

RETURN ADDRESS:

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



200309170169

Skagit County Auditor

9/17/2003 Page 1 of 3 3:26PM

FIRST AMERICAN TITLE CO.

MODIFICATION OF DEED OF TRUST

53017

Reference # (if applicable): 200007120062

Additional on page ____

Grantor(s):

1. Skagit County Title Company

Grantee(s)

1. Horizon Bank

Legal Description: Section 31, Township 35, Range 2, Portion Government Lot 6,
Section 32, Township 35, Range 2, Portion Government Lot 1,
Section 32, Township 35, Range 2, Portion Tideland Tract 18, Plate 12; AND
Section 29, Township 35, Range 2, Portion Tideland Tract 7, Plate 14

Additional on page 2

Assessor's Tax Parcel ID#: 350231-0-016-0309, 350232-0-001-0206, 350232-0-001-0107,
350229-0-010-0200, 350229-0-010-0309

THIS MODIFICATION OF DEED OF TRUST dated September 4, 2003, is made and executed between Skagit County Title Company ("Grantor") and Horizon Bank, Burlington Office, PO Box 642 / 1020 South Burlington Blvd, Burlington, WA 98233 ("Lender").

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

Loan No: 0567000005

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 7, 2000 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded July 12, 2000, under Skagit County Auditor's File #200007120062.

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

PARCEL "P":

Those portions of Government Lot 6, Section 31, Township 35 North, Range 2 East W.M., and Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at a point on the North line of the Burlington Northern Railroad right-of-way, which is 75 feet West of the right-of-way change (from 100 feet to 75 feet); at Station 325 + 85; thence South along the Easterly line of that certain tract of land conveyed to Olympic V Associates, et al, by Deed recorded under Auditor's File No. 8011200029, records of Skagit County, Washington, to the South line of said Railroad right-of-way and the true point of beginning; thence Easterly along the South boundary of the Burlington Northern right-of-way, crossing the Section line common to Sections 31 and 32, continuing Easterly along the Burlington Northern right-of-way in Lot 1, Section 32, to the Government Meander Line; thence South along the Meander Line to the North boundary of Fidalgo Bay Road as it now exists; thence Westerly along the North boundary of Fidalgo Bay Road, crossing Weaverling Road, and continuing to a point that is a distance of 525 feet from the West boundary of Weaverling Road (being also on the East line of the Olympic V Associates tract as set forth herein above); thence North along the East line of said Olympic V Associates tract to the true point of beginning, less County Roads; ALSO EXCEPT any portion thereof lying Easterly of the Weaverling Road; TOGETHER WITH that portion of said Government Lot 6 conveyed to Richard V. Stockwell, Jr., et ux, by Deed recorded February 14, 2000, under Auditor's File No. 200002140139.

PARCEL "Q":

That portion of Government Lot 6 of Section 31, Township 35 North, Range 2 East W.M., lying Southeasterly of the Southeasterly line of the Weaverling Road and lying Northeasterly of the Northeasterly line of Fidalgo Bay Road.

PARCEL "R":

That portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at the Section corner common to Sections 29, 30, 31 and 32, Township 35 North, Range 2 East W.M., situated in Skagit County, State of Washington; thence Easterly along the Government Meander Line a distance of 172.68 feet, which is the true point of beginning; thence Easterly along said Government Meander Line, 415 feet, more or less, to the Northwest corner of a tract owned by Richard Stockwell; thence Southerly along the West boundary of said Tract, (which is 125 feet West and parallel to the "Old Fence Line", as established in Skagit County Superior Court Cause No. 23670), to the North line of the Burlington Northern right-of-way; thence Westerly along said right-of-way to the intersection of the Section line common to Sections 31 and 32, and the North boundary of the Burlington Northern right-of-way; thence North to the true point of beginning; EXCEPT the County Road.

