

RETURN ADDRESS:

Horizon Bank
CML % Nancy Shipman
2211 Rimland Dr, Suite 230
Bellingham, WA 98226



200708210010
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

Wild

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200605090130

Additional on page ____

Grantor(s):

1. Little Mountain East, L.L.C.

Grantee(s)

1. Horizon Bank

Legal Description: Ptn NE 1/4 of SW 1/4, 28-34-4 E W.M.

Additional on page 4

Assessor's Tax Parcel ID#: 340428-3-003-0005 (P28026)

THIS MODIFICATION OF DEED OF TRUST dated August 13, 2007, is made and executed between Little Mountain East, L.L.C.; A Washington Limited Liability Company ("Grantor") and Horizon Bank, whose address is Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").

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

Loan No: 6000003072

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated May 1, 2006 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded May 9, 2006 in Skagit County, State of Washington under Auditor's File No. 200605090130.

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 2080 Little Mountain Road, Mount Vernon, WA 98274. The Real Property tax identification number is 340428-3-003-0005 (P28026).

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

Definition of Note is hereby modified to be a Promissory Note dated August 13, 2007 in the original amount of \$3,575,000.00, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Promissory Note or Agreement.

This Note is a renewal and replacement of the Promissory Note for a Revolving Line of Credit dated May 1, 2006 in the original amount of \$2,500,000.00. All references in the loan documents to the old Note shall be a reference to the new Note.

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 AUGUST 13, 2007.

GRANTOR:

LITTLE MOUNTAIN EAST, L.L.C.

By:

Kendall Gentry, Manager of Little Mountain East, L.L.C.

By:

Nancy F. Gentry, Manager of Little Mountain East, L.L.C.

By:

Brian D. Gentry, Manager of Little Mountain East, L.L.C.

LENDER:

HORIZON BANK

X

Authorized Officer

VP



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A circular notary seal for Steven G. Baugh, a Notary Public in the State of Washington. The seal features the text "STEVEN G. BAUGH" at the top, "COMMISSION EXPIRES" on the left, "NOTARY PUBLIC" in the center, "STATE OF WASHINGTON" at the bottom, and "2-1-08" at the bottom center. The seal is surrounded by a decorative border of small dots.

Residing at MOUNT VERNON, WA
My commission expires 02/01/2008

A circular notary seal for Patrick J. Goode, a Notary Public in the State of Washington. The seal features a rope-like border. Inside the border, the text "PATRICK J. GOODE" is at the top, "COMMISSION EXPIRES" is on the right, "NOTARY PUBLIC" is in the center with two arrows pointing towards each other, and "STATE OF WASHINGTON" is at the bottom. The date "09-23-10" is printed below the seal.



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Schedule "A-1"

Order No.: 119052-SE

DESCRIPTION:

That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the East line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the South line of the County Road running along the North line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;
thence South along the East line of said Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, a distance of 400 feet to the Southeast corner of that certain tract conveyed to Floyd M. Alexander and Goldie N. Alexander, husband and wife, by instrument dated April 19, 1960, recorded under Auditor's File No. 593453, and the true point of beginning;
thence continue Southerly along the East line of said subdivision a distance of 300 feet, more or less, to the Northeast corner of a tract sold to Marilyn R. Humphries by instrument dated December 20, 1968, recorded December 30, 1968, under Auditor's File No. 721887;
thence Westerly, parallel with the South line of said subdivision, to the Easterly line of the Little Mountain County Road No. 323;
thence Northerly along said Easterly line to its intersection with the Westerly projection of the South line of the aforementioned F. M. Alexander Tract;
thence Easterly along said line to the true point of beginning,

EXCEPT any portion conveyed to the County of Skagit by deed recorded July 18, 1988, under Skagit County Auditor's File No. 8807180003.

Situate in the County of Skagit, State of Washington.



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2080
Little Mt.
Road