

RETURN ADDRESS:

PEOPLES BANK
MOUNT VERNON OFFICE
1801 RIVERSIDE DRIVE
MOUNT VERNON, WA
98273



200302050061

Skagit County Auditor

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FIRST AMERICAN TITLE CO.

MODIFICATION OF DEED OF TRUST

68887

Reference # (if applicable):

200204160054

Additional on page _____

Grantor(s):

1. MITZEL, DAN R.
2. BURKLUND, PATRICIA R.

Grantee(s)

1. PEOPLES BANK

Legal Description: SECTION 6, TOWNSHIP 34, RANGE 4;
PTN. NE AKA PTN. TRACT 4 OF BURLINGTON SHORT PLAT 4-94

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Assessor's Tax Parcel ID#: 340406-1-005-0600 P112796

THIS MODIFICATION OF DEED OF TRUST dated January 22, 2003, is made and executed between DAN R. MITZEL and PATRICIA R. BURKLUND, HUSBAND AND WIFE, whose address is 16533 WALKING M LANE, MOUNT VERNON, WA 98274 ("Grantor") and PEOPLES BANK, MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5016368-205

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 5, 2002 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED APRIL 16, 2002 UNDER RECORDING NUMBER 200204160054 IN RECORDS OF SKAGIT COUNTY, WA. REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in SKAGIT County, State of Washington:

LOT 4 OF CITY OF BURLINGTON SHORT PLAT NO. 4-94, APPROVED MAY 16, 1995, AND RECORDED MAY 24, 1995, IN VOLUME 11 OF SHORT PLATS, PAGES 204 AND 205, UNDER AUDITOR'S FILE NO. 9605240069, BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.; EXCEPT THAT PORTION OF SAID LOT 4 OF CITY OF BURLINGTON SHORT PLAT NO. 4-94, DESCRIBED AS

FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE NORTH 88 DEGREES 59' 18" WEST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 239.06 FEET; THENCE SOUTH 1 DEGREE 00' 42" WEST, A DISTANCE OF 27.00 FEET; THENCE SOUTH 88 DEGREES 59' 18" EAST PARALLEL WITH THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 243.63 FEET TO THE WEST RIGHT OF WAY LINE OF GOLDENROD ROAD AS SHOWN ON SAID SHORT PLAT; THENCE NORTH 08 DEGREES 36' 09" WEST, ALONG SAID WEST LINE, A DISTANCE OF 27.38 FEET, MORE OR LESS TO THE POINT OF BEGINNING;

AND EXCEPT ANY PORTION OF SAID LOT 4 OF CITY OF BURLINGTON SHORT PLAT 4-94, LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE NORTH 88 DEGREES 59' 18" WEST, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 239.06 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 01 DEGREE 00' 42" WEST, A DISTANCE OF 181.20 FEET TO THE SOUTH LINE OF SAID LOT 4.

SITUATED IN SKAGIT COUNTY, WASHINGTON

The Real Property or its address is commonly known as 1043 GOLDENROD RD, BURLINGTON, WA 98233. The Real Property tax identification number is 340406-1-005-0600 P112796

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED APRIL 5, 2002 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED JANUARY 22, 2003 IN THE AMOUNT OF \$925,000.00 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT. NEW FUNDS ADVANCED ON THIS PROMISSORY NOTE IS \$9,476.05.

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, 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 22, 2003.

GRANTOR:

DAN R. MITZEL, Individually

PATRICIA R. BURKLUND, Individually

LENDER:

Authorized Officer



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Skagit County Auditor

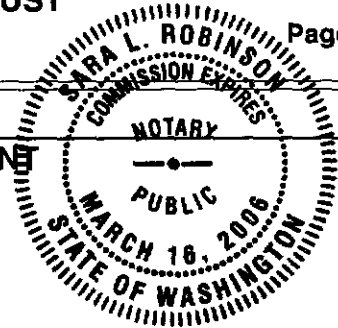
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5016368-205

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this day before me, the undersigned Notary Public, personally appeared **DAN R. MITZEL and PATRICIA R. BURKLUND**, 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.

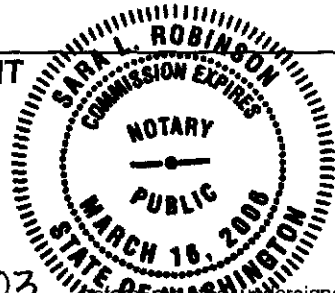
Given under my hand and official seal this 30 day of January, 20 03

By Sara L. Robinson
Notary Public in and for the State of WA

Residing at Sedro Woolley WA
My commission expires March 18, 2006

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 30 day of January, 20 03, I, the undersigned Notary Public, personally appeared James M. Vandenberg and personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

By Sara L. Robinson
Notary Public in and for the State of WA

Residing at Sedro Woolley WA
My commission expires March 18, 2006



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Skagit County Auditor

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