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Skagit County Auditor

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AFTER RECORDING RETURN TO:
First Horizon Corporation, d/b/a First Horizon Home Loans
5808 Lake Washington Boulevard, Suite 400
Kirkland, WA 98033

CHICAGO TITLE CO.

LOT 31, PLAT OF CEDAR RIDGE ESTATES DIV. NO. 1
[Space Above This Line For Recording Data]

Loan Number: 0030398713

PARCEL ID: 4622-000-031-0000

LOAN MODIFICATION AGREEMENT (Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 15th day of August, 2003, between MICHAEL L. FERGUSON and JESSICA L. FERGUSON, HUSBAND AND WIFE

("Borrower") and

First Horizon Corporation, d/b/a First Horizon Home Loans

("Lender"),

amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any, dated October 3, 2002 and recorded in Book or Liber 200210080131 at page(s) of the OFFICIAL Records of SKAGIT County, Washington

[Name of Records]

[County and State, or other Jurisdiction]

and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

21121 FALCON COURT, MOUNT VERNON, WA 98274

[Property Address]

the real property described being set forth as follows:

LOT 31, PLAT OF CEDAR RIDGE ESTATES DIV. NO. 1, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 15 OF PLATS, PAGES 147 THROUGH 152, RECORDS OF SKAGIT COUNTY, WASHINGTON.

APN: 4622-000-031-0000

★ 200210080131

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



ACCOMMODATION RECORDING

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

1. As of **August 15, 2003**, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ **35,500.00**, consisting of the amount(s) loaned to Borrower by Lender and any interest capitalized to date.
2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of **8.000** %, from **August 22, 2003**. Borrower promises to make monthly payments of principal and interest of U.S. \$ **339.26**, beginning on the **1st** day of **October, 2003**, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The yearly rate of **8.000** % will remain in effect until principal and interest is paid in full. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may be entitled. If on **September 1, 2018** (the "Maturity Date"), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

Borrower will make such payments at **P.O. Box 146, Memphis, TN 38101**
or at such other place as Lender may require.

3. If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by 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 given in accordance with Section 15 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.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:
- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, including, where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and paragraph A.1. of the Timely Payment Rewards Rider. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may have otherwise been entitled; and
 - (b) all terms and provisions of any adjustable rate rider, or Timely Payment Rewards Rider, where applicable, or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.
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 Borrower and Lender



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will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

First Horizon Corporation, d/b/a First
Horizon Home Loans
(Seal)
-Lender

Michael L. Ferguson
MICHAEL L. FERGUSON
(Seal)
-Borrower

By: *Barbara J. Cauness*

Jessica L. Ferguson
JESSICA L. FERGUSON
(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Space Below This Line For Acknowledgment]

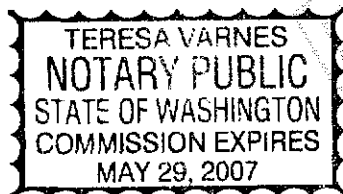
State of Washington
County of Snohomish
§
§
§

This instrument was acknowledged before me on
by MICHAEL L. FERGUSON and JESSICA L. FERGUSON

8-20-03

SV

Teresa Varnes
Notary Public



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NOTARY JURATE FOR LOAN MODIFICATION AGREEMENT DATED AUGUST
15, 2003

STATE OF WASHINGTON
COUNTY OF SNOHOMISH

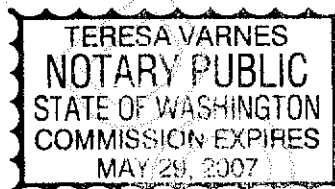
SS

ON THIS 21ST DAY OF AUGUST, 2003 BEFORE ME, THE UNDERSIGNED, A NOTARY
PUBLIC IN AND FOR THE STATE OF WASHINGTON, DULY COMMISSIONED AND SWORN,
PERSONALLY APPEARED MICHAEL L FERGUSON KNOWN TO ME TO BE THE
INDIVIDUAL(S) DESCRIBED IN AND WHO EXECUTED THE WITHIN INSTRUMENT AND
ACKNOWLEDGED THAT HE SIGNED AND SEALED THE SAME AS HIS FREE AND
VOLUNTARY ACT AND DEED FOR THE USES AND PURPOSES HEREIN MENTIONED.

Teresa Varnes

NOTARY SIGNATURE

PRINTED NAME: TERESA VARNES
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT MARYSVILLE
MY COMMISSION EXPIRES ON 5/29/07



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CORPORATE ACKNOWLEDGMENT

Loan Number: 0030398713

State of WASHINGTON

County of King

§
§ ss.:
§

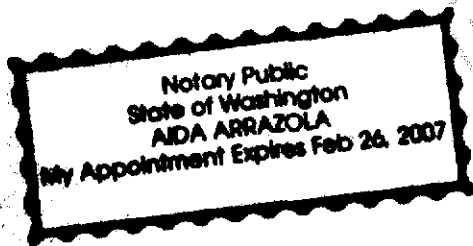
I certify that I know or have satisfactory evidence that BARBARA J. GUNTER
[name of person]
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument on oath stated that (he/she) was authorized to execute the instrument and acknowledged it
as the Vice President
[type of authority, e.s., officer, trustee, etc.]
of First Horizon Corporation, d/b/a First Horizon Home Loans
[name of corporation or company] to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: 08-15-03

[Signature]
(Signature)
Notary Public
(Title of Office)

(Seal or Stamp)

My appointment expires: 02-26-07



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