

RETURN ADDRESS:

Whidbey Island Bank
P.O. Box 1589
Oak Harbor, WA 98277



200404160092

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 108890-P

200308190082 Additional on page ____

Grantor(s):

1. ROSEWOOD ESTATES, L.L.C.

Grantee(s)

1. Whidbey Island Bank

Legal Description: TR. X, ROSEWOOD PUD, PH. 1

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Assessor's Tax Parcel ID#: 4745-000-999-0300

THIS MODIFICATION OF DEED OF TRUST dated April 15, 2004, is made and executed between ROSEWOOD ESTATES, L.L.C.; a Washington Limited Liability Company ("Grantor") and Whidbey Island Bank, Burlington Office, 1800 S. Burlington Ave., P.O. Box 302, Burlington, WA 98233 ("Lender").

MODIFICATION OF DEED OF TRUST
(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 15, 2003 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED UNDER SKAGIT COUNTY AUDITOR'S NUMBER 200308190082 ON AUGUST 19, 2003.

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

See the exhibit or other description document which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as TRACT "X" M ROSEWOOD PUD #1, MOUNT VERNON, WA 98273. The Real Property tax identification number is 4745-000-999-0300

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

INCREASE PRINCIPAL AMOUNT BY \$404,000.00.

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 APRIL 15, 2004.

GRANTOR:

ROSEWOOD ESTATES, L.L.C.

By Joseph D Woodmansee

By Kimberly A Woodmansee

LENDER:

WHIDBEY ISLAND BANK

X Joseph D Woodmansee
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

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) SS
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On this 16th day of April, 2004, before me, the undersigned Notary Public, personally appeared JOSEPH D WOODMANSEE, and KIMBERLY A WOODMANSEE, of ROSEWOOD ESTATES, L.L.C., and personally known to me on the basis of satisfactory evidence to be of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be of the operating agreement, for the uses and purposes herein mentioned and on oath stated that they are authorized to execute this Modification and in fact executed it.

By Joseph D Woodmansee
Notary Public in and for the State of WA
Commission Expires October 1, 2006
Residing at Burlington
My commission expires 10/1/06

MODIFICATION OF DEED OF TRUST
(Continued)

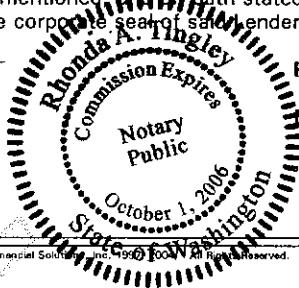
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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 15th day of April, 2004, before me, the undersigned Notary Public, personally appeared Tom Dutton and personally known to me or proved to me on the basis of satisfactory evidence to be the A.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. Tom Dutton 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 Rhonda A. Tingley Residing at Bellingham
Notary Public in and for the State of WA My commission expires 10-1-06



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DESCRIPTION:

ROSEWOOD PUD PHASE 2, DIVISION 1, according to the plat recorded December 3, 2003, under Auditor's File No. 200312030041, records of Skagit County, Washington;

EXCEPT Lots 31, 36, 50, 65 through 68, 71 through 73, 77, 79 through 81, 104, 105, 108, 109, 112, 118, 119, 122, 123, 126, 127, and 130.

Situate in the County of Skagit, State of Washington.



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