

RETURN ADDRESS:

Sterling Savings Bank
Seattle Construction
Lending
Action Mortgage Company
6505 218th St. SW, Suite
11
Mountlake Terrace, WA
98043



200812120073
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

GUARDIAN NORTHWEST TITLE CO

M 9273

ACCOMMODATION RECORDING ONLY

Reference # (if applicable): DOT REC #200609180167
LOAN #1529000146-149

Additional on page ____

Grantor(s):

1. LAKE VIEW HEIGHTS, LLC

Grantee(s)

1. Sterling Savings Bank

Legal Description: LOTS 4 AND 5, "LAKE VIEW HEIGHTS" (PARCEL A) AND LOTS 2 AND 3,
"LAKE VIEW HEIGHTS" (PARCEL B)

Additional on page 2

Assessor's Tax Parcel ID#: 4888-000-004-0000, 4888-000-005-0000, 4888-000-002-0000,
4888-000-003-0000

THIS MODIFICATION OF DEED OF TRUST dated November 26, 2008, is made and executed between LAKE VIEW HEIGHTS, LLC, a Washington Limited Liability Company, whose address is PO BOX 789, BURLINGTON, WA 98233; ("Grantor") and Sterling Savings Bank, whose address is Seattle Construction Lending, Action Mortgage Company, 6505 218th St. SW, Suite 11, Mountlake Terrace, WA 98043 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 1529000146-149

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 12, 2006 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDING NUMBER 200609180167, RECORDED ON 9/18/2006.

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

PARCEL A:

LOTS 4 AND 5, "LAKE VIEW HEIGHTS", AS PER PLAT RECORDED APRIL 12, 2006 UNDER AUDITOR'S FILE NO. 200604120075, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL B:

LOTS 2 AND 3, "LAKE VIEW HEIGHTS", AS PER PLAT RECORDED APRIL 12, 2006 UNDER AUDITOR'S FILE NO. 200604120075, RECORDS OF SKAGIT COUNTY, WASHINGTON.

The Real Property or its address is commonly known as 24111, 24068, 24072 & 24076 PRISCILLA LANE, MT. VERNON, WA 98274. The Real Property tax identification number is 4888-000-004-0000, 4888-000-005-0000, 4888-000-002-0000, 4888-000-003-0000.

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

The definition of Note in the Deed of Trust is hereby amended and modified to read in its entirety as follows:

Note. The word "Note" means the collective of the promissory note dated September 12, 2006, in the original principal amount of \$2,232,000.00 and the Promissory Note dated November 26, 2008 in the original principal amount of \$165,750.00 both from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory notes or agreements. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE RATE OF INTEREST.

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 endorser 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 NOVEMBER 26, 2008.

GRANTOR:

LAKE VIEW HEIGHTS, LLC

By: 

VIRGINIA BLACKBURN, Manager of LAKE VIEW HEIGHTS, LLC

GATEWAY HOMES & COMMUNITIES, INC, Member of LAKE VIEW HEIGHTS, LLC

By: 

VIRGINIA BLACKBURN, Co-President of GATEWAY HOMES & COMMUNITIES, INC



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MODIFICATION OF DEED OF TRUST

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LENDER:

STERLING SAVINGS BANK

x *Thomas J. Miller*
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

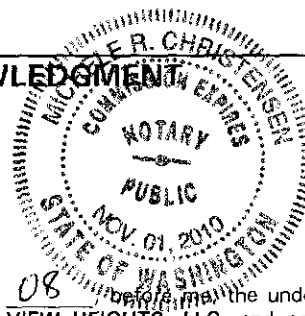
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COUNTY OF Snohomish

On this 10th day of December, 20 08, before me, the undersigned Notary Public, personally appeared **VIRGINIA BLACKBURN, Manager of LAKE VIEW 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 *Michelle Christensen*
Notary Public in and for the State of WA

Residing at Snohomish
My commission expires 11/01/10



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

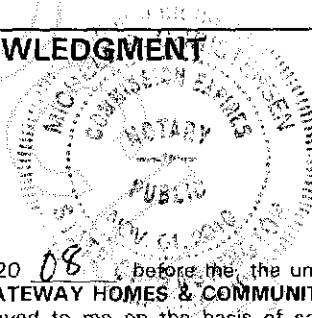
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COUNTY OF Snohomish

On this 10th day of December, 20 08, before me, the undersigned Notary Public, personally appeared **VIRGINIA BLACKBURN, Co-President of GATEWAY HOMES & COMMUNITIES, INC., Member of LAKE VIEW 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 *Michelle Christensen*
Notary Public in and for the State of WA

Residing at Snohomish
My commission expires 11/01/10



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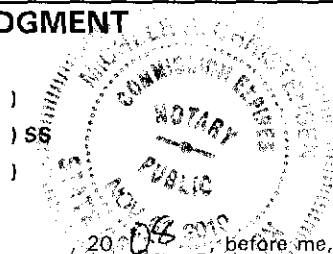
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LENDER ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Snohomish



On this 10th day of December, 2008, before me, the undersigned Notary Public, personally appeared TAMMY WILLET and personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President, authorized agent for **Sterling Savings Bank** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **Sterling Savings Bank**, duly authorized by **Sterling Savings 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 **Sterling Savings Bank**.

By Michelle Christensen

Residing at Snohomish

Notary Public in and for the State of WA

My commission expires 11/01/10

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