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SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE

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AUDITOR
GARY H. OLSON

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Chase Manhattan Mortgage Corporation
2000 S. Colorado Blvd. 12th Floor
Denver, CO 80222
Construction Department

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MODIFICATION AGREEMENT

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THIS AGREEMENT (the "Agreement") is made as of the 26th day of November 2001, by the undersigned ("Borrower"), with an address at
461 HUDSON RD, WASHOUGAL, WA 98671
and Chase Manhattan Mortgage Corporation ("Lender"), with an address at
200 OLD WILSON BRIDGE ROAD
WORTHINGTON OHIO 43085
This instrument modifies the terms of (i) either a Fixed Rate Note or an Adjustable Rate Note (the "Note"), as modified by a Construction Addendum to Fixed Rate or Adjustable Rate Note (the "Addendum to Note") both executed on 05/03/01, by Borrower in favor of Lender, and (ii) the Mortgage, Deed of Trust, Trust Deed, Deed to Secure Debt, Security Deed or similar instrument (the "Security Instrument") as modified by an Adjustable Rate Rider (if applicable) and a Construction Addendum to the Security Instrument (the "Construction Addendum") all executed on the same date as the Note, by Borrower in favor of Lender and recorded in Official Records Book or Liber 209, at Page 444, of the Public/Land Records of SKAMANIA County (or Town/City), SKAMANIA. All terms defined in the Security Instrument shall have the same definitions when used in this Agreement.

1. LOAN AMOUNT

______ IF CHECKED, the outstanding principal balance remains unchanged.

XX IF CHECKED, the outstanding principal balance on the loan as of the date of this Agreement is hereby reduced to $ 273300.00 based on a principal curtailment made by Borrower. The initial

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monthly payment of principal and interest will be $ 1795.39 .

2. MATURITY

______ IF CHECKED, the first monthly payment date of the permanent loan phase and the maturity date of the Note and Security Instrument remain unchanged.

__XX__ IF CHECKED, Borrower's first monthly payment of principal and interest under the permanent loan phase will be due on 01/01/02 and the first Change Date (if applicable) will be . The maturity date of the Note and Security Instrument is hereby changed to 12/01/31 , at which time the entire unpaid principal balance and all unpaid accrued interest shall be due and payable. All references in the Note and Security Instrument to the above dates are hereby modified to refer to such dates.

3. INTEREST RATE AND TERM

__XX__ IF CHECKED, the interest rate payable under the Note remains unchanged.

______ IF CHECKED, the terms and provisions of the Note are amended and modified as indicated in the New Loan Terms below. This Agreement shall render forever null and void and of no further force or effect any Rider to the Note providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note.

______ IF CHECKED, the terms and provisions of the Note are amended and modified to an Adjustable Rate Note as indicated in the New Loan Terms below. Changes in Borrower's monthly payment will reflect changes in the unpaid principal of the loan and in the interest rate that Borrower must pay. The Note Holder will determine Borrower's new interest rate and the changed amount of Borrower's monthly payment in accordance with Section 4 of this Note.

______ IF CHECKED, the terms and provisions of the Adjustable Rate Note are amended and modified as indicated in the New Loan Terms below. The interest rate will remain fixed for the term of the loan and any references to changes in the interest rate are null and void. This Agreement shall render forever null and void and of no further force or effect any provision in the Adjustable Rate Note, the Security Instrument and any rider or addendum to the Note and Security Instrument providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, and any prepayment penalty and conversion option (if applicable).

NEW LOAN TERMS

FIXED RATE

Interest Rate 6.875 %

Term 30 years

Monthly Payment:
$ 1795.39

ADJUSTABLE RATE

Initial Interest Rate ____________ %

Term __________ years

Initial Monthly Payment:
$ ____________

Margin: ____________

Interest Rate at First Change Date will
NOT be GREATER than ____________ %
or LESS than ____________ %

Interest Rate during life of loan will
NEVER be GREATER than ____________ %
or LESS than the margin

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate Borrower will pay will change to an adjustable interest rate on the first day of ____________, and on that day every 12th month thereafter. Each date on which Borrower's adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding percentage points (%)("the Margin") to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be Borrower's new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the maturity date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than

or less than %.

