

RETURN ADDRESS:

PEOPLES BANK
MOUNT VERNON REAL
ESTATE LOAN CENTER
PHONE: (360) 424-3319
1801 RIVERSIDE DRIVE
MOUNT VERNON, WA
98273



200710250113
Skagit County Auditor

10/25/2007 Page 1 of 6 3:55PM

LAND TITLE OF SKAGIT COUNTY

119012-S

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200512120125

Additional on page

Grantor(s):

- 1. CUSTANCE, MICHAEL
- 2. CUSTANCE, SUSAN

Grantees)

- 1. PEOPLES BANK

Legal Description: PTN LTS 1, 2&3, BLK6, PTN LTS 8&10 BLK2, BINGHAM ACREAGE
(aka lot B, Survey #8810270058)

Additional on page 2

Assessor's Tax Parcel ID#: 3864-006-003-0003 (P62221) (iop)
3864-006-003-0102 (P62222) (iop)

THIS MODIFICATION OF DEED OF TRUST dated October 19, 2007, is made and executed between MICHAEL CUSTANCE AND SUSAN CUSTANCE, HUSBAND AND WIFE, whose address is 13083 GLENWOOD DR, MOUNT VERNON, WA 98273-8018 ("Grantor") and PEOPLES BANK, whose address is MOUNT VERNON REAL ESTATE LOAN CENTER, PHONE: (360) 424-3319, 1801 RIVERSIDE DRIVE, MOUNT VERNON, WA 98273 ("Lender").

DOCUMENT

MODIFICATION OF DEED OF TRUST

Loan No: 5032844-401

Page 2

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 6, 2005 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED DECEMBER 12, 2005 UNDER RECORDING NUMBER 200512120125 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:

TRACT B OF SURVEY RECORDED IN VOLUME 8 OF SURVEYS, AT PAGES 78 AND 79, UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 8810270058; BEING A PORTION OF LOTS 1, 2, AND 3 OF BLOCK 6 AND LOTS 8 AND 10, BLOCK 2 OF "BINGHAM ACRES" AS PER PLAT RECORDED IN VOLUME 4, PAGE 24, RECORDS OF SKAGIT COUNTY, WASHINGTON. TOGETHER WITH A 20 FOOT NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS DELINEATED ON THE FACE OF SAID SURVEY AND GRANTED BY INSTRUMENT RECORDED DECEMBER 14, 1998, UNDER AUDITOR'S FILE NO. 9812140074, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON
The Real Property or its address is commonly known as 1083 GLENWOOD DRIVE, MOUNT VERNON, WA 98273.
The Real Property tax identification number is 3864-006-003-0003 (P62221).

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

THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED DECEMBER 6, 2005 WITH THE FOLLOWING AMENDMENTS:

SPREAD TO ADDITIONAL PROPERTY. THE DEED OF TRUST IS HEREBY MODIFIED TO ADD PROPERTY AND RELEASE PROPERTY AS DESCRIBED BELOW. FOR THIS PURPOSE BORROWER HEREBY GRANTS, TRANSFERS, CONVEYS, AND ASSIGNS TO TRUSTEE, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, A SECURITY INTEREST IN ALL ESTATE, RIGHT, TITLE AND INTEREST THAT BORROWER NOW HAS OR MAY LATER ACQUIRE IN THE ADDITIONAL PROPERTY, SUBJECT TO AND IN ACCORDANCE WITH ALL OF THE OTHER TERMS SET FORTH IN THE DEED OF TRUST.

