

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



201205010042
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY:

142037-05

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 20030114 0139

Additional on page _____

Grantor(s):

1. NILSON, MORRIS R
2. NILSON, CHERYL L

Grantee(s)

1. PEOPLES BANK

Legal Description: Ptn NE 1/4 Of SW 1/4, 13-34-4 E W.M.

Additional on page 2

Assessor's Tax Parcel ID#: 340413-3-014-0009 P24683

THIS MODIFICATION OF DEED OF TRUST dated April 30, 2012, is made and executed between MORRIS R NILSON and CHERYL L NILSON, husband and wife, whose address is 23145 GUNDERSON ROAD, MOUNT VERNON, WA 98273 ("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: 5717476-1

(Continued)

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated January 9, 2003 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

A DEED OF TRUST DATED JANUARY 9, 2003 AND RECORDED JANUARY 14, 2003 UNDER AUDITOR'S FILE NO. 200301140139, AND THEREAFTER MODIFIED, 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:

See EXHIBIT A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 23145 GUNDERSON ROAD, MOUNT VERNON, WA 98273. The Real Property tax identification number is 340413-3-014-0009 P24683.

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

THE WORD "PEOPLES EQUITY NOTE" MEANS THE CREDIT LIMIT NOTE DATED APRIL 30, 2012 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 INCREASE THE CREDIT LIMIT AMOUNT FROM \$200,000.00 TO \$250,000.00

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 APRIL 30, 2012.

GRANTOR:

MORRIS R NILSON
CHERYL L NILSON

LENDER:

PEOPLES BANK

Authorized Officer

Maddy A Heibreded

INDIVIDUAL ACKNOWLEDGMENT

STATE OF

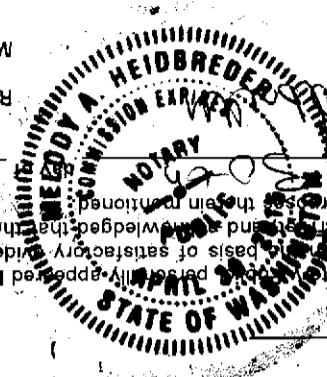
Washington

COUNTY OF

Skagit

On this day before me, the undersigned Notary Public, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals described in and personally known to me or proved to me on the basis of satisfactory evidence to be the individuals described in and voluntarily act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this:

By Maddy A Heibreded
Residing at Mt Vernon
My commission expires 4/30/15



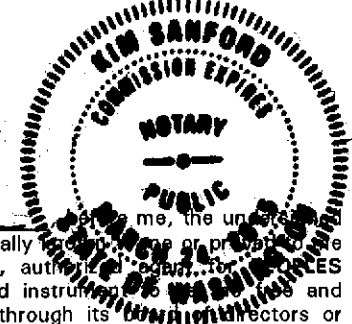
MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5717476-1

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LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this 30 day of April, 2012, I, the undersigned Notary Public, personally appeared Melody Heidbreder and personally known to me or prepared on the basis of satisfactory evidence to be the lender, authorized agent, attorney in fact, officer, director or other representative of PEOPLES BANK that executed the within and foregoing instrument and acknowledged said instrument as his or her voluntary act and deed of PEOPLES BANK, duly authorized by PEOPLES BANK through its 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 in fact executed this said instrument on behalf of PEOPLES BANK.

By Kim Sanford Residing at mt Vernon
Notary Public in and for the State of WA My commission expires March 24, 2015

LASER PRO Lending, Ver. 5.57.10.001 Copr. Harland Financial Solutions, Inc. 1997, 2012. All Rights Reserved. -
WA P:\CFIWIN\CFNLPL\G202.FC TR-8101660 PR-49



EXHIBIT A

DESCRIPTION:


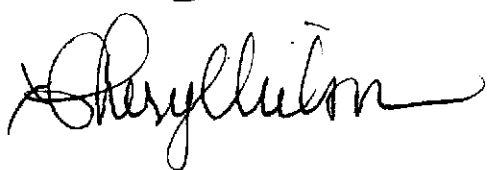
The North ½ of the Northeast ¼ of the Southwest ¼ of Section 13, Township 34 North, Range 4 East, W.M., EXCEPT the Gunderson County Road running along the West line thereof and as conveyed by documents recorded October 22, 1921 and July 10, 1975, under Auditor's File Nos. 152530 and 820384, records of Skagit County, Washington, AND ALSO EXCEPT right of way for Drainage District No. 21 as condemned in the Superior Court for Skagit County, AND ALSO EXCEPT that portion thereof lying within the "Old Ole Gunderson Road", a/k/a C. D. Green Road running in an East-West direction as conveyed to Skagit County by Deed recorded October 22, 1921, under Auditor's File No. 152530.

TOGETHER WITH that portion of the North ½ of the vacated "Old Ole Gunderson Road," a/k/a C. D. Green Road, described as follows:

A strip of land 50 feet in width, the centerline of which is described as follows:

Beginning at the intersection of the Old Ole Gunderson Road with the new Gunderson County road running along the West line of the above described main tract, said point being on the centerline of said Northeast ¼ of the Southwest ¼ of said Section 13, Township 34 North, Range 4 East, W.M.; thence East along said East-West centerline a distance of 1,108.3 feet to the point of curvature of a 35 degree curve to the right; thence along the line of said 35 degree curve to the right a distance of 135.8 feet; thence South 42°36' East to the North and South centerline of said Section 13.

Situate in the County of Skagit, State of Washington.

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Skagit County Auditor

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