



200610130129

Skagit County Auditor

10/13/2006 Page

1 of

6 3:32PM

**WHEN RECORDED RETURN TO:**

WFHM-Post Closing Services

2701 Wells Fargo Way

MAC X9999-01K

Minneapolis, MN 55467

LAND TITLE OF SKAGIT COUNTY

118452 SAC

**DOCUMENT TITLE(S):**

Permanent Loan Extension Agreement

**REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:**

Deed of Trust AF# 200511040250

**GRANTOR:**

John C. Walgamott and Elizabeth Walgamott, husband and wife

**GRANTEES:**

Wells Fargo Bank John C. Walgamott and Elizabeth Walgamott, husband and wife

**ABBREVIATED LEGAL DESCRIPTION:**

Lot 1 and ptn Lot 2, Rancho San Juan Del Mar, Dub. Div. #2.

**TAX PARCEL NUMBER(S):**

P68242/3973-000-002-0005

## PERMANENT LOAN EXTENSION AGREEMENT

This Permanent Loan Extension Agreement (this "Agreement") is made to be effective as of the 6TH day of OCTOBER, 2006, 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 3<sup>RD</sup> day of NOVEMBER, 2005, 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. **\*That certain Deed of Trust under Auditor's File No. 200511040250**

**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 P.O. BOX 17339, BALTIMORE, MD 212971339.

**"Note".** The Note states that the Borrower owes Lender FIVE HUNDRED THIRTY SIX THOUSAND FIVE HUNDRED Dollars (U.S. \$536,500.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than OCTOBER 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"/> Second Home Rider  |
| <input type="checkbox"/> Balloon Rider                    | <input type="checkbox"/> PUD Rider              | <input type="checkbox"/> 1-4 Family Rider   |
| <input type="checkbox"/> VA Rider                         | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

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

BORROWER(S)

Name: JOHN C. WALGAMOTT

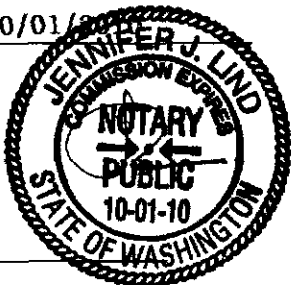
STATE OF Washington  
Skagit County ss:

Name: ELIZABETH WALGAMOTT

On this \_\_\_\_\_ day of October 2006, I, a Notary Public in and for said county and in said state, hereby certify that John C. & Elizabeth Walgamott whose name(s) is/are signed to the foregoing conveyance, and who is/are known to me, acknowledged before me that, being informed of the contents of the conveyance, he/she/they executed the same voluntarily and as his/her/their act on the day the same bears date.

Given under my hand and seal of office this \_\_\_\_\_ day of October 2006

My Commission Expires: 10/01/08



Notary Public

Jennifer J. Lind

Prepared By: \_\_\_\_\_



200610130129  
Skagit County Auditor

UNOFFICIAL DOCUMENT



**INITIAL INTEREST<sup>SM</sup> ADJUSTABLE RATE RIDER**  
**(1-Year Treasury Index - Rate Caps)**  
**(Assumable after Initial Period)**

THIS INITIAL INTEREST ADJUSTABLE RATE RIDER is made this 06 day of OCTOBER 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 (the "Borrower") to secure the Borrower's Initial Interest Adjustable Rate Note (the "Note") to WELLS FARGO BANK, N.A.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:  
12692 MARINE DRIVE, ANACORTES, WA 98221

[Property Address]

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE 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. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of 5.750%. The Note provides for interest only payments until the first fully amortizing principal and interest payment due date (the "First P&I Payment Due Date"), which is the first day of NOVEMBER, 2016.

The Note provides for changes in the interest rate and the monthly payments as follows:

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

**(A) Interest Change Dates**

The interest rate I will pay may change on the first day of OCTOBER, 2011, and may change on that day every 12th month thereafter. Each date on which my interest rate could change is called an "Interest Change Date."

**(B) The Index**

Beginning with the first Interest Change Date, my 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 Interest Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is 0060130689

**MULTISTATE INITIAL INTEREST ADJUSTABLE RATE RIDER - 1-Year Treasury Index (Assumable after Initial Period) - Single Family - Freddie Mac UNIFORM INSTRUMENT**

NMFL #8361 (FM5R) Rev 5/12/2006

**VMP® -191R (0508) Form 5107 7/05**

Page 1 of 4

Initials: *[Signature]*

VMP Mortgage Solutions, Inc.

(800)571-7291



200610130129

Skagit County Auditor

10/13/2006 Page

3 of

6 3:32PM

based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND THREE-QUARTERS** percentage point(s) ( **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 Interest Change Date.

The Note Holder will then determine the amount of my monthly payment. For payment adjustments occurring before the First P&I Payment Due Date, my monthly payment will be the amount sufficient to repay all accrued interest each month on the unpaid principal balance at the new interest rate. For payment adjustments occurring on or after the First P&I Payment Due Date, my monthly payment will be an amount sufficient to repay the unpaid principal that I am expected to owe at the Interest 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 Interest Change Date will not be greater than **10.750 %** or less than **2.750 %**. Thereafter, my interest rate will never be increased or decreased on any single Interest Change Date by more than **TWO** percentage point(s) ( **2.000 %**) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than **10.750 %**.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Interest Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Interest 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 interest rate and the amount of my monthly payment before the effective date of any change. The notice will include 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 INTEREST RATE CHANGES UNDER THE TERMS STATED IN SECTION A ABOVE, UNIFORM COVENANT 18 OF THE SECURITY INSTRUMENT SHALL BE IN EFFECT 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.

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. AFTER BORROWER'S INITIAL INTEREST RATE CHANGES 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 may also 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

Initials: 

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Page 3 of 4

Form 5107 7/05

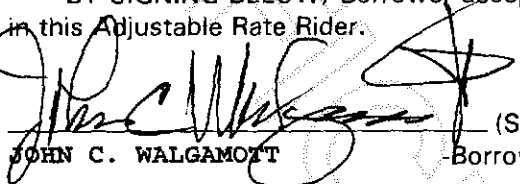


200610130129

Skagit County Auditor

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, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

  
\_\_\_\_\_  
JOHN C. WALGAMOTT (Seal)  
-Borrower

  
\_\_\_\_\_  
ELIZABETH WALGAMOTT (Seal)  
-Borrower

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

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(Seal)  
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(Seal)  
-Borrower



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