

RETURN ADDRESS:

PEOPLES BANK
MOUNT VERNON OFFICE
1801 RIVERSIDE DRIVE
MOUNT VERNON, WA
98273



200405190101

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

m-14557

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200312120096

Additional on page _____

Grantor(s):

1. JOHNSON, BRUCE
2. PEDERSEN, GUNNAR

Grantee(s)

1. PEOPLES BANK

Legal Description: LOTS 1 & 2, BLK 79, AM BURL

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Assessor's Tax Parcel ID#: 4076-079-002-0003 (P71844)

THIS MODIFICATION OF DEED OF TRUST dated May 18, 2004, is made and executed between BRUCE JOHNSON, whose address is 17536 ALLEN ROAD, BOW, WA 98232 and GUNNAR PEDERSEN, whose address is 16325 DIKE RD., MOUNT VERNON, WA 98273 ("Grantor") and PEOPLES BANK, MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5022799-204

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 10, 2003 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED DECEMBER 12, 2003 UNDER RECORDING NUMBER 200312120096 IN RECORDS OF SKAGIT COUNTY, WASHINGTON.

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

LOTS 1 & 2, BLOCK 79, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH." AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 17, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF BURLINGTON, COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as 1034 E ORANGE AVE, BURLINGTON, WA 98233. The Real Property tax identification number is 4076-079-002-0003 (P71844)

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED DECEMBER 10, 2003 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED MAY 18, 2004 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT.

THE PRINCIPAL AMOUNT OF THE NOTE IS \$67,500.00 WHICH INCLUDES A NEW ADVANCE OF \$7,500.00.

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 AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED MAY 18, 2004.

GRANTOR:

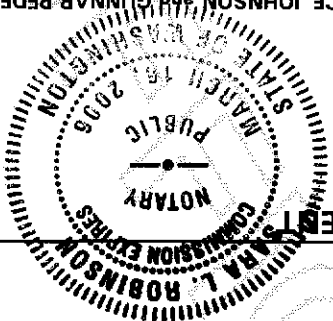
X BRUCE JOHNSON
X BRUCE JOHNSON

PEOPLES BANK

LENDER:

X James M. Kunkley
Authorized Officer

STATE OF Washington COUNTY OF Skagit
INDIVIDUAL ACKNOWLEDGMENT



On this day before me, the undersigned Notary Public, personally appeared **BRUCE JOHNSON and GUNNAR PEDERSEN**, personally known to me or proved to me on the basis of satisfactory evidence 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 18 day of May, 2004.

By Sarah L. Robinson Notary Public in and for the State of WA

Residing at Skagit County, WA

My commission expires March 18, 2006

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Skagit County Auditor
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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5022799-204

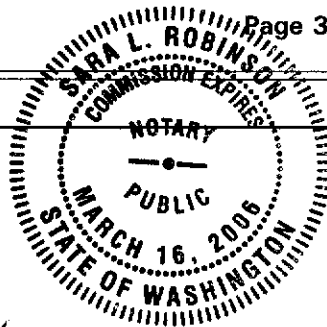
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LENDER ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

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On this 18 day of May, 20 04, before me, the undersigned Notary Public, personally appeared James Anderson May 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 Sara L. Robinson

Residing at Sedro Woolley, WA

Notary Public in and for the State of WA

My commission expires March 16, 2006



200405190101
Skagit County Auditor