TOGETHER WITH those portions of Tideland Tract 7, Plat 14, Section 29, Township 35 North, Range 2 East W.M., and Tideland Tract 18, Plat 12, Section 32, Township 35 North, Range 2 East W.M., described as follows:

Beginning at the common corner of Sections 29, 30, 31 and 32, Township 35 North, Range 2 East W.M.; thence Easterly along the High Tide Line a distance of 172.68 feet to the true point of beginning; thence Northerly, crossing Tract 18 and continuing in Tract 7, parallel to the "Old Fence Line", if produced to the Inner Harbor Line and being also along the Easterly line of that certain tract conveyed to Olympic V Associates, et al, by Deed recorded under Auditor's File No. 8011200029; thence Easterly along the boundary of the Inner Harbor Line in Tract 7, to a point which is 125 feet West and parallel to the "Old Fence Line" (as established in Skagit County Superior Court Cause No. 23670), if extended; thence Southerly across Tracts 7 and 18, to the Government Meander Line (Government Lot 1); thence West, 415 feet, more or less, to the true point of beginning.

PARCEL "S":

That portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., described as follows:

The East 125.00 feet of that portion of Government Lot 1, Section 32, Township 35 North, Range 2 East W.M., lying South of the Government Meander Line, and North of the North right-of-way line of the Great Northern Railway and West of that old fence property line established by that certain judgment entered September 6, 1956, in Skagit County Superior Court Cause No. 23670.

TOGETHER WITH vacated portion of Weaverling Road #107, which portion of said road was vacated on June 14, 1948, under Commissioner's File No. 7828, EXCEPT that portion lying within the existing Weaverling Road.

PARCEL "T":

That portion of Tideland Tract 7, Plat 14, of Section 29, Township 35 North, Range 2 East W.M., more particularly described as follows:

Commencing at the Southwest corner of said Section 29; thence due East 603.321 feet to the true point of beginning; thence continuing due East 271.679 feet to the Inner Harbor Line of Fidalgo Bay; thence North 47 degrees 19' 00" West along said Inner Harbor Line, 291.946 feet; thence South 16 degrees 05' 00" West parallel with said old fence property line (as established in Skagit County Superior Court Cause No. 23670), 205.986 feet to the true point of beginning; EXCEPT any portion thereof lying within the boundaries of that portion of said Tract 7, Plat 14, conveyed by Deed recorded under Auditor's File No. 8007220032, from Richard Stockwell, et ux, to Richard Stockwell as Trustee.

PARCEL "U":

The East 125 feet of that portion of Tract 18, Plat 12, Tide and Shore Lands of Section 32, Township 35 North, Range 2 East W.M., Anacortes Harbor, according to the recorded plat thereof, lying Northeasterly of the North line of the right-of-way of the Seattle and Northern (now Burlington Northern) Railway, and Westerly of the "Old Fence Line" as established by decree dated August 27, 1962, in Skagit County Superior Court Cause No. 23670, produced Northerly through Tract 18.

The Real Property or its address is commonly known as 1107 and 1111 Fidalgo Bay Road, Anacortes, WA 98221. The Real Property tax identification number is 350231-0-016-0309, 350232-0-001-0206, 350232-0-001-0107, 350229-0-010-0200, 350229-0-010-0309

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

Grantor of Property is hereby amended to Skagit County Title Company dba First American Title Company of Skagit County.

Modification to reflect new property address of 4701 Fidalgo Bay Road for site formerly known as 1107 & 1111 Fidalgo Bay Road.



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 0567000005

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The maturity date of August 15, 2003 in the 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 endorers 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 SEPTEMBER 4, 2003.

GRANTOR:

SKAGIT COUNTY TITLE COMPANY

By:

James B. Koetje
James B. Koetje, President of Skagit County Title Company

LENDER:

X

[Signature]
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

On this 10th day of September, 20 03, before me, the undersigned Notary Public, personally appeared James B. Koetje, President of Skagit County Title Company, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, 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 corporation.

By Catherine L. Timmerman
Notary Public in and for the State of WA

Residing at Burlington
My commission expires 6-16-07



LENDER ACKNOWLEDGMENT

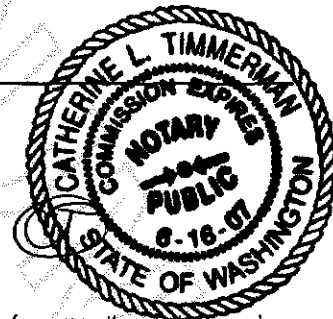
STATE OF Washington

COUNTY OF Skagit

On this 10th day of September, 20 03, before me, the undersigned Notary Public, personally appeared John Stewart and personally known to me or proved to me on the basis of satisfactory evidence to be the Senior 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 Catherine L. Timmerman
Notary Public in and for the State of WA

Residing at Burlington
My commission expires 6-16-07



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