

RETURN ADDRESS:

PEOPLES BANK
LOAN SERVICES
DEPARTMENT
PO BOX 233
LYNDEN, WA 98264



200502280051
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200307230111

Additional on page _____

Grantor(s):

1. Pedersen, Erik

FIRST AMERICAN TITLE CO.

83912

Grantee(s)

1. PEOPLES BANK

Legal Description: Section 12, Township 35, Range 7; ptn. Government Lot 4

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Assessor's Tax Parcel ID#: 350712-0-007-0001 P42529 & 350712-0-022-0002 P42538

THIS MODIFICATION OF DEED OF TRUST dated February 22, 2005, is made and executed between between Erik Pedersen, as his separate estate, whose address is 7413 NE Cape Horn Road, Concrete, WA 98237 ("Grantor") and PEOPLES BANK, whose address is MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5713856-1

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 21, 2003 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A DEED OF TRUST DATED JULY 21, 2003 AND RECORDED JULY 23, 2003 UNDER AUDITOR'S FILE NO. 20030723011 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:

PARCEL "A":

That portion of Government Lot 4 of Section 12, Township 35 North, Range 7 East W.M., lying Easterly of the road shown on the County road map as Cape Horn Road, which traverses said Government Lot in a Northerly-Southerly direction and Southerly of S.S. Highway 17-A, now known as Highway 20, as conveyed to the State of Washington by Deed dated August 24, 1949 recorded October 28, 1949 in Volume 236 of Deeds, page 342 as Auditor's File No. 437457; EXCEPT the 3 following described tracts:

1.) The South 75 feet for road purposes as conveyed to O.M. Steen, et ux, by deed dated November 17, 1941 filed November 19, 1941 as Auditor's File No. 34661;

2.) That portion, if any, lying Westerly of the Easterly line of those premises conveyed to the State of Washington by Deed dated November 1, 1949 file January 5, 1950 as Auditor's File No. 440108 and recorded in Volume 237 of Deeds, page 288;

3.) Beginning at the Southwest corner of Lot 4; thence North on the West line of said Section 12, 145 feet; thence East at right angles from said West line 360 feet to the true point of beginning; thence North 37 degrees West 320 feet to the point where the County road turns right; thence North 40 degrees East 325 feet along the South line of the County road; thence South 37 degrees East 230 feet to the North bank of the Skagit River; thence Westerly along the North bank of the Skagit River 325 feet; thence Northwesterly approximately 50 feet to the true point of beginning.

PARCEL "B":

That portion of Government Lot 4 of Section 12, Township 35 North, Range 7 East W.M., described as follows:

Beginning at the Southwest corner of Lot 4; thence North on the West line of said Section 12, 145 feet; thence East at right angles from said West line 360 feet to the true point of beginning; thence North 37 degrees West 320 feet to the point where the County road turns right; thence North 40 degrees East 325 feet along the South line of the County road; thence South 37 degrees East 230 feet to the North bank of the Skagit River; thence Westerly along the North bank of the Skagit River 325 feet; thence Northwesterly approximately 50 feet to the true point of beginning.

EXCEPT therefrom the 2 following described tracts:

1.) That portion, if any, lying Westerly of the Easterly line of those premises conveyed to the State of Washington by Deed dated November 1, 1949 and recorded January 5, 1950 as Auditor's File No. 440108 in Volume 237 of Deeds, page 288;

2.) That portion, if any, lying within the right of way of the Cape Horn County road along the Westerly line thereof; Situate in Skagit County, Washington

The Real Property or its address is commonly known as 7413 NE Cape Horn Road, Concrete, WA 98237. The Real Property tax identification number is 350712-0-007-0001 P42529 & 350712-0-022-0002 P42538

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED FEBRUARY 22, 2005 FROM GRANTOR TO LENDER, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCING OF, INCREASE THE PRINCIPAL AMOUNT FROM \$150,379.97 TO \$200,000.00

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 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 FEBRUARY 22, 2005.

GRANTOR:

Erik Pedersen



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Skagit County Auditor

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MODIFICATION OF DEED OF TRUST
(Continued)

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LENDER:

PEOPLES BANK

x Barbara Lowery
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASH

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) SS
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COUNTY OF Skagit

On this day before me, the undersigned Notary Public, personally appeared Erik Pedersen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this

day of February, 2005

By Barbara Lowery
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires 11-15-07

LENDER ACKNOWLEDGMENT

STATE OF WASH

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) SS
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COUNTY OF Skagit

On this 22nd day of February, 2005, before me, the undersigned Notary Public, personally appeared Barbara Lowery and personally known to me or proved to me on the basis of satisfactory evidence to be the PERSON, 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, and acknowledged by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and that he or she is authorized to execute this said instrument and that the seal affixed is the correct seal of the Notary Public.

By Katherine A. Gates
Notary Public in and for the State of WA

Residing at Everett, WA
My commission expires 9.10.07



200502280051
Skagit County Auditor

