



200912070152
Skagit County Auditor

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----- (Space Above Line For Recording) -----

When Recorded Mail To:
Safeguard Properties, Inc.
650 Safeguard Plaza
Brooklyn Heights, Ohio 44131
ATTN: Mr. Eric Solowitch

Litton Loan No. 17097544
Investor Loan No: 320019211
Original Loan Amount: \$173,960.00
Modified Loan Amount: \$175,722.73

LOAN MODIFICATION OF DEED OF TRUST AGREEMENT

This Loan Modification Agreement ("Agreement"), made this 4th day of September, 2008, between, **Kathy Y. Bradford, Single** ("Borrower") and Mortgage Electronic Registration Systems, Inc. ("Lender"), amends and supplements (1) the Deed of Trust and its Adjustable Rate Rider ("the Security Instrument") dated May 30, 2006 and recorded as Instrument Number 200606010102 of the **Official Records of Skagit County, Washington** (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

**192 NORTH TOWNSHIP STREET
SEDRO WOOLLEY, WASHINGTON 98284
(Property Address)**

The real property described being set forth as follows:

See Schedule "A" Attached Hereto and Made Part Hereof

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):

Borrower promises to pay the Unpaid Principal, plus interest, to the order of the lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 7.625% from 10/01/2008 until 12/01/2010. Borrower promises to make twenty six (26) monthly payments of principal and interest of U.S. \$1,271.84 beginning on the 1st day of November, 2008 and continuing thereafter on the same day of each succeeding month until 01/01/2011.

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT, THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE 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. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES.

The Note provides for an initial interest rate of 7.625% and an initial P&I monthly payment of \$1,271.84. The Note provides for changes in the adjustable interest rate and the monthly payments as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES.

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of December, 2010 and on that day every 6th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date". The Modified Maturity Date is June 1, 2036.

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the six month London Interbank Offered Rate ("LIBOR") which is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market, as published in *The Wall Street Journal*. The most recent Index figure available as of the first business day of the month preceding the month in which the Change Date occurs is called the "Current Index". If the Index is no longer available, the Note Holder will choose a new Index which 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 6.625 percentage points (6.625%) 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 10.625% or less than 7.625%. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than one percentage points (1.000%) from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than 13.625%, which is called the "Maximum Rate." My interest rate will never be less than 7.625.



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(E) Effective Date of Change

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 adjustable 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 me and also the title and telephone number of a person who will answer any question I may have regarding this notice.

B.

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER
Section 18 of the Security Instrument is 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 purchaser.

If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, 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 federal laws as of the date of this Security Instrument. 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 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 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.



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9/22/08
Date

Kathy Y. Bradford
Kathy Y. Bradford

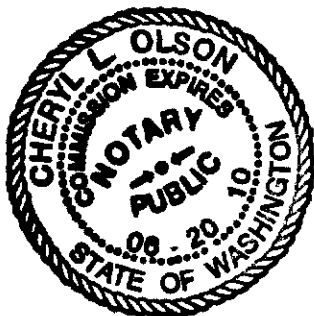


STATE OF Washington
COUNTY OF Skagit

On 9-22-08 before me Cheryl L Olson
Date Notary

Notary Public, personally appeared **Kathy Y. Bradford:**

Pursuant to Washington Revised Code Section 64.08.050: Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Cheryl Olson

Signature of Notary Public

My Commission Expires:

6-20-10



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Skagit County Auditor

Mortgage Electronic Registration Systems, Inc.

Richard Bauerband

Name: Richard Bauerband
Title: Assistant Secretary

JAN 07 2009
Date

STATE OF Texas

COUNTY OF Harris

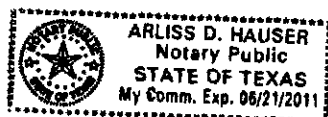
On JAN 07 2009 before me ARLISS HAUSER
Date Notary
personally appeared Richard Bauerband
Signer(s)

X Personally known to me

-OR-

Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



Arliss Hauser
Signature of Notary Public

My Commission Expires: JUN 21 2011

Document Preparation:
Fannie Mae Multi-state Instrument
Standard Loan Modification Agreement
Form 3179

When Recorded Mail To:
Safeguard Properties, Inc.
650 Safeguard Plaza
Brooklyn Heights, Ohio 44131
ATTN: Mr. Eric Solowitch



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SCHEDULE "A" - LEGAL DESCRIPTION

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

Lot 5, "THYME SQUARE BINDING SITE PLAN", approved October 19, 2005 and recorded November 10, 2005 under Auditor's File No. 200511100117, records of Skagit County, Washington.



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