

RETURN ADDRESS:

Whidbey Island Bank
P.O. Box 1589
Oak Harbor, WA 98277



200703200035
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 06/08/2006 - AFN 200606080034

Additional on page ____

Grantor(s):

1. PETERSON, DONALD D

Grantee(s)

1. Whidbey Island Bank

FIRST AMERICAN TITLE CO.

88191

Legal Description: LOT 3, "THE ISLES P.U.D."

ACCOMMODATION RECORDING ONLY

Additional on page ____

Assessor's Tax Parcel ID#: 4889-000-003-0000

THIS MODIFICATION OF DEED OF TRUST dated March 7, 2007, is made and executed between DONALD D PETERSON, as his separate estate ("Grantor") and Whidbey Island Bank, whose address is CL SKAGIT - 3, 321 SE PIONEER WAY, P.O. BOX 1589, OAK HARBOR, WA 98277 ("Lender").

MODIFICATION OF DEED OF TRUST

(Continued)

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated May 30, 2006 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED ON JUNE 8, 2006 IN SKAGIT COUNTY UNDER AUDITOR'S FILE NUMBER 200608080034.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in SKAGIT County, State of Washington:

LOT 3, "THE ISLES P.U.D.", AS PER PLAT RECORDED MAY 3, 2006, UNDER AUDITOR'S FILE NO. 200608030185, RECORDS OF SKAGIT COUNTY, WASHINGTON.

REAL PROPERTY IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

The Real Property or its address is commonly known as 3914 COTTAGE PLACE, ANACORTES, WA 98221. The Real Property tax identification number is 4889-000-003-0000.

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

CORRECT THE GRANTOR.

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 endorser, 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 MARCH 7, 2007.

GRANTOR:

X
DONALD D PETERSON

LENDER:

WHIDBEY ISLAND BANK
X
Authorized Officer

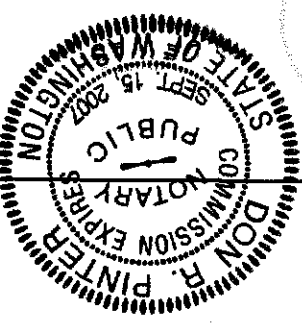
INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON
COUNTY OF Skagit

On this day before me, the undersigned Notary Public, personally appeared DONALD D PETERSON, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 8th day of March, 2007.

By [Signature]
Notary Public in and for the State of WA
Residing at BOULEVARD 604
My commission expires 9-15-07



MODIFICATION OF DEED OF TRUST
(Continued)

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LENDER ACKNOWLEDGMENT

STATE OF WA

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COUNTY OF Skagit

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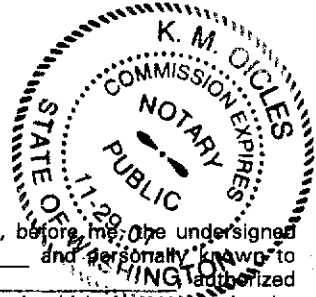
On this 8th day of March, 2007, before me, the undersigned Notary Public, personally appeared Donald R. Baker and personally known to me or proved to me on the basis of satisfactory evidence to be the VP agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument 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 K.M. Oicles

Residing at Anacortes WA

Notary Public in and for the State of WA

My commission expires 11-29-07



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Skagit County Auditor

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