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WASHINGTON FEDERAL SAVINGS
Burlington
PO Box 527
Burlington, WA 98233
Attn: _____



200606070058

Skagit County Auditor

6/7/2006 Page

1 of

4 10:48AM

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Loan Number 272496-1

ADDITIONAL ADVANCE AGREEMENT

THIS ADDITIONAL ADVANCE AGREEMENT made and entered on 6/02/06
by and between
HENRY L GRILLET AND DORIS D GRILLET, HUSBAND AND WIFE
AND MARK A GRILLET, AN UNMARRIED MAN ("Borrower"/Grantor),
and Washington Federal Savings, a United States corporation ("Lender"/Beneficiary/Grantee).

RECITALS:

- A. On or about 08/20/03, Borrower, in connection with Loan number 272496-1, executed and delivered to Lender a Note (the "Original Note") in the original principal sum of ONE HUNDRED TWENTY TWO THOUSAND FIVE HUNDRED AND NO/100S (\$122,500.00), providing for interest on the unpaid balance.
- B. On or about the same date, Borrower executed and delivered to Lender, as security for the payment of the Original Note, a Mortgage or Deed of Trust (the "Security Instrument"). The Security Instrument was recorded in the office of the County Recorder, County Auditor or County Clerk of SKAGIT County, State of WA, on 08/22/03 as Auditor's/Recorder's number 200308220144. The Security Instrument covers the following described real property (the "Property").

**TRACT 7, SPARR'S 5TH ADDITION, A REPLAT OF A PORTION OF TRACT 15,
BURLINGTON ACREAGE PROPERTY, ACCORDING TO THE PLAT THEREOF RECORDED
IN VOLUME 10 OF PLATS, PAGE 61, RECORDS OF SKAGIT COUNTY, WASHINGTON.
SITUATED IN SKAGIT COUNTY, WASHINGTON.**

Assessor's Property Tax Parcel/Account Number(s): 42170000070004

- C. Borrower is indebted to Lender under the obligation evidenced by the Original Note, and Lender is the owner and holder of the indebtedness evidenced by the Original Note.

Borrower's Initials

H. L. G. D. D. G.
MA

D. Borrower has requested and obtained approval from Lender for additional funds (the "Additional

Advance") in the amount of Forty one thousand five hundred and no/100s

(\$41,500.00) and has executed and delivered to Lender a Note (the "Additional Note") of

even date, in the original principal amount of the Additional Advance, providing for interest on the

unpaid balance at the rate of SIX AND THREE EIGHTHS percent (6.375 %)

per annum, and maturing on 09/01/33. Borrower acknowledges the Additional

Advance as evidenced by the Additional Note is secured by the Security Instrument and is subject to the

terms of all other instruments delivered to Lender in connection with the Original Note and Security

Instrument, including particularly any Construction Loan Agreement or Land Loan Agreement.

E. Except as noted in this Agreement, the obligations evidenced by the Additional Note and the Original

Note are to be repaid in the same proportions and are to be subject to the same terms, provisions,

agreements, and stipulations.

F. Lender and Borrower have agreed that the loans evidenced by the Original Note and the Additional

Note shall be consolidated as to both debts and as a first priority lien as set forth below.

NOW, THEREFORE, as an integral part of the loan transaction related to the Additional Note, as a

condition to Lender making the Additional Advance, for valuable consideration, and in consideration of the

mutual promises, covenants, conditions, and stipulations set forth in this Additional Advance Agreement,

the parties agree as follows.

1. **PRINCIPAL LOAN BALANCE.** The unpaid principal balance owing under the Original Note after

application of the payment of \$724.64 plus Escrow Items, if any, due on

7/01/06 will be \$117,891.74. Both the Original Note

and the Additional Note are secured by the Security Instrument, as modified by this Agreement. The

total principal of the Original Note as calculated above and the Additional Note, will be

\$159,391.74

2. **CONSOLIDATION OF OBLIGATIONS.** The debts evidenced by the Original Note and the

Additional Note and secured by the Security Instrument shall be and they are hereby merged and

consolidated to the same extent as if simultaneously loaned and advanced to Borrower.

3. **DISBURSEMENT OF LOAN PROCEEDS; LIEN PRIORITY STATUS; NEW CONSOLIDATED**

PAYMENT. Upon recordation of this Agreement, the net proceeds of the Additional Advance will be

disbursed to the order of Borrower (and each of them, if more than one). The debts evidenced by the

Original Note and the Additional Note shall together be and remain a first lien upon the Property

without priority of one over another, and shall secure the repayment of the present gross indebtedness

with interest on the unpaid balance. Said repayment shall be in accordance with all the terms and

provisions of the two Notes, subject to the terms and conditions of Paragraph 6 of this Additional

Advance Agreement.