ADD PROPERTY:

THAT PORTION OF LOTS 1 AND 2 OF BLOCK 6 OF THE PLAT OF BINGHAM ACRES FILED IN VOLUME 4 OF PLATS AT PAGE 24, RECORDS OF SKAGIT COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF TRACT B SHOWN ON THAT CERTAIN SURVEY FOR AVERY N. MARTIN FILED IN VOLUME 8 OF SURVEYS AT PAGE 78, RECORDS OF SKAGIT COUNTY, WASHINGTON, WHICH IS ON THE SOUTH LINE OF LOT 1 BLOCK 6 OF SAID PLAT OF BINGHAM ACRES; A DISTANCE S 89°31'04" E ALONG THE SOUTH LINE OF SAID PLAT OF BINGHAM ACRES, A DISTANCE OF 176 FEET; THENCE N 00°08'45" E, A DISTANCE OF 364.64 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF SAID TRACT B WHICH IS 403.87 FEET FROM THE SOUTHEAST CORNER THEREOF; THENCE S 25°58'50" W ALONG THE SOUTHWESTERLY LINE OF SAID TRACT B, A DISTANCE OF 403.87 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

CONTAINING 32,080 S.F.
SITUATE IN SKAGIT COUNTY, WASHINGTON.

RELEASE PROPERTY:
THAT PORTION OF TRACT B SHOWN ON THAT CERTAIN SURVEY FOR AVERY N. MARTIN FILED IN VOLUME 8 OF SURVEYS AT PAGE 78 AS AF#8810270058, RECORDS OF SKAGIT COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.; THENCE N 89°30'50" E, A DISTANCE OF 752.50 FEET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE COUNTY ROAD AS CONVEYED TO SKAGIT COUNTY BY DEED DATED APRIL 20, 1962 AND RECORDED UNDER AF#620549; THENCE SOUTH ALONG THE EAST LINE OF SAID ROAD, A DISTANCE OF 903.45 FEET TO THE ANGLE POINT IN THE RIGHT OF WAY LINE OF SAID ROAD; THENCE CONTINUING SOUTH ALONG THE SOUTHERLY PROJECTION OF THE EAST LINE OF SAID ROAD, A DISTANCE OF 129.22 FEET TO A POINT ON THE WESTERLY LINE OF SAID TRACT B AND THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ON THE SOUTHERLY PROJECTION OF THE EAST LINE OF SAID COUNTY ROAD, A DISTANCE OF 265.74 FEET TO THE SOUTH LINE OF THE PLAT OF BINGHAM ACRES; THENCE N 89°31'04" W ALONG THE SOUTH LINE OF SAID PLAT, A DISTANCE OF 192.40 FEET TO THE SOUTHWEST CORNER OF SAID TRACT B; THENCE NORTHERLY AND NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID TRACT B TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

CONTAINING 31,974 S.F.
SITUATE IN SKAGIT COUNTY, WASHINGTON

NEW LEGAL DESCRIPTION: *see attached*
THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M. MORE PARTICULARLY DESCRIBED AS TRACT B AS SHOWN ON THAT CERTAIN SURVEY FILED IN VOLUME 8 OF SURVEYS AT PAGE 78, RECORDS OF SKAGIT COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF LOTS 1 AND 2 OF BLOCK 6 OF THE PLAT OF BINGHAM ACRES FILED IN VOLUME 4 OF PLATS AT PAGE 24, RECORDS OF SKAGIT COUNTY, WASHINGTON AS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF TRACT B SHOWN ON THAT CERTAIN SURVEY FOR AVERY N. MARTIN FILED IN VOLUME 8 OF SURVEYS AT PAGE 78, RECORDS OF SKAGIT COUNTY, WASHINGTON, WHICH POINT IS ON THE SOUTH LINE OF LOT 1 BLOCK 6 OF SAID PLAT OF BINGHAM ACRES; A DISTANCE S 89°31'04" E ALONG THE SOUTH LINE OF SAID PLAT OF BINGHAM ACRES, A DISTANCE OF 176.00 FEET; THENCE N 00°08'45" E, A DISTANCE OF 364.64 FEET TO A POINT ON THE EAST LINE OF SAID TRACT B WHICH IS 403.87 FEET FROM THE SOUTHEAST CORNER THEREOF; THENCE S 25°58'50" W ALONG THE EASTERLY LINE OF SAID TRACT B, A DISTANCE OF 403.87 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.
EXCEPT THAT PORTION OF TRACT B SHOWN ON THAT CERTAIN SURVEY FOR AVERY N. MARTIN FILED IN



