

RETURN ADDRESS:

Horizon Bank
CML % Nancy Shipman
2211 Rimland Dr, Suite 230
Bellingham, WA 98226



200704110112
Skagit County Auditor

4/11/2007 Page 1 of 3 3:35PM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200603010087

Additional on page _____

Grantor(s):

- 1. Landmark Building and Development, Inc.

FIRST AMERICAN TITLE CO.

Grantee(s)

- 1. Horizon Bank

87351

ACCOMMODATION RECORDING ONLY

Legal Description: Section 29, Township 35, Range 4, Ptn. SE SE

Additional on page 2

Assessor's Tax Parcel ID#: 350429-4-005-0009 (P38076)

THIS MODIFICATION OF DEED OF TRUST dated April 4, 2007, is made and executed between between Landmark Building and Development, Inc.; a Washington Corporation ("Grantor") and Horizon Bank, whose address is Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").

DOCUMENT

**MODIFICATION OF DEED OF TRUST
(Continued)**

Loan No: 6000001198

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated February 23, 2006 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded March 1, 2006 in Skagit County, Washington under Auditor's File No. 200603010087.

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

THAT PORTION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 29, TOWNSHIP 35 NORTH, RANGE 4 EAST W.M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENTING AT THE EAST QUARTER CORNER OF SAID SECTION 29, AS SHOWN ON SURVEY RECORDED IN BOOK 12 OF SURVEYS, PAGE 105, RECORDS OF SKAGIT COUNTY, WASHINGTON, UNDER AUDITOR'S FILE NO. 9202180063;

THENCE SOUTH 4 DEGREES 53' 30" WEST ALONG THE EAST LINE OF SAID SECTION 29, A DISTANCE OF 1,242.22 FEET TO THE NORTHEAST CORNER OF SAID SUBDIVISION;

THENCE CONTINUING SOUTH 4 DEGREES 53' 30" WEST ALONG SAID EAST LINE, 246.18 FEET;

THENCE SOUTH 89 DEGREES 16' 19" WEST PARALLEL WITH AND 245.00 FEET SOUTH, AS MEASURED AT RIGHT ANGLES FROM THE NORTH LINE OF SAID SUBDIVISION, 20.10 FEET TO A POINT ON THE WEST MARGIN OF PEACOCK LANE, AS SHOWN ON SAID SURVEY AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89 DEGREES 16' 19" WEST, 647.09 FEET TO THE POINT ON THE WEST LINE OF SAID SUBDIVISION;

THENCE SOUTH 3 DEGREES 40' 46" WEST ALONG SAID WEST LINE, 367.01 FEET TO A POINT WHICH LIES NORTH 3 DEGREES 40' 46" EAST, 11.00 FEET FROM THE SOUTHWEST CORNER OF SAID SUBDIVISION;

THENCE SOUTH 43 DEGREES 41' 21" EAST, 14.90 FEET TO A POINT ON THE SOUTH LINE OF SAID SUBDIVISION WHICH LIES NORTH 88 DEGREES 56' 41" EAST, 11.00 FEET FROM SAID SOUTHWEST CORNER;

THENCE NORTH 88 DEGREES 56' 41" EAST ALONG SAID SOUTH LINE, 628.43 FEET TO A POINT ON SAID WEST MARGIN OF PEACOCK LANE;

THENCE NORTH 4 DEGREES 53' 30" EAST ALONG SAID WEST MARGIN, 375.04 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN SKAGIT COUNTY, STATE OF WASHINGTON

The Real Property or its address is commonly known as 10804 Peacock Lane, Burlington, WA 98233. The Real Property tax identification number is 350429-4-005-0009 (P38076).

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

Definition of Note is hereby modified to be a Promissory Note dated April 4, 2007 in the original amount of \$419,980.14, together with all renewals of, extensions of, modifications of consolidations of and substitutions for the promissory note or agreement

This note is a renewal and replacement of Promissory Note for a Collateral Pool from Borrower to Lender dated May 26, 2005 in the original amount of \$2,500,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

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 4, 2007.

GRANTOR:

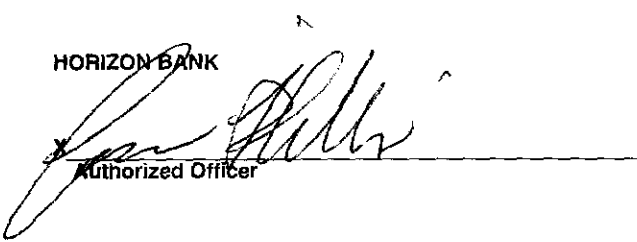
LANDMARK BUILDING AND DEVELOPMENT, INC.

By: 

John W. Ellis, President of Landmark Building and Development, Inc.

LENDER:

HORIZON BANK


Authorized Officer



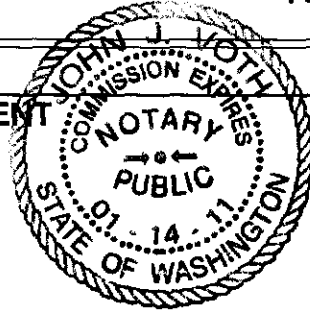
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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 6000001198

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CORPORATE ACKNOWLEDGMENT



STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 09th day of April, 20 07, before me, the undersigned Notary Public, personally appeared **John W. Ellis, President of Landmark Building and Development, Inc.**, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, 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 corporation.

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

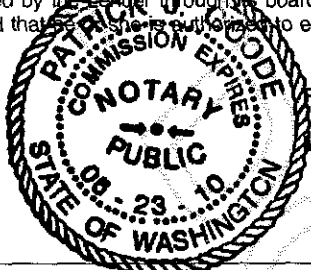
Residing at Buckleyton, WA
My commission expires 1-14-2011

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 09th day of APRIL, 20 07, before me, the undersigned Notary Public, personally appeared [Signature] Phillips and personally known to me or proved to me on the basis of satisfactory evidence to be the Commercial Officer, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

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



Residing at Bellingham
My commission expires 06/23/2010



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Skagit County Auditor