



200508290256  
Skagit County Auditor

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Return Address:

Inger C. Brockman  
Montgomery, Purdue, Blankinship &  
Austin, P.L.L.C.  
5500 Bank of America Tower  
701 Fifth Avenue  
Seattle, WA 98104

CHICAGO TITLE IC29753 ✓

**MODIFICATION OF PROMISSORY NOTE/DEED OF TRUST**

**Reference Number(s) of related document(s):** 200402030160; 200507080151

**Grantor:** 1) John W. Lipke and Terri Sommers Lipke, husband and wife  
2) Delmar Lot 24 LLC, a Washington limited liability company

**Grantee:** 1) Laurel K. O'Neil; 2) Island Title Company

**Legal Description (abbreviated):** Ptn. Lot 24, RANCHO SAN JUAN DEL MAR DIV.  
I and TIDELANDS  
Full legal(s) on Exhibit A

**Assessor's Tax Parcel ID Number:** P3972-000-024-0000

This Modification of Promissory Note/Deed of Trust dated August \_\_, 2005, is executed by John W. Lipke and Terri Sommers Lipke, husband and wife ("Borrower") and Delmar Lot 24 LLC, a Washington limited liability company ("Grantor"), and Laurel K. O'Neil ("Lender").

On or about February 2, 2004, Lender made a loan ("Loan") to Borrower evidenced by promissory note ("Note") payable to Lender in the original principal amount of \$100,000 which Note is secured by a deed of trust ("Deed of Trust") executed by Borrower for the benefit of Lender and encumbering real property described in **Exhibit A** attached hereto and recorded on February 3, 2004 under Snohomish County Recording No. 200402030160. On July 8, 2005 the Deed of Trust was amended to recognize Grantor as the owner of the real property described therein and an Amendment of Deed of Trust was recorded under Skagit County recording number 200507080151. The Note and Deed of Trust and any other related documents are hereafter cumulatively referred to as the "Loan Documents."

Lender is now advancing Borrower an additional \$50,000.00, and Borrower is executing and delivering this Modification to increase the principal amount due under the Note by \$50,000.00 and extend the term of the Note on the terms provided for herein.

The Note and Deed of Trust are hereby modified as follows:

1. **Additional Advance.** The principal balance of the Note, as of August 11, 2005 is \$100,000.00 plus accrued and unpaid interest. For value received, Borrower hereby promises to pay to the order of Lender an additional \$50,000.00 ("Additional Advance"), or such lesser amount as may be advanced hereunder. The Additional Advance shall be made, in increments, upon the written requests of Borrower; provided, however that Borrower's requests shall not be made more often than every two weeks and shall be for not less than \$10,000 each.

2. **Interest.** In the absence of a default by Borrower, the unpaid principal sum of this Note shall bear interest, from the date of this Note until such principal sum is paid in full, at the rate of five percent (5%) per annum.

3. **Payments.** Section 2 of the Note is deleted in its entirety and replaced as follows. From the date of this Modification, principal and interest are payable as follows:  
"2. Principal and interest are payable as follows:

2.1 Accrued interest on the unpaid principal balance on September 1, 2005 and the first day of each following month thereafter until the home on the real property is completed and ready for occupancy which, in any event shall not be later than June 30, 2006 for purposes of this Agreement;

2.2 Seven Hundred Ninety Dollars (\$790.79) beginning on the first day of the month following the date on which the house on the Property is completed and ready for occupancy, but in any event commencing not later than **July 1, 2006.**

2.2 The entire balance of principal and accrued and unpaid interest shall be due and payable in full on **July 1, 2020.**

2.3 All payments shall be applied first to any fees or other payments due from Borrower to Lender, secondly to payment of interest and finally to payment of the principal balance of this note."

4. Except as expressly modified herein, all terms and conditions of the Loan Documents shall remain in full force and effect. Borrower and Grantor hereby adopts, ratifies, and confirms these terms and conditions as modified. Borrower agrees to execute any additional documents which may be required by Lender to carry out the intention of this Agreement. As of the date of this Agreement, there are no claims, defenses, setoffs or counterclaims of any nature which may be asserted against Lender by Borrower.

MODIFICATION NOTE/DEED OF TRUST



**ORAL AGREEMENTS UNENFORCEABLE. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

**LENDER:**

Laurel K. O'Neil  
Laurel K. O'Neil

**BORROWER:**

John W. Lipke  
John W. Lipke

Terri Sommers Lipke  
Terri Sommers Lipke

**GRANTOR:**

Delmar Lot 24 LLC

By: John W. Lipke  
John W. Lipke  
Its: manager

MODIFICATION NOTE/DEED OF TRUST



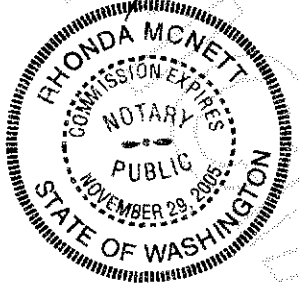
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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Skagit )

I certify that I know or have satisfactory evidence that **John W. Lipke and Terri Sommers Lipke** are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated 8/16, 2005.

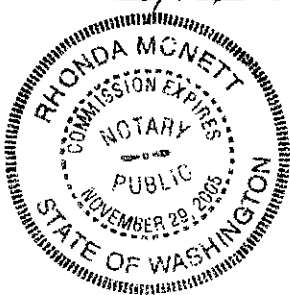


Rhonda McNett  
Name Rhonda McNett  
NOTARY PUBLIC, State of Washington  
My appointment expires 11/29/05

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Skagit )

I certify that I know or have satisfactory evidence that **John W. Lipke** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of **Delmar Lot 24 LLC** to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 8/16, 2005.



Rhonda McNett  
Name Rhonda McNett  
NOTARY PUBLIC, State of Washington  
My appointment expires 11/29/05

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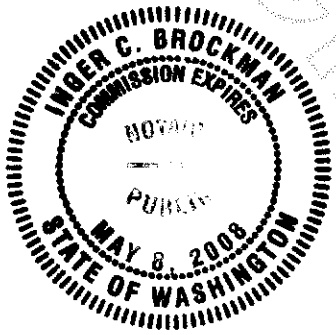


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STATE OF WASHINGTON )  
 )ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that **Laurel K. O'Neil** is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated August 25, 2005.



Inger C. Brockman  
Name INGER C. BROCKMAN  
NOTARY PUBLIC, State of Washington  
My appointment expires MAY 8, 2008



**EXHIBIT A  
LEGAL DESCRIPTION**

Lot 24, RANCHO SAN JUAN DEL MAR SUBDIVISION NO. 1, according to the plat thereof, recorded in Volume 5 of Plats, page 27, records of Skagit County, Washington;

EXCEPT the following described tract:

Beginning at the Southwest corner of said Lot 24;

Thence South  $68^{\circ}35'$  East along the South line of said Lot 24 a distance of 187.96 feet to the Southeast corner of said Lot 24;

Thence North  $58^{\circ}53'07''$  West a distance of 73.18 feet;

Thence North  $74^{\circ}39'34''$  West a distance of 116.48 feet to the point of beginning.

Situated in Skagit County, Washington.

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