



201004150056  
Skagit County Auditor

4/15/2010 Page 1 of 6 9:55AM

WHEN RECORDED RETURN TO:

KEB LA Financial Corp.  
777 South Figueroa Street, Suite 3000  
Los Angeles, CA 90017

**ADDENDUM TO DEED OF TRUST**  
(Original Recorded with the Skagit County Auditor  
under recording number 200706070002)

Reference number of related document: 200706070002

Grantor(s): Jon W. Prigg and Chom R. Prigg

Grantee: KEB LA Financial Corp.

Trustee: Land Title Company of Skagit County

Legal Description:

Ptn. Gov Lt 5, 18-35-11 E, W.M.. Complete legal description attached on  
Exhibit A

Assessor's Parcel Number: P46171 and P 46167

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**ADDENDUM TO DEED OF TRUST**

This Addendum to Deed of Trust is made this 9th day of December 2009, by JON W. PRIGG AND CHOM R. PRIGG, husband and wife, GRANTORS, whose address is P.O. Box 27, Marblemount, WA 98267, with respect to that certain Deed of Trust and Assignment of Rents (the "Deed of Trust") dated June 1, 2007, and recorded with the Skagit County Auditor under recording number 200706070002 with respect to the following described property ("Property"):

Property Address: 60070 Highway 20, Marblemount, WA 98267  
SEE ATTACHED EXHIBIT A FOR LEGAL DESCRIPTION

**RECITALS**

A. Grantor, also referred to as "Trustor" or "Borrower", previously executed the Deed of Trust in favor of KEB LA Financial Corp. ("Lender" or "Grantee") to secure a term note in the principal amount of SIX HUNDRED THREE THOUSAND AND 00/100 DOLLARS (\$603,000.00) dated June 1,

2007 ("Note"), and all renewals, modifications, and extensions thereof.

B. Any capitalized term not herein defined shall have the same meaning as in the term loan agreement dated June 1, 2007, executed by Borrower and Lender ("Loan Agreement").

C. Grantor has an obligation under the Loan Agreement to properly maintain Lender's liens and security interests as valid and perfected.

D. The parties desire to confirm the Deed of Trust is enforceable under Washington law.

NOW, THEREFORE, for and in consideration of the past extension and continuation of credit to Grantor by Lender, Grantor hereby agrees as follows:

### AGREEMENT

1. Validity of Deed of Trust. Grantor hereby reaffirms the validity of the Deed of Trust, agrees and states that all of Grantor's obligations under the Deed of Trust are valid and enforceable, and further agrees and states that the Deed of Trust is a valid and enforceable encumbrance against the Property.

2. Note. Grantor acknowledges and agrees the Note is secured by the Deed of Trust. The Deed of Trust secures the payment of all amounts due and payable by the Grantor under the Note as the same shall become due and payable according to its tenor, and the performance and observance of all the provisions therein.

3. Trustee Address. The address of the Trustee shall be 111 E. George Hopper Road, Burlington, WA 98233.

4. Non-agricultural Purpose. Grantor represents and warrants to Lender that the Property is not used principally for agricultural purposes.

5. Event of Default. Any one or more of the following is an "Event of Default":

(a) Grantor fails to make any payment under the Note or this Deed of Trust after the due date.

(b) Any Event of Default specified under the Loan Agreement.

(c) Grantor fails to perform any other covenant, agreement or obligation under the Deed of Trust, if not cured within the time allowed. If no cure period is otherwise specified for a nonmonetary default, the cure period shall be within ten (10) days after Lender's delivery of written demand to Grantor, or if such cure cannot in Lender's business judgment be completed within such ten (10) day period, and Grantor commences the required cure within such ten (10) day period and thereafter continues to cure with diligence, the cure period shall be thirty (30) days after Lender's delivery of such written demand.

6. Remedies. Upon any Event of Default following any applicable cure period, Lender may, at its option and without notice to or demand upon Grantor, exercise any one or more of the following actions:



- (a) Declare all the Obligations immediately due and payable.
- (b) Bring a court action to enforce the provisions of this Deed of Trust or any of the other Loan Documents.
- (c) Foreclose this Deed of Trust as a mortgage.
- (d) Cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law.
- (e) Elect to exercise its rights with respect to the Leases and the Rents.
- (f) Exercise any or all of the other rights and remedies under this Deed of Trust.
- (g) Exercise any other right or remedy available under law or in equity.

