

RETURN ADDRESS:

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



200905080125
Skagit County Auditor

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200904300172
Skagit County Auditor

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RE-RCB TO ADD LEGAL

GUARDIAN NORTHWEST TITLE CO
ACCOMMODATION RECORDING ONLY

MODIFICATION OF DEED OF TRUST

m4328

Reference # (if applicable): 200512150043 CMLG1173

Additional on page ____

Grantor(s):

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

Grantee(s)

1. Horizon Bank

Legal Description: Ptn E 1/2 of SW 1/4 and Ptn W 1/2 of SE 1/4, 28-34-4 E W.M.

Additional on page ____

Assessor's Tax Parcel ID#: 340428 3 002 0006(P28025); 340428 3 012 0004(P28039);
340428-3-012-0103(P28040);
340428 4 006 0000(P28058); 340428 4 007 0009(P28059); 340428 4 008 0008(P28060);
340428 4 008 017 (P28061); 340428 4 009 0007(P28062) & 340428 4 009 0106(P28063)

THIS MODIFICATION OF DEED OF TRUST dated April 27, 2009, 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)**

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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. 200512150043.

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

See 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 Mount Vernon, WA 98274. The Real Property tax identification number is 340428 3 002 0006(P28025); 340428 3 012 0004(P28039); 340428-3-012-0103(P28040); 340428 4 006 0000(P28058); 340428 4 007 0009(P28059); 340428 4 008 0008(P28060); 340428 4 008 017 (P28061); 340428 4 009 0007(P28062) & 340428 4 009 0106(P28063).

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 Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or 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 Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or 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.

GRANTOR:

LITTLE MOUNTAIN EAST, L.L.C.

By: _____

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



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MODIFICATION OF DEED OF TRUST
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LENDER:

HORIZON BANK

X [Signature] VP
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 Little Mountain East, 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 [Signature]
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires 08-09-2012



LENDER ACKNOWLEDGMENT

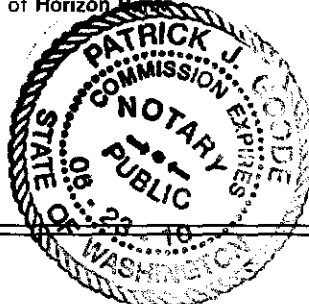
STATE OF washington

COUNTY OF SKagit

On this 30th day of APRIL, 20 09, before me, the undersigned Notary Public, personally appeared John [Signature] 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 [Signature]
Notary Public in and for the State of WA

Residing at Bellingham
My commission expires 06/23/2010



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Exhibit A

DESCRIPTION:

PARCEL "A":

The West 660 feet of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, Section 28, Township 34 North, Range 4 East,

W.M.,

EXCEPT the North 264 feet of the West 165 feet thereof,

AND ALSO EXCEPT the North 30 feet thereof as conveyed to Skagit County for road purposes by deed

recorded September 9, 1947, under Auditor's File No. 408560.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section

28, Township 34 North, Range 4 East, W.M., lying Northeasterly of the County road known as Little

Mountain Road No. 323, as conveyed to Skagit County by deeds recorded May 26, 1932, January 3,

1936, July 23, 1946 and March 18, 1987, under Auditor's File Nos. 275344, 250891, 394229, 8703180041, 8703180042 and 8703180043, respectively.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

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 subdivision with the South line of the County road

running along the North line thereof;

thence Southerly along said East line a distance of 700 feet to the true point of beginning;

thence Westerly, parallel with the South line of said subdivision, to the Easterly line of the Little Mountain County Road No. 323;

thence Southerly along said Easterly line to its intersection with the South line of said Northeast $\frac{1}{4}$ of the

Southwest $\frac{1}{4}$;

thence Easterly along the South line of said subdivision to the Southeast corner thereof;

thence Northerly along the East line of said subdivision a distance of 600 feet, more or less, to the true

point of beginning,

EXCEPT that portion conveyed to Skagit County by deed recorded March 18, 1987, under Auditor's File

No. 8703180044.

Situate in the County of Skagit, State of Washington.



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