

RETURN ADDRESS:

Horizon Bank
Commercial Banking Ctr
2211 Rimland Dr., Ste 230
Bellingham, WA 98226

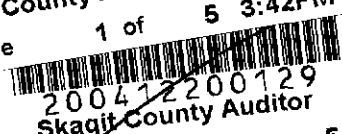


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LAND TITLE OF SKAGIT COUNTY

110250P

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200312310121

Additional on page ____

Grantor(s):

1. Alderbrook 100 Acre Wood, LLC

Grantee(s)

1. Horizon Bank

Legal Description: Lot 2B SP PL02-368 in 3-33-4 E W.M.

Additional on page 4

Assessor's Tax Parcel ID#: 330403-1-001-1000 P119687 & 330403-1-001-0800 P116943 (Lot 2B)

THIS MODIFICATION OF DEED OF TRUST dated December 9, 2004, is made and executed between Alderbrook 100 Acre Wood, LLC; A Washington Limited Liability Company ("Grantor") and Horizon Bank, Whatcom Commercial Center, 2211 Rimland Dr. Suite #230, Bellingham, WA 98226 ("Lender").

This Modification is being re-recorded to correct the legal description and also corrects, replaces and supercedes all prior Modifications, including those recorded under the following Auditor's File Numbers:

200407070071
200412200129
200412270052

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 1460013217

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 22, 2003 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded December 31, 2003 under recording #200312310121.

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

See Exhibit "A", 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 21590 Alderbrook Lane, Mount Vernon, WA 98274. The Real Property tax identification number is 330403-1-001-1000 P119687 & 330403-1-001-0800 P116943 (Lot 2B)

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

Modification of existing Deed of Trust to reflect current legal description and parcel numbers. Grantor as defined by this Deed of Trust has changed to Alderbrook 100 Acre Wood, LLC.

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 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. 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 DECEMBER 9, 2004.

GRANTOR:

ALDERBROOK 100 ACRE WOOD, LLC

By: [Signature]
Adam Ware, Member of Alderbrook 100 Acre Wood, LLC

LENDER:

HORIZON BANK

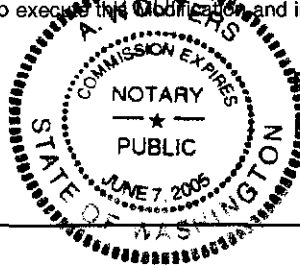
x [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF WHATCOM)

On this 16TH day of DECEMBER, 20 04, before me, the undersigned Notary Public, personally appeared Adam Ware, Member of Alderbrook 100 Acre Wood, LLC, 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 [Signature]
Notary Public in and for the State of WA



Residing at FERNDALE
My commission expires 6-7-05

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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 1460013217

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LENDER ACKNOWLEDGMENT

STATE OF WASHINGTON)
)
COUNTY OF WHATCOM) SS
)

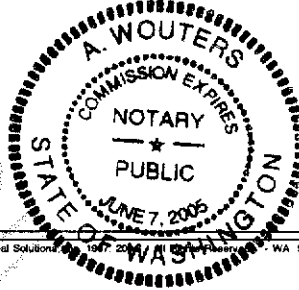
On this 16TH day of DECEMBER, 20 04, before me, the undersigned Notary Public, personally appeared MICHAEL BAULES and personally known to me or proved to me on the basis of satisfactory evidence to be the VICE PRESIDENT, authorized agent for the Lender that executed the within and foregoing instrument 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 [Signature]

Notary Public in and for the State of WA

Residing at FERNDALE

My commission expires 6.7.05



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Schedule "A-1"

DESCRIPTION:

PARCEL "A":

Lot 2B of Short Plat No. PL02-368, recorded October 16, 2002, under Auditor's File No. 200210160145, records of Skagit County, Washington, being a portion of the Northwest ¼ of the Southwest ¼ of Section 3, Township 33 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

