



200607200153

Skagit County Auditor

7/20/2006 Page 1 of 3 3:19PM

RETURN DOCUMENT TO:

THE BANK OF THE PACIFIC
100 GRAND AVENUE
BELLINGHAM, WA 98225

DOCUMENT TITLE(S):

FIRST AMERICAN TITLE CO.

LOAN MODIFICATION AGREEMENT

M80818
ACCOMMODATION RECORDING ONLY

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

200510270149

Additional reference numbers found on page _____ of document.

GRANTOR(S):

PENNEY, JOHN G.
PENNEY, CAROL D.

Additional grantors found on page _____ of document.

GRANTEE(S):

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. (MERS)
THE BANK OF THE PACIFIC
FIRST AMERICAN TITLE, TRUSTEE

Additional grantees found on page _____ of document.

ABBREVIATED LEGAL DESCRIPTION (Lot, block, plat or section, township, range).

LOT 4, "PLAT OF CHUCKANUT VIEW SUBDIVISION"

Additional legal can be found on page _____ of document.

ASSESSOR'S PARCEL NUMBER:

4671-00-004-0000 (P108578)

[Space Above This Line For Recording Data]-----

LOAN MODIFICATION AGREEMENT
(Providing for Fixed Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 17th day of July, 2006, between John G & Carol D Penney ("Borrower") and The Bank of the Pacific ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated October 24, 2005 and recorded under Auditor's File No. 200510270149, at page(s) N/A of the N/A Records of 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 5399 Island View Way, Bow, WA 98232 the real property described being set forth as follows:

LOT 4, "PLAT OF CHUCKANUT VIEW SUBDIVISION"

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 July 17, 2006 the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$359,650.00, 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 6.375%. From July 17, 2006 the Borrower promises to make monthly payments of principal and interest of U.S. \$ 2,243.75 on the 1st 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 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 The Bank of the Pacific or at such other place as the Lender may require. 100 Grand Ave, Bellingham, WA 98225
3. 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.

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; 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; and

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LOAN MODIFICATION AGREEMENT-Single Family-Fannie Mae Uniform Instrument (page 1 of 2 pages)

- (b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or as part



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of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

5. Nothing in this agreement shall be understood or construed to 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 Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

The Bank of the Pacific (Seal)
By: [Signature] -Lender
Roger W Ford, VP

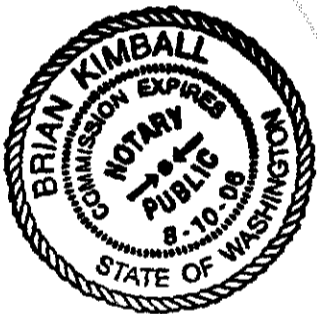
[Signature] (Seal)
John G. Penney -Borrower
[Signature] (Seal)
Carol D. Penney -Borrower

-----[Space Below This Line For Acknowledgements]-----

STATE OF WASHINGTON, WHATCOM COUNTY ss:

On this day personally appeared before me, **John G Penney & Carol D Penney**, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he (she or they) signed the same as his (her or their) free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 19th day of July, 2006.



[Signature]

Notary Public in and for the State of Washington residing at: Bellingham

My Commission expires: 8/10/06

STATE OF WASHINGTON)
COUNTY OF WHATCOM) ss:

I certify that I know or have satisfactory evidence that Roger Ford is the person who appeared before me, and said person acknowledged that ~~he~~(she) signed this instrument, on oath stated that ~~he~~(she) was authorized to execute the instrument and acknowledged it as the Senior Vice President of **The Bank of the Pacific** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this 19th day of July, 2006.



[Signature]

Notary Public in and for the State of Washington residing at: Bellingham

My Commission expires: 8/10/06



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