

RETURN ADDRESS:

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



200801090060

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

123384-SAC

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): MLF1841 200611290197

Additional on page ____

Grantor(s):

1. Cline Construction and Design LLC

Grantee(s)

1. Horizon Bank

Legal Description: Lot 2 SP 97-060 In Gov. Lots 4 & 5, 5-34-2 E. W.M.

Additional on page 2

Assessor's Tax Parcel ID#: 340205-2-013-0200 (P112702)

THIS MODIFICATION OF DEED OF TRUST dated January 4, 2008, is made and executed between Cline Construction and Design LLC, which also appears of record as Cline Const and Design 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)**

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 21, 2006 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Skagit County Recording Number 200611290197 Dated November 29, 2006.

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

Lot 2 of Skagit County Short Plat No. 97-060, recorded February 13, 1998, in Volume 13 of Short Plats, page 99, under Auditor's File No. 9802130083, records of Skagit County, Washington; being a portion of Government Lots 4 and 5 of Section 5, Township 34 North, Range 2 East, W.M.

Situate in the County of Skagit, State of Washington

The Real Property or its address is commonly known as 7242 San Juan Hill Lane, Anacortes, WA 98221. The Real Property tax identification number is 340205-2-013-0200 (P112702).

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

The maturity date of December 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 JANUARY 4, 2008.

GRANTOR:

CLINE CONSTRUCTION AND DESIGN LLC

By: John W. Cline
John W. Cline, Manager of Cline Construction and Design LLC

LENDER:

HORIZON BANK

x Carol Van Iters
Authorized Officer



200801090060
Skagit County Auditor

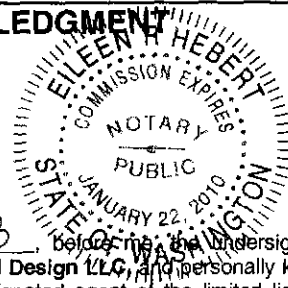
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MODIFICATION OF DEED OF TRUST
(Continued)

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



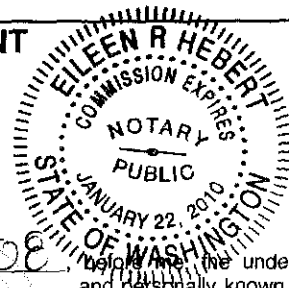
On this 8th day of January, 20 08, before me, the undersigned Notary Public, personally appeared John W. Cline, Manager of Cline Construction and Design LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company 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 Eileen Hebert
Notary Public in and for the State of WA

Residing at Anacortes
My commission expires Jan 22, 2010

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 8th day of January, 20 08, before me, the undersigned Notary Public, personally appeared Card Van Iersel and personally known to me or proved to me on the basis of satisfactory evidence to be the AVP, 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
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