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FIRST AMERICAN LENDERS ADVANTAGE
1100 SUPERIOR AVENUE, SUITE 200
CLEVELAND, OHIO 44114
NATIONAL RECORDING - TEAM 1
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MIN# 100272200002975584

Tax ID# P19952

Abbreviated Legal: W 250 FT NW 1/4 SEC 5 TWP 34 N R 2 E W.M., SKAGIT CO. WA

Loan Number: 297558

LOAN MODIFICATION AGREEMENT

(Fully Amortizing Fixed Rate Modification)

THIS LOAN MODIFICATION AGREEMENT (the "Agreement"), made this 23rd day of August, 2010, by and between Mark E. Hargitt and Theresa A. Hargitt, husband and wife (individually, or if more than one, the "Borrower"), HomeStreet Bank, a Washington state chartered savings bank (including successors or assigns, the "Lender"), and Mortgage Electronic Recordings Systems, Inc., a Delaware corporation and nominee for Lender ("MERS").

Recitals

A. Lender previously made a loan (the "Loan") to Borrower evidenced by that certain Promissory Note dated July 13, 2006 in the original principal amount of \$188,000.00 (including any riders or modifications thereto, the "Note").

B. The Note is secured by a Deed of Trust, executed by Borrower as grantor, for the benefit of Lender as beneficiary, recorded on July 19, 2006 under Recording No. 200607190062, in the Official Records of Skagit County, Washington (including any riders or modifications thereto, the "Security Instrument"). The property described in the Security Instrument is referred to herein as the "Property." MERS is acting solely as a nominee for Lender and Lender's successor and assigns and is the beneficiary under the Security Instrument.

"Property," located at 7150 Aqua Lane, Anacortes WA 98221, the real property described being set forth as follows:

LEGAL DESCRIPTION

See Attached EXHIBIT "A"

C. As of September 1, 2010, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$189,785.35, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.

Principal		<u>\$180,762.69</u>
Interest earned but not yet paid ("Delinquent Interest")	From: <u>January 1, 2010</u> To: <u>August 1, 2010</u>	<u>\$7,488.61</u>
Escrow charges ("Delinquent Escrow")	From: <u>February 1, 2010</u> To: <u>September 1, 2010</u>	<u>\$1,534.05</u>
TOTAL:		\$189.785.35

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. Lender's Forbearance. In exchange for (a) Borrower's non-refundable payment of a modification fee totaling \$0.00 to be received by Lender prior to effectiveness of this Agreement; (b) Borrower's payments described below; (c) Borrower's execution of this Agreement, and (d) Borrower's complete performance of each obligation under this Agreement, the Note, and the Security Instrument, Lender agrees not to accelerate the Loan or take further action to foreclose on the Property. Borrower understands and agrees, however, that Lender's forbearance is subject to the terms and conditions set forth in this Agreement and that Lender has not agreed to waive or defer any future non-compliance with this Agreement, the Note, or the Security Instrument. Borrower agrees that a default under this Agreement constitutes a default under the Note and the Security Instrument, and that upon such default, or any other default under the Note or Security Instrument, Lender may exercise any or all of its rights and remedies pursuant to the Note and the Security Instrument, including, without limitation, its rights to accelerate the Loan and foreclose the security interests granted to Lender in the Security Instrument.

2. Interest Rate. Payments. The rate of interest charged on the outstanding principal balance of the Loan and the corresponding monthly payment shall be as follows:

2.1 Beginning on August 1, 2010, interest shall accrue on the outstanding principal balance of the Loan at a rate of 4.375% per annum. Borrower promises to pay Lender monthly payments of principal and interest equal to US \$873.20 beginning on the 1st day of September, 2010 and on the first day of every month thereafter through August 1, 2012.

2.2 Beginning on August 1, 2012, interest shall accrue on the outstanding principal balance of the Loan at a rate of 6.00% per annum. Borrower promises to pay Lender monthly payments of principal and interest equal to US \$1,065.49 beginning on the 1st day of September, 2012 and on the first day of every month thereafter through maturity.

