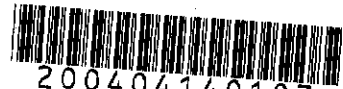


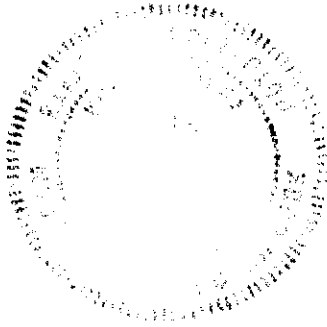
RETURN ADDRESS:

Peoples Bank
Loan Services Department
P.O. Box 233
Lynden, WA 98264



200404140103
Skagit County Auditor

4/14/2004 Page 1 of 3 3:43PM



FIRST AMERICAN TITLE CO.

8085)

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200209130128

Additional on page _____

Grantor(s):

1. Holt, Robert M
2. Holt, Sheri L

Grantee(s)

1. PEOPLES BANK

Legal Description: LOT 26, "SHOREWOOD"

Additional on page 2

Assessor's Tax Parcel ID#: 4000-000-026-0002 (P69187)

THIS MODIFICATION OF DEED OF TRUST dated April 8, 2004, is made and executed between Robert M Holt and Sheri L Holt, husband and wife, whose address is 17069 Island View Lane, La Conner, WA 98257 ("Grantor") and PEOPLES BANK, ANACORTES OFFICE, 911 11th STREET, ANACORTES, WA 98221 ("Lender").

MODIFICATION OF DEED OF TRUST

(Continued)

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 4, 2002 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A DEED OF TRUST DATED SEPTEMBER 4, 2002 AND RECORDED SEPTEMBER 13, 2002 UNDER AUDITOR'S FILE NO. 200209130128 RECORDS OF 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:

Lot 26, "SHOREWOOD", according to the plat thereof, recorded in Volume 9 of Plats, Pages 82 and 83, records of Skagit County, Washington.

The Real Property or its address is commonly known as 17069 Island View Lane, La Conner, WA 98257. The Real Property tax identification number is 4000-000-026-0002 (P69187).

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED APRIL 8, 2004 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OF AGREEMENT.

INCREASE PRINCIPAL AMOUNT FROM \$50,000.00 TO \$87,000.00.

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 endorses to the Note, including accommodation makers, shall not be released by virtue of this Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by 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 APRIL 8, 2004.

GRANTOR:

X Robert M Holt, Individually

X Sheri L Holt, Individually

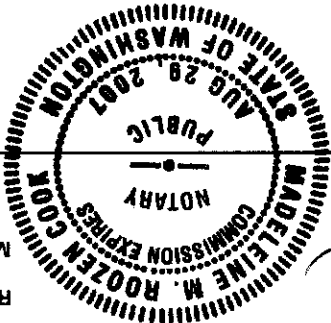
X LENDER
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF)
COUNTY OF)
) SS)

On this day before me, the undersigned Notary Public, personally appeared Robert M Holt and Sheri L Holt, 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 12th day of April, 2004.
Residing at)
My commission expires 8/29/07)



MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5713193-1

Page 3

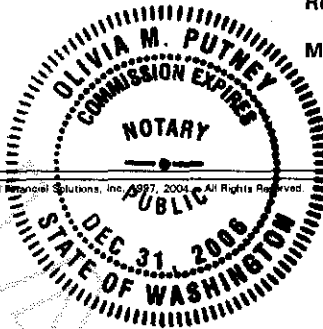
LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 12th day of April, 2004, before me, the undersigned Notary Public, personally appeared Madeleine Roosen Cook and personally known to me or proved to me on the basis of satisfactory evidence to be the 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.

Olivia M. Putney
Notary Public in and for the State of WA

Residing at Anacortes, WA
My commission expires 12/31/06



LASER PRO Lending, Ver. 5.22.10.005 Copyright Harland Financial Solutions, Inc. 1997, 2004 All Rights Reserved. WA P:\CFIWIN\CFIL\PLIG202.FC TR-10410 PR-8



200404140103
Skagit County Auditor

4/14/2004 Page 3 of 3 3:43PM