

RECORD AND RETURN TO :
HANOVER CAPITAL PARTNERS LTD.
POST OFFICE BOX 3980
EDISON, NJ 08818-3980

DIVISION



200511080066
Skagit County Auditor

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Tax Parcel No.: 3728-006-004-0008

FHA Case No. 561-5691285
6162237512

LOAN MODIFICATION AGREEMENT

199203240014

This Loan Modification Agreement ("Agreement"), made this **OCTOBER 1, 2004**
between **DEREK B. DEROUEN AND BARBARA B. DEROUEN, HUSBAND AND WIFE**

("Borrower"), whose address is
**1110 WARREN STREET
MOUNT VERNON, WASHINGTON 98273**
and
WASHINGTON MUTUAL BANK

("Lender"), whose address is **7255 BAYMEADOWS WAY
JACKSONVILLE, FLORIDA 32256**
amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated
MARCH 17, 1992 and recorded in **Book 1059, Page 513**
SKAGIT COUNTY, WASHINGTON, and (2) the Note, in
the original principal amount of U.S. \$ **66,276.00**, 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
**1110 WARREN STREET
MOUNT VERNON, WASHINGTON 98273**

D.B.O. (initials)

the real property described is located in **SKAGIT COUNTY, WASHINGTON**
and being set forth as follows:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF;

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. \$ **62,285.56** consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

2. 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 **6.250%**, from **OCTOBER 1, 2004**. The Borrower promises to make monthly payments of principal and interest of U.S. \$ **488.49**, 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 **APRIL 01, 2022** (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 payments at
WASHINGTON MUTUAL BANK
P.O. BOX 34150
SAN ANTONIO, TEXAS 78265-4150
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 require immediate payment in full of all sums secured by this 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 this 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 this 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; however, the following terms and provisions are forever cancelled, null and void, as of the date specified in Paragraph No. 1 above:

HUD Modification Agreement
FAND# HUDMOD-2 Rev. 04-16



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DBD *(Signature)*

D. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF SKAGIT, CITY OF MOUNT VERNON, AND DESCRIBED AS FOLLOWS:

LOT 4 AND THE WEST 4 FEET OF LOT 3, BLOCK 6, "HAYTON'S ADDITION TO MT. VERNON, WASH.", ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 85, RECORDS OF SKAGIT COUNTY, WASHINGTON.

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- (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.

5. If the Borrower has, since inception of this loan but prior to this Agreement, received a discharge in a Chapter 7 bankruptcy, and there having been no valid reaffirmation of the underlying debt, by entering into this Agreement, the Lender is not attempting to re-establish any personal liability for the underlying debt.

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

Derek B. DeRouen (Seal)
DEREK B. DEROUEN -Borrower

Barbara B. DeRouen (Seal)
BARBARA B. DEROUEN -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

WASHINGTON MUTUAL BANK

Mamie Clark (Corporate Seal)
Name: MAMIE CLARK -Lender
Its: VICE PRESIDENT



6162237512

[Space Below This Line For Acknowledgment]

BORROWER ACKNOWLEDGMENT

STATE OF _____

COUNTY SS: _____

I hereby certify that I know or have satisfactory evidence that

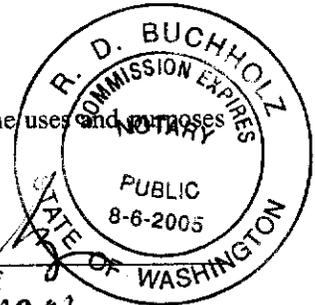
AND **DEREK DEROUEN,**
BARBARA DEROUEN

DEREK DEROUEN,

signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: **10-12-04**

R.D. Buchholz
Notary Public in and for the State of
residing at **MT. VERNON**



My appointment expires:

8-6-2005

STATE of WA. County of SKAGIT

LENDER ACKNOWLEDGMENT

STATE OF _____

FLORIDA

COUNTY OF _____

DUVAL

The foregoing instrument was acknowledged before me this **12th** day of **Oct** 2004 by

of **Mamie Clark**
Washington Mutual

, the **Vice President**

a _____, on behalf of said entity.

Signature of Person Taking Acknowledgment _____

Margaret E Ryals

Printed Name _____

Title or Rank _____

Serial Number, if any _____



HUD Modification Agreement

FAND# WAHUDMOD-4 Rev. 05-08-03

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THIS DOCUMENT WAS PREPARED BY:

KAREN STONER
WASHINGTON MUTUAL BANK
7255 BAYMEADOWS WAY
JACKSONVILLE, FL 32256



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Skagit County Auditor

DEROUEEN
1110 WARREN STREET
MOUNT VERNON, WASHINGTON 98273
WASHINGTON MUTUAL BANK

NOTICE OF NO ORAL AGREEMENTS

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Receipt of Notice. The undersigned hereby admit to having each received and read a copy of this Notice on or before execution of the Loan Agreement. "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods or any other thing of value or to otherwise extend credit or make a financial accommodation.

Derek B Derouen
Borrower _____ Date _____
DEREK B. DEROUEN

Barbara B. Derouen
Borrower _____ Date _____
BARBARA B. DEROUEN

Borrower _____ Date _____

Borrower _____ Date _____

Borrower _____ Date _____

Borrower _____ Date _____



DEROUEN
1110 WARREN STREET
MOUNT VERNON, WASHINGTON 98273
WASHINGTON MUTUAL BANK

6162237512

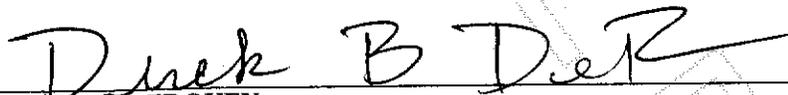
ERRORS AND OMISSIONS COMPLIANCE AGREEMENT

In consideration of
WASHINGTON MUTUAL BANK

(the "Lender") agreeing to modify the referenced loan (the "Loan") to the Borrower, the Borrower agrees that if requested by the Lender, the Borrower will correct, or cooperate in the correction of, any clerical errors made in any document or agreement entered into in connection with the modification of the Loan, if deemed necessary or desirable in the reasonable discretion of the Lender, to enable Lender to sell, convey, seek guaranty or market the Loan to any entity, including without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Housing Authority, the Department of Veterans Affairs or any municipal bond authority.

The Borrower agrees to comply with all such requests made by the Lender within 30 days of receipt of written request from the Lender. Borrower agrees to assume all costs that may be incurred by the Lender, including without limitation, actual expenses, legal fees and marketing losses, as a result of the Borrower's failure to comply with all such requests within such 30 day time period.

The Borrower makes this agreement in order to assure that the documents and agreements executed in connection with the modification of the Loan will conform to and be acceptable in the marketplace in the event the Loan is transferred, conveyed, guaranteed or marketed by the Lender.


DEREK B. DEROUEN _____ Date


BARBARA B. DEROUEN _____ Date

Date

Date

Date



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Skagit County Auditor