Skagit County Auditor

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 5032844-401

Page 3

VOLUME 8 OF SURVEYS AT PAGE 78 AS AF#8810270058, RECORDS OF SKAGIT COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.; THENCE N 89°30'50"E, A DISTANCE OF 752.50 FEET TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE COUNTY ROAD AS CONVEYED TO SKAGIT COUNTY BY DEED DATED APRIL 20, 1962 AND RECORDED UNDER AF#620549; THENCE SOUTH ALONG THE EAST LINE OF SAID ROAD, A DISTANCE OF 903.45 FEET TO THE ANGLE POINT IN THE RIGHT OF WAY LINE OF SAID ROAD; THENCE CONTINUING SOUTH ALONG THE SOUTHERLY PROJECTION OF THE EAST LINE OF SAID ROAD, A DISTANCE OF 129.22 FEET TO A POINT ON THE NORTHWESTERLY LINE OF SAID TRACT B AND THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ON THE SOUTHERLY PROJECTION OF THE EAST LINE OF SAID COUNTY ROAD, A DISTANCE OF 265.74 FEET TO THE SOUTH LINE OF THE PLAT OF BINGHAM ACREAGE FILED IN VOLUME 4 OF PLATS AT PAGE 24, RECORDS OF SKAGIT COUNTY, WASHINGTON; THENCE N 89°31'04"W ALONG THE SOUTH LINE OF SAID PLAT A DISTANCE OF 192.40 FEET TO THE SOUTHWEST CORNER OF SAID TRACT B; THENCE NORTHERLY AND NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID TRACT B TO THE POINT OF BEGINNING OF THIS DESCRIPTION. TOGETHER WITH A 20 FOOT NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS DELINEATED ON THE FACE OF SAID SURVEY AND GRANTED BY INSTRUMENT RECORDED DECEMBER 14, 1998, UNDER AUDITOR'S FILE NO. 9812140074, RECORDS OF SKAGIT COUNTY, WASHINGTON.
CONTAINING 5.00 ACRES.
SITUATE IN SKAGIT COUNTY, WASHINGTON

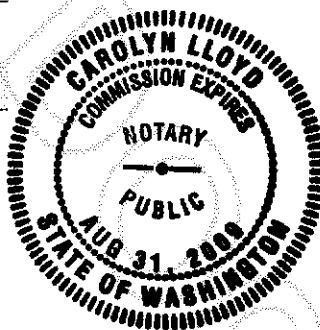
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender 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 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 OCTOBER 19, 2007.

GRANTOR:

x Michael Custance
MICHAEL CUSTANCE

x Susan Custance
SUSAN CUSTANCE



LENDER:

PEOPLES BANK

x Carolyn Lloyd-Whitney
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this day before me, the undersigned Notary Public, personally appeared MICHAEL CUSTANCE and SUSAN CUSTANCE, 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 24 day of October, 2007

By Carolyn Lloyd
Notary Public in and for the State of Washington

Residing at int. Vernon
My commission expires 8-31-09



200710250113
Skagit County Auditor

MODIFICATION OF DEED OF TRUST

Loan No: 5032844-401

(Continued)

LENDER ACKNOWLEDGMENT

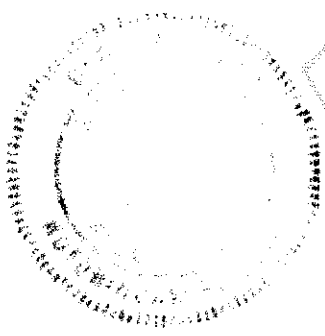
STATE OF Washington
COUNTY OF Skagit

On this 25th day of October, 2007, before me, the undersigned Notary Public, personally appeared Carolyn Lloyd, 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 Sharon R. Anthony
Notary Public in and for the State of WA

Residing at Mount Vernon
My commission expires 9-6-2009

SHARON R. ANTHONY
NOTARY PUBLIC
My Commission Expires 9-6-2009



LASER PROOF STATE OF WASHINGTON INC. 1997, 2007. All Rights Reserved. WA PCHWIMCPIPLIIG202.FC TR.17619 PR.4

200710250113
Skagit County Auditor
4 of 6 3:55PM
10/25/2007 Page

UNRECORDED

DESCRIPTION:

Tract B of Survey recorded in Volume 8 of Surveys, at pages 78 and 79, under Skagit County Auditor's File No. 8810270058; being a portion of Lots 1, 2, and 3 of Block 6 and Lots 8 and 10, Block 2, of "BINGHAM ACREAGE" as per plat recorded in Volume 4, page 24, records of Skagit County, Washington.

