

RETURN ADDRESS:

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



200905080126

Skagit County Auditor

5/8/2009 Page 1 of 4 3:13PM



200904300174

Skagit County Auditor

4/30/2009 Page 1 of 3 3:26PM

GUARDIAN NORTHWEST TITLE CO

RE-RED TO ADD LEGAL

MODIFICATION OF DEED OF TRUST

ACCOMMODATION RECORDING ONLY

m4328

Reference # (if applicable): 200605090130 CMLG3072

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 ____

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

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)**

Page 2

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 Schedule "A-1", 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 340428-3-0005(P28026).

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

This Note is a renewal and replacement of Promissory Note from Borrower to Lender dated August 13, 2007 in the original amount of \$3,575,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

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

COUNTERPARTS. This Agreement may be executed in a number of identical counterparts and by each party on a separate counterpart. If so executed, all of such counterparts shall collectively constitute one agreement.

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.



200905080126

Skagit County Auditor

5/8/2009 Page

2 of

4 3:13PM

MODIFICATION OF DEED OF TRUST
(Continued)

Page 3

LENDER:

HORIZON BANK

X [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

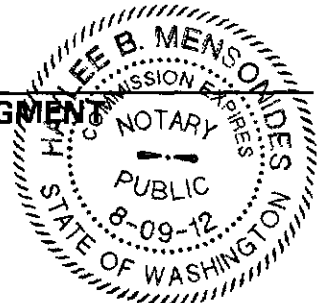
STATE OF WA

COUNTY OF Skagit

On this 30 day of April, 20 09, before me, the undersigned Notary Public, personally appeared Brian D. Gentry, Manager of 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.

[Signature]
Notary Public in and for the State of WA

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



LENDER ACKNOWLEDGMENT

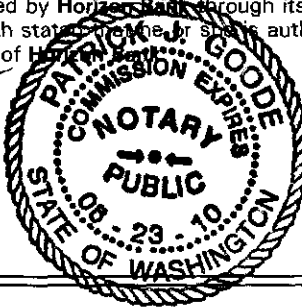
STATE OF Washington

COUNTY OF Skagit

On this 30th day of April, 20 09, before me, the undersigned Notary Public, personally appeared John Voth 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. G
Notary Public in and for the State of WA

Residing at Bellingham
My commission expires 06/23/2010



200905080126
Skagit County Auditor

Schedule "A-1"

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.



200905080126
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5/8/2009 Page 4 of 4 3:13PM