

RETURN ADDRESS:

PEOPLES BANK
MOUNT VERNON OFFICE
1801 RIVERSIDE DRIVE
MOUNT VERNON, WA
98273



200801110085
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

123562-5

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200611200130

Additional on page _____

Grantor(s):

1. KREIDER, GREGORY A.
2. KREIDER, DAWNELL C.

Grantee(s)

1. PEOPLES BANK

Legal Description: PTN W 1/2 OF NW 1/4, 29-35-3 E W.M. AKA TR. 1

Additional on page 2

Assessor's Tax Parcel ID#: 350329-2-003-0200

THIS MODIFICATION OF DEED OF TRUST dated January 11, 2008, is made and executed between GREG A. KREIDER AND DAWNELL C. KREIDER, HUSBAND AND WIFE, WHO ACQUIRED TITLE AS GREG KREIDER AND DAWNELL KREIDER, HUSBAND AND WIFE, whose address is 13142 PERSONS RD, BOW, WA 98232-7222 ("Grantor") and PEOPLES BANK, whose address is MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

MODIFICATION OF DEED OF TRUST

Loan No: 5110232-206

(Continued)

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 8, 2006 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED NOVEMBER 20, 2006 UNDER RECORDING NUMBER 200611200130 IN RECORDS OF SKAGIT COUNTY, WA.

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

LOT 1 OF SHORT PLAT NO. 98-0008, APPROVED MARCH 22, 1999, RECORDED MARCH 22, 1999, IN VOLUME 14 OF SHORT PLATS, PAGE 10, UNDER AUDITOR'S FILE NO. 9903220111, RECORDS OF SKAGIT COUNTY, WASHINGTON, AND BEING A PORTION OF THE WEST 1/2 OF THE NORTHWEST 1/4, SECTION 29, TOWNSHIP 35 NORTH, RANGE 3 EAST, W.M.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as 13142 PERSONS RD, BOW, WA 98232-7222. The Real Property tax identification number is 350329-2-003-0200.

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED NOVEMBER 20, 2006 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED JANUARY 11, 2008 FROM GRANTOR TO LENDER, TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT.

THE PRINCIPAL AMOUNT IS \$150,000.00 WHICH INCLUDES A NEW ADVANCE OF \$50,000.00.

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 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 JANUARY 11, 2008.

GRANTOR:

X
GREGORY A. KREIDER
DAWNELL C. KREIDER

LENDER:

PEOPLES BANK

X
Carmel Carmack
Authorized Officer

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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5110232-206

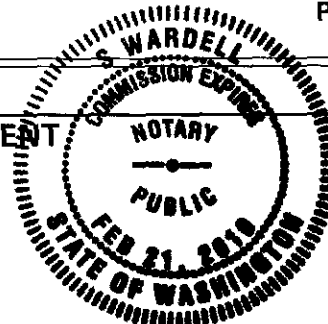
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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington

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COUNTY OF Skagit



On this day before me, the undersigned Notary Public, personally appeared GREGORY A. KREIDER and DAWNELL C. KREIDER, 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 11th day of January, 2008

By S. Wardell
Notary Public in and for the State of WA

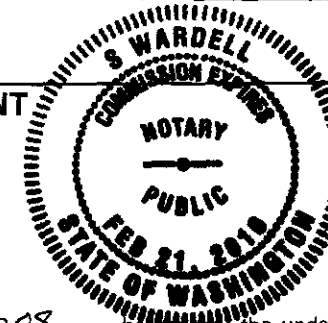
Residing at Mount Vernon
My commission expires 2-21-2010

LENDER ACKNOWLEDGMENT

STATE OF Washington

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COUNTY OF Skagit



On this 11th day of January, 2008, before me, the undersigned Notary Public, personally appeared Carrie Cammock and personally known to me or proved to me on the basis of satisfactory evidence to be the ASSISTANT Vice President, 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 S. Wardell
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires 2-21-2010



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