

RETURN ADDRESS:

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



200605220160
Skagit County Auditor

5/22/2006 Page 1 of 3 11:32AM

CHICAGO TITLE IC38981-SM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200506090069

Additional on page _____

Grantor(s):

1. KRIEGER, WILLIAM D

Grantee(s)

1. PEOPLES BANK

Legal Description: Lot 9, HILLCREST ESTATES II

Additional on page 2

Assessor's Tax Parcel ID#: 4563-000-009-0008

THIS MODIFICATION OF DEED OF TRUST dated May 19, 2006, is made and executed between between WILLIAM D KRIEGER, as his separate estate, whose address is 2110 E FOWLER STREET, MOUNT VERNON, WA 98274 ("Grantor") and PEOPLES BANK, whose address is MOUNT VERNON OFFICE, PHONE: (360) 848-8872, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5715303-1

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated June 8, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A DEED OF TRUST DATED JUNE 08, 2005 AND RECORDED JUNE 09, 2005 UNDER AUDITOR'S FILE NO. 20050690069 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:

Lot 9, HILLCREST ESTATES II, according to the plat thereof recorded in Volume 14 of Plats, pages 199, 200 and 201, records of Skagit County, Washington.

Situated in Skagit County, Washington
The Real Property or its address is commonly known as 2110 E Fowler Street, Mount Vernon, WA 98274. The Real Property tax identification number is 4563-000-009-0008.

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATE MAY 19, 2006 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCING OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT INCREASE THE PRINCIPAL AMOUNT FROM \$55,000.00 TO \$100,000.00.

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 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 MAY 19, 2006.

GRANTOR:

X William D Krieger
WILLIAM D KRIEGER

LENDER:

PEOPLES BANK

X Maddy C. Anderson
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WA

COUNTY OF Skagit

),
) SS,
)

On this day before me, the undersigned Notary Public, personally appeared WILLIAM D KRIEGER, 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

19th

day of

May

2006

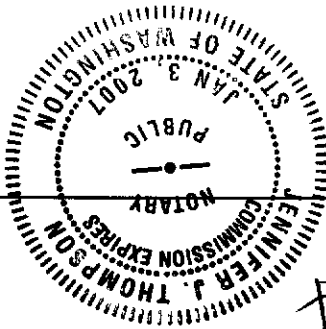
Residing at

Mt Vernon

My commission expires

11/3/07

By William D Krieger
Notary Public in and for the State of WA



MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5715303-1

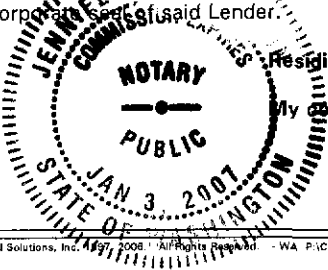
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LENDER ACKNOWLEDGMENT

STATE OF WA)
) SS
COUNTY OF Skagit)

On this 18th day of May, 2006, before me, the undersigned Notary Public, personally appeared Melba Heider 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, 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 Jennifer Humpal Residing at mt vernon
Notary Public in and for the State of WA My Commission expires 1/3/07



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Skagit County Auditor