



200310240150

Skagit County Auditor

10/24/2003 Page

1 of

3 3:23PM

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

ACCOMMODATION RECORDING ONLY

FIRST AMERICAN TITLE CO.

(Space Above Line for Recording Date)

B71063

Loan #: 71 428891 00

LOAN MODIFICATION AGREEMENT

(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 13TH day of JUNE, 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 and 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:

SECTION 15, TOWNSHIP 35, RANGE 5; PTN W 1/2 - NW 1/4

COMPLETE LEGAL ON PAGE THREE OF DOCUMENT

Assessor's Property Tax Parcel/Account Number(s): 350515-2-006-0007/350515-0-003-0004/
350515-2-007-0006

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 JUNE 1, 2003 the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$177,062.91 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 5.375% from JUNE 1, 2003. The Borrower promises to make monthly payments of principal and interest of U.S. \$993.73 beginning on the first day of JULY, 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

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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.

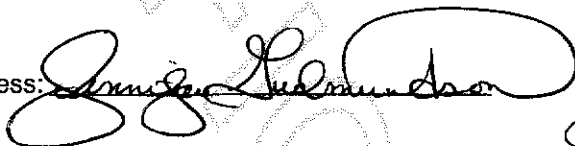
Witness: _____



JOHN M. BATES

(Seal)

Witness: _____



JEAN M. BATES

(Seal)

(Seal)

(Seal)

Lender: First Mutual Bank

Witness: _____

By: _____

[Authorized Officer Name]

Witness: _____

Its: _____

FIRST MUTUAL BANK
CHERI L. KING, A.V.P.

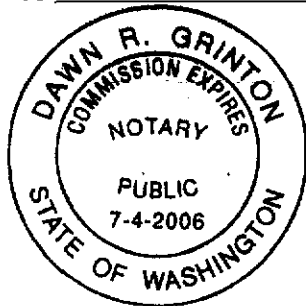
[Authorized Officer Title]

----- (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 29th day of August, 2003

My Commission expires: 7-4-06

Dawn R. Grinton
 Notary Public in and for the State of Washington, DAWN R. GRINTON
 residing at: Burlington



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Skagit County Auditor

FULL
LEGAL DESCRIPTION

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

That portion of the West 1/2 of the Northwest 1/4 of Section 15, Township 35 North, Range 5 East, W.M., lying Northerly of the North right-of-way line of County Road known as R.D. Minkler Road; EXCEPT that portion thereof lying North of the South right-of-way line of Highway 17-A conveyed to the State of Washington by Deed dated February 28, 1948, filed March 26, 1948, as Auditor's File No. 416170, and recorded in Volume 225 of Deeds, Page 344, AND EXCEPT road rights-of-way; AND ALSO EXCEPTING an undivided 1/2 interest in any coal that may be in the Northwest 1/4 of the Northwest 1/4 as reserved by Deed recorded December 19, 1928, under Auditor's File No. 218993, AND FURTHER EXCEPTING from said above-described main tract, the following described tract:

Beginning at the intersection of the West line of Sims Road, conveyed to Skagit County by Deed dated May 29, 1939, recorded November 10, 1939, under Auditor's File No. 318850, and the North line of the Old Minkler Highway; thence North along the West line of said Sims Road, 420 feet; thence West parallel to the North line of the Old Minkler Highway, a distance of 420 feet; thence South parallel with the West line of said Sims Road, 420 feet, more or less, to the North line of the Old Minkler Road; thence East along said North line to the point of beginning.



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Skagit County Auditor

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