____		
Grantee(s):	Trustee:	WASHINGTON SERVICES, INC.
	Beneficiary:	WASHINGTON FEDERAL SAVINGS
<input type="checkbox"/> Additional on page _____		
Legal Description (abbreviated):	TRACT 4 AND PORTION OF TRACT 3, ANACO BEACH, VOLUME 5 OF PLATS, PAGE 4; PORTION OF TRACTS 2 AND 3 OF PLATE NO. 3, SECTION 27, TOWNSHIP 35 NORTH, RANGE 1 EAST, SKAGIT COUNTY, WA	
<input checked="" type="checkbox"/> Complete legal on <u>EXHIBIT A</u>		
Assessor's Tax Parcel Identification No(s):	3858000040003; 35012700230000	
Reference Nos. of Documents Affected:	200602210122	

THIS AMENDMENT TO DEED OF TRUST (this "*Amendment*"), dated for reference purposes as of September 1, 2009, is made by and among:

Grantor/Trustor: CHAFFEY NORTH, LLC
PO Box 560
Kirkland, WA 98033

Grantee/Trustee: WASHINGTON SERVICES, INC.
6125 South Morgan Road
Freeland, WA 98249

Grantee/Beneficiary: WASHINGTON FEDERAL SAVINGS
Attn: Thomas Pozarycki
425 Pike Street
Seattle, WA 98101

NOTICE TO RECORDER: THIS DOCUMENT CONTAINS A FIXTURE FILING AND SHOULD BE FILED AND INDEXED IN THE REAL ESTATE RECORDS NOT ONLY AS A DEED OF TRUST/TRUST DEED, BUT ALSO AS A FIXTURE FILING.

The Deed of Trust modified by this Amendment is a Security Agreement and Financing Statement under Article 9 of the Uniform Commercial Code, with Grantor/Trustor as Debtor and Grantee/Beneficiary as Secured Party. Grantor/Trustor is also referred to herein as "*Borrower*" and Grantee/Beneficiary as "*Lender*".

Notice to Borrower: The Note secured by the Deed of Trust amended hereby contains provisions for a variable interest rate.

RECITALS

- A. Borrower obtained a land acquisition and development loan from Lender (the "*Loan*") pursuant to the terms of a Land Loan Agreement & Assignment of Account dated February 15, 2006 (the "*Loan Agreement*"). The Loan is also evidenced by an Adjustable Rate Straight Note dated February 15, 2006, in the maximum principal amount of \$947,250.00, as amended by a Loan Modification Agreement dated January 30, 2008, a Loan Modification Agreement dated February 28, 2008, and a Loan Modification Agreement dated July 28, 2008 (the "*Note*").
- B. Borrower's obligations under the Loan Agreement and the Note are secured by a Short Form Deed of Trust recorded in the Official Records of Skagit County, Washington, under Instrument No. 200602210122 against the real property legally described therein (as subsequently amended, together with the terms of the Master Form Deed of Trust incorporated therein by reference, the "*Deed of Trust*"). Subsequent to the recording of the Deed of Trust, a portion of the property subject thereto may have been released from the lien of the Deed of Trust. That portion of the property described in the Deed of Trust that has not been released is referred to herein as the "*Property*," and, together with any improvements constructed thereon, the "*Project*".
- C. The Loan Agreement, Note, Deed of Trust, and all other documents evidencing, securing, or otherwise governing the Loan, as previously modified, are referred to herein collectively as the "*Loan Documents*".
- D. Borrower has requested that Lender modify the terms of the Loan and certain other loans to Borrower and its affiliates, all as set forth in the Omnibus Amendment to Loan Documents (the "*Modification Agreement*") executed concurrently herewith. Borrower is entering into this Amendment pursuant to the terms of the Modification Agreement to modify the Deed of Trust to secure all of Borrower's obligations under the Loan Documents, as modified contemporaneously herewith by the Modification Agreement.

AGREEMENTS

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



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1. **TERMINOLOGY.** All capitalized terms used herein shall have the meaning given to them in the Loan Documents, unless a different meaning is assigned herein or required from the context in which such term is used.