TOGETHER WITH a 20 foot non-exclusive Easement for ingress, egress and utilities as delineated on the face of said Survey and granted by instrument recorded December 14, 1998, under Auditor's File No. 9812140074, records of Skagit County, Washington.

EXCEPT that portion of Tract B shown on that certain survey for Avery N. Martin filed in Volume 8 of Surveys at page 78 under Auditor's File No. 8810270058, records of Skagit County, Washington described as follows:

Beginning at the Northwest corner of the Northeast $\frac{1}{4}$ of Section 11, Township 34 North, Range 4 East, W.M.;

thence North $89^{\circ}30'50''$ East, a distance of 752.50 feet to the Northerly extension of the East line of the County Road as conveyed to Skagit Count by deed dated April 20, 1962 and recorded under Auditor's File No. 620549;

thence South along the East line of said road, a distance of 903.45 feet to the angle point in the right of way line of said road;

thence continuing South along the Southerly projection of the East line of said road, a distance of 129.22 feet to a point on the Westerly line of said Tract B and the point of beginning of this description;

thence continuing on the Southerly projection of the East line of said County Road, a distance of 265.74 feet to the South line of the Plat of "BINGHAM ACREAGE" as per plat recorded in Volume 4, page 24, records of Skagit County, Washington;

thence North $89^{\circ}31'04''$ West along the South line of said plat, a distance of 192.40 feet to the Southwest corner of said Tract B;

thence Northerly and Northeasterly along the Northwesterly line of said Tract B to the point of beginning of this description.

TOGETHER WITH that portion of Lots 1 and 2 of Block 6 of the plat of "BINGHAM ACREAGE" as per plat recorded in Volume 4, page 24, records of Skagit County, Washington described as follows:

Beginning at the Southeast corner of Tract B shown on that certain survey for Avery N. Martin filed in Volume 8 of Surveys at page 78, records of Skagit County, Washington, which point is on the South line of Lot 1 Block 6 of said Plat of "BINGHAM ACREAGE";

thence South $89^{\circ}31'04''$ East along the South line of said Plat of "BINGHAM ACREAGE," a distance of 176.00 feet;

thence North $00^{\circ}08'45''$ East a distance of 364.54 feet to a point on the Southeasterly line of said Tract B which is 403.87 feet from the Southeast corner thereof;

thence South $25^{\circ}58'50''$ West along the Southeasterly line of said Tract B, a distance of 403.87 feet to the point of beginning of this description.



200710250113

Skagit County Auditor

Schedule "A-1"

119062-S

DESCRIPTION CONTINUED:

ALSO TOGETHER WITH an easement for installation, operation and maintenance of a water service line over the South 10 feet of the following described tract:

That portion of Lots 9 and 10, Block 1, "BINGHAM ACREAGE" as per plat recorded in Volume 4, page 24, records of Skagit County, Washington, and of the West ½ of the vacated street adjacent thereto, described as follows:

Beginning at the North ¼ corner of Section 11, Township 34 North, Range 4 East, W.M.;
thence North 89°30'50" East along the North line thereof, a distance of 909 feet to the centerline of said vacated road;
thence South along said centerline, 600 feet to the point of beginning of this tract description;
thence continue South along said centerline, 190 feet;
thence South 89°30'50" West, a distance of 156.50 feet to the East line of a road;
thence North along the East line of said road, a distance of 190 feet;
thence North 89°30'50" East, a distance of 156.50 feet to the point of beginning of this tract description.

Situate in the County of Skagit, State of Washington.



200710250113
Skagit County Auditor

10/25/2007 Page

6 of

6 3:55PM