

2. ADDITIONAL MODIFICATIONS.

The Deed of Trust and Note are further modified as follows:

The original amount of the Note, which is secured by the Deed of Trust referenced above, and the original principal amount of such Deed of Trust in the amount of eighty five thousand and 00/100 dollars (\$85,000.00) is hereby increased to one hundred twenty thousand and 00/100 dollars (\$120,000.00), an increase of thirty five thousand and 00/100 dollars (\$35,000.00).

C. Additional Representations, Warranties and Agreements.

Grantor represents and warrants that Grantor owns the property free and clear of any liens or encumbrances other than the liens described on Schedule B below. Except as expressly modified herein, all terms and conditions of the Loan Documents shall remain in full force and effect. The parties hereby adopt, ratify and confirm these terms and conditions as modified. Borrower and Grantor agree to execute any additional documents which may be required by Lender to carry out the intention of this Agreement. As of the date of this Agreement, there are no claims, defenses, setoffs or counterclaims of any nature which may be asserted against Lender by any of the undersigned.

SCHEDULE A

The following described real property located in the County of SKAGIT, State of Washington

ALL THAT PARCEL OF LAND IN CITY OF SEDRO WOOLLEY, SKAGIT COUNTY, STATE OF WASHINGTON, AS MORE FULLY DESCRIBED IN DEED DOC # 200107110108, ID# 4158-000-007-0005, BEING KNOWN AND DESIGNATED AS LOT 7, FIDALGO ORCHARD, FILED IN PLAT BOOK 9, PAGE 90 ABBRV. L7, FIDALGO ORCHARD, V9, P90

SCHEDULE B



GRANTOR: JAMES R. DILLON

James R. Dillon
JAMES R. DILLON

GRANTOR: SHARON D. DILLON

Sharon D. Dillon
SHARON D. DILLON

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

GRANTOR:

UNOFFICIAL DOCUMENT



BORROWER: JAMES R. DILLON

James R. Dillon

JAMES R. DILLON

BORROWER: SHARON DILLON

Sharon Dillon

SHARON DILLON

BORROWER:

LENDER:

KeyBank National Association

UNOFFICIAL DOCUMENT



State of Washington
County of Thurston

I certify that I know or have satisfactory evidence that

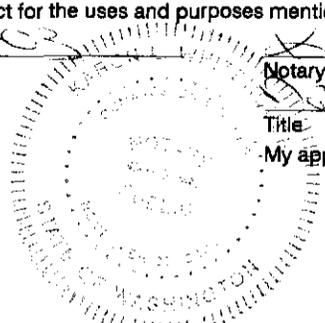
James R. Diller & Sharon D. Dilla
is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 2-3-03

Karen J. Johnson
Notary Public (Print Name)

Title

My appointment expires: _____



State of Washington
County of _____

I certify that I know or have satisfactory evidence that _____

is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public (Print Name)

Title

My appointment expires: _____

State of Washington
County of _____

I certify that I know or have satisfactory evidence that _____

is that person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public (Print Name)

Title

My appointment expires: _____

(Seal or Stamp)

State of Washington
County of _____

I certify that I know or have satisfactory evidence that _____

is that person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public (Print Name)

Title

My appointment expires: _____

(Seal or Stamp)

ACAPS # 030221507010C; ALS # 473101632791

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Skagit County Auditor