

**RETURN ADDRESS:**

Horizon Bank  
CML %Documentation  
Dept- BR  
2211 Rimland Dr, Ste 230  
Bellingham, WA 98226



200801280182  
Skagit County Auditor

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GUARDIAN NORTHWEST TITLE CO.

367809

ACCOMMODATION RECORDING ONLY

**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): 200202210008 CMLG1109 & CMLG1195 Additional on page \_\_\_\_

Grantor(s):

1. Hansell/Mitzel, LLC

Grantee(s)

1. Horizon Bank

Legal Description: Lots 14, 27, 28 and Tracts A, B, C, D, PLAT OF NORTH HILL PUD; and Units 33A, 33B, 34A and 34B, NORTH HILL TOWNHOMES, PHASE I, A CONDOMINIUM

Additional on page 2

Assessor's Tax Parcel ID#: 4855-000-014-0000 (P122814), 4855-000-027-0000 (P122827), 4855-000-028-0000 (P122828), 4932-000-033-0000 (P126334), 4932-000-033-0100 (P126335), 4932-000-034-0000 (P126336), 4932-000-034-0100 (P126337)

**THIS MODIFICATION OF DEED OF TRUST dated January 17, 2008, is made and executed between Hansell/Mitzel, LLC; 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 February 15, 2002 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

**Recorded February 21, 2002 under Skagit County recording #200202210008.**

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

**PARCEL X:**

Lots 14, 27 and 28, PLAT OF NORTH HILL PUD, recorded May 5, 2005 under Skagit County Auditors File No. 200505050094, records of Skagit County, Washington.

**PARCEL Y:**

Units 33A, 33B, 34A and 34B, NORTH HILL TOWNHOMES, PHASE I, A CONDOMINIUM, according to the Declaration thereof, recorded under Auditor's File No. 200706260089, records of Skagit County, Washington.

**PARCEL Z:**

Tracts A, B, C and D, PLAT OF NORTH HILL PUD, recorded May 5, 2005 under Skagit County Auditors File No. 200505050094, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

The Real Property or its address is commonly known as 2701 River Vista Loop, 2503 River Vista Place, 2501 River Vista Court, 2616A, 2616B, 2614A & 2614B River Vista Lane, Mount Vernon, WA 98273. The Real Property tax identification number is 4855-000-014-0000 (P122814), 4855-000-027-0000 (P122827), 4855-000-028-0000 (P122828), 4932-000-033-0000 (P126334), 4932-000-033-0100 (P126335), 4932-000-034-0000 (P126336), 4932-000-034-0100 (P126337).

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

**This Deed of Trust now secures Promissory Note from Borrower to Lender dated January 17, 2008 in the original amount of \$375,999.38, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Promissory Note or Agreement.**

This Deed of Trust now secures Promissory Note from Borrower to Lender dated January 17, 2008 in the original amount of \$5,789,211.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Promissory Note or Agreement. Once that amount of principal has been advanced, Borrower will no longer be entitled to any further loan advances.

Address, Legal Descriptions & Parcel numbers are amended as reflected in this modification, all of which shall be and remain secured by the Deed of Trust.

**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.

**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 JANUARY 17, 2008.**



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MODIFICATION OF DEED OF TRUST  
(Continued)

GRANTOR:

HANSELL/MITZEL, LLC

By: [Signature]  
Daniel R. Mitzel, Manager of Hansell/Mitzel, LLC

By: [Signature]  
Jeffrey D. Hansell, Manager of Hansell/Mitzel, LLC

LENDER:

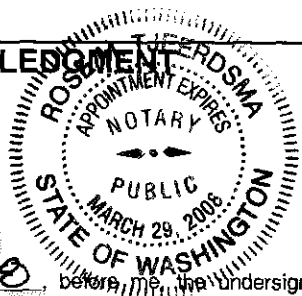
HORIZON BANK

X [Signature]  
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WA

COUNTY OF Skagit



On this 24 day of Jan, 2008, before me, the undersigned Notary Public, personally appeared Daniel R. Mitzel, Manager of Hansell/Mitzel, LLC and Jeffrey D. Hansell, Manager of Hansell/Mitzel, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be members or designated agents 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 they are 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 Burlington  
My commission expires 3/29/08



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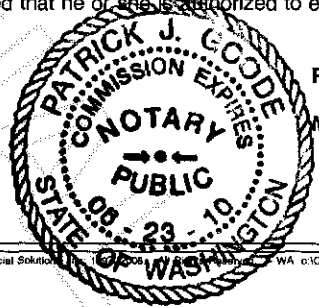
MODIFICATION OF DEED OF TRUST  
(Continued)

LENDER ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )

On this 25<sup>th</sup> day of January, 20 08, before me, the undersigned Notary Public, personally appeared Tasha Phillip 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 Pat J. G. Residing at Bellingham  
Notary Public in and for the State of WA My commission expires 06/23/2010



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