%. Thereafter, Borrower's adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest Borrower has been paying for the preceding twelve months. Borrower's interest rate will never be greater than

%, which is called the "Maximum Rate", or less than the Margin.

(E) Effective Date of Changes

Borrower's new interest rate will become effective on each Change Date. Borrower will pay the amount of Borrower's new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in Borrower's adjustable interest rate and the amount of Borrower's monthly payment before the effective date of any change. The Notice will include information required by law to be given to Borrower and also the title and telephone number of a person who will answer any question Borrower may have regarding the notice.

(G) Prepayment

If Borrower makes a partial prepayment, the partial prepayment may reduce the amount of Borrower's monthly payments after the first Change Date following the partial prepayment. However, any reduction due to the partial prepayment may be offset by an interest rate increase.

5. **TRANSFER OF PROPERTY OR A BENEFICIAL INTEREST.** If Borrower has chosen to amend the Note to an Adjustable Rate Note as indicated in Section 3 of this Agreement, the following shall apply:

UNIFORM SECURED NOTE

The Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under the Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises that I make in the Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under the Note. Some of those conditions are described as follows:

(A) Until my initial fixed interest rate changes to an adjustable interest rate under the terms stated in section 4 above, uniform covenant 18 of the security instrument is described as follows:

Transfer of the Property or a Beneficial Interest in Borrower.

If all or any part of the Property or any interest in it is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is given in accordance with Section 15 within which the Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(B) When my initial fixed interest rate changes to an adjustable interest rate under the terms stated in section 4 above, uniform covenant 18 of the security instrument described in section (A) above shall then cease to be in effect, and uniform covenant 18 of the security instrument shall instead be described as follows:

Transfer of the Property or a Beneficial Interest in Borrower.

If all or any part of the Property or any interest in it is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

6. CONSTRUCTION PHASE TERMINATED. Except as otherwise specifically provided therein, the Addendum to Note, Construction Addendum and Construction Loan Agreement are hereby terminated and from and after the date hereof shall be forever null and void and of no further force or effect. The loan shall hereafter be evidenced by the Note as modified by this Agreement and secured by the Security Instrument as modified by the Adjustable Rate Rider (if applicable) and any other rider or addendum to the Note or Security Instrument not specifically terminated by this Agreement.

Except as otherwise specifically provided therein, all terms and provisions of the Note and Security Instrument, or any rider, addendum, or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any terms and provisions relating solely to the construction phase of the loan, including, if applicable, any changes to the title of the Note or Security Instrument, or any such rider, addendum or other instrument or document, are hereby terminated and from and after the date hereof shall be forever null and void and of no further force or effect.

7. RELEASE OF SECURITY INTEREST. Lender hereby releases the security interest in the collateral that Borrower granted to Lender in the Construction Addendum, except to the extent also granted in the Security Instrument.

8. MISCELLANEOUS. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto effective the day and year first above written.

D. W. Mill
DEAN W MILLS

Bendicta L. Mills
BENDICTA L MILLS

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STATE OF Washington
COUNTY OF SKAMANIA

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ADDITIONAL NOTARY FOR: CTC - 105728a

STATE OF WASHINGTON ss.
County of CLARK

I certify that I know or have satisfactory evidence that
DEAN W. MILLS AND BENDICTA L. MILLS

signed this instrument, and acknowledged it to be, THEIR free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: DECEMBER 10, 2001

Notary Public in and for the State of Washington,
residing at VANCOUVER

My appointment expires 12-15-03

LOIS R. ROBERTS
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
DECEMBER 15, 2003