3. The Maturity day has been extended to August 1, 2046, if the Borrower still owes amounts under the Note and Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower will make such payments at:

HOMESTREET BANK, 601 UNION STREET, SUITE 2000, SEATTLE, WASHINGTON 98101



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4. If all or any part of the Property or 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 this Security Instrument. 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 this Security Instrument. If the Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on the Borrower.

5. 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.

6. 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.

7. Acknowledgment of Default and Borrower's Obligations. The recitals stated above are true and correct. The amounts listed above and any additional amounts that subsequently accrue or are incurred pursuant to the Note and Security Instrument (as each may be modified by this Agreement) are due and owing and not subject to any setoff, deduction, counterclaim, or defense of any kind. Except as expressly modified in this Agreement, the Note and the Security Instrument remain in full force and effect and are valid and binding obligations.

8. Delinquencies Capitalized. Commencing on **September 1, 2010** the amounts identified in Recital C as Delinquent Interest, Delinquent Escrow, and Delinquent Fees (collectively, the "Delinquent Amount") shall be added to the outstanding principal balance of the Loan and shall begin accruing interest at the applicable interest rate in accordance with the Note, Security Instrument and this Agreement.

9. Post-Modification Escrow Payments. For the remaining Loan term, Borrower shall pay into an escrow account maintained by Lender such sums as are necessary to satisfy payment of taxes and/or insurance premiums related to the Property. Borrower shall make escrow payments concurrently with each regular monthly payment of principal and interest as stated in this Agreement. The initial escrow payment amount shall be **\$208.65**, which amount is subject to change.

10. Release of Claims. Borrower, on behalf of Borrower and Borrower's legal representatives, successors and assigns, hereby releases, waives, acquits and discharges Lender and Lender's legal representatives, parent and affiliated corporations, successors-in-interest, agents, attorneys, assigns, employees, shareholders, officers and directors (collectively, "Releasees"), from and of any and all liabilities, claims, demands, defenses, actions, causes of action and rights of whatsoever kind and nature (collectively, "Claims"), known or unknown, foreseen or unforeseen, which Borrower may now or hereafter have against any Releasee, existing or occurring prior to or as of the execution and delivery of this Agreement, and which in any way, directly or indirectly, relate to, result from or arise out of the Loan or any transactions related thereto, including without limitation, any Claims relating to, resulting from or arising out of the negotiation, making, funding, administration or collection of the Loan and any purported oral agreements or understandings by and between Borrower and any Releasee concerning the Note, the Security Instrument and any amendments, modifications or forbearances of the Note or the Security Instrument.

Borrower understands and agrees that the release set forth above is a full and final release that extinguishes all claims whether known, unknown, foreseen or unforeseen.



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11. Interpretation and Modification. This Agreement supersedes and replaces any prior negotiations, agreements or understandings, whether written, oral, or implied, between Borrower and Lender concerning the subject matter of this Agreement. Except as specifically modified by this Agreement, the Note and the Security Instrument remain unchanged and in full force and effect, except to the extent discharged by a bankruptcy proceeding, in which case execution by a discharged debtor is solely as an owner of the Property that secures the Loan and does not establish any personal liability for such debtor. This Agreement modifies the Note and the Security Instrument only as expressly provided herein, and shall not be deemed, interpreted, or construed as a novation, replacement, or substitution of the Note or the Security Instrument, which remain in full force and effect. To the extent of any inconsistency between this Agreement and the Note and the Security Instrument, the provisions of this Agreement shall prevail. Any capitalized term not defined in this Agreement shall have the meaning ascribed in the Note or, if not defined in the Note, in the Security Instrument. This Agreement may only be modified or amended in writing by an agreement executed by Lender.

12. Termination. If Borrower does not make any payment required by this Agreement in full and within fifteen (15) days of the date on which it is due, or Borrower commits any additional default under the Note or the Security Instrument, Lender may, in its sole discretion, terminate this Agreement and declare all amounts owing to Lender to be immediately due and payable in accordance with the Note, Security Instrument, and this Agreement.

13. Severability. If any terms or provisions of this Agreement are interpreted or construed by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of this Agreement.

