

RETURN ADDRESS:

Horizon Bank
Commercial Loan
Servicing Center
PO Box 580
Bellingham, WA 98227



200304080037

Skagit County Auditor

4/8/2003 Page

1 of

3 10:14AM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200104050114

Additional on page _____

Grantor(s):

1. Byford, Richard Newton
2. Byford, JoAnn Darlene

Grantee(s)

1. Horizon Bank

Legal Description: Portion Lot 5, Block 2 "Panorama View Lots"

Additional on page 2

Assessor's Tax Parcel ID#: 3965-002-005-0008

THIS MODIFICATION OF DEED OF TRUST dated March 31, 2003, is made and executed between Richard Newton Byford and JoAnn Darlene Byford; husband and wife ("Grantor") and Horizon Bank, Mount Vernon, PO Box 100 / 1503 Riverside Drive, Mount Vernon, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0560000009

Page 2

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 3, 2001 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Deed of Trust dated April 3, 2001, Recorded April 5, 2001 at Skagit County with a recording No. 200104050114.

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

Lot 5, Block 2, "LAMM'S PANORAMA VIEW LOTS", as per plat recorded in Volume 7 of Plats, page 39, records of Skagit County, Washington; EXCEPT that portion thereof described as follows: Beginning at the most Southerly corner of said Lot 5; thence North 62 degrees 03'44" West along the Southwesterly line of said Lot, 123.70 feet to the Westerly line of said Lot; thence South 73 degrees 28'11" East 66.71 feet; thence South 49 degrees 18'52" East 59.78 feet to the point of beginning; AND EXCEPT mineral reservations as reserved in Deed recorded March 22, 1902 in Volume 44 of Deeds, page 412, records of Skagit County, Washington.

The Real Property or its address is commonly known as 21256 Plaza Drive, Sedro Woolley, WA 98284. The Real Property tax identification number is 3965-002-005-0008

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

Modified the interest rate floor from 0.00% to 6.50% floor as reflected in the "Variable Interest Rate" paragraph in this document. The maturity date of April 3, 2001 referenced in above described Deed of Trust is hereby deleted in its entirety without substitution. The period of this Deed of Trust shall continue uninterrupted until re-conveyed by Lender to Grantor.

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 MARCH 31, 2003.

GRANTOR:

x Richard Newton Byford
Richard Newton Byford, Individually

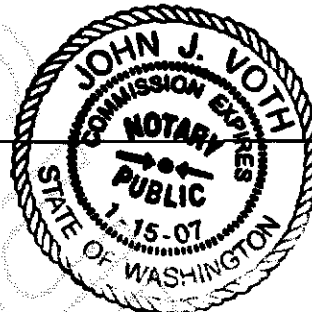
x JoAnn Darlene Byford
JoAnn Darlene Byford, Individually

LENDER:

x [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this day before me, the undersigned Notary Public, personally appeared **Richard Newton Byford and JoAnn Darlene Byford, 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 April, 20 03

By [Signature]
Notary Public in and for the State of WA

Residing at Mount Vernon, WA
My commission expires 1-15-07



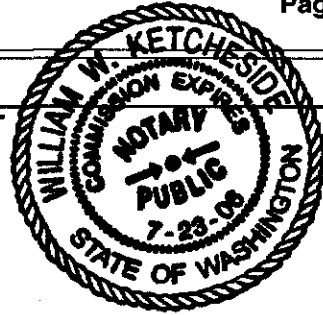
200304080037
Skagit County Auditor

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0560000009

Page 3

LENDER ACKNOWLEDGMENT



STATE OF WASH)
) SS
COUNTY OF Skagit)

On this 2nd day of April, 20 03, before me, the undersigned Notary Public, personally appeared John J. Veth 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 William W. Ketcheside

Residing at Mount Vernon, WA

Notary Public in and for the State of WA

My commission expires 7-23-06

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Skagit County Auditor

4/8/2003 Page 3 of 3 3:10:14AM