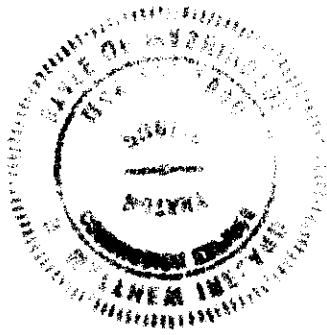


RETURN ADDRESS:
PEOPLES BANK
LOAN SERVICES
DEPARTMENT
PO BOX 233
LYNDEN, WA 98264



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Skagit County Auditor

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CHICAGO TITLE IC39889-SM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200508150093

Additional on page _____

Grantor(s):

1. EBERHARDT, NEIL S

Grantee(s)

1. PEOPLES BANK

Legal Description: Lot 19, PLAT OF CEDAR HILLS NO. 3

Additional on page 2

Assessor's Tax Parcel ID#: 3880-000-019-0008 P64350

THIS MODIFICATION OF DEED OF TRUST dated August 9, 2006, is made and executed between between NEIL S EBERHARDT, as his separate estate, whose address is 2325 CROSBY DRIVE, MOUNT VERNON, WA 98274 ("Grantor") and PEOPLES BANK, whose address is EAST MOUNT VERNON OFFICE, PHONE: (360) 848-1833, 2601 EAST DIVISION STREET, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5033246-102

(Continued)

Page 2

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 12, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A DEED OF TRUST DATED AUGUST 12, 2005 AND RECORDED AUGUST 15, 2005 UNDER AUDITOR'S FILE NO. 200508150093 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 19, PLAT OF CEDAR HILLS NO. 3, according to the plat thereof recorded in Volume 9 of Plats, pages 36 and 37, records of Skagit County, Washington.

Situated in Skagit County, Washington.

The Real Property or its address is commonly known as 2325 Crosby Drive, Mount Vernon, WA 98274. The Real Property tax identification number is 3880-000-019-0008 P64350.

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED AUGUST 9, 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

CHANGE THE PRINCIPAL AMOUNT FROM \$43,000.00 TO \$90,000.00.

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 AGREES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST IS DATED AUGUST 9, 2006.

GRANTOR:

Neil S Eberhardt
NEIL S EBERHARDT

LENDER:

James G. Gentry
PEOPLES BANK
Authorized Officer

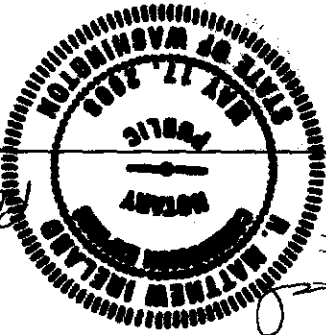
INDIVIDUAL ACKNOWLEDGMENT

STATE OF *Washington*
COUNTY OF *Skagit*

On this day before me, the undersigned Notary Public, personally appeared NEIL S EBERHARDT, 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 *9th* day of *August*, 2006.

By *Neil S Eberhardt*
Notary Public in and for the State of *WA*
Residing at *Burien, WA*
My commission expires *5-19-08*



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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5033246-102

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LENDER ACKNOWLEDGMENT

STATE OF _____)

) SS

COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ and personally known to me or proved to me on the basis of satisfactory evidence to be the _____, 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 _____

Residing at _____

Notary Public in and for the State of _____

My commission expires _____

LASER PRO Lending, Ver. 5.32.00.003 Copy: Harland Financial Solutions, Inc. 1987, 2006 All Rights Reserved. - WA P:\CFW\IN\CFH\PL\G202.FC TR:2638495 PR:11



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Skagit County Auditor

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