

RETURN ADDRESS:

Horizon Bank
Commercial Banking
Center
2211 Rimland Drive, Suite
230
Bellingham, WA 98226



200310060305
Skagit County Auditor

10/6/2003 Page 1 of 6 3:02PM

MODIFICATION OF MORTGAGE

Reference # (if applicable): 200002280146

Additional on page _____

Grantor(s):

1. Wechsler, Roger P.

Grantee(s)

1. Horizon Bank

Legal Description: A PTN OF SW 1/4 OF NW 1/4 & OF NW 1/4 OF SW 1/4,
34-36-3 E W.M.

Additional on page 4

Assessor's Tax Parcel ID#: 360334-0-011-0002 (P48618)

THIS MODIFICATION OF MORTGAGE dated September 22, 2003, is made and executed between Roger P. Wechsler; an unmarried individual (referred to below as "Grantor") and Horizon Bank, whose mailing address is PO Box 642 / 1020 South Burlington Blvd, Burlington, WA 98233 (referred to below as "Lender").

**MODIFICATION OF MORTGAGE
(Continued)**

Loan No: 1067000022

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MORTGAGE. Lender and Grantor have entered into a Mortgage dated February 23, 2000 (the "Mortgage") which has been recorded in Skagit County, State of Washington, as follows:

Recorded February 28, 2000, under Skagit County Auditor's File No. 200002280146.

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

See Exhibit A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 15115 Bow Hill Road, Bow, WA 98232. The Real Property tax identification number is 360334-0-011-0002 (P48618)

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

The maturity date of March 1, 2001 referenced in above described Mortgage is hereby deleted in its entirety without substitution. The period of this Mortgage shall continue uninterrupted until re-conveyed by Lender to Grantor.

The maximum obligation limit of \$260,000.00 referenced in above described Mortgage is hereby deleted in its entirety without substitution.

Obligations defined in paragraph 3a in above described Mortgage are further defined to reflect chain of indebtedness through Promissory Note for a revolving line of credit dated February 28, 2001 in the original amount of \$1,500,000.00. A Change in Terms dated July 1, 2002 increased this line of credit from \$1,500,000.00 to \$2,000,000.00, and a change in terms dated September 22, 2003 reduced this line of credit from \$2,000,000.00 to \$500,000.00.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage 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 Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers 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 Mortgage 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 MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED SEPTEMBER 22, 2003.

GRANTOR:

X [Signature]
Roger P. Wechsler, Individually

LENDER:

X [Signature]
Authorized Signer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this day before me, the undersigned Notary Public, personally appeared Roger P. Wechsler, an unmarried individual, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Modification of Mortgage, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of October, 20 03

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

Residing at Mount Vernon, WA
My commission expires 7-15-2007



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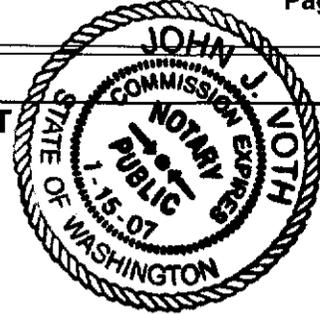
MODIFICATION OF MORTGAGE
(Continued)

Loan No: 1067000022

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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 1st day of October, 20 03, before me, the undersigned Notary Public, personally appeared John K. Stewart and personally known to me or proved to me on the basis of satisfactory evidence to be the Officer - SUP, 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 [Signature]
Notary Public in and for the State of WA

Residing at Mount Vernon WA
My commission expires 1-15-2007

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EXHIBIT A

PARCEL "A":

The Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 34, Township 36 North, Range 3 East, W.M., EXCEPT the North 33 feet thereof as conveyed to Skagit County for road purposes by deed dated April 16, 1896 and recorded April 23, 1896, in Volume 32 of Deeds, page 816, AND ALSO EXCEPT that portion lying within that certain 60 foot wide State Highway known as Pacific Highway as conveyed to the State of Washington by Deed dated March 10, 1919 and recorded July 16, 1919, in Volume 114 of Deeds, page 319, AND ALSO EXCEPT Drainage District No. 18 ditch right of way as condemned in Skagit County Superior Court Cause No. 5958, AND ALSO EXCEPT that portion of said premises lying within the boundaries of the following described tracts:

