

**RETURN ADDRESS:**

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



200911040010

Skagit County Auditor

11/4/2009 Page 1 of 4 8:47AM

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**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): 200708270155 CMLG946 Additional on page \_\_\_\_

Grantor(s):

1. Check, Check, & Rhodes Development, LLC (CC&R Development, LLC)

Grantee(s)

1. Horizon Bank

Legal Description: N P TO ANACORTES, acres 0.18, Lot 1 of Survey AF #200406290201, AKA Lots 1 & 2, Block 1113, said Plat as to PARCEL A.

N P TO ANACORTES, acres 0.18, Lot 2 of Survey AF #200406290201, AKA Lots 3 & 4, Block 1113, together with Easterly 10.00 feet of Lot 5 said Plat as to PARCEL B.

N P TO ANACORTES, acres 0.18, Lot 7 of Survey AF #200406290201, AKA Lots 14 & 15, Block 1113, together with the Easterly 10.00 feet of Lot 16, said Plat as to PARCEL C.

N P TO ANACORTES, acres 0.18, Lot 8 of Survey AF #200406290201, AKA Lots 16 & 17, Block 1113, together with the Westerly 20.00 feet of Lot 18, EXCEPT the Easterly 10.00 feet of Lot 16, said Plat as to PARCEL D.

Additional on page \_\_\_\_

Assessor's Tax Parcel ID#: 3809-113-002-0000 P121776; 3809-113-004-0004 P58242;  
3809-113-016-0000 P121779 & 3809-113-018-0008 P58245

**THIS MODIFICATION OF DEED OF TRUST dated October 14, 2009, is made and executed between Check, Check, & Rhodes Development, LLC (CC&R Development, LLC); A Washington Limited Liability Company, who acquired title as Check, Check & Rhodes, LLC ("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 August 22, 2007 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

**Recorded August 27, 2007 in Skagit County, State of Washington under Auditor's File No. 200708270155.**

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

**PARCEL A:**

Lots 1 and 2, Block 1113, "NORTHERN PACIFIC ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington. (Also known as Lot 1 of Survey 200406290201)

**PARCEL B:**

Lots 3 and 4 and the Easterly 10 feet of Lot 5, Block 1113, "NORTHERN PACIFIC ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington. (Also known as Lot 2 of Survey 200406290201)

**PARCEL C:**

Lots 14 and 15 and the Easterly 10 feet of Lot 16, Block 1113, "NORTHERN PACIFIC ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington. (Also known as Lot 7 of Survey 200406290201)

**PARCEL D:**

Lots 16 and 17 of the Westerly 20 feet of Lot 18, EXCEPT the Easterly 10 feet of Lot 16, Block 1113, "NORTHERN PACIFIC ADDITION TO ANACORTES", according to the plat thereof recorded in Volume 2 of Plats, pages 9 through 11, records of Skagit County, Washington. (Also known as Lot 8 of Survey 200406290201)

Situate in Skagit County, State of Washington

The Real Property or its address is commonly known as 3602, 3606, 3706 & 3710 W. 7th Street, Anacortes, WA 98221. The Real Property tax identification number is 3809-113-002-0000 P121776; 3809-113-004-0004 P58242; 3809-113-016-0000 P121779 & 3809-113-018-0008 P58245.

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

**Definition of Note is hereby modified to be a Promissory Note from Grantor to Lender dated October 14, 2009 in the principal amount of \$100,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the Promissory Note or Agreement.**

This Promissory Note has been changed from a Revolving Line of Credit to a Single Pay Note.

This Note is a renewal and replacement of Promissory Note from Borrower to Lender dated September 23, 2008 in the original amount of \$100,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

Collateral addition of parcels C and D have been added and legals on parcels A and B have been updated as reflected in the legal description of this Modification.

**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 OCTOBER 14, 2009.**



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Skagit County Auditor

MODIFICATION OF DEED OF TRUST  
(Continued)

GRANTOR:

CHECK, CHECK, & RHODES DEVELOPMENT, LLC (CC&R DEVELOPMENT, LLC)

By: [Signature]  
Timothy Sean Check, Manager of Check, Check, & Rhodes  
Development, LLC (CC&R Development, LLC)

By: [Signature]  
J. Phillip Rhodes, Manager of Check, Check, & Rhodes Development,  
LLC (CC&R Development, LLC)

LENDER:

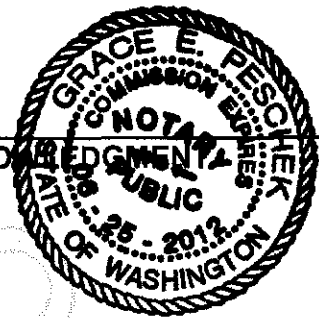
HORIZON BANK

X [Signature]  
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Whatcom



On this 30<sup>th</sup> day of October, 20 09, before me, the undersigned Notary Public, personally appeared Timothy Sean Check, Manager of Check, Check, & Rhodes Development, LLC (CC&R Development, 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]  
Notary Public in and for the State of WA

Residing at Bellingham  
My commission expires 6-25-12



200911040010  
Skagit County Auditor

MODIFICATION OF DEED OF TRUST  
(Continued)



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

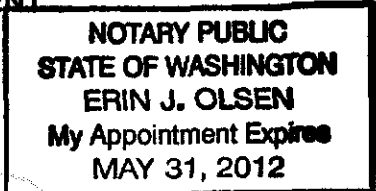
STATE OF Washington )  
 ) SS  
COUNTY OF Whatcom )

On this 30<sup>th</sup> day of October, 20 09, before me, the undersigned Notary Public, personally appeared J. Phillip Rhodes, Manager of Check, Check, & Rhodes Development, LLC (CC&R Development, 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 Bellingham  
Notary Public in and for the State of WA My commission expires 6-25-12

LENDER ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Whatcom )



On this 2nd day of November, 20 09, before me, the undersigned Notary Public, personally appeared Grace Peschek and personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President, 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] Residing at Bellingham  
Notary Public in and for the State of WA My commission expires 5-31-2012

