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Return to:
WASHINGTON FEDERAL SAVINGS
Mount Vernon Office
P.O. Box 639
Mount Vernon, WA 98273
Attn: Deanne Ramsey

9507200100

FIRST AMERICAN [unclear] [Space Above This Line For Recording Data] Loan No. 050 200 156766-8

45036 **ASSUMPTION AGREEMENT WITH RELEASE**

THIS AGREEMENT is made on the date below shown between WASHINGTON FEDERAL SAVINGS ("Lender"),

T.H.S., INC., A WASHINGTON CORPORATION ("Existing Borrower"), and

SARAH A. WHEELER, AN UNMARRIED PERSON ("New Borrower"),

concerning that certain loan obligation in the original amount of ONE HUNDRED FORTY TWO THOUSAND FOUR HUNDRED AND NO/100S Dollars (\$ 142,400.00) ("the Loan"), evidenced by a Note and Mortgage or Deed of Trust dated January 27th, 1995 and recorded under Recording Instrument No. 9501270109 Official Records of Skagit County, State of Washington ("the Loan Contract and Security Instrument"), which Security Instrument names and legally describes specific real property ("the Property") that is security for the Loan.

THIS AGREEMENT is made upon the following understanding:

- 1) Existing Borrower has transferred the Property to New Borrower;
- 2) New Borrower desires to assume and agrees to pay Lender and perform all obligations according to the Loan Contract and Security Instrument;
- 3) Existing Borrower desires to be released from any obligation to Lender under the Loan Contract and Security Instrument; and
- 4) Lender is willing to accept an assumption of the Loan Contract and Security Instrument by New Borrower and release Existing Borrower from these same obligations;

NOW THEREFORE, it is mutually agreed as follows:

- 5) **Assumption by New Borrower.** For and in consideration of the above-stated understanding and other valuable consideration, New Borrower assumes and agrees to pay the Loan, and New Borrower shall perform all obligations of the Loan Contract and Security Instrument as they may have been modified (see Paragraph 6 below).
- 6) **Terms of Loan Assumption.** New Borrower agrees that, as of the date below shown, the unpaid balance on the loan [inclusive of principal and unpaid accrued interest, reserves or escrow items for taxes, property or flood insurance and assessments, and late charges (if any)] is ONE HUNDRED THIRTY TWO THOUSAND FIVE HUNDRED AND NO/100S Dollars (\$ 132,500.00) and that the interest rate of the loan shall be SEVEN AND ONE HALF percent (7.500 %) per annum, and that monthly payments shall be made on the loan beginning September 1st, 1995 in the sum of NINE HUNDRED TWENTY SIX AND 46/100S Dollars (\$ 926.46), to be applied as set forth in the Loan Contract and Security Instrument, until the Loan is paid in full. Other terms of New Borrower's assumption of the loan are [] none [x] SEE MODIFICATION OF DEED OF TRUST AND NOTICE OF MODIFICATION OF LOAN TERMS (AND ADDENDUMS) DATED JULY 19TH, 1995 ATTACHED TO AND MADE A PART OF THIS ASSUMPTION AGREEMENT.

Except as set forth in this Agreement, all terms and conditions of the Loan as evidenced by the Loan Contract and Security Instrument shall in all other respects remain in full force and effect.

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- 7) **Release of Existing Borrower.** In consideration of the assumption of the Loan by New Borrower and other valuable consideration, Lender does now release and discharge Existing Borrower upon Existing Borrower's personal obligation under the Loan Contract and Security Agreement.
- 8) **Binding Effect of Assumption.** This assumption by New Borrower, and each of them, is joint and several and shall bind (him) (her) (them), and (his) (her) (their) heirs, personal representatives, successors and assigns.

DATED: July 19th, 1995

WASHINGTON FEDERAL SAVINGS

by: [Signature]
Title: [Signature]

T.H.S., INC.

(Existing Borrower)

[Signature]
GEORGE R THURTLIE, PRESIDENT (Existing Borrower)

[Signature]
SARAH A WHEELER (New Borrower)

(New Borrower)

(New Borrower)

(New Borrower)

(New Borrower)

(New Borrower)

(New Borrower)

EXISTING BORROWER ACKNOWLEDGEMENT
(If individuals)

STATE OF _____)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that _____

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

(Seal or Stamp)

(Signature)

Notary Public in and for the State of _____,
residing at _____
My commission expires _____

EXISTING BORROWER ACKNOWLEDGEMENT
(If corporation or entity)

STATE OF WASHINGTON)
COUNTY OF SKAGIT) ss.

