

RETURN ADDRESS:

Pacific Northwest Bank
1111 3rd Avenue Suite
250
Seattle, WA 98101



200401210095
Skagit County Auditor

1/21/2004 Page 1 of 3 3:18PM

CHICAGO TITLE CO. C 26277 ✓

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200303260129

Additional on page _____

Grantor(s):

1. PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002

Grantee(s)

1. Pacific Northwest Bank

Legal Description: PTN. LOT 49, ANACORTES INDUSTRIAL PARK

Additional on page 2

Assessor's Tax Parcel ID#: 4198-000-049-0007 AND 4198-000-049-0106

THIS MODIFICATION OF DEED OF TRUST dated January 3, 2004, is made and executed between PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002 ("Grantor") and Pacific Northwest Bank, Anacortes Financial Center, 1111 Third Ave. Ste. 250, Seattle, WA 98101 ("Lender").

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

Page 2

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated March 25, 2003 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED ON MARCH 26, 2003, UNDER AUDITOR'S FILE NO. 200303260129 IN SKAGIT COUNTY, STATE OF WASHINGTON.

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

PARCEL A: THE WEST 135.69 FEET OF LOT 49, ANACORTES INDUSTRIAL PARTK ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 10 OF PLATS, PAGE 19, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL B: LOT 49, ANACORTES INDUSTRIAL PARK ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 10 OF PLATS, PAGE 19, RECORDS OF SKAGIT COUNTY, WASHINGTON; EXCEPT THE WEST 135.69 FEET THEREOF. SITUATED IN SKAGIT COUNTY, WASHINGTON

The Real Property or its address is commonly known as 2901 T. AVE., ANACORTES, WA 98221. The Real Property tax identification number is 4198-000-049-0007 AND 4198-000-049-0108

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

AMEND LEGAL DESCRIPTION TO INCLUDE THE FOLLOWING:

ADD PARCEL A TO CURRENT DESCRIPTION

ADD PARCEL B

LOT 49, ANACORTES INDUSTRIAL PARK ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 10 OF PLATS, PAGE 19, RECORDS OF SKAGIT COUNTY, WASHINGTON; EXCEPT THE WEST 135.69 FEET THEREOF. SITUATED IN SKAGIT COUNTY, WASHINGTON.

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 JANUARY 3, 2004.

GRANTOR:

PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002

By: *Patric L. Ballenger* TRUSTEE
PATRIC L. BALLENGER, Trustee of PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002

By: *Judith M. Ballenger* Trustee
JUDITH M. BALLENGER, Trustee of PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002

LENDER:

X *D. Spinkson*
Authorized Officer



200401210095
Skagit County Auditor

1/21/2004 Page 2 of 3 3:18PM

MODIFICATION OF DEED OF TRUST
(Continued)

TRUST ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

CATHY J. BAY-SCHMITH
STATE OF WASHINGTON
NOTARY --o-- PUBLIC
COMMISSION EXPIRES 11-28-07

On this 12th day of January, 2004, before me, the undersigned Notary Public, personally appeared PATRIC L. BALLENGER, Trustee of PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, 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 trust.

By [Signature] Residing at Quacoma
Notary Public in and for the State of Washington My commission expires 11-28-07

TRUST ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

CATHY J. BAY-SCHMITH
STATE OF WASHINGTON
NOTARY --o-- PUBLIC
COMMISSION EXPIRES 11-28-07

On this 12th day of January, 2004, before me, the undersigned Notary Public, personally appeared JUDITH M. BALLENGER, Trustee of PATRIC L. AND JUDITH M. BALLENGER, TRUSTEES OF THE PATRIC L. AND JUDITH M. BALLENGER LIVING TRUST, U/A DATED JANUARY 15, 2002, and personally known to me or proved to me on the basis of satisfactory evidence to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, 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 trust.

By [Signature] Residing at Quacoma
Notary Public in and for the State of Washington My commission expires 11-28-07

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

CATHY J. BAY-SCHMITH
STATE OF WASHINGTON
NOTARY --o-- PUBLIC
MY COMMISSION EXPIRES 11-28-07

On this 12th day of January, 2004, before me, the undersigned Notary Public, personally appeared [Signature] and personally known to me or proved to me on the basis of satisfactory evidence to be the [Signature], 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] Residing at Quacoma
Notary Public in and for the State of Washington My commission expires 11-28-07

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Skagit County Auditor