14. Borrower's Understanding. Borrower has read this Agreement in its entirety has been advised to seek legal counsel regarding the subject matter of this Agreement and has had an opportunity to seek legal counsel. Borrower has voluntarily entered into this Agreement and Lender has not attempted to coerce Borrower in any way. Borrower agrees that no ambiguity in this Agreement shall be construed against Lender.

15. Borrower's Cooperation. If so requested by Lender, Borrower shall execute such documents as Lender may require in its sole discretion to ensure the continued priority of the Security Instrument. Lender may also require subordination agreements from any or all persons or entities with an interest in the Property. If Lender requires any documents or agreements pursuant to this Section 10, receipt by Lender of such documents or agreements shall be a condition to effectiveness of this Agreement.

STATUTORY NOTICE: UNDER WASHINGTON LAW MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY HOMESTREET BANK CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY LENDER TO BE ENFORCEABLE.



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Executed as of the date first written above.

HOMESTREET BANK,

a Washington State Chartered Savings Bank

By Susan E Mainville
Name: Susan E Mainville
Title: Vice President

Mark Hargitt
Mark Hargitt - Borrower

**MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.,** a Delaware
corporation and Nominee for Lender

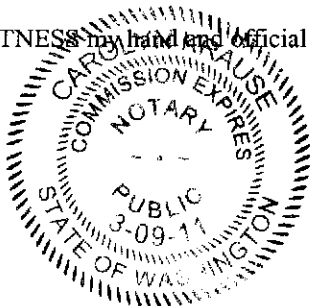
By Susan E Mainville
Name: Susan E Mainville
Title: Assistant Secretary

Theresa Hargitt
Theresa Hargitt - Borrower

State of Washington
County of Skagit SS.

On this 20th day of August, 2010, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Mark E. Hargitt and Theresa A. Hargitt** to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledged to me that he/she/they signed and sealed the said instrument as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal affixed the day and year first above written.



Carolyn Krause
Printed Name Carolyn Krause
Notary Public in and for the State of Washington,
residing in Anacortes
My commission expires: 3-9-11



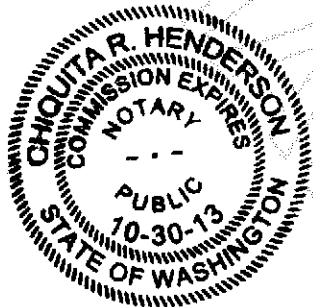
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State of Washington
County of King SS.

On this 23rd day of August, 2010, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Susan E Mainville, to me known to be the Vice President of HomeStreet Bank and Assistant Secretary of Mortgage Electronic Recording Systems, Inc. the entities that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said entities, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Chiquita Henderson
Printed Name: Chiquita Henderson
Notary Public in and for the State of Washington, residing
in King
My commission expires: 10/30/2013

Chiquita R Henderson



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**CHAPTER 7 BANKRUPTCY ADDENDUM
TO
LOAN MODIFICATION AGREEMENT**

This Addendum is made a part of that Loan Modification Agreement entered into between HomeStreet Bank (the "Lender") and Mark E Hargitt and Theresa A Hargitt (the "Borrower") dated August 23, 2010 (the "Loan Modification Agreement").

Notwithstanding any provision to the contrary contained in the Loan Modification Agreement, the Borrower and Lender acknowledge that the Borrower obtained a discharge in a Chapter 7 bankruptcy prior to execution of the Loan Modification Agreement and this Addendum. Lender warrants that it will not pursue the Borrower for any personal liability on Borrower's loan obligations to Lender. However, the parties acknowledge that the Lender retains certain rights, including but not limited to the right to foreclose the lien of its priority security interest against the Borrower's real property under the appropriate circumstances. The parties agree that the consideration for this agreement is the Lender's forbearance from presently exercising its rights and pursuing its remedies under its security interest as a result of the Borrower's default of its obligations thereunder. Nothing herein shall be construed to be an attempt to collect against the Borrower personally or an attempt to revive personally liability. Similarly, nothing herein shall be construed to be an attempt to circumvent either the discharge or reaffirmation provisions of the United States Bankruptcy Code.