4. **INCORPORATION OF ADDITIONAL NOTE AND ADDITIONAL ADVANCE AGREEMENT**

AS PART OF "LOAN DOCUMENTS". Any right, remedy, or security which is held by or available

to Lender in connection with either the Original Note, the Additional Note or the Security Instrument,

and including any right, remedy, or security provided by any Assignment of Rents and Income, or any

Construction Loan Agreement or Land Loan Agreement, shall apply to both the Original Note, the

Additional Note and the Security Instrument, irrespective of whether the instrument creating such right,

remedy, or security refers only to one of the instruments described in this Agreement, and regardless of

whether the instrument creating such right, remedy, or security was executed by less than all persons

identified as Borrower.

5. **DEFAULT.** Any default in either of the Original Note or Additional Note, under any other instrument

securing the payment of either of the Notes, under any instrument relating to or under any instrument

providing any right, remedy, or security in connection with either of the Notes or the Security

Instrument, shall constitute a default in and under all of the instruments referred to in this Paragraph.

6. **PREFERENCE OF TERMS OF ADDITIONAL NOTE; MATURITY DATE AND LOAN**

INTEREST RATE. The terms of the Additional Note and of all instruments in any way related to the

loan associated with the Additional Note, including this Additional Advance Agreement, shall govern

and apply to the extent of any conflict or inconsistency whatsoever which may exist between such

instruments and the Original Note. However, any prepayment charge provision associated with the

Original Note, either according to its terms or as created by an addendum to the Original Note or

a modification of the Original Note, will continue to be effective as to the Original Note, as

amended and the Additional Note, as amended, as well as any other notes executed with Lender

until the expiration of the terms of the prepayment language. Without limiting the general



200606070058

Skagit County Auditor

a. **MATURITY DATE.** The Maturity Date set forth in the Additional Note shall modify and apply to the Original Note and the Security Instrument. The Maturity Date on the entire loan, including the Original Note (as modified by this Additional Advance Agreement) and the Additional Note, is now and shall be 09/01/33.

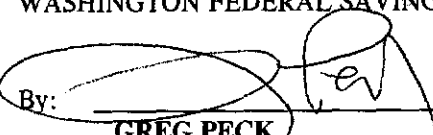
b. **LOAN INTEREST RATE.** The Loan Interest Rate set forth in the Additional Note shall modify and apply to the Original Note and the Security Instrument. The Loan Interest Rate on the entire loan, including the Original Note (as modified by this Additional Advance Agreement) and the Additional Note, is now and shall be SIX AND THREE EIGHTHS percent (6.375 %)

7. **NEW PRINCIPAL AND INTEREST PAYMENT.** Effective with the payment due on 08/01/06 the monthly principal and interest payment on the entire loan, including the Original Note and the Additional Note (as modified by this Additional Advance Agreement) will be \$1,029.84.

8. **SURVIVAL OF TERMS.** Except as set forth in this Additional Advance Agreement, all of the terms, covenants, and conditions of all of the instruments referred to herein shall remain in full force and effect. Notwithstanding any provision hereof which might be construed to the contrary, this Additional Advance Agreement shall in no way affect the validity, priority, or binding effect of the Security Instrument.

9. **BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of Lender and Borrower.

WASHINGTON FEDERAL SAVINGS

By: 

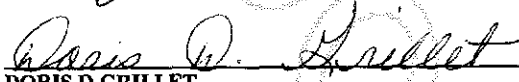
GREG PECK

Title: VICE-PRESIDENT AND BRANCH MANAGER

BORROWER'S ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE

The undersigned Borrower, and each of them, acknowledge receipt and accept the terms and conditions of the above stated Additional Advance Agreement.


HENRY L. GRILLET


DORIS D. GRILLET


MARK A. GRILLET

(Over for notary acknowledgements)



Dated: _____
(Seal or Stamp)

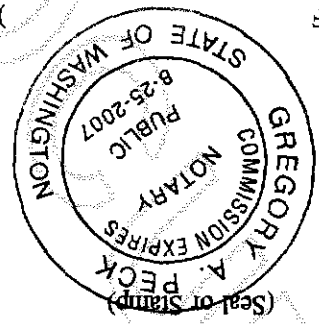
(Signature)
Notary Public in and for the State of _____
residing at _____
My commission expires _____

of _____
(Name of the Party on Behalf of Whom the Instrument was Executed)
to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Type of Authority, e.g., Officer, Trustee)

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the _____
[Name(s) of person(s)]

I certify that I know or have satisfactory evidence that _____
COUNTY OF _____
() ss. _____
()



Dated: 6/02/06
(Seal or Stamp)

(Signature)
Notary Public in and for the State of Washington
residing at Mount Vernon
My commission expires 8/25/07
[Name(s) of person(s)]
is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

STATE OF Washington
COUNTY OF Skagit
() ss. _____
()
I certify that I know or have satisfactory evidence that
Henry L Grillet and Doris D Grillet and Mark A Grillet