I certify that I know or have satisfactory evidence that _____

GEORGE R THURTLIE

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the PRESIDENT

(Type of Authority, e.g., Officer, Trustee)

of T.H.S., INC., A WASHINGTON CORPORATION

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Lydia Reynolds

Dated: 7/19/95

(Seal or Stamp)



(Signature)

Notary Public in and for the State of Washington,
residing at Mount Vernon
My commission expires 8-9-97

NEW BORROWER ACKNOWLEDGEMENT
(If individuals)

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that
SARAH A WHEELER

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 7-29-95

(Seal or Stamp)



Lydia Reynolds
(Signature)

Notary Public in and for the State of Washington,
residing at Mount Vernon
My commission expires 8-9-97

NEW BORROWER ACKNOWLEDGEMENT
(If corporation or entity)

STATE OF)
) ss.
COUNTY OF)

I certify that I know or have satisfactory evidence that

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the

(Type of Authority, e.g., Officer, Trustee)

of

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:

(Seal or Stamp)

(Signature)

Notary Public in and for the State of
residing at
My commission expires

LENDER ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that

DEANNE RAMSEY

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the

ASSISTANT MANAGER

(Type of Authority, e.g., Officer, Trustee)

of WASHINGTON FEDERAL SAVINGS

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7-20-95

(Seal or Stamp)

Cheryl C. Holmstrom
(Signature)

Notary Public in and for the State of Washington,
residing at Mount Vernon
My commission expires 10-15-96

WHEN RECORDED RETURN TO:

LOAN NO. 050 200 156766-8

WASHINGTON FEDERAL SAVINGS

PO BOX 639

MOUNT VERNON, WA 98273

ATTN: Deanne Ramsey

MODIFICATION OF DEED OF TRUST
and
NOTICE OF MODIFICATION OF LOAN TERMS

NOTICE TO ALL PERSONS is hereby given that

("Lender"), as beneficiary of that Deed of Trust dated January 27th, 1995, recorded under Auditor's File No. 9501270109 in the records of Skagit County, State of Washington ("Security Instrument"), encumbering the real property and improvements named in the Security Instrument ("Property"), has, this date, modified the terms of the Note secured by the Security Instrument as approved by the grantor of said Security Instrument, _____

T.H.S., INC., A WASHINGTON CORPORATION

("Borrower") under the Security Instrument, and Borrower does hereby covenant and agree as follows:

- A. **Change in Maturity Date.** The Maturity Date of the Note secured by the Security Instrument has been changed from January 27th, 1996 to August 1st, 2025.
- B. **Modification of Other Terms of Note.** Notice is given that the Note secured by the Security Instrument has also been modified in a manner other than change in the Maturity Date.
- C. **Change in Terms of the Security Instrument.** The covenants and terms of the Security Instrument (including the Short Form Deed of Trust, Master Form Deed of Trust, and Schedule "A") affecting foreclosure rights of Lender, acceleration of the terms of the Note and Security Instrument and other remedies, reconveyance, and the authority to substitute the Trustee without further approval of the Borrower, shall remain in full force and effect and are not altered or modified in any way by this document. To the extent the covenants and agreements of Borrower in the existing Security Instrument are inconsistent with this document, the Borrower hereby agrees and covenants unto Lender the following covenants, agreements, terms, and conditions, which shall supersede any contrary terms of the Security Instrument as originally recorded and shall become a part of the Security Instrument as if originally set forth therein.

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Borrower's Initials 

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or, if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's Rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

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6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgement could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay any premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

Borrower's Initials 

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12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON UNIFORM COVENANTS. Lender and Borrower further covenant and agree as follows:

21. Use of Property. If the Property is situated in the State of Idaho, the Property is either not more than 20 acres in area or the Property is located within an incorporated city or village. If the Property is located in the State of Oregon, the Property is not currently used for agriculture, timber or grazing purposes. If the Property is situated in the State of Washington, the Property is not used principally for agricultural or farming purposes.

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22. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- ☐ Planned Unit Development Rider
- ☐ 1-4 Family Rider
- ☒ Addendum to Modification of Deed of Trust and Notice of Modification of Loan Terms

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument as it modifies and amends the original Security Instrument, in in rider(s) executed by Borrower and recorded with it.

Signed at MOUNT VERNON, SKAGIT County, State of WASHINGTON,
this 19th day of July, 1995.

Approved:

WASHINGTON FEDERAL SAVINGS

T.H.S., INC.

By: *Deanne Karsenty*

George R Thurtle
(Borrower) GEORGE R THURTL, PRESIDENT

Its: *Asst. Manager*

(Borrower)

STATE OF

COUNTY OF

I certify that I know or have satisfactory evidence that

(Name of person)

is the person who appeared before me, and said person acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

(Seal or Stamp)

(Signature)

Notary Public in and for the State of
residing at _____

My commission expires _____

STATE OF WASHINGTON

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that

GEORGE R THURTL

(Name(s) of person(s))

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the PRESIDENT

(Type of Authority, e.g., Officer, Trustee)

of T.H.S., INC., A WASHINGTON CORPORATION

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7-19-95

(Seal or Stamp)



Lydia Reynolds

Lydia Reynolds
(Signature)

Notary Public in and for the State of Washington
residing at Mount Vernon

My commission expires 8-9-97

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ADDENDUM TO MODIFICATION OF DEED OF TRUST AND NOTICE OF MODIFICATION OF LOAN TERMS

Date: July 19th, 1995

Loan No. 050 200 156766-8

Addendum attached to and forming part of the Modification of Deed of Trust and Notice of Modification of Loan Terms ("Security Instrument") of even date by and between

T.H.S., INC., A WASHINGTON CORPORATION

(as Grantor/Borrower); FIRST AMERICAN TITLE COMPANY OF SKAGIT COUNTY
(as Trustee); and WASHINGTON FEDERAL SAVINGS AND LOAN ASSOCIATION (as Beneficiary).