1.) Beginning at a point on the East line of the Pacific Highway 202.44 feet Northerly of the point of intersection of said East line with the Northerly line of the County road known as Road XCVI (said point being 78 feet South and 41.3 feet East of the Northwest corner of the Southwest $\frac{1}{4}$); thence East at right angles to the West line of said Section, 198.7 feet; thence North parallel with said West line 100 feet; thence West to the East line of the right of way of the Pacific Highway; thence Southerly along said East line to the point of beginning.

2.) Beginning at a point on the East line of the Pacific Highway, 202.44 feet Northerly of the point of intersection of said East line with the Northerly line of the County road known as Road XCVI (said point being 78 feet South and 41.3 feet East of the Northwest corner of the Southwest $\frac{1}{4}$ of said Section 34); thence East at right angles to the West line of said Section, 198.7 feet; thence North parallel with said West line, 100 feet to the true point of beginning of this description; thence South parallel with said West line to a point 244.8 feet South of the North line of the Southwest $\frac{1}{4}$ of said Section 34; thence due East, 150 feet; thence running due South, 129 feet, more or less, to the North line of the County road; thence Southeasterly along said road to a point intersecting a line drawn parallel to and 8 feet East of the last described line (as measured at right angles thereto); thence North parallel with the West line of said Section 34 to a point East of the true point of beginning; thence West to the true point of beginning.

Situate in the County of Skagit, State of Washington.



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PARCEL "B":

That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 34, Township 36 North, Range 3 East, W.M., described as follows:

Beginning at a point 5 chains and 15 links (339.9 feet) North of the center of the Southwest $\frac{1}{4}$ of said Section;
thence due West to Bow Hill Road;
thence following along the said road in its course in a Northerly and Westerly direction to the East line of Pacific Highway;
thence North to the North line of said subdivision;
thence East to the Northeast corner of said subdivision;
thence South to the point of beginning, EXCEPT Drainage District No. 18 ditch right of way as condemned in Skagit County Superior Court Cause No. 5958, AND EXCEPT the following described tracts:

1.) Beginning at the intersection of the East right of way line of Pacific Highway with the North marginal line of Bow Hill County Road;
thence North along the said line of Pacific Highway 302.44 feet;
thence East at right angles 198.7 feet;
thence South at right angles to the North line of said Bow Hill Road (also known as Warren Road);
thence following said North line of Bow Hill Road to the point of beginning.

2.) Beginning at the $\frac{1}{4}$ section corner on the West line of said Section 34;
running thence North $89^{\circ}55'$ East along the quarter section line of said Section 34, a distance of 240 feet;
thence due South 244.8 feet to the true point of beginning;
thence running due East 150 feet;
thence running due South 129 feet to the North line of the County road;
thence Westerly along the North line of the County road 161.2 feet, more or less, to a point due South of the true point of beginning;
thence North 70.8 feet to the true point of beginning.

3.) Beginning at a point on the East line of the Pacific Highway 202.44 feet Northerly of the point of intersection of said East line with the Northerly line of the County road known as Road XCVI (said point being 78 feet South and 41.3 feet East of the Northwest corner of the Southwest $\frac{1}{4}$ of said Section 34);
thence East at right angles to the West line of said Section, 198.7 feet;



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UNRECORDED
thence North parallel with said West line, 100 feet to the true point of beginning of this description;
thence South parallel with said West line to a point 244.8 feet South of the North line of the Southwest $\frac{1}{4}$ of said Section 34;
thence due East, 150 feet;
thence running due South, 129 feet, more or less, to the North line of the County road;
thence Southeasterly along said road to a point intersecting a line drawn parallel to and 8 feet East of the last described line (as measured at right angles thereto);
thence North parallel with the West line of said Section 34 to a point East of the true point of beginning;
thence West to the true point of beginning.

Situate in the County of Skagit, State of Washington.



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