



200912110128
Skagit County Auditor

12/11/2009 Page 1 of 3 3:17PM

RETURN ADDRESS:

Banner Bank
Attn: Loan Servicing
PO Box 907
Walla Walla, WA 99362

GUARDIAN NORTHWEST TITLE CO.

A92041

Document Title:	Modification Deed of Trust
Reference No.:	200801110045
Grantor(s):	Chaffey Homes, Inc., a Washington corporation
Grantee:	Banner Bank
Tax Parcel #:	P60645
Legal Description:	Lot 2, Block 9, Woods Addition to Anacortes, Washington

Loan No. 14001647

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated November 11, 2009, is made and executed among Chaffey Homes, Inc., a Washington corporation ("Grantor"); and Banner Bank ("Lender")

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust Security Agreement and Assignment of Rents (the "Deed of Trust"), which was recorded in Skagit County, State of Washington, under Auditor's File No. 20081110045.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the real property located in Skagit County, State of Washington, described as follows:

Lot 2, Block 9, "WOOD'S ADDITION TO ANACORTES, WASHINGTON" as per plat recorded in Volume 4 of Plats page 35, records of Skagit County, Washington

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows: Page 3, the first two paragraphs under **PURPOSE** are replaced by the following:

PURPOSE. This Deed of Trust is for the purpose of securing performance of each agreement of Grantor contained herein and to secure the payment of the sum of \$560,000.00 with interest thereon according to the terms of a promissory note of even date herewith payable to Beneficiary or order and made by Grantor, and all renewals, modifications, and extensions thereof (collectively the "Note").

In addition this Deed of Trust is for the purpose of securing (a) payment of any further sums advanced or loaned by Beneficiary to Grantor, or any of its successors or assigns, if (1) the Note or other writing evidencing the future advance or loan specifically states that it is secured by this Deed of Trust or (2) the advance, including costs and expenses incurred by Beneficiary, is made pursuant to this Deed of Trust or any other documents executed by Grantor evidencing, securing or relating to the Note and/or the Secured Property, whether executed prior to, contemporaneously with or subsequent to this Deed of Trust (this Deed of Trust, the Note and such other documents, including any construction or other loan agreement, as any thereof may be amended, restated, supplemented or otherwise modified from time to time, are hereafter collectively referred to as the "Loan Documents"), together with interest thereon at the rate set forth in the Note unless otherwise specified in the Loan Documents or agreed to in writing; (b) performance of each agreement, terms and condition set forth or incorporated by reference in the Loan Documents unless any such agreement, term or condition is expressly provided to be independent of this Deed of Trust, or is in this Deed of Trust excluded from the obligations secured hereby; and (c) all other obligations, debts and liabilities of Grantor or Chaffey Customs, LLC to Lender whether now existing or hereafter arising of any kind or nature including without limitation the obligations of the loans described as follows:

Loan Number	Borrower	Note Date	Original Principal
14001161	Chaffey Homes, Inc.	May 21, 2007	\$1,350,000.00
14001213	Chaffey Homes, Inc	June 19, 2007	\$1,188,750.00
14001508	Chaffey Customs, LLC	Nov. 8, 2007	\$ 937,500.00
14001776	Chaffey Homes, Inc	May 28, 2008	\$ 607,500.00

CROSS DEFAULT. To the extent not otherwise provided therein, the Loan Documents are hereby modified and amended to provide, that, in addition to any and all events of default set forth in the Loan Documents, at Lender's option, an event of default under any other loan, agreement, or obligation between Grantor or Chaffey Customs LLC and Lender shall constitute an event of default under the Loan Documents.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's rights to require strict performance of the Deed of Trust as changed above or obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). 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. Any maker or endorser including accommodation makers shall not be released by virtue of this Modification.



GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS.

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.

GRANTOR:

Chaffey Custom Homes, ,
a Washington corporation

By: [Signature]
Robert Chaffey, President

LENDER:

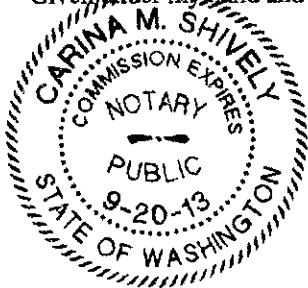
Banner Bank

By: [Signature]
Its: [Signature]

STATE OF WASHINGTON
COUNTY OF KING

On this day personally appeared before me Robert Chaffey to me known to be the President of Chaffey Homes, Inc., a Washington corporation, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Given ~~under my~~ hand and official seal Dec 2, 2009



[Signature]
Notary Public for the State of Washington
My appointment expires: 2/20/13
Printed Name: Carina M. Shively



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