



200602010107

Skagit County Auditor

2/1/2006 Page 1 of 9 1:28PM

Wells Fargo ESCROW  
901 NE MIDWAY BLVD  
OAK HARBOR, WA 98277  
05-00014-06

PERMANENT LOAN EXTENSION AGREEMENT  
FIRST AMERICAN TITLE CO.  
83027

This Permanent Loan Extension Agreement (this "Agreement") is made to be effective as of the 15th day of April, 2005, and is incorporated into and shall be deemed to amend, supplement and extend the Mortgage, Deed of Trust, Deed or Security Deed (the "Security Instrument") dated as of the 25th day of January, 2006, executed by the undersigned Borrower(s) (referred to herein as "Borrower", whether one or more), in favor of Wells Fargo Bank, National Association ("Lender"). (Lender and its successors and assigns shall be referred to herein as the "Note Holder".) The Security Instrument secures a Note (the "Note") dated the same date as the Security Instrument payable to the order of Lender. All terms defined in the Security Instrument shall have the same meaning in this Agreement. **AF # 200504190073**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower (and each Borrower if more than one) further covenants and agrees as follows:

1. **PERMANENT LOAN.** The Security Instrument, as amended and extended by this Agreement, secures a permanent mortgage loan that replaces a construction loan between Lender and Borrower dated the same date as the Security Instrument and evidenced by the Note with a Construction Loan Addendum Amending Note. The Note, as amended by a Permanent Loan Addendum amending Note, evidences the permanent mortgage loan. Upon execution of this Agreement and the Permanent Loan Addendum, the terms and conditions of the Construction Loan Addendum Amending Note shall be of no further force and effect.

2. **DEFINITIONS.** The definitions set forth in the Security Instrument are amended as follows:

"Lender". Lender's address is PO Box 10304, Des Moines, IA 50306-0304.

"Note". The Note states that the Borrower owes Lender Three Hundred Fifty Thousand and 00/100 Dollars (U.S. \$350,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 01, 2036.

"Riders". Riders are to be executed by Borrower [check box as applicable]:

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider      | <input type="checkbox"/> 1-4 Family Rider  |
| <input type="checkbox"/> Balloon Rider                    | <input type="checkbox"/> PUD Rider              | <input checked="" type="checkbox"/> Other(s) [Inter Vivos Revocable Trust Rider] |
| <input type="checkbox"/> VA Rider                         | <input type="checkbox"/> Biweekly Payment Rider |  |
|   | <input type="checkbox"/> Second Home Rider      |  |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Addendum.

BORROWER(S)

Michael E. Monti, Trustee  
Michael E. Monti, trustee  
of the Monti Trust dated  
March 5, 2001

Gretchen D. Monti, Trustee  
Gretchen D. Monti, trustee  
of the Monti Trust dated  
March 5, 2001

ACKNOWLEDGEMENT

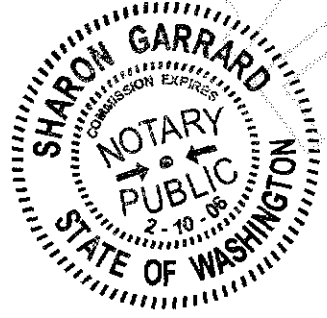
ATTACHED TO AND MADE A PART OF: Permanent Loan Extension

STATE OF Washington  
County of Island, SS:

I certify that I know or have satisfactory evidence that Michael J. Monti and  
Shelton W. Monti signed this instrument, on oath stated that he/she/they are  
authorized to execute the instrument and acknowledged it as the Trustee  
of Monti Trust dated March 5, 2001 to be the free and voluntary act of such  
party for the uses and purposes mentioned in this instrument.

