

RETURN ADDRESS:

Horizon Bank
Commercial Banking Ctr
2211 Rimland Dr., Ste 230
Bellingham, WA 98226



200502110113
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200304080089

Additional on page ____

Grantor(s):

1. Rossman, William B.

FIRST AMERICAN TITLE CO.

73501

Grantee(s)

1. Horizon Bank

ACCOMMODATION RECORDING ONLY

Legal Description: Lots 1 & 2, "Little Mountain Addition"

Additional on page 2

Assessor's Tax Parcel ID#: 4566-000-001-0000 P100596; 4566-000-002-001 P100597

THIS MODIFICATION OF DEED OF TRUST dated February 8, 2005, is made and executed between between William B. Rossman; as his separate estate ("Grantor") and Horizon Bank, whose address is Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").

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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0560000052

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated April 4, 2003 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded April 8, 2003, under Skagit County Auditor's File No. 200304080089.

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

Parcel A: Lot 1, "PLAT OF LITTLE MOUNTAIN ADDITION", as per plat recorded in Volume 15 of Plats, pages 1 through 5, inclusive, records of Skagit County, Washington.

Parcel B: Lot 2, "PLAT OF LITTLE MOUNTAIN ADDITION", as per plat recorded in Volume 15 of Plats, pages 1 through 5, inclusive, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington

The Real Property or its address is commonly known as 1612 & 1600 S. 27th Street, Mount Vernon, WA 98273. The Real Property tax identification number is 4566-000-001-0000 P100596; 4566-000-002-001 P100597

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

The revolving line of credit evidenced by the Note dated February 8, 2005 is increased to \$400,000.00, which shall be and remain secured by the Deed of Trust. This Note is a renewal and replacement of Promissory Note from Borrower to Lender dated April 4, 2003 in the original amount of \$200,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.

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 FEBRUARY 8, 2005.

GRANTOR:

x William B. Rossman
William B. Rossman

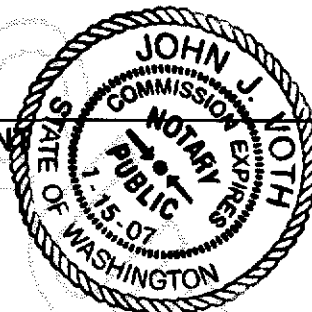
LENDER:

HORIZON BANK

[Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this day before me, the undersigned Notary Public, personally appeared William B. Rossman, as his separate estate, 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 10th day of February, 20 05

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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MODIFICATION OF DEED OF TRUST
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Loan No: 0560000052

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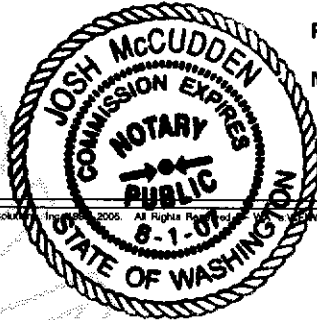
LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 10th day of February, 20 05, 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 OFFICER VP, 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 Paul McCrell
Notary Public In and for the State of WA

Residing at BELLINGHAM
My commission expires 8-1-07



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