TOGETHER WITH a non-exclusive easement 60 feet wide for ingress, egress, and utilities over, under, and through the Southeast ¼ of the Northwest ¼, the Southwest ¼ of the Northeast ¼ and the Northwest ¼ of the Southeast ¼, all in Section 3, Township 33 North, Range 4 East, W.M., the centerline of which is described as follows:

Beginning at the Southwest corner of the Southeast ¼ of the Northwest ¼ of said Section 3;
thence North 01°57'53" West along the West line thereof, a distance of 433.25 feet to the centerline of Cascade Ridge Drive as shown on the Plat of "CASCADE RIDGE P.U.D.," as per plat recorded in Volume 14 of Plats, pages 112 through 121, inclusive, records of Skagit County, Washington and the initial point of this centerline description;
thence North 78°54'55" East, a distance of 22.80 feet to the point of curvature of a curve to the left having a radius of 170.00 feet;
thence Easterly along said curve through a central angle of 15°19'30" and an arc length of 45.47 feet to the point of reverse curvature of a curve to the right having a radius of 115.00 feet;
thence Easterly along said curve through a central angle of 35°35'31" and an arc length of 71.44 feet;
thence South 80°49'04" East, a distance of 56.12 feet to the point of curvature of a non-tangent curve to the right having a radius of 176.38 feet, from this point the center bears South 65°32'47" East;
thence Northerly along said curve through a central angle of 73°35'16" and an arc length of 226.54 feet;
thence South 81°57'31" East, a distance of 155.47 feet to the point of curvature of a curve to the left having a radius of 169.81 feet;
thence Easterly along said curve through a central angle of 40°20'14" and an arc length of 119.55 feet to the point of reverse curvature of a curve to the right having a radius of 115.00 feet;
thence Easterly along said curve through a central angle of 90°51'48" and an arc length of 182.37 feet to the point of reverse curvature of a curve to the left having a radius of 274.51 feet;

thence Easterly along said curve through a central angle of 27°15'57" and an arc length of 130.63 feet;
thence South 58°41'55" East, a distance of 217.08 feet to the point of curvature of a curve to the left having a radius of 325.55 feet;
thence Easterly along said curve through a central angle of 25°03'59" and an arc length of 142.43 feet to the point of reverse curvature of a curve to the right having a radius of 115.00 feet;
thence Easterly along said curve through a central angle of 29°54'17" and an arc length of 60.02 feet to Point "A";



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Schedule "A-1"

DESCRIPTION CONTINUED:

PARCEL "B" Continued:

thence continuing along said curve through a central angle of $31^{\circ}14'36''$ and an arc length of 62.71 feet;
thence South $22^{\circ}36'59''$ East, a distance of 243.39 feet to the point of curvature of a curve to the right having a radius of 115.00 feet;
thence Southerly along said curve through a central angle of $15^{\circ}19'19''$ and an arc length of 30.75 feet to the point of reverse curvature of a curve to the left having a radius of 115.00 feet;
thence Southerly and Easterly along said curve through a central angle of $134^{\circ}33'57''$ and an arc length of 270.09 feet to the point of reverse curvature of a curve to the right having a radius of 150.00 feet;
thence Easterly along said curve through a central angle of $62^{\circ}00'54''$ and an arc length of 162.35 feet to the point of curvature of a reverse curve to the left having a radius of 115.00 feet;
thence Easterly and Northerly along said curve through a central angle of $83^{\circ}51'20''$ and an arc length of 168.31 feet;
thence North $16^{\circ}17'57''$ East, a distance of 67.15 feet to a point on the East-West centerline of said Section 3 which lies North $87^{\circ}15'24''$ East, a distance of 1,895.24 feet from the Southwest corner of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 3 and the terminus of this centerline description.

TOGETHER WITH an easement for ingress, egress, utilities, and cul-de-sac described as follows:

Beginning at Point "A" described above;

thence North $36^{\circ}08'24''$ East, a distance of 45.00 feet to the center of a 45 foot radius cul-de-sac with 20 foot radius entrance and exit curves at the intersections with the Northeasterly line of the hereinabove described 60 foot easement.

Situate in the County of Skagit, State of Washington.



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