

RETURN ADDRESS:

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



200310310047
Skagit County Auditor

10/31/2003 Page 1 of 3 9:07AM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200209060096 Additional on page _____

Grantor(s):
1. Mills Jr., Charles H
2. Mills, Loretta J

Grantee(s)
1. Horizon Bank

Legal Description: Lot 2, CUMMINGS' THIRD ADDITION Additional on page 2

Assessor's Tax Parcel ID#: 4082-000-002-0001,P72482

THIS MODIFICATION OF DEED OF TRUST dated October 24, 2003, is made and executed between Charles H Mills Jr. and Loretta J Mills; husband and wife ("Grantor") and Horizon Bank, Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0567000024

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 5, 2002 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Deed of Trust recorded August 6, 2002 under Skagit County Auditor's File #200208060096.

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

Lot 2, CUMMINGS' THIRD ADDITION, according to the plat thereof, recorded in Volume 8 of Plats, page 2, records of Skagit County, Washington. Situated in Skagit County, Washington.

The Real Property or its address is commonly known as 1211 Curtis Ave, Burlington, WA 98233. The Real Property tax identification number is 4082-000-002-0001,P72482

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

The maturity date of February 15, 2003 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 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 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 OCTOBER 24, 2003.

GRANTOR:

X *Charles H Mills Jr.*
Charles H Mills Jr., Individually

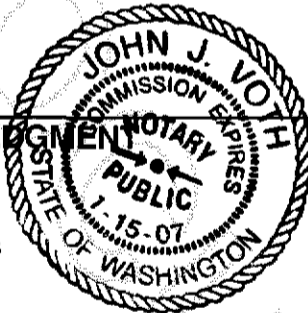
X *Loretta J Mills*
Loretta J Mills, Individually

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 **Charles H Mills Jr. and Loretta J Mills, 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 27th day of October, 20 03

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

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



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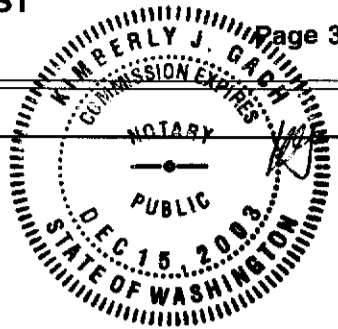
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0567000024

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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 27th day of October, 20 03, before me, the undersigned Notary Public, personally appeared John Voth 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 Kimberly GACA
Notary Public in and for the State of WA

Residing at Mt. Vernon
My commission expires 12/15/03



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Skagit County Auditor