

RETURN ADDRESS:

Horizon Bank
Consumer Loan Servicing
Department
PO Box 580
Bellingham, WA 98227



200201040008
Skagit County Auditor
1/4/2002 Page 1 of 2 9:37AM

FIRST AMERICAN TITLE CO.

07190

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): _____

Additional on page _____

Grantor(s):

1. Downie , Robert E
2. Downie , Margaret W

Grantee(s)

1. Horizon Bank

Legal Description: LOT 48, CREEKSIDE VILLAE III

Additional on page 2

Assessor's Tax Parcel ID#: 4557-000-048-0007

THIS MODIFICATION OF DEED OF TRUST dated January 2, 2002, is made and executed between Robert E Downie , whose address is 1811 Creekside Lane , Anacortes , WA 98221 and Margaret W Downie , whose address is 1811 Creekside Lane , Anacortes , WA 98221; husband and wife ("Grantor") and Horizon Bank, Anacortes Office, PO Box 587 / 1218 Commercial Avenue, Anacortes, WA 98221 ("Lender").

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0797000027

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 3, 1998 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

August 7, 1998, At Skagit County Auditor, recording number 9808070003.

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

LOT 48, CREEKSIDE VILLAGE, PHASE III, DIVISION 1, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 14 OF PLATS, PAGES 180 AND 181, RECORDS OF SKAGIT COUNTY, WASHINGTON;

SITUATED IN SKAGIT COUNTY, WASHINGTON

The Real Property or its address is commonly known as 1811 Creekside Lane , Anacortes , WA 98221. The Real Property tax identification number is 4557-000-048-0007

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

The principal will be decreased from \$70,000.00 to \$25,000.00.

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.

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 2, 2002.

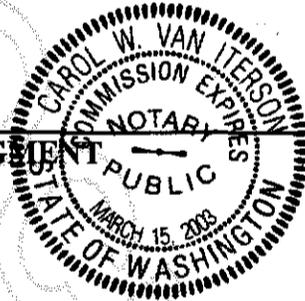
GRANTOR:

X Robert E Downie
Robert E Downie , Individually

X Margaret W Downie
Margaret W Downie , Individually

LENDER:

X Carol Van Iterson
Authorized Officer



INDIVIDUAL ACKNOWLEDGEMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared Robert E Downie and Margaret W Downie , husband and wife, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 2nd day of January, 2002

By Carol W Van Iterson
Notary Public in and for the State of WA

Residing at Anacortes
My commission expires 3-15-03

