

RETURN ADDRESS:

Horizon Bank
Commercial Banking
Center
2211 Rimland Drive, Suite
230
Bellingham, WA 98226



200307080139
Skagit County Auditor

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ACCOMMODATION RECORDING ONLY
FIRST AMERICAN TITLE CO.

MODIFICATION OF DEED OF TRUST

A64536

Reference # (if applicable): 200104270142

Additional on page _____

Grantor(s):

1. BLK Properties, L.L.C.

Grantee(s)

1. Horizon Bank

Legal Description: LOTS 16 - 20, BLOCK 20 AND LOTS 1 - 3, BLOCK 19
"ANACORTES"

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Assessor's Tax Parcel ID#: 350218-0-024-0108 (P90580); 3772-020-018-0008 (P54977);
3772-020-020-0004 (P54978); 3772-020-017-0009 (P54976); 3772-019-003-0007 (P54960)

THIS MODIFICATION OF DEED OF TRUST dated June 25, 2003, is made and executed between BLK Properties, L.L.C.; 906 9th Street; Anacortes, WA 98221 ("Grantor") and Horizon Bank, Burlington Office, PO Box 642 / 1020 South Burlington Blvd, Burlington, WA 98233 ("Lender").

**MODIFICATION OF DEED OF TRUST
(Continued)**

Loan No: 0760000002

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 27, 2001 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded April 27, 2001 under Skagit County Auditor's file #200104270142.

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

Parcel "A":

Lots 1, 2 and 3, Block 19, "MAP OF THE CITY OF ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Parcel "B":

Lots 16 through 20, Block 20, "MAP OF THE CITY OF ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Parcel "C":

All that portion of Tract 33m Plate No. 9, Tide and Shore Lands of Section 18, Township 35 North, Range 2 East, W.M., according to the plat thereof recorded in the Office of the Commissioner of Public Lands at Olympia, Washington, described as follows:

Commencing at the Northeast corner of Block 19, "MAP OF THE CITY OF ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington; thence South along the East line of said Block to an intersection with the Northwestern line of said Tract 33, said point being the true point of beginning; thence continuing South along the East line of said Block 19, extended Southerly to an intersection with the North line of the alley located within said block 19, extended Easterly; thence Westerly along said North line of the alley to an intersection with the Northwestern line of said Tract 33; thence Northeasterly along said Northwestern line to the true point of beginning.

Situated in the State of Washington, County of Skagit.

The Real Property or its address is commonly known as 906 9th Street, Anacortes, WA 98221. The Real Property tax identification number is 350218-0-024-0108 (P90580); 3772-020-018-0008 (P54977); 3772-020-020-0004 (P54978); 3772-020-017-0009 (P54976); 3772-019-003-0007 (P54960)

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

The maturity date of May 1, 2011 referenced in above described Deed of Trust is hereby deleted in its entirety without substitution. The period of this Deed of Trust shall continue uninterrupted until re-conveyed by Lender to Grantor.

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 right to require strict performance of the Deed of Trust as changed above nor 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 endorser 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. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JUNE 25, 2003.

GRANTOR:

BLK PROPERTIES, L.L.C.

By: [Signature]
William A. Kuhn, Member of BLK Properties, L.L.C.

By: [Signature]
Linda D. Kuhn, Member of BLK Properties, L.L.C.

LENDER:

x [Signature]
Authorized Officer



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Skagit County Auditor

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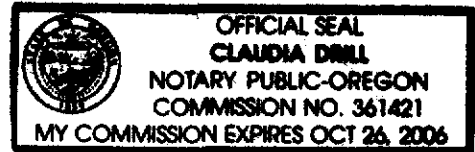
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0760000002

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Deschutes)



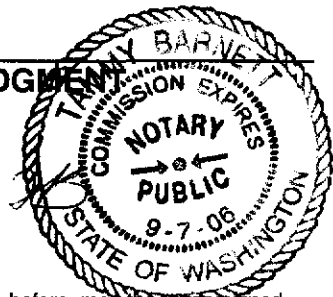
On this 30 day of June, 20 03, before me, the undersigned Notary Public, personally appeared **William A. Kuhn, Member of BLK Properties, L.L.C.**, and personally known to me or proved to me on the basis of satisfactory evidence to be a of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Claudia Drill
Notary Public in and for the State of Oregon

Residing at Bend
My commission expires 10/26/06

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



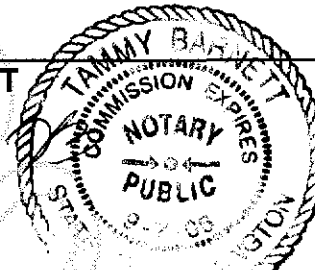
On this 30 day of June, 20 03, before me, the undersigned Notary Public, personally appeared **Linda D. Kuhn, Member of BLK Properties, L.L.C.**, and personally known to me or proved to me on the basis of satisfactory evidence to be a of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By Tammy Barnett
Notary Public in and for the State of Wash

Residing at Burlington
My commission expires 9/7/06

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 8 day of July, 20 03, before me, the undersigned Notary Public, personally appeared John Votta and personally known to me or proved to me on the basis of satisfactory evidence to be the V.P., authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Tammy Barnett
Notary Public in and for the State of Wash

Residing at Burlington
My commission expires 9/7/06



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