2. **AMENDMENT TO DEED OF TRUST.** The Deed of Trust is hereby amended and modified as follows:

2.1 Pursuant to the Modification Agreement, the principal amount of the Loan is being increased to \$1,016,250.00. The Deed of Trust shall secure, without limitation, the making of all payments and the performance of all obligations under the terms of the Loan Documents as modified and amended by the Modification Agreement, including, without limitation, the increased principal amount of the Loan.

2.2 The Deed of Trust shall secure such additional obligations of Borrower as are otherwise set forth herein, and the definition of the term "*Loan Documents*" as used in the Deed of Trust is hereby modified to include this Amendment and the Modification Agreement.

3. **CROSS-DEFAULT. Cross-Default with Associated Loans.** The occurrence of any default or event of default under any Existing Loan (as defined under in the Modification Agreement) or the New Loan, as well as any future loans from Lender to Borrowers (as defined under in the Modification Agreement), shall constitute an immediate event of default under the Loan.

4. **LIEN PRIORITY.** All of the Property shall remain and continue in all respects subject to the Deed of Trust, and nothing in this Amendment, or done pursuant to this Amendment, shall affect or be construed to affect the lien of the Deed of Trust or the priority thereof as to such property. Borrower shall provide, at Borrower's sole cost and expense, such endorsements to Lender's existing title insurance coverage as Lender may request insuring the continued first-lien position of the Deed of Trust, as amended, as to all of the Property, with priority over all encumbrances not agreed to by Lender in writing. Borrower shall obtain such priority agreements, lien waivers, or other instruments from any and all parties who have performed work on or supplied materials to the Property, and shall execute such indemnity agreements, as may be required by the title company in connection with the issuance of such endorsements or policy.

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

6. **APPLICABLE LAW.** This Amendment is to be construed in all respects and enforced according to the laws of the State of Washington, without regard to that state's choice of law rules.

7. **COUNTERPARTS.** The parties may execute this Amendment in any number of counterparts and/or duplicate originals (for recording, where necessary, in different counties), each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

8. **NOTICE RE ORAL AGREEMENTS.**

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY,
EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT
OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**



EXECUTED as of the day and year first above written.

Borrower/Grantor:

CHAFFEY NORTH, LLC,
a Washington limited liability company

By: [Signature]
Name: _____
Title: _____

Lender/Beneficiary:

WASHINGTON FEDERAL SAVINGS,
a United States corporation

By: [Signature]
Name: Tom Rozaycki
Title: V.P.



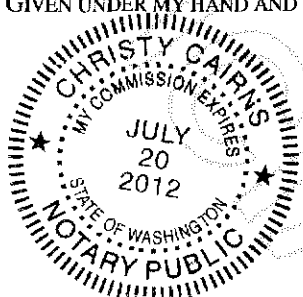
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STATE OF WASHINGTON }
COUNTY OF King } ss.

On this day personally appeared before me Robert Chaffey, to me known to be the Manager of CHAFFEY NORTH, LLC, the Washington limited liability company that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such company, 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 28th day of Sept, 2009.



Christy Cairns
Printed Name Christy Cairns
NOTARY PUBLIC in and for the State of Washington,
residing at Everett
My Commission Expires 7/20/12

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this day personally appeared before me Tom Pozarcki, to me known to be the V.P. of WASHINGTON FEDERAL SAVINGS, the United States Corporation 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 29th day of September, 2009.



Gina C. Pain
Printed Name GINA C. PAIN
NOTARY PUBLIC in and for the State of Washington,
residing at Renton
My Commission Expires 11-19-10



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EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

TRACT 4 AND THE SOUTHEASTERLY 40 FEET OF TRACT 3, ANACO BEACH, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON;

ALSO THAT PORTION OF TRACTS 2 AND 3 OF PLATE NO. 3 OF TIDE & SHORE LANDS OF SECTION 27, TOWNSHIP 35, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, AS SHOWN ON THE OFFICIAL MAP THEREOF IN THE OFFICE OF THE STATE LAND COMMISSIONER AT OLYMPIA, WASHINGTON, LYING BETWEEN THE NORTHWESTERLY AND SOUTHEASTERLY LINES OF TRACT 4 OF ANACO BEACH, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON, PRODUCED WESTERLY;

SITUATED IN SKAGIT COUNTY, WASHINGTON.



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