

RETURN ADDRESS:

Horizon Bank
Cornwall Office
1500 Cornwall/PO Box 580
Bellingham, WA
98227-0580



200308110082
Skagit County Auditor

8/11/2003 Page 1 of 3 9:41AM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 0550002001

Additional on page ____

Grantor(s):

1. Haugen, E Jerome
2. Haugen, Janet M

Grantee(s)

1. Horizon Bank

Legal Description: Lots 11 & 12 Dewey Beach 4

Additional on page 2

Assessor's Tax Parcel ID#: 3904-000-012-0007

THIS MODIFICATION OF DEED OF TRUST dated July 31, 2003, is made and executed between E Jerome Haugen, and Janet M Haugen, husband and wife; whose address is 15279 Dewey Crest Ln, Anacortes, WA 98221 ("Grantor") and Horizon Bank, Cornwall Office, 1500 Cornwall/PO Box 580, Bellingham, WA 98227-0580 ("Lender").

Deed of Trust dated September 11, 2000, recorded on September 15, 2000,
in the Skagit County office under File No. 200009150101.

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0550002001

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 11, 2000 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A Deed of Trust dated September 11, 2000, recorded on September 15, 2000, in the Skagit County Auditor's office under File No. 200009150101.

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

Lots 11 and 12, Dewey Beach Addition No. 4, according to the Plat thereof recorded in Volume 7 of plats, pages 50 and 50A, records of Skagit County, Washington; Situated in Skagit County, Washington

The Real Property or its address is commonly known as 15279 Dewey Crest Ln, Anacortes, WA 98221. The Real Property tax identification number is 3904-000-012-0007

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

The maturity date of October 1, 2010, referenced in the above 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 JULY 31, 2003.

GRANTOR:

x *E. Jerome Haugen*
E. Jerome Haugen, Individually

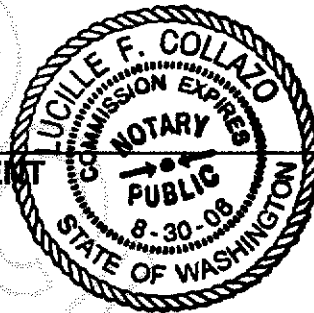
x *Janet M. Haugen*
Janet M. Haugen, Individually

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 E Jerome Haugen and Janet M Haugen, 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 1st day of August, 2003

By *Lucille F. Collazo*
Notary Public in and for the State of WA
Residing in Mount Vernon

Residing at Mount Vernon
My commission expires 08-30-06



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0550002001

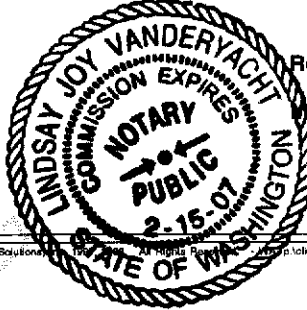
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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Whatcom)

On this 7th day of August, 20 03, before me, the undersigned Notary Public, personally appeared Renee A. Nichols and personally known to me or proved to me on the basis of satisfactory evidence to be the officer, 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 Lindsay Joy Vanderyacht
Notary Public in and for the State of WA



Residing at Lynden
commission expires 02-15-07

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