

Andrew Barram

RETURN ADDRESS:

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



200410280183
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200004260097

Additional on page _____

Grantor(s):

1. SCI Properties, L.L.C.

Grantee(s)

1. Horizon Bank

Legal Description: Lots 23-25, Inc. BSP No. SW-01-93 (Sunset Industrial Park) and Lot 13,
Sedro Acreage

Additional on page _____

Assessor's Tax Parcel ID#: 8003-000-023-0002; 8003-000-024-003; 8003-000-025-0004;
4170-000-013-0001

THIS MODIFICATION OF DEED OF TRUST dated August 30, 2004, is made and executed between SCI Properties, L.L.C.; A Washington Limited Liability Company ("Grantor") and Horizon Bank, Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").

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

Loan No: 1060000116

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated January 28, 2000 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded January 31, 2000 under Skagit County Auditor's File No. 200001310102, and rerecorded April 26, 2000 under Skagit County Auditor's File No. 200004260097.

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

See Exhibit A, 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 601 W. State Street, Sedro Woolley, WA 98284. The Real Property tax identification number is 8003-000-023-0002; 8003-000-024-003; 8003-000-025-0004; 4170-000-013-0001

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

The Deed of Trust is modified to secure a Promissory Note to SCI Properties, L.L.C. dated August 30, 2004 in the original amount of \$300,000.00.

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 AUGUST 30, 2004.

GRANTOR:

SCI PROPERTIES, L.L.C.

By: [Signature]
John R. Norton, Managing Member of SCI Properties, L.L.C.

LENDER:

HORIZON BANK

X [Signature]
Authorized Officer

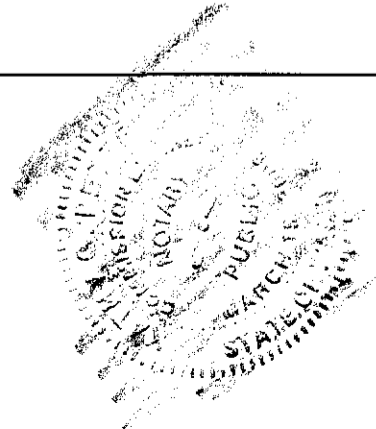
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 15th day of October, 2004, before me, the undersigned Notary Public, personally appeared John R. Norton, Managing Member of SCI Properties, L.L.C., and personally known to me or proved to me on the basis of satisfactory evidence to be a of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, 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 limited liability company.

By: [Signature]
Notary Public in and for the State of Washington

Residing at Burlington
My commission expires March 15, 2008



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 1060000116

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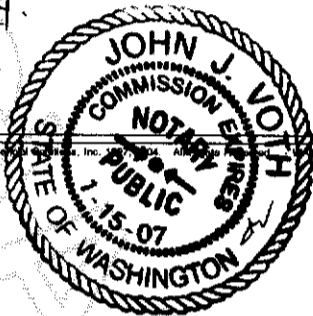
LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 15th day of October, 20 2004, before me, the undersigned Notary Public, personally appeared John K. Stewart and personally known to me or proved to me on the basis of satisfactory evidence to be the Officer - Senior 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 [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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Exhibit A

PARCEL "A":

Lots 23 through 25, inclusive, of Binding Site Plan No. SW-01-93, (Sunset Industrial Park) recorded in Volume 11 of Short Plats, pages 83 and 84, under Auditor's File No. 9406100051, records of Skagit County, Washington; being a portion of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 23, Township 35 North, Range 4 East, W.M., and Tracts 14 and 15, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.

PARCEL "B":

Lot 13, "SEDRO ACREAGE", as per plat recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington, EXCEPT that portion described as follows:

The North 15 feet of the East 5 feet and all that portion of said Lot 13 lying Northerly of the following described right of way line:

Beginning at the Northeast corner of Lot 13;
thence South 5 feet;
thence West along a line which is parallel to and 5 feet South of the South line of West State Street, a distance of 80.79 feet;
thence on a curve to the left having a central angle of $18^{\circ}38'27''$ and a radius of 275.00 feet, an arc distance of 89.47 feet;
thence Southwesterly along a line which is parallel to and 60 feet Southeasterly of and measured at right angles to the South line of the Burlington Northern Railroad right of way, a distance of 337.20 feet;
thence on a curve to the right, having a central angle of $63^{\circ}00'00''$ and a radius of 110.00 feet, an arc distance of 120.95 feet, more or less, to a point on the South line of the Burlington Northern Railroad right of way and the terminus of this right of way line.

Situate in the City of Sedro-Woolley, County of Skagit, State of Washington.



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