



200608150123

Skagit County Auditor

8/15/2006 Page

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2 11:19AM

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

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

Loan#: 71-431904-06

CHICAGO TITLE CO.

LOAN MODIFICATION AGREEMENT
(Providing for Fixed Interest Rate)

10B-2401

This Loan Modification Agreement ("Agreement"), made this 2ND day of AUGUST, 2006, between JOEL HOWARD AND ROBIN HOWARD, HUSBAND AND WIFE ("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 SEPTEMBER 29, 2005 and recorded in Book or Liber Recording #: 200510050075 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, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at 321 LONGTIME LANE, SEDRO WOOLLEY, WASHINGTON 98284 the real property described being set forth as follows:

LOT 20, PLAT OF ANKNEY HEIGHTS

Assessor's Property Tax Parcel/Account Number(s): 4779-000-020-0000

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 AUGUST 1, 2006 the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U. S. \$260,000.00, 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 5.625% (the "initial rate of interest"), from AUGUST 1, 2006. The Borrower promises to make monthly payments of principal and interest of U.S. \$1,496.71 beginning on the first day of SEPTEMBER 2006, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on AUGUST 1, 2036 (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 if 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.

ACCOMMODATION RECORDING

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

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 fails to pay these sums prior to the expiration of the period, the Lender may invoke any remedies permitted by the Security instrument with out 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 the terms and provisions thereof, as amended by the Agreement.

____ (Seal)

____ (Seal)

Joel Howard (Seal)
JOEL HOWARD

Robin Howard (Seal)
ROBIN HOWARD

Lender: First Mutual Bank

By: Erma Christie
[Authorized Officer Name]

Its: AVP
[Authorized Officer Title]

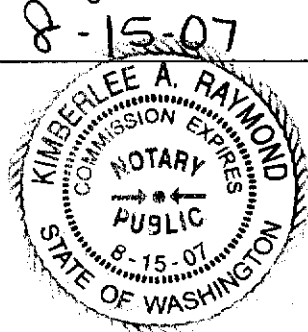
----- (Space Below this Line for Acknowledgements) -----

STATE OF WASHINGTON,
County: Skagit
On this day personally appeared before me JOEL HOWARD AND ROBIN HOWARD to me known to be the individual(s) described in and who executed the within and foregoing instrument, any 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 7th day of August, 2006.

My Commission expires: 8-15-07

Kimberlee A. Raymond
Notary Public in and for the State of WASHINGTON residing at:



STATE OF WASHINGTON,
County: King
I hereby certify that I know or have satisfactory evidence that ERMA CHRISTIE is the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument, on oath stated that ERMA CHRISTIE authorized to execute the instrument and acknowledged it as the ASST AV Pres 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 11th day of August, 2006.

My Commission expires: 8-31-09

Dianne L. Reda
Notary Public in and for the State of Washington residing at:

