

RETURN ADDRESS:

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



200611090112
Skagit County Auditor

11/9/2006 Page 1 of 3 3:16PM

CHICAGO TITLE COMPANY IC40722-SM

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200409240163

Additional on page _____

Grantor(s):

1. SCHOUWEILER, ART E
2. SCHOUWEILER, RAE L

Grantee(s)

1. PEOPLES BANK

Legal Description: Unit 302, 1800 SKYLINE, A CONDO

Additional on page _____

Assessor's Tax Parcel ID#: 4448-000-302-0007 P82578

THIS MODIFICATION OF DEED OF TRUST dated November 8, 2006, is made and executed between between ART E SCHOUWEILER and RAE L SCHOUWEILER, husband and wife, whose address is 1800 Skyline Way #302, Anacortes WA 98221 ("Grantor") and PEOPLES BANK, whose address is ANACORTES OFFICE, PHONE: (360) 588-0153, 911 11th STREET, ANACORTES, WA 98221 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5715420-1

Page 2

(Continued)

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 22, 2004 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

A DEED OF TRUST DATED SEPTEMBER 22, 2004 AND RECORDED SEPTEMBER 24, 2004 UNDER AUDITOR'S FILE NO. 200409240163 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:

Unit 302, 1800 Skyline (Replat), a condominium, according to Declaration and amendments recorded under Auditor's File Nos. 8201050026, 83031 10004, 8811040050 and 8906290007, and amended survey map and plans thereof recorded in Volume 14 of Plats, pages 76 and 77, records of Skagit County, Washington;

TOGETHER WITH Limited Common Element Parking Space No. 302 and Storage Space No. 302.

Situated in Skagit County, Washington.

The Real Property or its address is commonly known as 1800 Skyline Way #302, Anacortes, WA 98221. The Real Property tax identification number is 4448-000-302-0007 P82578.

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

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATE NOVEMBER 8, 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 \$128,000.00 TO \$188,000.00.

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 AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED NOVEMBER 8, 2006.

GRANTOR:

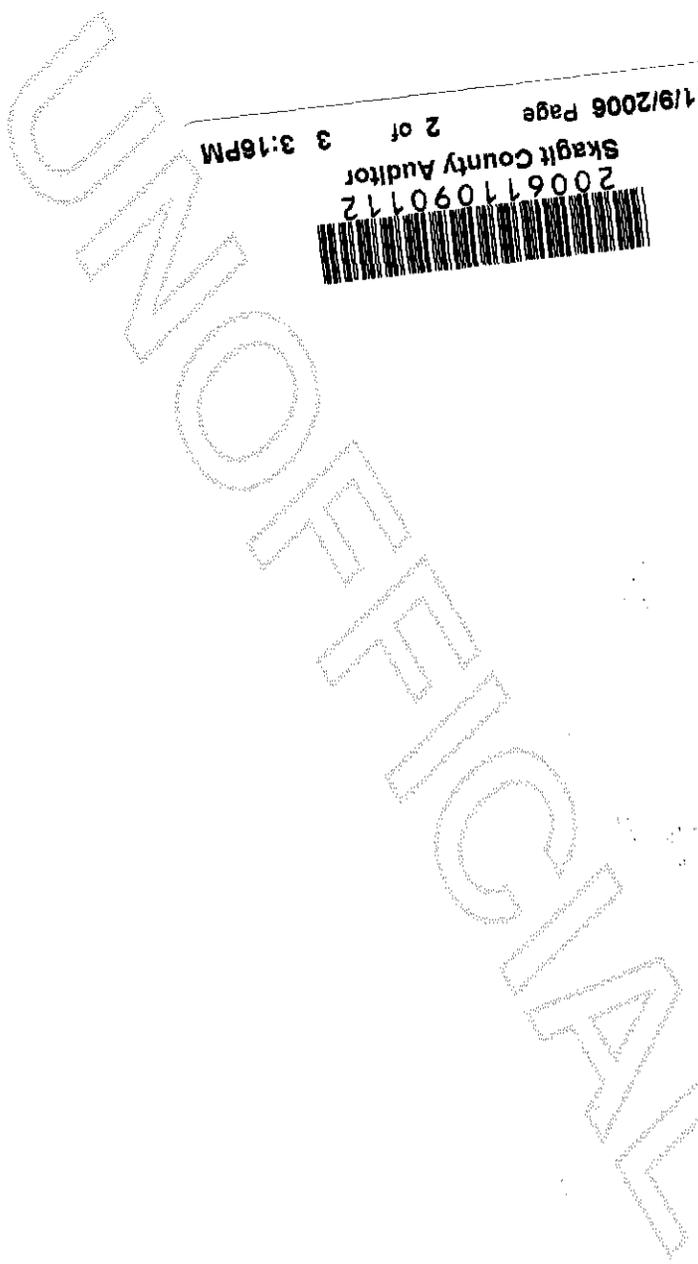
Art E Schouweiler
ART E SCHOUWEILER

Rae L Schouweiler
RAE L SCHOUWEILER

LENDER:

PEOPLES BANK
Debra M. [Signature]
Authorized Officer

200611090112
Skagit County Auditor
2 of 3 3:16PM
11/9/2006 Page



MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5715420-1

Page 3

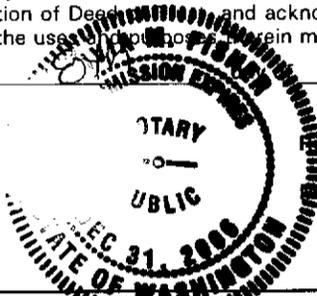
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared ART E SCHOUWEILER and RAE L SCHOUWEILER, 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 November, 2006

By [Signature] Residing at Anacortes
Notary Public in and for the State of WA My commission expires 12/31/06

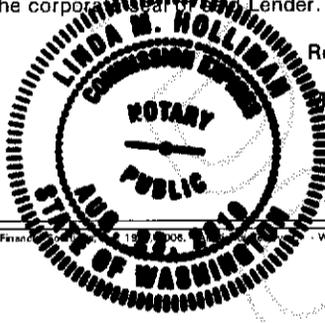


LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 8th day of November, 2006, before me, the undersigned Notary Public, personally appeared OLIVIA M FISHER and personally known to me or proved to me on the basis of satisfactory evidence to be the Notary Public, 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 the Lender.

By [Signature] Residing at WA
Notary Public in and for the State of WA My commission expires 8-23-10



200611090112
Skagit County Auditor