



200306050105

Skagit County Auditor

After Recording Return To:
CUSTOM CONSTRUCTION DEPT.
FIRST MUTUAL BANK
PO BOX 1647
BELLEVUE, WA 98009

6/5/2003 Page 1 of 2 11:08AM

(Space Above Line for Recording Date)

Loan #: 71 428891 00

LOAN MODIFICATION AGREEMENT
(Providing for Fixed Interest Rate)

ACCOMMODATION RECORDING ONLY
FIRST AMERICAN TITLE CO.

This Loan Modification Agreement ("Agreement"), made this 1ST day of MAY, 2003, between JOHN M. BATES AND JEAN M. BATES, husband and wife. ("Borrower") and First Mutual Bank ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated DECEMBER 13, 2002, recorded in Book or Liber Recording#: 200212200075, at page(s) N/A, of the N/A Records of SKAGIT County, WA, and (2) the Note Bearing the same date as, and secured by, [County and State, or other Jurisdiction]

the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at 8110 SIMS ROAD SOUTHWEST, SEDRO WOOLLEY, WA 98284

the real property described being set forth as follows:

SSECTION 15, TOWNSHIP 35, RANGE 5; PNT. W 1/2 - NW 1/4

Assessor's Property Tax Parcel/Account Number(s): 350515-2-006-0007 350515-0-003-0004

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of APRIL 1, 2003 the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$249,909.57 consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.
2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 6.125%, from APRIL 1, 2003. The Borrower promises to make monthly payments of principal and interest of U.S. \$1,518.48 beginning on the first day of MAY, 2003, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on APRIL 1, 2033 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower will make such payment at PO Box 1647, Bellevue, WA 98009 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument.

If the Lender exercises this option, the Lender shall give the 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 the Borrower must pay all sums secured by the Security Instrument. If the Borrower

fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on the Borrower.

4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the borrower is obligated to make under the Security Instrument.
5. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by the Agreement.

Witness: _____

John M. Bates (Seal)

Witness: _____

Jean M. Bates (Seal)

_____(Seal)

_____(Seal)

Lender: First Mutual Bank

Witness: _____

By: Cheri L. King

[Authorized Officer Name]

Witness: _____

Its: CHERI L. KING, A.V.P.

[Authorized Officer Title]

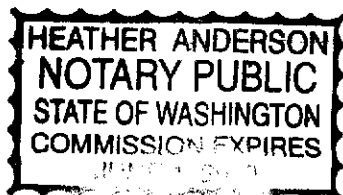
------(Space Below this Line for Acknowledgments)-----

On this day personally appeared before me JOHN M. BATES AND JEAN M. BATES

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30th day of May 2003.

My Commission expires: 6-01-03



Heather Anderson
Notary Public in and for the State of Washington
residing at: King County