Dated: January 30, 2006 Sharon Garrard

Notary Public in and for the State of Washington  
Residing at Oak Harbor  
My appointment expires: 2-10-2006



UNRECORDED DOCUMENT



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**FIXED/ADJUSTABLE RATE RIDER**  
(One-Year Treasury Index - Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this **25TH** day of **JANUARY, 2006**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to **WELLS FARGO BANK, N.A.**

("Lender") of the same date and covering the property described in the Security Instrument and located at: **4124 ELLISPORT PLACE, ANACORTES, WA 98221**

[Property Address]

**THE NOTE PROVIDES FOR A CHANGE IN BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial fixed interest rate of **5.250** %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

**4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

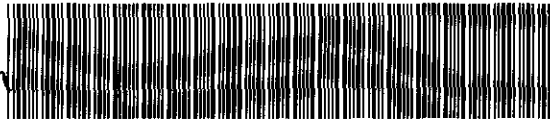
**(A) Change Dates**

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of **FEBRUARY, 2013**, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

0052316668

**MULTISTATE FIXED/ADJUSTABLE RATE RIDER - ONE-YEAR TREASURY INDEX- Single Family - Fannie Mae Uniform Instrument**

**VMP-843R (0006) Form 3182 1/01**  
Page 1 of 4 Initials: *[Handwritten initials]*  
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**(B) The Index**

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. 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 that is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND THREE-QUARTERS** percentage points ( **2.750** %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than **10.250** % or less than **2.750** %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than **10.250** %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument shall read as follows:

Initials: *myfj ydm*



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**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

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. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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.

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

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. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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

Initials *[Handwritten Signature]*



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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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

*Michael F. Monti, Trustee* (Seal)  
MICHAEL F MONTI, Trustee -Borrower  
of the Monti Trust dated  
March 5, 2001

*Gretchen D. Monti, Trustee* (Seal)  
GRETCHEN D MONTI, Trustee -Borrower  
of the Monti Trust dated March  
5, 2001

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower



# INTER VIVOS REVOCABLE TRUST RIDER

## DEFINITIONS USED IN THIS RIDER.

(A) "Revocable Trust." The Michael F. Monti & Gretchen D. Monti Revocable Trust created under trust instrument dated March 5, 2001, for the benefit of MICHAEL F MONTI AND GRETCHEN D MONTI

(B) "Revocable Trust Trustee(s)." Michael F. Monti & Gretchen D. Monti trustee(s) of the Revocable Trust.

(C) "Revocable Trust Settlor(s)." Michael F. Monti & Gretchen D. Monti settlor(s) of the Revocable Trust signing below.

(D) "Lender." WELLS FARGO BANK, N.A.

(E) "Security Instrument." The Deed of Trust, Mortgage or Security Deed and any riders thereto of the same date as this Rider given to secure the Note to Lender of the same date made by the Revocable Trust, the Revocable Trust Trustee(s) and the Revocable Trust Settlor(s) and any other natural persons signing such Note and covering the Property (as defined below).

(F) "Property." The property described in the Security Instrument and located at: 4124 ELLISPORT PLACE, ANACORTES, WA 98221 [Property Address]

THIS INTER VIVOS REVOCABLE TRUST RIDER is made this 25TH day of JANUARY, 2006, and is incorporated into and shall be deemed to amend and supplement the Security Instrument.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, the Revocable Trust Trustee(s), and the Revocable Trust Settlor(s) and the Lender further covenant and agree as follows:

### A. INTER VIVOS REVOCABLE TRUST.

#### 1. CERTIFICATION AND WARRANTIES OF REVOCABLE TRUST TRUSTEE(S).

The Revocable Trust Trustee(s) certify to Lender that the Revocable Trust is an inter vivos revocable trust for which the Revocable Trust Trustee(s) are holding full title to the Property as trustee(s).

