RETURN ADDRESS:

Horizon Bank Doc Ctr % Melissa Gaines 2211 Rimland Drive Suite 230 Bellingham, WA 98226



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CHICAGO TITLE COMPANY

IC37570-B

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200603200194

Grantor(s):

1. RKL Construction LLC

Grantee(s)

1. Horizon Bank

Legal Description: Ptn. Gov. Lot 1, Sec. 25, T35N. R1EWN

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Additional on page ____

Assessor's Tax Parcel ID#: 350135-0-001-0113 (P32522)

THIS MODIFICATION OF DEED OF TRUST dated May 17, 2007, is made and executed between between RKL Construction LLC; A Washington Limited Liability Company ("Grantor") and Horizon Bank, whose address is Cornwall Office, 1500 Cornwall/PO Box 580, Bellingham, WA 98227-0580 ("Lender").

MODIFICATION OF DEED OF TRUST (Continued)

Loan No: 5000001289

GRANTOR:

Notary Public in and for the State of WH

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated March 15, 2006 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Skaght County Recording Number 200603200194, dated March 20, 2006

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 xxx Mccorkle Place, Anacortes, WA 98221. The Real Property tax identification number is 350135-0-001-0113 (P32522).

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

The maturity date of April 1, 2007 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 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 MAY 17, 2007.

RKL CONSTRUCTION LLC Member of RKL Construction LLC 10 Patricia Lehr, Member of RKL Construction LLC LENDER: HORIZON BANK Authorized Officer LIMITED LIABILITY COMPANY ACKNOWLEDGMENTEN A)) SS COUNTY OF) VYla On this day of Notary Public, personally appeared Robert K Lehr, Member and Patricia Lehr, Member of RKL Construction LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be members or designated agents 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 they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

> 200705300099 skagit County Auditor

Residing at

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My commission expires Aan 92

MODIFICATION OF DEED OF TRUST (Continued)

COUNTY OF COUNTY

LASER PRO Landing, Ver. 5.33.00.004 Copt. Harland Financial Solutions, Inc. 1997, 2007. All Rights Reserved. WA c/CFIWINCFILPUG202/FC TA-947 PR-249



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EXHIBIT "A"

That portion of Government Lot 1, Section 35, Township 35 North, Range 1 East of the Willamette Meridian, described as follows:

Commencing at the most Easterly corner of Lot 1 of the PLAT OF RANCHO SAN JUAN DEL MAR NO. 10, according to the plat thereof recorded in Volume 9 of Plats, pages 28 and 29, records of Skagit County, Washington;

Thence North 58°14' West a distance of 4.60 feet to the most Westerly corner of McCorkle Place as shown on said plat;

Thence North 31°46' East along the Northwesterly line of said McCorkle Place, a distance of 50.00 feet to the true point of beginning;

Thence North 49°36'21" West, a distance of 101.42 feet to the most Northeasterly corner of that certain tract of land deeded to Arnold L. Boyle under Auditor's File No. 553733, records of Skagit County, Washington;

Thence North 39°34' West along the Northeasterly line of said Arnold Boyle Tract, a distance of 79.40 feet:

Thence North 60°42'40" East, a distance of 195.19 feet;

Thence South 56°22'36" East, a distance of 114.83 feet;

Thence South 24°22'58" West, a distance of 159.62 feet to the Northerly boundary of said McCorkle Place, being a point on a curve having a radius point bearing South 24°22'58" West, a distance of 70.00 feet;

Thence in a Westerly direction along the arc of said curve through a central angle of 57°14'18" an arc distance of 69.93 feet;

Thence South 31°46' West, a distance of 10.00 feet to the true point of beginning;

EXCEPT for the following described tract:

A portion of Government Lot 1, Section 35, Township 35 North, Range 1 East of the Willamette Meridian, being also a portion of the tract of land shown on record of Survey filed in Volume 5 of Surveys, page 185, records of Skagit County, Washington, described as follows:

Commencing at the most Easterly corner of Lot 1 of The Plat of Rancho San Juan Del Mar No. 10, according to the plat thereof in Volume 9 of Plats, pages 28 and 29, records of Skagit County, Washington;

Thence North 58°14' West, a distance of 4.60 feet to the most Westerly corner of McCorkle Place as shown on said plat;

Thence North 31°46' East along the Northwesterly line of said McCorkle Place, a distance of 50.00 feet;

Thence North 49°36'21" West, a distance of 101.42 feet to the most Northeasterly corner of that certain tract of land deeded to Arnold L. Boyle under Auditor's File No. 553733, records of Skagit County, Washington;

Thence North 39°34' West along the Northeasterly line of said Arnold Boyle Tract, a distance of 23.71 feet to the true point of beginning;

Thence continue North 39°34' West, a distance of 55.69 feet;

Thence North 60°42'40" East, a distance of 195.19 feet;

Thence South 56°22'36" East, a distance of 114.83 feet;

Thence South 24°22'58" West, a distance of 65.73 feet;

Thence North 56°22'36" West, a distance of 97.02 feet;

Thence South 60°42'40" West, a distance of 140.41 feet to the true point of beginning.

Situated in Skagit County, Washington

- END OF EXHIBIT "A" -



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