



200811140055
Skagit County Auditor

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Return acknowledgment to:



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FIRST MODIFICATION AND EXTENSION TO NOTE AND DEED OF TRUST

Borrower: Dubose Model Home Income Fund #4, Ltd.
Agent: Amegy Bank National Association, a national banking association
Abbreviated Legal: Lot 4, Skagit Highlands Div. 1.
Full Legal: Page 9
Tax Parcel No.: 4867-000-004-0000/P123144

Af # 200509220181

FIRST MODIFICATION AND EXTENSION TO NOTE
AND DEED OF TRUST

This FIRST MODIFICATION AND EXTENSION TO NOTE AND DEED OF TRUST (this "Agreement") dated as of October 5, 2008, is by and among AMEGY BANK NATIONAL ASSOCIATION, a national banking association (formerly known as Southwest Bank of Texas N.A.), as agent (the "Agent") for the Lenders (hereinafter defined), DUBOSE MODEL HOME INCOME FUND #4, LTD., a Texas limited partnership (the "Borrower") and TREFCO FINANCE COMPANY II, LLC, a Texas limited liability company ("Trefco II").

WITNESSETH:

WHEREAS, Trefco II and Amegy Bank National Association, a national banking association (formerly known as Southwest Bank of Texas N.A.), Bank of Texas, N.A., a national banking association, First Bank, Wachovia Bank, National Association, Trustmark National Bank, Commercebank, NA and each other of the financial institutions which is or may from time to time become a party thereto (collectively, the "Lenders") entered into that certain Loan Agreement dated as of September 18, 2007, as amended by First Amendment to Loan Agreement dated as of September 18, 2007 (as amended, the "Loan Agreement").

WHEREAS, pursuant to the Original Loan Agreement (as such term is defined in the Original Loan Agreement, as such term is defined in the Loan Agreement) (the "2005 Loan Agreement"), Borrower has executed and delivered to Trefco II, among other promissory notes, that certain promissory note in the original principal amount of \$162,925.00 dated September 22, 2005, executed by Borrower and payable to the order of Trefco II (the "Note").

WHEREAS, to secure the Note, Borrower has executed that certain Deed of Trust dated as of September 22, 2005, for the benefit of Trefco II and recorded in the records of Skagit County, Washington, under Auditor's No. 200509220181 covering the real property described on Exhibit "A" attached hereto (collectively, the "Deed of Trust").

WHEREAS, to secure among other things, the Note, Borrower has executed the Loan Documents, as defined in the Note.

WHEREAS, pursuant to the 2005 Loan Agreement, Trefco II has assigned its right to receive payment under the Note to Agent for the benefit of Lenders pursuant to that certain Assignment of Note and Liens dated as of September 22, 2005, and recorded in the records of Skagit County, Washington, under Auditor's No. 200509220183 (the "Assignment").

WHEREAS, the Note is now governed by the Loan Agreement.



WHEREAS, Borrower, Agent and Trefco II now wish to amend and modify certain provisions of the Note as hereinafter set forth.

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, Agent and Trefco II hereby agree as follows:

1. Modification of the Note. Effective as of the date hereof, the repayment terms contained on the first page of the Note are hereby amended and modified in their entirety to read as follows:

Principal of and interest on this Note shall be due and payable as follows:

(a) Monthly installments in the amount of Nine Hundred Eighty-One and 01/100 Dollars (\$981.01) each, shall be due and payable on the fifth day of each month, commencing October 5, 2008, until and including September 5, 2009, and such installments shall be applied first to accrued interest on this Note and then to principal of this Note; and

(b) A final installment in the amount of all outstanding principal, plus accrued and unpaid interest, shall be due and payable on October 5, 2009.

2. Extension of the Note. The maturity of the Note is extended to October 5, 2009.

3. Modification of Deed of Trust. The phrase "Borrower has promised to pay this debt in regular Period Payments and to pay the debt in full not later than October 5, 2008" in clause (e) of the "Definitions" section of the Deed of Trust is revised to read "Borrower has promised to pay this debt in regular Period Payments and to pay the debt in full not later than October 5, 2009."

4. Fees. The Borrower shall pay to the Agent an extension fee in the amount of \$250.00.

5. Extension of Lien. The Borrower hereby modifies, renews and extends, but does not extinguish, the liens, security interests and assignments created and evidenced by the Deed of Trust.

