

AFTER RECORDING, RETURN TO:

Inger C. Brockman
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701 Fifth Avenue, Suite 5500
Seattle, WA 98104-7096



200507080151

Skagit County Auditor

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AMENDMENT OF DEED OF TRUST AND SECURITY AGREEMENT

Reference Number(s) of related document(s): 200402030160.

Grantor: 1) John W. Lipke and Terri Sommers Lipke, husband and wife
2) Delmar Lot 24 LLC, a Washington limited liability company

Grantee: 1) Laurel K. O'Neil; 2) Island Title Company

Legal Description (abbreviated): Ptn. Lot 24, RANCHO SAN JUAN DEL MAR
DIV. I and TIDELANDS

Full legal(s) on Exhibit A

Assessor's Tax Parcel ID Number: P3972-000-024-0000

This Amendment of Deed of Trust and Security Agreement ("Amendment") dated July 8, 2005, is executed by Delmar Lot 24 LLC, a Washington limited liability company ("LLC"), on behalf of John W. Lipke and Terri Sommers Lipke, husband and wife ("Borrower") and Laurel K. O'Neil ("Lender").

On or about February 2, 2004, Lender made a loan ("Loan") to Borrower evidenced by promissory note ("Note") payable to Lender in the original principal amount of \$100,000 which Note is secured by a deed of trust ("Deed of Trust") executed by Borrower for the benefit of Lender and encumbering real property described in **Exhibit A** attached hereto and recorded on February 3, 2004 under Skagit County Recording No. 200402030160. The Note and Deed of Trust and any other related documents are hereafter cumulatively referred to as the "Loan Documents."

Borrower has transferred title to the Property to LLC, an entity owned by Borrower. LLC hereby assumes all of the payment and performance obligations of the Borrower set forth in the Deed of Trust, as the same may be modified by this Amendment. LLC further agrees to abide by and be bound by all of the terms of the Deed of Trust, all as though each had been made, executed and delivered by LLC.

Except as expressly modified herein, all terms and conditions of the Deed of Trust shall remain in full force and effect. LLC hereby adopts, ratifies, and confirms these terms and conditions as modified. LLC agrees to execute any additional documents which may be required by Lender to carry out the intention of this Agreement. As of the date of this Agreement, there are no claims, defenses, setoffs or counterclaims of any nature which may be asserted against Lender by LLC.

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust.

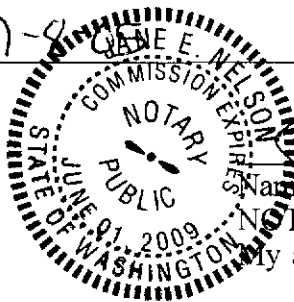
Delmar Lot 24 LLC

By: *John W. Lipke*
John W. Lipke, Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that **John W. Lipke** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **Manager of Delmar Lot 24 LLC** to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 7-8



Jane E. Nelson
Name: JANE E. NELSON
NOTARY PUBLIC, State of Washington
My appointment expires 6-1-09



Exhibit A

Legal Description

Lot 24, RANCHO SAN JUAN DEL MAR SUBDIVISION NO. 1, according to the plat thereof, recorded in Volume 5 of Plats, page 27, records of Skagit County, Washington;

EXCEPT the following described tract:

Beginning at the Southwest corner of said Lot 24;

Thence South $68^{\circ}35'$ East along the South line of said Lot 24 a distance of 187.96 feet to the Southeast corner of said Lot 24;

Thence North $58^{\circ}53'07''$ West a distance of 73.18 feet;

Thence North $74^{\circ}39'34''$ West a distance of 116.48 feet to the point of beginning.

Situated in Skagit County, Washington.

DEED OF TRUST



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