

When Recorded Return to:

Parkwood Place Holdings, LLC
c/o Integrated Financial Associates, Inc.
3511 S. Rainbow Blvd., Suite 209
Las Vegas, Nevada 89146



201412090077

Skagit County Auditor

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MODIFICATION TO NOTE AND DEED OF TRUST

PARKWOOD PLACE HOLDINGS, LLC
a Nevada limited liability company

("Lender")

and

PW CREEK, INC.
a Washington corporation

("Borrower")

P27522

AF#201308020175

ptn SE NW & NE NW, 22-34-4

LAND TITLE OF SKAGIT COUNTY

150817-09

THIS MODIFICATION TO NOTE AND DEED OF TRUST (this "Amendment") is made and entered into effective as of December 9, 2014 ("Effective Date"), by and between PW CREEK, INC. a Washington corporation ("Borrower") and PARKWOOD PLACE HOLDINGS, LLC a Nevada limited liability company ("Lender").

RECITALS

A. Borrower is the owner of certain unimproved real property located in the City of Mt. Vernon, Skagit County, State of Washington (the "Property"), more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. The Property is currently subject to a Deed of Trust ("Deed of Trust"), executed by Borrower for the benefit of Lender dated August 2, 2013, and recorded on August 2, 2013 in the Official Records of the Skagit County Recorder's Office as Instrument No. 201308020175.

C. The Deed of Trust secures the obligations of the Borrower to the Lender under that certain Promissory Note Secured by First Deed of Trust in the original principal amount of \$2,340,000 dated August 2, 2013 ("Note").

D. The Borrower and the Lender have agreed to the following modifications and amendments of the Note and the Deed of Trust.

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for all good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the parties hereto agree as follows:

AGREEMENTS

1. **Modification of Note.** Sub-paragraph 2(b) of the Note is hereby modified to extend the date of performance thereon to October 1, 2015.

2. **Modification of Deed of Trust.** Sub-paragraph 4(ii) of the Deed of Trust is hereby modified to read as follows:

(ii) Grantor (a) fails to complete the Phase 1 improvements and plat finalization for a minimum of twenty (20) lots on the Property on or before January 31, 2015, or (b) fails to complete the Phase 2 improvements and plat finalization for a minimum of an additional twenty-four (24) lots on the Property on or before December 31, 2015, or (c) fails to perform any other obligation arising under this Deed of Trust other than one to pay money, and does not cure that failure either within thirty (30) days ("Initial Cure Period") after written notice from Beneficiary or Trustee, or within sixty (60) days after such written notice, so long as Grantor begins within the Initial Cure Period and diligently continues to cure the failure, and Beneficiary, exercising reasonable judgment, determine that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period.



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3. **Lien of Deed of Trust.** Borrower represents and warrants that, other than the partial subordination of this Deed of Trust pursuant to an Intercreditor and Subordination Agreement of even date herewith with Skagit Bank, the lien of the Deed of Trust has not been impaired or changed nor the priority thereof affected since the date of its recordation.

4. **No Waivers.** Nothing herein shall annul, release, vary, modify, or affect the lien or priority of the lien of the Deed of Trust or of any other lien, priority, assignment, or security interest in favor of Lender, or any right, title, interest, claim, lien, priority, or demand which Lender now has or hereafter may have in or to any collateral or property described in the Deed of Trust or in any other mortgage, security agreement, or other instrument securing payment of the Note; such liens, priorities, and security interest shall continue in full force and effect. Lender specifically reserves and shall have all rights and remedies available to it under all of the provisions of the Note and Deed of Trust.

5. **Binding Effect.** This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. **Restatement of Terms; No Other Modification.** Except as specifically set forth herein, the Note and the Deed of Trust are re-acknowledged, restated, and agreed to contain and be the agreement of the parties with respect to the subject matter thereof as of the Effective Date of this Amendment.

7. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties and separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which when taken together, shall constitute one and the same instrument.

