

[Space Above This Line For Recording Data]

B17891 ✓

THIS ADDITIONAL ADVANCE AGREEMENT made and entered on May 17th, 2002
by and between Kenneth R Witzel and Jame A Witzel,
Husband and Wife
_____ ("Borrower"/Grantor),
and Washington Federal Savings, a United States corporation ("Lender"/Beneficiary/Grantee).

A. On or about May 17th, 2001, Borrower, in connection with Loan number 050200244168-1, executed and delivered to Lender a Note (the "Original Note") in the original principal sum of One Hundred Thirty Thousand and no/100's -----Dollars (\$ 130,000.00), providing for interest on the unpaid balance at the initial rate of Seven percent (7.000 %) per annum, and maturing on June 1st, 2031.

B. On or about the same date, Borrower executed and delivered to Lender, as security for the payment of the Original Note, a Mortgage or Deed of Trust (the "Security Instrument"). The Security Instrument was recorded in the office of the County Recorder, County Auditor or County Clerk of Skagit County, State of Washington, on May 21st, 2001 as Auditor's/Recorder's number 200105210238. The Security Instrument covers the following described real property (the "Property").

See Pages 5 and 6 of this document for the complete legal description attached as Exhibit "A" and by this reference incorporated herein.

Borrower's Initials

D. Borrower has requested and obtained approval from Lender for additional funds (the "Additional Advance") in the amount of Twenty Two Thousand Seventy and 64/100's Dollars (\$ 22,070.64) and has executed and delivered to Lender a Note (the "Additional Note") of even date, in the original principal amount of the Additional Advance, providing for interest on the unpaid balance at the rate of 7.250 percent (7.250 %) per annum, and maturing on June 1st, 2031 . Borrower acknowledges the Additional Advance as evidenced by the Additional Note is secured by the Security Instrument and is subject to the terms of all other instruments delivered to Lender in connection with the Original Note and Security Instrument, including particularly any Construction Loan Agreement or Land Loan Agreement.

E. Except as noted in this Agreement, the obligations evidenced by the Additional Note and the Original Note are to be repaid in the same proportions and are to be subject to the same terms, provisions, agreements, and stipulations.

F. Lender and Borrower have agreed that the loans evidenced by the Original Note and the Additional Note shall be consolidated as to both debts and as a first priority lien as set forth below.

NOW, THEREFORE, as an integral part of the loan transaction related to the Additional Note, as a condition to Lender making the Additional Advance, for valuable consideration, and in consideration of the mutual promises, covenants, conditions, and stipulations set forth in this Additional Advance Agreement, the parties agree as follows.

1. **PRINCIPAL LOAN BALANCE.** The unpaid principal balance owing under the Original Note after application of the payment of \$ 864.90 plus Escrow Items, if any, due on June 1st, 2002 will be \$ 128,679.36 . Both the Original Note and the Additional Note are secured by the Security Instrument, as modified by this Agreement. The total principal of the Original Note as calculated above and the Additional Note, will be \$ 150,750.00

2. **CONSOLIDATION OF OBLIGATIONS.** The debts evidenced by the Original Note and the Additional Note and secured by the Security Instrument shall be and they are hereby merged and consolidated to the same extent as if simultaneously loaned and advanced to Borrower.

3. **DISBURSEMENT OF LOAN PROCEEDS; LIEN PRIORITY STATUS; NEW CONSOLIDATED PAYMENT.** Upon recordation of this Agreement, the net proceeds of the Additional Advance will be disbursed to the order of Borrower (and each of them, if more than one). The debts evidenced by the Original Note and the Additional Note shall together be and remain a first lien upon the Property without priority of one over another, and shall secure the repayment of the present gross indebtedness with interest on the unpaid balance. Said repayment shall be in accordance with all the terms and provisions of the two Notes, subject to the terms and conditions of Paragraph 6 of this Additional Advance Agreement.

