

RETURN ADDRESS:
First Heritage Bank
Loan Servicing Center
PO Box 970
Monroe, WA 98272



200401130019
Skagit County Auditor

1/13/2004 Page

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4 8:52AM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable):

199912230089

Additional on page _____

Grantor(s):

1. Upper Skagit Indian Tribe, a Federally Recognized Indian Tribe

Grantee(s)

1. First Heritage Bank

Legal Description: Parcel A: Lots 2 & 3 Sect 6, Township 35 N. Range 4 East WM and Parcel B: Lot 3 of Short Plat No 37-89, Recorded October 27, 1989 book 8 of Short Plats, page 186, Auditor's File No. 8910270018

Additional on page _____

Assessor's Tax Parcel ID#: 350406-0-004-0005 as to Parcel A and 350609-2-003-0305 as to Parcel B

THIS MODIFICATION OF DEED OF TRUST dated November 13, 2003, is made and executed between Upper Skagit Indian Tribe, a Federally Recognized Indian Tribe ("Grantor") and First Heritage Bank, Marysville, PO 1740, 9417 State Avenue, Marysville, WA 98271 ("Lender").

**MODIFICATION OF DEED OF TRUST
(Continued)**

Loan No: 6006700054

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 18, 1999 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded December 17 1999 with the Upper Skagit Indian Tribe, Sedro Woolley, Washington and December 23, 1999 in Skagit County, Washington under Auditor's File No. 199912230089.

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

See Schedule "A-1", 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 N/A, Bow and Sedro Woolley, WA. The Real Property tax identification number is 350406-0-004-0005 as to Parcel A and 350609-2-003-0305 as to Parcel B

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

Add addendum language .

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 hereby ratifies and affirms that Grantor's liability shall continue in full force and effect through and including the Note's now extended maturity date and that Grantor has no defenses, setoffs, or other claims against Lender arising out of this credit facility. If it is determined that any other person or entity other than Lender shall have a lien, encumbrance, or claim of any type which has a legal priority over any term of this Modification, the original terms of the Note and Mortgage shall be severable from this Modification and separately enforceable from the terms thereof as modified hereby in accordance with their original terms, and Lender shall maintain all legal or equitable priorities which were in existence before the date of execution of this Modification. It is understood by and is the intention of the parties hereto that any legal or equitable priorities of Lender over any party which were in existence before the date of execution of this Modification shall remain in effect after the execution of this Modification.

ADDENDUM. If, as and when the Upper Skagit Indian Tribe shall obtain approval to have the Property which is the subject of this Deed of Trust taken into trust by the United States for the benefit of the Upper Skagit Indian Tribe, then the lender/beneficiary under the Deed of Trust shall release the lien of this Deed of Trust and immediately following the transfer of the Property into Trust, grantor and beneficiary shall execute a new Deed of Trust secured by a BIA approved lease of the same property. Said Lease shall have a term of 25-years.

Acknowledged BY:

X Marilyn M. Scott
Marilyn M. Scott, Chairman of the Upper Skagit Indian Tribe,
a Federally Recognized Indian Tribe

X Shelley G. Heyman
Shelley G. Heyman, Sr. Vice President
First Heritage Bank.

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 NOVEMBER 13, 2003.

GRANTOR:

UPPER SKAGIT INDIAN TRIBE, A FEDERALLY RECOGNIZED INDIAN TRIBE

By: Marilyn M. Scott
Marilyn M. Scott, Chairman of Upper Skagit Indian Tribe, a Federally
Recognized Indian Tribe

LENDER:

X Shelley G. Heyman
Authorized Officer



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MODIFICATION OF DEED OF TRUST
(Continued)

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GOVERNMENT ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 12th day of January, 20 04, before me, the undersigned Notary Public, personally appeared Marilyn M. Scott, Chairman of Upper Skagit Indian Tribe, a Federally Recognized Indian Tribe, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the governmental entity that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the governmental entity, by authority of its existing laws or by resolution of its governing body, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the governmental entity.

By Donny Schopf
Notary Public in and for the State of WA

Residing at Burlington, WA
My commission expires 11/1/2006

LENDER ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SNODOMISIT)

On this 14 day of NOVEMBER, 20 03, before me, the undersigned Notary Public, personally appeared STHELLEY HERMAN and personally known to me or proved to me on the basis of satisfactory evidence to be the SR. 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 M. A. Composant
Notary Public in and for the State of WA

Residing at Marysville
My commission expires 11-29-07



SCHEDULE "A-1"

PARCEL "A":

That portion of Government Lots 2 and 3 in Section 6, Township 35 North, Range 4 East, W.M., lying Southerly of the Old Bow Hill County Road, (as located and established prior to January 18, 1963), Northerly of the county road as conveyed to Skagit County by deed dated January 18, 1963, recorded January 18, 1963, as Auditor's File No. 631052 and Easterly of P.S.H. #1, EXCEPT that portion, if any, lying within the boundaries of the following described tract:

Beginning at the Northwest corner of said Government Lot 2; thence South 2°35'28" West along the West line thereof a distance of 1066.36 feet; thence South 87°24'32" East a distance of 542.13 feet to a 3/4 inch iron pipe and the true point of beginning; thence North 35°31'45" West a distance of 123.81 feet to a 3/4 inch iron pipe; thence North 11°01'45" East a distance of 68 feet, more or less, to the South line of the County Road (Bow Hill Road); thence Easterly along the South line of said County Road a distance of 220 feet, more or less, to a point bearing North 48°04'10" East from the true point of beginning; thence South 48°04'10" West a distance of 213 feet, more or less, to the true point of beginning; EXCEPT County Road and right of way therefore, if any.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Lot 3 of Short Plat No. 37-89, approved October 16, 1989, recorded October 27, 1989, in Book 8 of Short Plats, page 186, under Auditor's File No. 8910270018, records of Skagit County, Washington, and being a portion of the West 1/4 of the Northwest 1/4 of Section 9, Township 35 North, Range 5 East, W.M.

Situate in the County of Skagit, State of Washington.



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