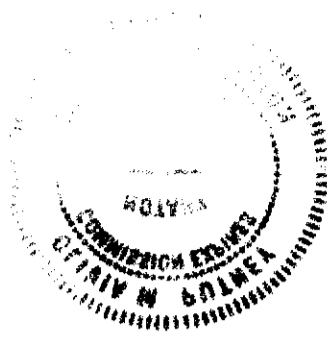


RETURN ADDRESS:
PEOPLES BANK
ANACORTES OFFICE
911 11th STREET
ANACORTES, WA 98221



200306190127
Skagit County Auditor

6/19/2003 Page 1 of 2 11:22AM

FIRST AMERICAN TITLE CO.

MODIFICATION OF DEED OF TRUST

74931

Reference # (if applicable): 20011140215

Additional on page _____

- Grantor(s):
- 1. Dorn, Terry R
 - 2. Dorn, Leslie A

- Grantee(s)
- 1. PEOPLES BANK

Legal Description: LOTS 1, 2 AND THE EAST 5' LOT 3, BLOCK 1508,
NORTHERN PACIFIC ADDITION TO ANACORTES

Additional on page 2

Assessor's Tax Parcel ID#: 3809-508-003-0006(P58431)

THIS MODIFICATION OF DEED OF TRUST dated June 18, 2003, is made and executed between Terry R Dorn and Leslie A Dorn, husband and wife, whose address is 11774 Marine Drive, Anacortes, WA 98221 ("Grantor") and PEOPLES BANK, ANACORTES OFFICE, 911 11th STREET, ANACORTES, WA 98221 ("Lender").

UNOFFICIAL DOCUMENT

MODIFICATION OF DEED OF TRUST

Loan No: 5020809-107

Page 2

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 13, 2001 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

RECORDED NOVEMBER 14, 2001 UNDER AUDITORS FILE NO. 200111140215 RECORDS OF SKAGIT COUNTY, WASHINGTON.

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

LOTS 1, 2, AND THE EAST 5 FEET OF LOT 3, BLOCK 1508, "NORTHERN PACIFIC ADDITION TO ANACORTES", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGES 9 THROUGH 11, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, STATE OF WASHINGTON

The Real Property or its address is commonly known as 4001 W 4th Street, Anacortes, WA 98221. The Real Property tax identification number is 3809-508-003-0006(P58431)

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED NOVEMBER 13, 2001 WITH THE FOLLOWING AMENDMENTS.

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED JUNE 18, 2003 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT.

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 AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JUNE 18, 2003.

GRANTOR:

Terry R Dorn, Individually

Leslie A Dorn, Individually

LENDER: Skagit County Auditor



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INDIVIDUAL ACKNOWLEDGMENT

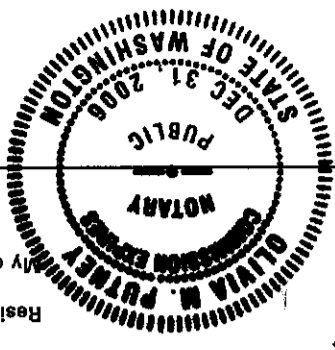
STATE OF Washington

COUNTY OF Skagit

))) SS))

On this day before me, the undersigned Notary Public, personally appeared Terry R Dorn and Leslie A Dorn, 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 18th day of June 2003 Residing at Anacortes My commission expires 12/31/06



Notary Public in and for the State of WA