4. **INCORPORATION OF ADDITIONAL NOTE AND ADDITIONAL ADVANCE AGREEMENT AS PART OF "LOAN DOCUMENTS".** Any right, remedy, or security which is held by or available to Lender in connection with either the Original Note, the Additional Note or the Security Instrument, and including any right, remedy, or security provided by any Assignment of Rents and Income, or any Construction Loan Agreement or Land Loan Agreement, shall apply to both the Original Note, the Additional Note and the Security Instrument, irrespective of whether the instrument creating such right, remedy, or security refers only to one of the instruments described in this Agreement, and regardless of whether the instrument creating such right, remedy, or security was executed by less than all persons identified as Borrower.

5. **DEFAULT.** Any default in either of the Original Note or Additional Note, under any other instrument securing the payment of either of the Notes, under any instrument relating to or under any instrument providing any right, remedy, or security in connection with either of the Notes or the Security Instrument, shall constitute a default in and under all of the instruments referred to in this Paragraph.

6. **PREFERENCE OF TERMS OF ADDITIONAL NOTE; NEW MATURITY DATE AND LOAN INTEREST RATE.** The terms of the Additional Note and of all instruments in any way related to the loan associated with the Additional Note, including this Additional Advance Agreement, shall govern and apply to the extent of any conflict or inconsistency whatsoever which may exist between such instruments and the Original Note. Without limiting the general application of the foregoing, the following shall apply:



200205220099

5/22/2002 Page 2 of 6 12:30PM

LO171 03/30/01

a. **NEW MATURITY DATE.** The Maturity Date set forth in the Additional Note shall modify and apply to the Original Note and the Security Instrument. The new Maturity Date on the entire loan, including the Original Note (as modified by this Additional Advance Agreement) and the Additional Note, is now and shall be June 1st, 2031.

b. **NEW LOAN INTEREST RATE.** The Loan Interest Rate set forth in the Additional Note shall modify and apply to the Original Note and the Security Instrument. The new Loan Interest Rate on the entire loan, including the Original Note (as modified by this Additional Advance Agreement) and the Additional Note, is now and shall be Seven and One Quarter percent (7.250 %)

7. **NEW PRINCIPAL AND INTEREST PAYMENT.** Effective with the payment due on July 1st, 2002 the monthly principal and interest payment on the entire loan, including the Original Note and the Additional Note (as modified by this Additional Advance Agreement) will be \$ 1,038.44.

8. **SURVIVAL OF TERMS.** Except as set forth in this Additional Advance Agreement, all of the terms, covenants, and conditions of all of the instruments referred to herein shall remain in full force and effect. Notwithstanding any provision hereof which might be construed to the contrary, this Additional Advance Agreement shall in no way affect the validity, priority, or binding effect of the Security Instrument.

9. **BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of Lender and Borrower.

WASHINGTON FEDERAL SAVINGS

By: *Devin Nystrom*

Title: Assistant Manager

BORROWER'S ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE

The undersigned Borrower, and each of them, acknowledge receipt and accept the terms and conditions of the above stated Additional Advance Agreement.

Kenneth R. Witzel
Kenneth R Witzel

James A. Witzel
James A Witzel

(Over for notary acknowledgements)

(Page 3 of 4)

L0171 03/30/01



200205220099
Skagit County Auditor

5/22/2002 Page 3 of 6 12:30PM

200205220099
Skagit County Auditor
5/22/2002 Page 4 of 6 12:30PM

Dated: _____
(Seal or Stamp)

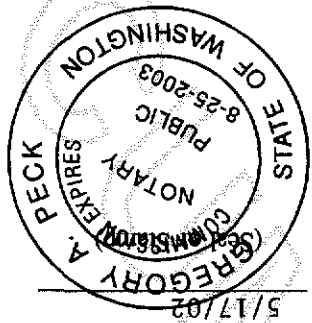
(Signature)
Notary Public in and for the State of _____
residing at _____
My commission expires _____

(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.

[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 _____

STATE OF _____
COUNTY OF _____
I certify that I know or have satisfactory evidence that _____
()
() ss.
()



Dated: 5/17/02

(Signature)
Notary Public in and for the State of Washington
residing at Mount Vernon
My commission expires 8/25/03

[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.

STATE OF Washington
COUNTY OF Skagit
I certify that I know or have satisfactory evidence that
Kenneth R Witzel and Jame A Witzel

()
() ss.
()

EXHIBIT "A"

PARCEL 1:

Parcel C, SKAGIT COUNTY BOUNDARY LINE ADJUSTMENT SURVEY, approved February 17, 2000, and recorded February 17, 2000, under Auditor's File No. 200002170052, records of Skagit County, Washington; being a portion of the Southeast Quarter of Section 23, Township 36 North, Range 4 East of the Willamette Meridian.