7. Exercise of Power of Sale. For any sale under the power of sale granted by this Deed of Trust, Lender or Trustee shall record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Lender and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property includes several lots or parcels, Lender in its discretion may designate their order of sale or may elect to sell all of them as an entirety. The Property, real, personal and mixed, may be sold in one parcel. To the extent any of the Property sold by the Trustee is personal property, then Trustee shall be acting as the agent of the Lender in selling such Property. Any person permitted by law to do so may purchase at any sale. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

8. Application of Sale Proceeds. Except as may otherwise be required by law, the proceeds of any sale under this Deed of Trust shall be applied in the following priority:

- (a) Payment of the costs and expenses of the sale; including without limitation Trustee's fees, reasonable legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Trustee, together with interest on all advances made by Trustee from date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.
- (b) Payment of all sums expended by Lender under the terms of this Deed of Trust and not yet repaid, together with interest on such sums from date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.
- (c) Payment of all other Obligations in any order that the Lender chooses.
- (d) The remainder, if any, to the person or persons legally entitled to it.

9. Waiver of Order of Sale and Marshaling. Lender shall have the right to determine the order in which any or all portions of the Obligations are satisfied from the proceeds realized upon the exercise of any remedies provided herein. To the fullest extent permitted by law, Grantor, any party who consents to this Deed of Trust and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof, hereby waives any and all right to require



marshaling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein, or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust.

10. Non-Waiver of Defaults. The entering upon and taking possession of the Property, the collection of Rents or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property, and the application or release thereof as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

11. Foreclosure Subject to Tenancies. Lender shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the Property.

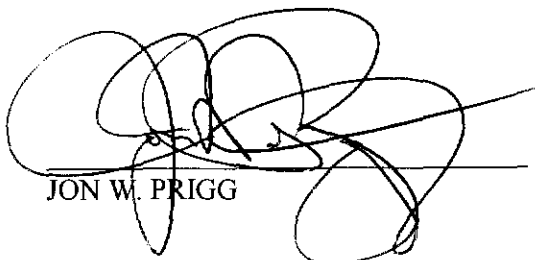
12. Remedies Cumulative. To the extent permitted by law, every right and remedy provided in this Deed of Trust is distinct and cumulative to all other rights or remedies under this Deed of Trust or afforded by law or equity or any other agreement between Lender and Grantor, and may be exercised concurrently, independently or successively, in any order whatsoever. Lender may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

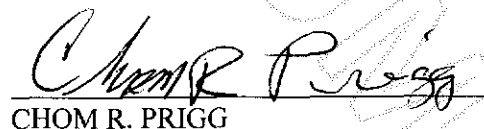
13. Lender's and Trustee's Expenses. Grantor shall pay all of Lender's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether or not any suit is filed, including without limitation legal fees and disbursements, foreclosure costs and title charges. All such sums, with interest thereon, shall be additional indebtedness of Grantor secured by this Deed of Trust. Such sums shall be immediately due and payable and shall bear interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

**GRANTOR ACKNOWLEDGES AND AGREES THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed the day and year first above written.

GRANTORS:

  
JON W. PRIGG

  
CHOM R. PRIGG



201004150056


Skagit County Auditor

4/15/2010 Page 4 of 6 9:55AM

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SNOHOMISH )

On this day personally appeared before me JON W. PRIGG AND CHOM R. PRIGG , to me known to be the individuals that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said individuals, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the same instrument.

GIVEN under my hand and official seal this 16<sup>th</sup> day of DECEMBER 2009.

  
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JESSE A. GRANT

[print notary's name]

Notary Public in and for the State of Washington  
residing at BANK OF AMERICA  
My commission expires: AUGUST 13 2013



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EXHIBIT "A"

DESCRIPTION:

PARCEL "A":

Lot 1, Short Plat No. 29-76, approved July 1, 1976, recorded July 6, 1976, in Book 1 of Short Plats, page 143, under Auditor's File No. 838496, being a portion of Government Lot 5, Section 18, Township 35 North, Range 11 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The West 150 feet of the following described tract of land:

That portion of Government Lot 5 in Section 18, Township 35 North, Range 11 East, W.M., described as follows:

Beginning at the Northeast corner of said Government Lot 5;  
thence South 209 feet;  
thence West 418 feet;  
thence North 209 feet to the section line;  
thence East along the section line to the point of beginning, EXCEPT road along the North line thereof.

Situate in the County of Skagit, State of Washington.



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4/15/2010 Page 6 of 6 9:55AM