

RETURN ADDRESS:

Horizon Bank
CML % Documentation
Dept -NS
2211 Rimland Dr, Suite
230
Bellingham, WA 98226



200904300173

Skagit County Auditor

4/30/2009 Page 1 of 4 3:25PM

GUARDIAN NORTHWEST TITLE CO.

ACCOMMODATION RECORDING ONLY

MODIFICATION OF DEED OF TRUST

m9328

Reference # (if applicable): 200512150042 CMLG1173

Additional on page ____

Grantor(s):

1. Blackburn Southeast, L.L.C.
2. Blackburn North, L.L.C.

Grantee(s)

1. Horizon Bank

Legal Description: E 1/2 of SE 1/4, 28-34-4 E W.M.; TRS 84 & 89 MADDOX CREEK P.U.D.
PHASE 1

Additional on page ____

Assessor's Tax Parcel ID#: _____

THIS MODIFICATION OF DEED OF TRUST dated April 27, 2009, is made and executed between Blackburn Southeast, L.L.C.; A Washington Limited Liability Company as to Parcels 'A', 'B' and 'C', and Blackburn North, L.L.C.; A Washington Limited Liability Company as to Parcel 'D' ("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)**

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 14, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded December 15, 2005 in Skagit County, State of Washington under Auditor's File No. 200512150042.

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

PARCEL "A"

The Northeast 1/4 of the Southeast 1/4 of Section 28, Township 34 North, Range 4 East, W.M.

EXCEPT the North 30 feet of the West 1/2 thereof conveyed to Skagit County for road purposed by deed recorded September 9, 1947, under Auditor's File No. 408562, records of Skagit County, Washington.

PARCEL "B"

The southeast 1/4 of the Southeast 1/4 of Section 28, Township 34 North, Range 4 East, W.M.

PARCEL "C"

Tract 89, "MADDOX CREEK P.U.D. PHASE 1", as per plat recorded in Volume 16 of Plats, pages 121 through 130, records of Skagit County, Washington.

PARCEL "D"

Tract 84, "MADDOX CREEK P.U.D. PHASE 1", as per plat recorded in Volume 16 of Plats, pages 121 through 130, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

The Real Property or its address is commonly known as P28046; P28045; P28065; P109379 and P109374, Mount Vernon, WA 98274.

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

Definition of Note is hereby modified to be Promissory Note dated December 14, 2005 from Borrower Blackburn Southeast, L.L.C. to Lender in the original amount of \$2,550,000.00; Promissory Note dated April 27, 2009 from Borrower, Landed Gentry Development, Inc. to Lender in the original amount of \$3,574,847.74; and Promissory Note dated January 23, 2007 from Borrower Gentry Family Investments, L.L.C. to Lender in the original amount of \$1,127,832.73

CROSS-COLLATERALIZATION:

In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one of more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or un liquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party of otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

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 APRIL 27, 2009.



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MODIFICATION OF DEED OF TRUST
(Continued)

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GRANTOR:

BLACKBURN SOUTHEAST, L.L.C.

By: Brian D. Gentry
Brian D. Gentry, Manager of Blackburn Southeast, L.L.C.

LENDER:

HORIZON BANK

X [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA

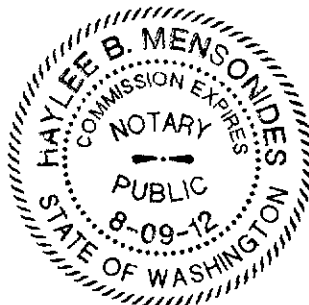
COUNTY OF Skagit

On this 30 day of April, 20 09, before me, the undersigned Notary Public, personally appeared Brian D. Gentry, Manager of Blackburn Southeast, L.L.C., 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 Haylee B. Mensonides
Notary Public in and for the State of WA

Residing at Mount Vernon

My commission expires 08-09-2012



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MODIFICATION OF DEED OF TRUST
(Continued)

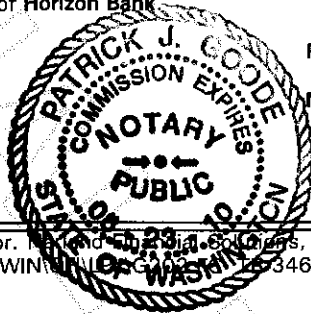
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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 30th day of April, 20 09, before me, the undersigned Notary Public, personally appeared John Roth and personally known to me or proved to me on the basis of satisfactory evidence to be the vice president, authorized agent for **Horizon Bank** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **Horizon Bank**, duly authorized by **Horizon Bank** 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 in fact executed this said instrument on behalf of **Horizon Bank**.

By Pat J. C. Residing at Bellingham
Notary Public in and for the State of WA My commission expires 06/23/2010



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