

AFTER RECORDING, RETURN TO:

Colonial National Mortgage,
a division of Colonial Savings, F.A.
2626 West Freeway
Construction Department
Fort Worth, Texas 76102



200706140112

Skagit County Auditor

6/14/2007 Page

1 of

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Loan # 656307

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LOAN MODIFICATION AGREEMENT

(Providing for Fixed Interest Rate)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER' LICENSE NUMBER.

This Loan Modification Agreement ("Agreement"), made this 19th day of February, 2007, Charles R. Ross and Joyce A. Ross, husband and wife ("Borrower") and Colonial Savings, F.A. ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any, dated March 29, 2006 and recorded on April 4, 2006 in MIN No. 1000290-0656307314-9, Auditor's No. 200604040074, Official Records, Skagit County, Washington 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 17742 Samish Heights Rd, Bow, Washington 98232,

the real property described being set forth as follows:

Lot 2, Short Plat No. PL05-0205, approved January 30, 2006 and recorded on January 31, 2006, under Auditor's File No. 200601310115, records of Skagit County, Washington; being a portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 12, Township 35 North, Range 3 East, W.M. Situate in the County of Skagit, State of Washington.

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 March 1, 2007, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$325,320.00, consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.
2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 6.250%, from March 1, 2007. Borrower promises to make monthly payments of principal and interest of U.S. \$2,003.06, beginning on the 1st day of April, 2007, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The yearly rate of 6.250% will remain in effect until principal and interest are paid in full. If on March 1, 2037 (the "Maturity Date"), Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.
The Borrower will make such payment at Colonial Savings, F.A.; P.O. Box 2998; 2626 W. Freeway, Fort Worth, TX 76113, or at such other place as the Lender may require.
3. 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 the Security Instrument.

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 delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:

- (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, including, where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and paragraph A.1. of the Timely Payment Rewards Rider. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may have otherwise been entitled; and
- (b) all terms and provisions of any adjustable rate rider, or Timely Payment Rewards Rider, where applicable, 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. Borrower understands and agrees that:

- (a) All the rights and remedies, stipulations, and conditions contained in the Security Instrument relating to default in the making of payments under the Security Instrument shall also apply to default in the making of the modified payments hereunder.
- (b) All covenants, agreements, stipulations, and conditions in the Note and Security Instrument shall be and remain in full force and effect, except as herein modified, and none of the Borrower's obligations or liabilities under the Note and Security Instrument shall be diminished or released by any provisions hereof, nor shall this Agreement in any way impair, diminish, or affect any of Lender's rights under or remedies on the Note and Security Instrument, whether such rights or remedies arise thereunder or by operation of law. Also, all rights of recourse to which Lender is presently entitled against any property or any other persons in any way obligated for, or liable on, the Note and Security Instrument are expressly reserved by Lender.
- (c) Borrower has no right of set-off or counterclaim, or any defense to the obligations of the Note or Security Instrument.
- (d) 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 of the terms and provisions thereof, as amended by this Agreement when executed by the Borrower and the Lender.
- (e) All costs and expenses incurred by Lender in connection with this Agreement, including recording fees, title examination, and attorney's fees, shall be paid by the Borrower and shall be secured by the Security Instrument, unless stipulated otherwise by Lender.
- (f) Borrower agrees to make and execute such other documents or papers as may be necessary or required to effectuate the terms and conditions of this Agreement which, if approved and accepted by Lender, shall bind and inure to the heirs, executors, administrators, and assigns of the Borrower.
- (g) This Agreement is contingent upon a Final Inspection, acceptable to the Lender, to be executed prior to the expiration of the interest rate lock and the final title policy endorsement.



Lender: Colonial Savings, F.A.

Jay Tadlock (Seal)
By: Jay Tadlock, Vice-President -Lender

Charles R. Ross (Seal)
Charles R. Ross

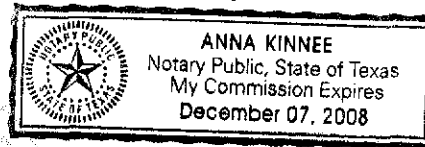
Joyce A. Ross (Seal)
Joyce A. Ross

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STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day February 23, 2007 personally appeared Jay Tadlock, Vice-President of Colonial Savings, F. A. A corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Anna Kinnee
Notary Public in and for Tarrant County, Texas



STATE of Washington
COUNTY of Whatcom

Sworn to (or affirmed) and signed before me this 21st day of February, 2007, by Charles R. Ross and Joyce A. Ross.

☒ Personally Known
☐ Produced Identification
ID Number and Type of ID _____

Notary Public - State of Washington
Printed Name of Notary Karen M. Downing
Notary Signature Karen M. Downing
My Commission Expires 7/09/09



200706140112
Skagit County Auditor