

RETURN ADDRESS:

Horizon Bank
Cornwall Office
1500 Cornwall/PO Box 580
Bellingham, WA
98227-0580



200705300100
Skagit County Auditor

5/30/2007 Page 1 of 3 3:32PM

CHICAGO TITLE COMPANY
IQB3005

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200508300148

Additional on page ____

Grantor(s):

1. RKL Construction LLC

Grantee(s)

1. Horizon Bank

Legal Description: Lots 6-10, Blk 1304, NORTHERN PACIFIC
ADD. TO ANACORTES

Additional on page 2

Assessor's Tax Parcel ID#: 3809-304-010-0100 (P58297)

THIS MODIFICATION OF DEED OF TRUST dated May 21, 2007, is made and executed 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: 5000000789

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 26, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recording Date of 8/30/2005 in Skagit County, Recording Number 200508300148.

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

Lots 6 through 10, Block 1304, NORTHERN PACIFIC ADDITION TO ANACORTES, according to the plat thereof, recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington. Situated in Skagit County, Washington.

The Real Property or its address is commonly known as 3817 W 2nd Street, Anacortes, WA 98221. The Real Property tax identification number is 3809-304-010-0100 (P58297).

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

The Straight Line of Credit evidenced by the Note dated August 26, 2005 is hereby increased to \$535,635.15, which shall be and remain secured by the Deed of Trust.

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.

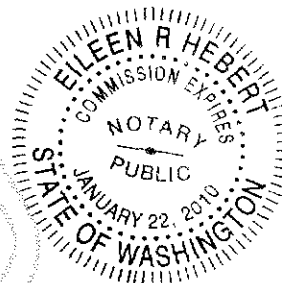
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED MAY 21, 2007.

GRANTOR:

RKL CONSTRUCTION LLC

By: Robert K Lehr, Member of RKL Construction LLC

By: Patricia Lehr, Member of RKL Construction LLC



LENDER:

HORIZON BANK

x Eileen R Hebert Carol Wagner
Authorized Officer

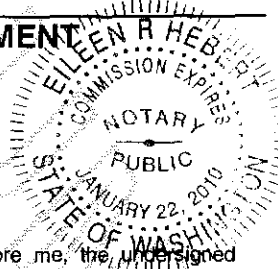
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
COUNTY OF Skagit) SS)

On this 21st day of May, 20 07, before me, the undersigned 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.

By Eileen Hebert
Notary Public in and for the State of WA

Residing at Anacortes
My commission expires Jan 22, 2010



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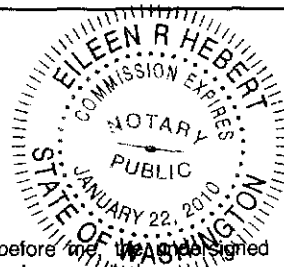
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5000000789

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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 30th day of May, 20 07, before me, the undersigned and personally known to me Notary Public, personally appeared Carl Vandersa 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 Eileen Hebert
Notary Public in and for the State of WA

Residing at Anacortes
My commission expires Jan 22, 2010

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