PARCEL 2:

An easement for ingress and egress, road, and utilities, over, under, and upon a strip of land being 30 feet in width in a portion of the Northeast Quarter in Section 26, Township 36 North, Range 4 East of the Willamette Meridian, said 30-foot strip lying 15 feet on each side of the following described centerline:

Commencing at the Southeast corner of said Northeast Quarter;
thence South 89°50'00" West along the South line of said Northeast Quarter a distance of 1,292.65 feet to the Southeast corner of the Southwest Quarter of the Northeast Quarter;
thence continue South 89°50'00" West along said South line a distance of 19.65 feet;
thence North 01°13'14" West a distance of 231.54 feet to an intersection with the Northeasterly margin of the Prairie County Road, said intersection to be hereinafter referred to as Point "X";
thence South 48°47'45" East along said Northeasterly margin a distance of 116.36 feet to a point of curvature in said margin;
thence continue along said margin and along the arc of said curve to the left having a radius of 542.96 feet, through a central angle of 24°39'46" an arc distance of 233.72 feet to the true point of beginning of said 30-foot easement strip;
thence North 12°37'55" West a distance of 131.82 feet;
thence North 27°01'50" West a distance of 233.39 feet;
thence North 33°20'00" West a distance of 144.18 feet to a point of curvature;
thence along the arc of said curve to the left having a radius of 480 feet, through a central angle of 15°22'33" an arc distance of 128.81 feet to a point in said curve that is North 01°13'14" West a distance of 365.33 feet from before mentioned Point "X";
thence continue along said curve to the left having a radius of 480 feet, through a central angle of 18°47'49" an arc distance of 157.47 feet to a point of tangency;
thence North 67°30'22" West a distance of 118.65 feet to a point of curvature;
thence along the arc of said curve to the right having a radius of 230.00 feet, through a central angle of 29°47'36" an arc distance of 119.60 feet to a point of tangency;
thence North 37°42'46" West a distance of 199.22 feet to a point to be hereinafter referred to as Point "Y";
thence continue North 37°42'46" West a distance of 335.24 feet;
thence North 13°07'03" West a distance of 80.39 feet to an intersection with the North line of said Southwest Quarter of the Northeast Quarter and the terminus of said centerline.
Continued.



EXHIBIT "A"

Page 2

PARCEL 3:

An easement for ingress, egress and utilities over, under and through a portion of the Southeast Quarter of Section 23, Township 26 North, Range 4 East, Willamette Meridian, described as follows:

Beginning at the Northeast corner of Parcel C after boundary adjustment as shown on Boundary Line Adjustment Survey for Tom Galbreath, recorded on February 17, 1991, under Auditor's File No. 200002170052, records of Skagit County, Washington;
Thence North 83°35'07" West along the North line of said Parcel C, a distance of 50.00 feet;
Thence North 12°09'14" East, a distance of 10.00 feet;
Thence South 73°14'00" East, a distance of 49.81 feet;
Thence South 83°49'09" East, a distance of 255.62 feet to the centerline of an existing road;
Thence South 00°26'09" East along said centerline, a distance of 20.13 feet;
Thence 83°49'09" West, a distance of 260.11 feet to the East line of said Parcel C;
Thence North 12°42'50" East, a distance of 19.12 feet to the point of beginning of this description.

PARCEL 4:

An easement for ingress, egress and utilities 60 feet in width over and existing road across Parcel B as delineated on Boundary Line Adjustment Survey, recorded on February 17, 2000, recorded under Auditor's File No. 200002170052, records of Skagit County, Washington, also delineated in a document entitled Easements and Agreement recorded on September 23, 1999, under Auditor's File No. 199909230052, records of Skagit County, Washington.

The North line of said easement is the North boundary of Parcel 3, herein described, extended Easterly and the South boundary being the South line of Section 23, Township 36 North, Range 4 East of the Willamette Meridian.

ALL situated in Skagit County, Washington.

- END OF EXHIBIT "A" -