## MULTISTATE INTER VIVOS REVOCABLE TRUST RIDER

VMP-372R (9912)

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Initials *m/m* *jam*



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The Revocable Trust Trustee(s) warrants to Lender that (i) the Revocable Trust is validly created under the laws of the State of WASHINGTON ; (ii) the trust instrument creating the Revocable Trust is in full force and effect and there are no amendments or other modifications to the trust instrument affecting the revocability of the Revocable Trust; (iii) the Property is located in the State of WASHINGTON ; (iv) the Revocable Trust Trustee(s) have full power and authority as trustee(s) under the trust instrument creating the Revocable Trust and under applicable law to execute the Security Instrument, including this Rider; (v) the Revocable Trust Trustee(s) have executed the Security Instrument, including this Rider, on behalf of the Revocable Trust; (vi) the Revocable Trust Settlor(s) have executed the Security Instrument, including this Rider, acknowledging all of the terms and conditions contained therein and agreeing to be bound thereby; (vii) only the Revocable Trust Settlor(s) and the Revocable Trust Trustee(s) may hold any power of direction over the Revocable Trust; (viii) only the Revocable Trust Settlor(s) hold the power to direct the Trustee(s) in the management of the Property; (ix) only the Revocable Trust Settlor(s) hold the power of revocation over the Revocable Trust; and (x) the Revocable Trust Trustee(s) have not been notified of the existence or assertion of any lien, encumbrance or claim against any beneficial interest in, or transfer of all or any portion of any beneficial interest in or powers of direction over the Revocable Trust Trustee(s) or the Revocable Trust, as the case may be, or power of revocation over the Revocable Trust.

**2. NOTICE OF CHANGES TO REVOCABLE TRUST AND TRANSFER OF POWERS OVER REVOCABLE TRUST TRUSTEE(S) OR REVOCABLE TRUST OR BOTH; NOTICE OF CHANGE OF REVOCABLE TRUST TRUSTEE(S); NOTICE OF CHANGE OF OCCUPANCY OF THE PROPERTY; NOTICE OF TRANSFER OF BENEFICIAL INTEREST IN REVOCABLE TRUST.**

The Revocable Trust Trustee(s) shall provide timely notice to Lender promptly upon notice or knowledge of any revocation or termination of the Revocable Trust, or of any change in the holders of the powers of direction over the Revocable Trust Trustee(s) or the Revocable Trust, as the case may be, or of any change in the holders of the power of revocation over the Revocable Trust, or both, or of any change in the trustee(s) of the Revocable Trust (whether such change is temporary or permanent), or of any change in the occupancy of the Property, or of any sale, transfer, assignment or other disposition (whether by operation of law or otherwise) of any beneficial interest in the Revocable Trust.

**B. ADDITIONAL BORROWER(S).**

The term "Borrower" when used in the Security Instrument shall refer to the Revocable Trust, the Revocable Trust Trustee(s) and the Revocable Trust Settlor(s), jointly and severally. Each party signing this Rider below (whether by accepting and agreeing to the terms and covenants contained herein or by acknowledging all of the terms and covenants contained herein and agreeing to be bound thereby, or both) covenants and agrees that, whether or not such party is named as "Borrower" on the first page of the Security Instrument, each covenant and agreement and undertaking of "Borrower" in the Security Instrument shall be such party's covenant and agreement and undertaking as "Borrower" and shall be enforceable by Lender as if such party were named as "Borrower" in the Security Instrument.



**C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE REVOCABLE TRUST.**

Uniform Covenant 18 of the Security Instrument is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Revocable Trust.**

If, without Lender's prior written consent, (i) all or any part of the Property or an interest in the Property is sold or transferred or (ii) there is a sale, transfer, assignment or other disposition of any beneficial interest in the Revocable Trust, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by Applicable Law.

If Lender exercises this option, 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 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.

BY SIGNING BELOW, the Revocable Trust Trustee(s) accepts and agrees to the terms and covenants contained in this Inter Vivos Revocable Trust Rider.

X Michael F. Monti  
Michael F. Monti  
Trustee of the Michael F. Monti  
Revocable  
Trust under trust instrument dated March 5, 2001, for the  
benefit of MICHAEL F MONTI

X Michael F. Monti, Trustee  
Michael F. Monti, Trustee  
of the Trust

X Gretchen D. Monti  
Gretchen D. Monti  
Trustee of the Gretchen D. Monti  
Revocable  
Trust under trust instrument dated March 5, 2001, for the  
benefit of GRETCHEN D MONTI

X Gretchen D. Monti, Trustee  
Gretchen D. Monti, Trustee  
of the Trust



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