

RETURN ADDRESS:
Summit Bank
Mount Vernon
P.O. Box 2120
Mount Vernon, WA
98273



200709120121
Skagit County Auditor

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SKAGIT COUNTY

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 123157-PE 200612290074 Additional on page ____

Grantor(s):

1. MALIBU PROPERTIES, LLC

Grantee(s)

1. Summit Bank

Legal Description: LOTS 4,5 & PTN 6, BLK 2, KNUTZEN'S ADD. TO BURL.

Additional on page 2

Assessor's Tax Parcel ID#: 4089-002-006-0006

THIS MODIFICATION OF DEED OF TRUST dated September 4, 2007, is made and executed between MALIBU PROPERTIES, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, whose address is 218 RIO VISTA AVENUE, BURLINGTON, WA 98233 ("Grantor") and Summit Bank, whose address is Mount Vernon, P.O. Box 2120, Mount Vernon, WA 98273 ("Lender").

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

Loan No: 1192001590

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 20, 2006 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED UNDER SKAGIT COUNTY AUDITOR'S NUMBER 200612290074 ON 12/29/06.

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

LOTS 4 AND 5 AND THE WEST 1/2 OF LOT 6, BLOCK 2, 'SUPPLEMENTAL PLAT OF KNUTZEN'S ADDITION TO THE TOWN OF BURLINGTON,' AS PER PLAT RECORDED IN VOLUME 4 OF PLATS, PAGE 7, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF BURLINGTON, COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as 218 E RIO VISTA, BURLINGTON, WA 98233. The Real Property tax identification number is 4089-002-006-0006.

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

CHANGE THE PRINCIPAL AMOUNT FROM \$331,200.00 TO \$190,000.00.

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 SEPTEMBER 4, 2007.

GRANTOR:

MALIBU PROPERTIES, LLC

By: [Signature]
DIANE M RICKARDS, Manager of MALIBU PROPERTIES, LLC

LENDER:

SUMMIT BANK

X [Signature]
Authorized Officer

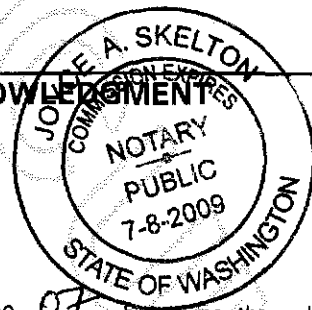
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA

COUNTY OF SKAGIT

On this 11th day of SEPT., 20 07, before me, the undersigned Notary Public, personally appeared **DIANE M RICKARDS, Manager of MALIBU PROPERTIES, LLC**, 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] Residing at mt Vernon
Notary Public in and for the State of WA My commission expires 7/8/09



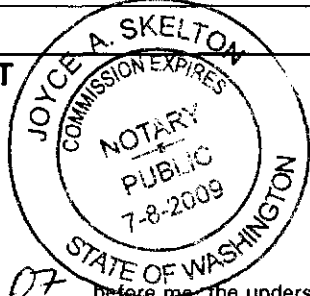
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 1192001590

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LENDER ACKNOWLEDGMENT

STATE OF Wa)
) SS
COUNTY OF SKAGIT)



On this 11TH day of SEPT, 2007, before me, the undersigned Notary Public, personally appeared JAMES E. BISHOP JR and personally known to me or proved to me on the basis of satisfactory evidence to be the CEO, 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 Joyce A. Skelton
Notary Public in and for the State of WA

Residing at Mt Vernon
My commission expires 7/8/09



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