8. **Incorporation of Recitals.** The Recitals set forth above and all of the terms and conditions of the Note and the Deed of Trust, except as modified hereby, are incorporated by reference into the body of this Amendment.

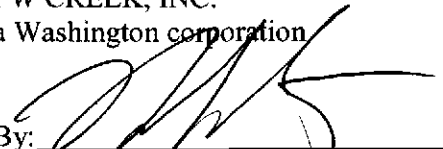
[SIGNATURES APPEAR ON FOLLOWING PAGES]



IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

BORROWER:

PW CREEK, INC.
a Washington corporation

By: 
Brian D. Gentry, President

By: 
Kendra Decker, Vice President

LENDER:

PARKWOOD PLACE HOLDINGS, LLC
a Nevada limited liability company

By: PARKWOOD MANAGERS, LLC
a Nevada limited liability company, Manager

By: 
William Dyer, Manager

[Acknowledgements Appear on Following Pages]



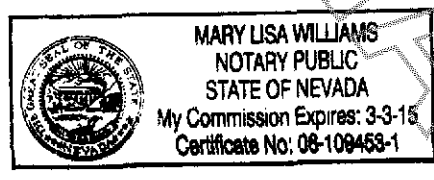
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ACKNOWLEDGMENTS

STATE OF NEVADA }
COUNTY OF CLARK } ss.

On this day personally appeared before me WILLIAM DYER, to me known to be the Manager of Parkwood Managers, LLC, a Nevada limited liability company, known to me to be the Manager of Parkwood Place Holdings, LLC, a Nevada limited liability company, the party that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such party, 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 5th day of DECEMBER, 2014.



Mary Lisa Williams
Printed Name MARY LISA WILLIAMS
NOTARY PUBLIC in and for the State of NEVADA
residing at 3345 Rainbow Blvd Las Vegas NV 89146
My Commission Expires 3/3/2015

STATE OF WASHINGTON }
COUNTY OF SKAGIT } ss.

On this day personally appeared before me Brian D. Gentry and Kendra Decker, to me known to be the President and Vice President of PW Creek, Inc., a Washington corporation, the party that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such party, 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 9th day of December, 2014.



Diana K. Whitney
Printed Name Diana K. Whitney
NOTARY PUBLIC in and for the State of WA
residing at SEDRO WOOLLEY
My Commission Expires 15 MAY 2017



**EXHIBIT A
PROPERTY
(LEGAL DESCRIPTION)**

The Property described in the referenced document is located in Skagit County, Washington and is described as follows:

That portion of the Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Northwest Quarter of Section 22, Township 34 North, Range 4 East, of the Willamette Meridian, being more particularly described as follows:

Beginning at the Northeast corner of Tract 4 of Short Plat No. 42-83, approved March 14, 1984 and filed March 19, 1984 in Book 6 of Short Plats, page 127, under Auditor's File No. 8403190045, records of Skagit County, Washington, said point being on the East line of the Southeast Quarter of the Northwest Quarter of said subdivision;

thence North $88^{\circ}23'52''$ West along the North line of said Short Plat, a distance of 679.16 feet to the Northwest corner of Tract 3 of said Short Plat,

thence North $01^{\circ}20'17''$ East, a distance of 648.89 feet;

thence North $21^{\circ}10'00''$ West, a distance of 1,070.00 feet;

thence North $60^{\circ}33'00''$ West, a distance of 289.66 feet to the West line of the Northeast Quarter of the Northwest Quarter of said subdivision;

thence North $01^{\circ}30'33''$ East along said West line, a distance of 200.00 feet to the Northwest corner of the Northeast Quarter of the Northwest Quarter of said subdivision;

thence South $88^{\circ}27'44''$ East along the North line of the Northeast Quarter of the Northwest Quarter of said subdivision, a distance of 1,343.62 feet to the Northeast corner of the Northeast Quarter of the Northwest Quarter of said subdivision;

thence South $01^{\circ}20'17''$ West along the East line of said subdivision, a distance of 1,972.34 feet to the point of beginning.

Situated in the City of Mt. Vernon, County of Skagit County, State of Washington.



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