

RETURN ADDRESS:

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



200901050122

Skagit County Auditor

1/5/2009 Page 1 of 4 3:15PM

GUARDIAN NORTHWEST TITLE CO
MODIFICATION OF DEED OF TRUST

884291-1

Reference # (if applicable): 200704030118 (G3140)

Additional on page _____

Grantor(s):

1. Cedar Heights, LLC

Grantee(s)

1. Horizon Bank

Legal Description: Parcel "A" (P112373)-Section 21, Township 34, Range 4; ptn. NE 1/4 - SE 1/4 (aka Lot 2, Short Plat No. MV-12-94)

Additional on page 2

Assessor's Tax Parcel ID#: 340421 4 001 0100 (P112373)

THIS MODIFICATION OF DEED OF TRUST dated December 22, 2008, is made and executed between Cedar Heights, 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)**

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated March 30, 2007 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded April 3, 2007, Recording No. 200704030118, Skagit County Auditor.

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

Lot 2, of City of Mount Vernon Short Plat No. MV-12-94, approved November 7, 1994, recorded November 7, 1994, in Volume 11 of Short Plats, pages 137-138, under Auditor's File No. 9411070053; being a portion of the Northeast 1/4 of the Southeast 1/4 of Section 21, Township 34 North, Range 4 East, W.M., records of Skagit County, Washington.

Situate in Skagit County, State of Washington.

The Real Property or its address is commonly known as Digby Road and E. Division Street, Mount Vernon, WA 98274. The Real Property tax identification number is 340421 4 001 0100 (P112373).

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

The Promissory Note evidenced by the Note dated December 22, 2008 increased to \$6,350,000.00 which shall be and remain secured by the Deed of Trust. This note is a renewal and replacement of Promissory Note from Borrower to Lender dated March 30, 2007 in the original amount of \$5,515,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

In addition to the payments required in the Note, and in order to obtain from Lender a partial reconveyance of its Deed of Trust, Borrower must also satisfy the following additional conditions: (a) Borrower must be current in its obligations on all Notes and Related Loan Documents with Horizon Bank, including the payment of accrued interest; (b) Borrower must pay Lender a per request processing fee for each partial release to be Reconveyed.

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 22, 2008.

GRANTOR:

CEDAR HEIGHTS, LLC

By: 
Joseph D. Woodmansee, Member of Cedar Heights, LLC

By: 
Kimberly A. Woodmansee, Member of Cedar Heights, LLC



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MODIFICATION OF DEED OF TRUST
(Continued)

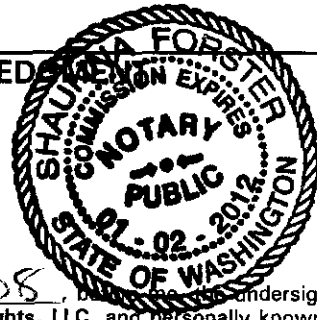
LENDER:

HORIZON BANK

X [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

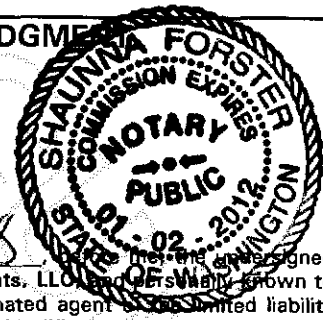


On this 27TH day of DECEMBER, 20 08, before me the undersigned Notary Public, personally appeared Joseph D. Woodmansee, Member of Cedar Heights, LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that 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 CANAL BLVD
Notary Public in and for the State of WA My commission expires 1/2/2012

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)



On this 27TH day of DECEMBER, 20 08, before me the undersigned Notary Public, personally appeared Kimberly A. Woodmansee, Member of Cedar Heights, 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 CANAL BLVD
Notary Public in and for the State of WA My commission expires 1/2/2013



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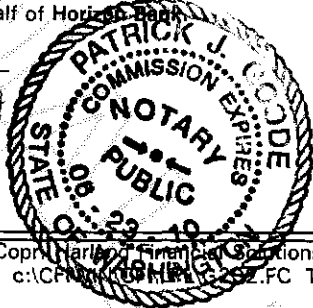
MODIFICATION OF DEED OF TRUST
(Continued)

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 29th day of December, 20 08, before me, the undersigned Notary Public, personally appeared Paul Roth and personally known to me or proved to me on the basis of satisfactory evidence to be the authorized agent, 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 Paul Roth Residing at Bellingham
Notary Public in and for the State of WA My commission expires 06/23/2010



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