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RETURN ADDRESS:

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



200403310191
Skagit County Auditor

3/31/2004 Page 1 of 3 3:41PM

CHICAGO TITLE CO.

C22855-SM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200208060096

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 March 24, 2004, 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").

UNRECORDED DOCUMENT

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0567000024

Page 2

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:

This Deed of Trust now secures Promissory Note from Borrower to Lender dated March 25, 2004, for a non-revolving term loan in the amount of \$19,994.88, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Promissory Note or agreement. Said Note is a renewal and replacement of Promissory Note from Borrower to Lender dated October 24, 2003, for a revolving line of credit in the amount of \$19,994.88.

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.

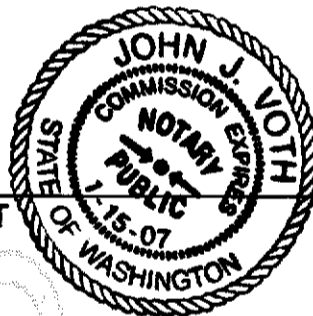
GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED MARCH 24, 2004.

GRANTOR:

x [Signature]
Charles H. Mills Jr.
[Signature]
LORETTA J. MILLS

LENDER:

x [Signature] VP
Authorized Officer



INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

Loretta J Mills and,

On this day before me, the undersigned Notary Public, personally appeared Charles H. Mills Jr., husband and wife, 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 Deed of Trust, 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 24th day of March, 20 04

By [Signature] Residing at Mount Vernon, WA
Notary Public in and for the State of WA My commission expires 1-15-2007



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0567000024

Page 3

LENDER ACKNOWLEDGMENT

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

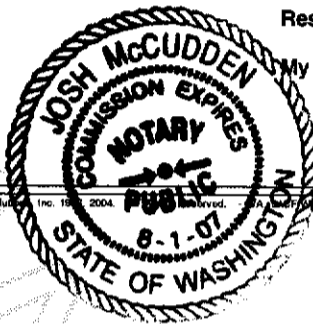
On this 31ST day of MARCH, 20 04, before me, the undersigned Notary Public, personally appeared JOHN VOTH and personally known to me or proved to me on the basis of satisfactory evidence to be the VP / LENDER, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged 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]

Residing at BELLEVUE

Notary Public in and for the State of WA

My commission expires 8-1-07



LASER PRO Lending, Ver. 5.22.30.002 Copr. Highland Financial Solutions, Inc. 1999-2004 MCFPLPLG202.FC TR-2730



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