

RETURN ADDRESS:

PEOPLES BANK
DOWNTOWN
BELLINGHAM OFFICE
1333 CORNWALL
AVENUE
BELLINGHAM, WA 98225



200308010012
Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

89678

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): _____

Additional on page _____

Grantor(s):

1. YORKSTON OIL CO.

Grantee(s)

1. PEOPLES BANK

Legal Description: LOT 16, SW BSP 1-93, SUNSET INDUSTRIAL PARK & TR. A OF SP NO.
40-78 IN 32-34-4 E W.M.

Additional on page 2

Assessor's Tax Parcel ID#: PARCEL A: 8003-000-016-0005 (P105302)/PARCEL B:
340432-2-033-0005 (P29549)

THIS MODIFICATION OF DEED OF TRUST dated July 28, 2003, is made and executed between
YORKSTON OIL CO., A WASHINGTON CORPORATION, whose address is 2801 ROEDER
AVENUE, BELLINGHAM, WA 98225 ("Grantor") and PEOPLES BANK, DOWNTOWN
BELLINGHAM OFFICE, 1333 CORNWALL AVENUE, BELLINGHAM, WA 98225 ("Lender").

MODIFICATION OF DEED OF TRUST

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated June 1, 1999 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED JUNE 2, 1999 UNDER RECORDING NUMBER 9906020085 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:

PARCEL "A":

LOT 16, BINDING SITE PLAN NO. SW-01-93, (SUNSET INDUSTRIAL PARK) RECORDED IN VOLUME 11 OF SHORT PLATS, PAGES 83 AND 84, UNDER AUDITOR'S FILE NO. 9406100051, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., AND TRACTS 14 AND 15, "SEDRO ACREAGE", AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 35, RECORDS OF SKAGIT COUNTY, WASHINGTON.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS SUNSET PARK DRIVE, AS SHOWN ON THE FACE OF SAID SITE PLAN.

SITUATE IN THE CITY OF SEDRO-WOOLLEY, COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL "B":

TRACT "A", SKAGIT COUNTY SHORT PLAT NO. 40-78, APPROVED FEBRUARY 15, 1979, UNDER AUDITOR'S FILE NO. 7902270055 IN VOLUME 3 OF SHORT PLATS, PAGE 79, BEING A PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 32, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as PARCEL A: 655 SUNSET DRIVE, SEDRO WOOLLEY, WA, AND PARCEL B: 3408 CEDARDALE ROAD, MOUNT VERNON, WA 98274. The Real Property tax identification number is PARCEL A: 8003-000-016-0005 (P105302)/PARCEL B: 340432-2-033-0005 (P29549)

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED JUNE 1, 1999 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED JULY 25, 2003 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.

THE PRINCIPAL AMOUNT IS \$965,000.00, WHICH INCLUDES A NEW ADVANCE OF \$317,510.78.

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 endorses 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 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 JULY 28, 2003.

GRANTOR:

YORKSTON OIL CO.

By:

BARNET M YORKSTON, JR., President of YORKSTON OIL CO.

By:

J. MATTHEW YORKSTON, Secretary/Treasurer of YORKSTON OIL CO.

By:

DAVID L. YORKSTON, Vice President of YORKSTON OIL CO.

LENDER:

Authorized Officer



200308010012

Skagit County Auditor

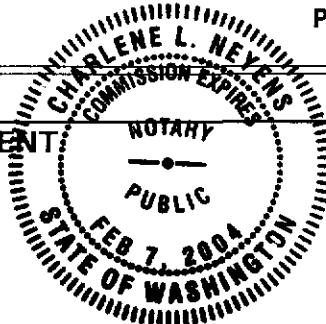
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MODIFICATION OF DEED OF TRUST
(Continued)

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CORPORATE ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Whatcom)

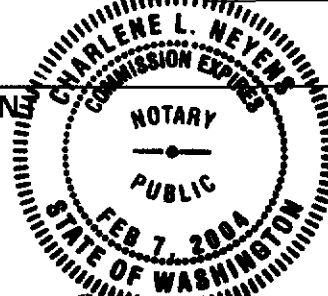


On this 28th day of July, 20 03, before me, the undersigned Notary Public, personally appeared **BARNEY M YORKSTON, JR., President of YORKSTON OIL CO.; J. MATTHEW YORKSTON, Secretary/Treasurer of YORKSTON OIL CO.; and DAVID L. YORKSTON, Vice President of YORKSTON OIL CO.**, and personally known to me or proved to me on the basis of satisfactory evidence to be authorized agents of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By Charlene L. Neyens Residing at Bellingham
Notary Public in and for the State of WA My commission expires 2-7-04

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Whatcom)



On this 28th day of July, 20 03, before me, the undersigned Notary Public, personally appeared Roger W. Long and personally known to me or proved to me on the basis of satisfactory evidence to be the Senior V.P., 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 Charlene L. Neyens Residing at Bellingham
Notary Public in and for the State of WA My commission expires 2-7-04