1. OCCUPANCY OF THE PROPERTY BY BORROWER.

There are two alternative covenants stated below which refer to occupancy of the Property by the Borrower, and only one alternative shall be a part of this Addendum. Lender has determined which alternative is a covenant of the Borrower by checking below the appropriate box opposite the paragraph immediately preceding the paragraph Lender has determined to be applicable to Borrower, and Borrower has agreed to this chosen alternative by executing this Addendum to the Security Instrument and pursuant to the terms of Lender's loan commitment.

☒ Occupation of Property by Borrower Required.

Uniform Covenant 6 of the Security Instrument is amended by deleting the first sentence and adding the following language:

"Borrower shall occupy, establish and use the Property as Borrower's principal residence within sixty (60) days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless lender otherwise agrees in writing and in its sole discretion; provided, however, that if the loan evidenced by the Security Instrument is a 'custom' construction loan as defined by a Construction Loan Agreement between Lender and Borrower, then Borrower shall begin to occupy, establish and use the Property as Borrower's principal residence within sixty (60) days after receipt of Certificate of Occupancy, or similar official document, from the applicable governmental authority, unless Lender in its discretion agrees in writing to waive any governmental requirement. Borrower acknowledges that Uniform Covenant 6, as here amended, is required by Lender in consideration of Lender extending Borrower an 'Occupancy Note Rate' which is less than the prevailing 'Non Occupancy Note Rate'. If Borrower shall default on the terms of occupancy as stated above, Lender may elect, at its option and notwithstanding any other terms of the Security Instrument to the contrary, any of the following remedies: (a) Lender may accelerate the terms of the Note and, upon fifteen (15) days notice, call the loan immediately due and payable in full, and if Borrower fails to make payment in full, Lender may thereafter exercise any remedy permitted by the Security Instrument, including suit on the Note or foreclosure upon the Security Interest and the Property; or (b) Lender may adjust the interest rate on the Note (and any monthly payment occasioned by such adjustment) to Lender's 'Non-Occupancy Note Rate' which existed as of the date of the Note and Security Instrument and require further consideration for not calling the loan immediately due and payable, including but not limited to (i) having Borrower convey to Lender a Fannie Mae Multistate 1-4 Family Rider (Assignment of Rents) and (ii) having Borrower pay any amount of principal on the loan necessary (if at all) to make the loan conform to whatever loan-to-value ratio conditions Lender would have required of a 'Non-Owner-Occupied Loan' on the Property as of the date of the Note and Security Instrument."

☐ Occupancy of Property By Borrower Waived.

Uniform Covenant 6 of the Security Instrument is amended by deleting the first sentence.

2. ADDITIONAL SPECIAL COVENANTS.

A. Lender's Right of Acceleration and Judicial Foreclosure.

Uniform Covenant 18 of the Security Instrument is amended by changing the final period to a comma, and adding: "or if acceleration is made by Lender and a judicial foreclosure has been commenced."

B. Reconveyance After Payment of Loan in Full.

Non-Uniform Covenant 23 is added to the Security Instrument to read as follows:

"23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and reasonable trustee's fee for reconveyance."

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(Page 1 of 2)

C. Assignment of the Loan. If Lender transfers its interest in or a right to receive loan payments under the Note secured by the Security Instrument, this Addendum, or any part of it, may be cancelled at the option of Lender and without advance notice to Borrower, and Lender may make and record any instrument, without signature of Borrower, which may be necessary to give record notice of such cancellation.

Approved:

WASHINGTON FEDERAL SAVINGS

T.H.S., INC.

By:

GEORGE R THURTL, PRESIDENT

Its:

STATE OF

COUNTY OF

)
) ss.
)

I certify that I know or have satisfactory evidence that

(Name of person)

is the person who appeared before me, and said person acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated:

(Seal or Stamp)

(Signature)

Notary Public in and for the State of
residing at

My commission expires

STATE OF

WASHINGTON

)
) ss.
)

COUNTY OF

SKAGIT

I certify that I know or have satisfactory evidence that

GEORGE R THURTL

(Name(s) of person(s))

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the PRESIDENT

(Type of Authority, e.g., Officer, Trustee)

of T.H.S., INC., A WASHINGTON CORPORATION

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:

7-19-95

(Seal or Stamp)

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Lydia Reynolds

(Signature)

Notary Public in and for the State of Washington
residing at Mount Vernon

My commission expires

8-9-97

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