6. Acknowledgment by Borrower. Except as otherwise specified herein, the terms and provisions hereof shall in no manner impair, limit, restrict or otherwise affect the obligations of Borrower, Trefco II or any third party to Lenders, as evidenced by the Loan



Agreement, the Note and the Deed of Trust. Borrower and Trefco II hereby acknowledge, agree and represent that (a) Borrower is indebted to Trefco II pursuant to the terms of the Note, as modified hereby, (b) the Note has been assigned to Agent for the benefit of Lenders pursuant to the Assignment which remains a valid and subsisting assignment of the Note, and (c) the liens, security interests and assignments created and evidenced by the Deed of Trust are valid and subsisting liens, security interests and assignments of the respective priority recited in the Deed of Trust. Except as expressly modified by the terms and provisions hereof each of the terms and provisions of the Note, the Deed of Trust and the Loan Documents are hereby ratified and remain in full force and effect.

7. No Waiver of Remedies. Nothing contained in this Agreement shall prejudice, act as, or be deemed to be a waiver of any right or remedy available to Lenders by reason of the occurrence or existence of any fact, circumstance or event constituting an Event of Default under the Loan Agreement or the Note.

8. Effectiveness of Documents. Except as expressly modified by the terms and provisions hereof, each of the terms and provisions of the Loan Documents (as defined in the Loan Agreement and the Note), including the Deed of Trust, are hereby ratified and remain in full force and effect.

9. Governing Law. **THE TERMS AND PROVISIONS HEREOF SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.**

10. Binding Agreement. This Agreement shall be binding upon the successors and assigns of the parties hereto.

11. Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

12. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

13. ORAL AGREEMENTS. **THIS AGREEMENT EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG BORROWER, LENDERS AND TREFCO II WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF OR THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR**



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SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF BORROWER, LENDERS AND TREFCO II. THERE ARE NO ORAL AGREEMENTS BETWEEN BORROWER, LENDERS AND TREFCO II.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



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Skagit County Auditor

EXECUTED and effective as of, although not necessarily on, the day and year first above written.

BORROWER:

DUBOSE MODEL HOME INCOME FUND #4, LTD.

By: Dubose GP Management II, L.P., its sole general partner

By: _____
Larry G. Dubose
President

TREFCO II:

TREFCO FINANCE COMPANY II, LLC

By: _____
Larry G. Dubose
President

AGENT:

AMEGY BANK NATIONAL ASSOCIATION, as Agent

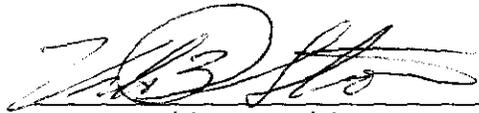
By: _____
Jeremy Newsom
Senior Vice President



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on October 13, 2008, by Larry G. Dubose, President of Dubose GP Management II, L.P., a Texas limited partnership, as the general partner of Dubose Model Home Income Fund #4, Ltd., a Texas limited partnership, on behalf of said partnership.





Notary Public in and for
The State of T E X A S

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on October 13, 2008, by Larry G. Dubose, President of Trefco Finance Company II, LLC, a Texas limited liability company, on behalf of said company.



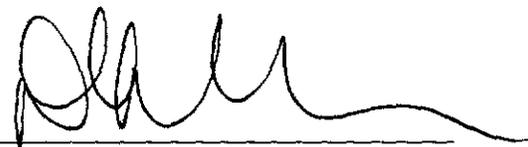


Notary Public in and for
The State of T E X A S



THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on October 16, 2008, by Jeremy Newsom, Senior Vice President of Amegy Bank National Association, a national banking association, on behalf of said association.



Notary Public in and for
The State of T E X A S

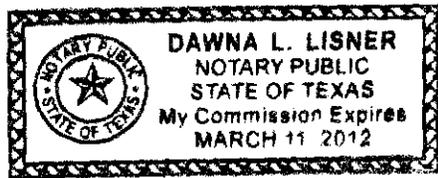


EXHIBIT "A"

Real Property

Lot 4, "Skagit Highlands, Division 1", a Planned Unit Development, recorded on August 16, 2005, under Auditor's File No. 200508160182, records of Skagit County, Washington.

Situated in the City of Mt. Vernon, County of Skagit, State of Washington

