



200411050091

Skagit County Auditor

11/5/2004 Page

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2 11:32AM

After Recording Return To:
CONSTRUCTION ADMINISTRATION DEPT.
FIRST MUTUAL BANK
P.O. BOX 1647
BELLEVUE, WA 98009

LAND TITLE OF SKAGIT COUNTY

-----Space Above Line for Recording Date)-----

Loan# 71-430231-05

LOAN MODIFICATION AGREEMENT
(Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 13th day of OCTOBER, 2004, between MARTIN MANRIQUE, AN UNMARRIED INDIVIDUAL ("Borrower") and First Mutual Bank ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument") dated APRIL 14, 2004 and recorded in Book or Liber **Recording #:** 200404210079 at page(s) N/A, of the N/A Records of SKAGIT County, WASHINGTON, 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 17864 WEST BIG LAKE BOULEVARD, MOUNT VERNON, WASHINGTON 98274 the real property described being set forth as follows:

LOT 1, SP PL02-0742 IN TR.E. BIG LAKE WTRFRNT TRS

Assessor's Property Tax Parcel/Account Number(s): 3862-000-068-0208

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 OCTOBER 1, 2004 the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U. S. \$163,000.00, 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 5.250% (the "initial rate of interest"), from OCTOBER 1, 2004. The Borrower promises to make monthly payments of principal and interest of U.S. \$900.09 beginning on the first day of NOVEMBER 2004, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on OCTOBER 1, 2034 (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 understand and agrees that the initial rate of interest may change on the first day of OCTOBER 1, 2007, and on that day every 12TH month thereafter on the "Change Date", as such term is defined in the Note and Security Instrument.

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

The Index: Beginning with the first Change Date, the interest rate will be based on an Index. The "Index" is the one-year London Interbank Offered Rate ("LIBOR") which is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market, as published in The Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give the Borrower notice of its choice.

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND NINETY-FIVE HUNDRETHS percentage points (2.950%) to the current index.

The Borrower understand the interest rate they are required to pay at the first Change Date will not be greater than 7.250% or less than 3.250%. Thereafter, the Borrower's interest rate will never be increased or decreased on any single Change Date by more than TWO percentage point(s) (2.000%) from the rate of interest they have been paying for the preceding 12 months. The Borrower understands that their interest rate will never be greater than 11.250%.

3. 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, including:
 - 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; and
 - b. all terms and provisions of any adjustable rate rider 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.
4. 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 the terms and provisions thereof, as amended by the Agreement.

_____(Seal) Martin Manrique (Seal)
MARTIN MANRIQUE

_____(Seal) _____ (Seal)

Lender: First Mutual Bank

By: Erma Christoe Its: Asst VP
[Authorized Officer Name] [Authorized Officer Title]

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

STATE OF WASHINGTON,
County: Mahomesh
On this day personally appeared before me
MARTIN MANRIQUE to me known to be the
individual(s) described in and who executed the
within and foregoing instrument, any acknowledged
that HE signed the same as HIS free and voluntary
act and deed, for the uses and purposes therein
mentioned.

STATE OF WASHINGTON,
County: King
I hereby certify that I know or have satisfactory
evidence that Erma Christoe is the person(s)
who appeared before me, and said person(s)
acknowledged that she signed this instrument, on
oath stated that Erma Christoe authorized to
execute the instrument and acknowledged it as the
Asst VP of First Mutual Bank to be her
free and voluntary act for the uses and purposes
mentioned in this instrument.

GIVEN under my hand and official seal this
27th day of October, 2004.

GIVEN under my hand and official seal this
1st day of November, 2004.

My Commission expires: 2-15-06

My Commission expires: 8-31-05

Cindy L. Liden
Notary Public in and for the State of
WASHINGTON residing at:

William L. Gede
Notary Public in and for the State of Washington
residing at:

