

RETURN ADDRESS:

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



200901020067
Skagit County Auditor

1/2/2009 Page 1 of 4 11:20AM

MODIFICATION OF DEED OF TRUST ^{GUARDIAN NORTHWEST TITLE CO} 96024

Reference # (if applicable): 200612080070 CMLG620

Additional on page ____

Grantor(s):

1. Overlook Crest, L.L.C.

Grantee(s)

1. Horizon Bank

Legal Description: Section 36, Township 34, Range 4; Ptn. Gov. Lots 6, 7 and 8 and SE NE;
and

Section 31, Township 34, Range 5; Ptn. Gov. Lots 2, 3 and 4 and NE SW

Additional on page ____

Assessor's Tax Parcel ID#: 340531-0-003-0005 (P30527); 340531-0-004-0004 (P30528);
340531-0-004-0100 (P104391); 340531-0-003-0100 (P104392) as to Parcel A;
340436-1-004-0008 (P29999); 340436-0-012-0000 (P29855); 340436-0-020-0000
(P29883);
340436-0-010-0002 (P29854) as to Parcel B;
and the addition of 340531-3-001-0001 (P30544) as to Parcel C and 340531-0-002-0006
(P30526) as to Parcel D

THIS MODIFICATION OF DEED OF TRUST dated December 30, 2008, is made and executed between Overlook Crest, L.L.C.; A Washington Limited Liability Company ("Grantor") and Horizon Bank, whose address is Whatcom Commercial Center, 2211 Rimland Dr, Suite #230, Bellingham, WA 98226 ("Lender").

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

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 6, 2006 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded December 8, 2006 in Skagit County, Washington under Auditor's File No. 200612080070.

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

PARCEL "A":

Government Lots 3 and 4 of Section 31, Township 34 North, Range 5 East, W.M.;

EXCEPT the South 300 feet (20 rods) of said Lot 4

PARCEL "B":

That portion of Government Lots 7 and 8 lying East of Drainage Ditch and Pond in Section 36, Township 34 North, Range 4 East, W.M.,

EXCEPT highway right-of way;

AND EXCEPT that portion of said property described as follows:

Beginning at the Southeast corner of the Northeast 1/4 of said Section 36;
thence South 89 degrees 25' 43" West along the South line of said Northeast 1/4, a distance of 1,208.46 feet to the true point of beginning of this description;
thence North 17 degrees 05' 32" West, a distance of 930.67 feet;
thence South 74 degrees 16' 52" West, a distance of 508.04 feet, more or less, to a point on the Easterly right-of-way line of State Highway 1-A;
thence in a Southerly direction along the Easterly right-of-way line of State Highway 1-A on a curve to the right to a point on the South line of said Northeast 1/4 of said section;
thence North 89 degrees 25' 43" East along said South line of said Northeast 1/4, a distance of 514.21 feet, more or less, to the true point of beginning.

PARCEL "C":

The Northeast 1/4 of the Southwest 1/4 of Section 31, Township 34 North, Range 5 East, W.M.;

EXCEPT road rights-of-way;

AND EXCEPT a tract conveyed to Skagit County by deed dated December 8, 1936, and recorded March 9, 1937, in Volume 171 of Deeds, page 345, records of Skagit County, Washington, which is more particularly described as follows:

Beginning at a point being North 18 degrees, 38' 30" West a distance of 1,347.6 feet from the South 1/4 corner of said Section 31;
thence North 0 degrees 19' East, a distance of 120.0 feet;
thence North 63 degrees 27' 30" West, a distance of 255.9 feet;
thence South 0 degrees 19' West, a distance of 240.0 feet;
thence North 88 degrees 38' East, a distance of 230.0 feet, more or less, to a point of beginning; (bearings are referred to the South line of the Southwest 1/4 of said Section 31 as bearing North 87 degrees 36' 30" East),

ALSO EXCEPT the South 1/2 of the Southwest 1/4 of the Northeast 1/4 of the Southwest 1/4,

AND ALSO EXCEPT that portion of the above described property lying Southwest of the County road commonly known as Walker Valley Road conveyed to Clay Inhofe by deed dated April 4, 1984 and recorded April 30, 1984, in Volume 558 of Deeds, page 252, under Auditor's File No. 8404300071, records of Skagit County, Washington

PARCEL "D":

Government Lot 2 in Section 31, Township 34 North, Range 5 East, W.M.

Situate in Skagit County, State of Washington

The Real Property or its address is commonly known as State Highway 9, Mount Vernon, WA 98273. The Real Property tax identification number is 340531-0-003-0005 (P30527); 340531-0-004-0004 (P30528); 340531-0-004-0100 (P104391); 340531-0-003-0100 (P104392) as to Parcel A; 340436-1-004-0008 (P29999); 340436-0-012-0000 (P29855); 340436-0-020-0000 (P29883); 340436-0-010-0002 (P29854) as to Parcel B; and the addition of 340531-3-001-0001 (P30544) as to Parcel C and 340531-0-002-0006 (P30526) as to Parcel D.

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



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

The Promissory Note evidenced by the Note dated December 30, 2008 increased to \$4,036,500.00, which shall be and remain secured by the Deed of Trust.

This Note is a renewal and replacement of Promissory Note dated December 6, 2006 in the original amount of \$3,393,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

The Deed of Trust is amended to add the real property legally described herein as PARCEL "C" AND PARCEL "D" to the definition of "Real Property" under the Deed of Trust. Grantor irrevocably grants, bargains, sells and conveys to the Trustee under the Deed of Trust and its successors and assigns in trust, with power of sale and with right of entry and possession as provided herein, all Grantor's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to the New Parcels, and all "Property" as defined in the Deed of Trust, including all such Property associated with the New Parcels.

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 DECEMBER 30, 2008.

GRANTOR:

OVERLOOK CREST, L.L.C.

By: 

Robert W. Janicki, Member of Overlook Crest, L.L.C.

LENDER:

HORIZON BANK

X 

Authorized Officer



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Skagit County Auditor

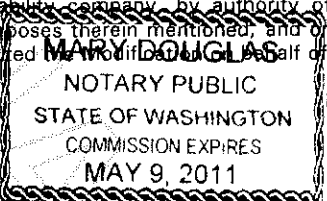
MODIFICATION OF DEED OF TRUST
(Continued)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 31st day of DECEMBER, 20 08, before me, the undersigned Notary Public, personally appeared Robert W. Janicki, Member of Overlook Crest, 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.

By Mary Douglas
Notary Public in and for the State of WASHINGTON



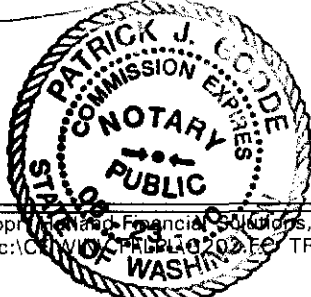
Residing at SKAGIT County
My commission expires 5-9-2011

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 31st day of December, 20 08, before me, the undersigned Notary Public, personally appeared Jay Kinnear and personally known to me or proved to me on the basis of satisfactory evidence to be the same V.P., 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 [Signature]
Notary Public in and for the State of WA



Residing at Bellingham
My commission expires 06/23/2010

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