

RETURN ADDRESS:

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



200610020116
Skagit County Auditor

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CHICAGO TITLE CO.

IC40345

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200209240076

Additional on page ____

Grantor(s):

1. BAILEY, ROSS
2. BAILEY, LAURA L

Grantee(s)

1. PEOPLES BANK

Legal Description: Ptn. SE, Sec. 27 and SW, Sec. 26, all in T36N, R3EWM

Additional on page ____

Assessor's Tax Parcel ID#: 360327-4-005-0100 P115001

THIS MODIFICATION OF DEED OF TRUST dated September 26, 2006, is made and executed between between ROSS BAILEY and LAURA L BAILEY, husband and wife, whose address is 16002 COLONY ROAD, BOW, WA 98232 ("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: 5715401-1

(Continued)

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 23, 2002 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

A DEED OF TRUST DATED SEPTEMBER 23, 2002 AND RECORDED SEPTEMBER 24, 2002 UNDER AUDITOR'S FILE NO. 200209240076; MODIFICATION DATED JUNE 25, 2004 AND RECORDED JUNE 29, 2004 UNDER AUDITOR'S FILE NO. 200406290192 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:

That portion of the Southeast Quarter of Section 27, and the Southwest Quarter of Section 26, all in Township 36 North, Range 3 East of the Willamette Meridian, described as follows:
Beginning at a point on the West line of the Southwest Quarter of said Section 26, which lies North 00 degrees 16' 42" East, a distance of 400 feet from the Southwest corner thereof;
Thence North 00 degrees 16' 42" East along the West line of said Section 26, which is also the East line of Kalistrom Road (established in 1900, as the M. Davidson Road), a distance of 76.45 feet;
Thence North 17 degrees 30' 18" West along the East line of Kalistrom Road, a distance of 207.89 feet to the point of beginning of this description;
Thence along the East line of Kalistrom Road through the following three courses:
Thence North 17 degrees 30' 18" West, a distance of 43.16 feet;
Thence North 00 degrees 56' 42" East, a distance of 285.60 feet;
Thence North 6 degrees 39' 18" West, a distance of 458.18 feet to the West line of the now existing Colony Road; thence along the West line of Colony Road through the following three courses;
Thence South 24 degrees 31' 20" East, a distance of 18.56 feet to the point of curvature of a curve concave to the West having a radius of 552.96 feet;
Thence Southerly along said curve through a central angle of 9 degrees 19' 00" and an arc distance of 89.91 feet;
Thence South 15 degrees 12' 20" East, a distance of 671.71 feet to a point which lies North 78 degrees 05' 45" East from the point of beginning of this description;
Thence South 78 degrees 05' 45" West, a distance of 156.39 feet to the point of beginning of this description.

Situated in Skagit County, Washington

The Real Property or its address is commonly known as 16002 COLONY ROAD, BOW, WA 98232. The Real Property tax identification number is 360327-4-005-0100-P115001.

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED SEPTEMBER 26, 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 \$80,000.00 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 makers, 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 SEPTEMBER 26, 2006.

GRANTOR:

X ROSS BAILEY

X LAURA L BAILEY

PEOPLES BANK

LENDER:

X Authorized Officer

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MODIFICATION OF DEED OF TRUST
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INDIVIDUAL ACKNOWLEDGMENT

STATE OF WA)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared **ROSS BAILEY and LAURA L BAILEY**, 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 26th day of Sept, 2006

By Mue der Residing at Mt Vernon
Notary Public in and for the State of WA My commission expires 4/3/2007

LENDER ACKNOWLEDGMENT

STATE OF WA)
) SS
COUNTY OF Skagit)

On this 26th day of Sept, 2006, 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 Mary Ann Fenimore Residing at Mt Vernon
Notary Public in and for the State of WA My commission expires 06/05/2007

LASER PRO Lending, Ver. 5.32.00.03

Financial Solutions

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Skagit County Auditor