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EXHIBIT A
(continued)

NUMBER 9003150086; THENCE NORTH 88 DEGREES 03 MINUTES 11 SECONDS WEST ALONG THE SOUTH LINE OF SAID SIZEMORE PARCEL, 61.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 66 DEGREES 44 MINUTES 07 SECONDS WEST, 0.90 FEET; THENCE NORTH 79 DEGREES 41 MINUTES 40 SECONDS WEST, 121.21 FEET; THENCE SOUTH 77 DEGREES 10 MINUTES 32 SECONDS WEST, 70.39 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID SIZEMORE PARCEL AT A POINT BEARING NORTH 88 DEGREES 03 MINUTES 11 SECONDS WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 88 DEGREES 03 MINUTES 11 SECONDS EAST ALONG THE SOUTH LINE OF SAID SIZEMORE PARCEL, 188.82 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THAT CERTAIN PARCEL DESCRIBED ON STATUTORY WARRANTY DEED TO WAYNE L. ABBOTT AND HOPE E. ABBOTT, HUSBAND AND WIFE, RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE NUMBER 9108150114; THENCE NORTH 88 DEGREES 03 MINUTES 11 SECONDS WEST ALONG THE NORTH LINE OF SAID ABBOTT PARCEL, 61.20 FEET; THENCE SOUTH 66 DEGREES 44 MINUTES 07 SECONDS EAST, 66.01 FEET, MORE OR LESS, TO THE EAST LINE OF SAID ABBOTT PARCEL AT A POINT BEARING SOUTH 1 DEGREE 14 MINUTES 47 SECONDS WEST FROM THE POINT OF BEGINNING; THENCE NORTH 1 DEGREE 14 MINUTES 47 SECONDS EAST, 24.00 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

SITUATED IN THE COUNTY OF SKAGIT AND STATE OF WASHINGTON:

ABBRV LEGAL: W 250 FT NW 1/4 SEC 5 TWP 34 N R 2 E W.M.,
SKAGIT CO. WA.

Permanent Parcel Number: P19952

 HARGITT
42282596

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FIRST AMERICAN ELS
MODIFICATION AGREEMENT





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EXHIBIT A

THE WEST 250 FEET OF THE FOLLOWING DESCRIBED PROPERTY IN THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN:

BEGINNING AT A POINT ON THE WESTERLY LINE OF STATE HIGHWAY NUMBER 536, AS CONVEYED TO THE STATE OF WASHINGTON BY DEED DATED AUGUST 23, 1956 AND RECORDED OCTOBER 1, 1956, UNDER AUDITOR'S FILE NUMBER 542252, RECORDS OF SKAGIT COUNTY, WASHINGTON, WHERE IT INTERSECTS A LINE DRAWN PARALLEL WITH AND 864.4 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 5; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID STATE HIGHWAY TO A POINT ON SAID WESTERLY LINE WHICH IS 1442.3 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 5; THENCE WEST PARALLEL WITH SAID NORTH LINE 800 FEET, MORE OR LESS, TO A POINT 660 FEET EAST OF THE WEST LINE OF SAID SECTION 5; THENCE NORTH PARALLEL TO SAID WEST SECTION LINE 577.8 FEET, MORE OR LESS, TO A POINT WHICH IS 864.4 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 5; THENCE EAST TO THE POINT OF BEGINNING; EXCEPT THE SOUTH 280 FEET THEREOF; AND EXCEPT THE NORTH 127.8 FEET THEREOF.

TOGETHER WITH EASEMENT RIGHTS OVER AND ACROSS THOSE 30 FOOT STRIPS OF LAND AS CONVEYED BY DEED RECORDED JANUARY 23, 1976 UNDER AUDITOR'S FILE NUMBER 829158, AND AS RESERVED IN DEED RECORDED AUGUST 31, 1972, UNDER AUDITOR'S FILE NUMBER 773361, RECORDS OF SKAGIT COUNTY, WASHINGTON.

EXCEPT THAT PORTION OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL DESCRIBED ON STATUTORY WARRANTY DEED TO RAY L. SIZEMORE, A SINGLE MAN, AND RECORDED UNDER SKAGIT COUNTY AUDITOR'S FILE

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