

AFTER RECORDING RETURN TO:
PUGET SOUND CAPITAL CORPORATION
d/b/a HEALY MORTGAGE
2938 Limited Lane NW, Suite C-1
Olympia, WA 98502

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| Document Title | Loan Modification Agreement |
| Reference Numbers of Related Documents | 2004-155672 |
| Grantor: | Millie Hanson and Dan Hatfield, Co-Trustees of the Hanson Living Trust dated March 6, 2002 |
| Grantee: | |
| Legal Description: | Lot 2 of MF 7 Wacomac Replat Short Plat |
| Assessor's Property Tax Parcel No.: | 020729222101 |

97892

LOAN MODIFICATION AGREEMENT

THIS LOAN MODIFICATION AGREEMENT ("Agreement") is made this 26th day of July, 2005 between Millie Hanson and Dan Hatfield, Co-Trustees of the Hanson Living Trust dated March 6, 2002, ("Borrower") and PUGET SOUND CAPITAL CORPORATION d/b/a HEALY MORTGAGE ("Lender"). Lender is the Owner and Holder of that certain Promissory Note secured by a Deed of Trust bearing the date December 20, 2004, executed by Borrower to secure payment of the sum of Two Hundred Twenty-Seven Thousand Five Hundred Dollars (\$227,500.00) and interest, and recorded under Skamania County, Washington Auditor's File No. 2004-155672 on the 21st day of December, 2004 and, upon the request of Borrower, the parties do hereby amend and supplement the following Promissory Note and Deed of Trust:

- (1) The Deed of Trust, dated December 20, 2004 and recorded in Skamania County Auditor's office, File No. 2004-155672 and incorporated herein by this reference; and
- (2) The Promissory Note, dated December 20, 2004 and secured by the above described Deed of Trust and incorporated herein by this reference, which covers the real and personal property described in the Deed of Trust and defined therein as the "Property", located at Lot 2 of MF 7 Wacomac Replat Short Plat

the real property described in and secured by the Deed of Trust being set forth as follows:

Lot 2 of MF 7 Wacomac Replat Short Plat, recorded in Book "T" of Short Plats, page 116, records of Skamania County, Washington.

As of July 26, 2005, the amount payable under the Promissory Note and Deed of Trust (the "Unpaid Principal Balance") is U.S. \$112,051.00, (additional \$115,449.00 is available in the undisbursed construction budget), consisting of the amount(s) loaned to Borrower by Lender and any interest capitalized to date.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

1. Borrower has requested an extension of the Promissory Note due date for four months until November 1, 2005, (the "Maturity Date") and Lender agrees to extend the due date as stated. Borrower promises to pay the Principal Balance of \$227,500.00, plus interest, in full, without offset on the Maturity Date. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 12.00%, from the date of this Agreement until paid in full. Borrower promises to make monthly interest only payments, beginning on the 1st day of August, 2005, and continuing thereafter on the same day of each succeeding month until the Maturity Date. If on the Maturity Date, Borrower still owes amounts under the Promissory Note, Deed of Trust and other Loan Documents as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

2. The terms and conditions of this Agreement shall modify the Promissory Note amount and due date, and all other provisions of the original Promissory Note, Deed of Trust and other Loan Documents shall remain valid and enforceable.

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 Promissory Note, Deed of Trust and other Loan Documents.

4. Borrower shall strictly comply with each and every term condition and provision of the Promissory Note, Deed of Trust and other Loan Documents, and all of Borrower's covenants, agreements, representations and promises contained therein. Borrower further covenants and agrees that Borrower is aware of no defense to the enforceability of the Promissory Note, Deed of Trust and other Loan Documents, that the Promissory Note, Deed of Trust and other Loan Documents are valid and enforceable according to their terms, that Borrower has fully performed each of Borrower's obligations and covenants contained therein, that all of Borrower's representations made at the time of the initial loan remain true and correct as of the date of this Agreement, and Lender shall rely on Borrower's representations herein.

5. All borrowers and guarantors agree to this modification of the original loan term and amount.

6. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

7. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Promissory Note, Deed of Trust and other Loan Documents. Except as otherwise specifically provided in this Agreement, the Promissory Note, Deed of Trust and other Loan Documents 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.

8. EACH PERSON WHO SIGNS THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE OR SHE: HAS CAREFULLY READ AND FULLY UNDERSTANDS THIS AGREEMENT AND ITS FINAL AND BINDING EFFECT; HAS BEEN AFFORDED SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THIS AGREEMENT WITH ADVISORS OR ATTORNEYS OF HIS OR HER CHOICE; HAS HAD AN OPPORTUNITY TO NEGOTIATE WITH REGARD TO THE TERMS OF THIS AGREEMENT; IS FULLY COMPETENT TO MANAGE HIS OR HER OWN BUSINESS AFFAIRS AND TO ENTER INTO OR SIGN THIS AGREEMENT; HAS SIGNED THIS AGREEMENT KNOWINGLY, FREELY AND VOLUNTARILY; AND THAT THE ONLY PROMISES MADE TO INDUCE HIM OR HER TO SIGN THIS AGREEMENT ARE THOSE STATED HEREIN.

The parties hereto have executed this Agreement subject to the above Effective Date.

BORROWERS:

By: Millie Hanson
Millie Hanson, Trustee

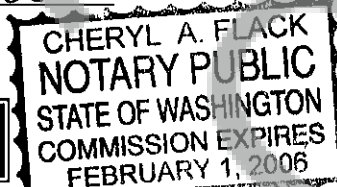
By: Dan Hatfield
Dan Hatfield, Trustee

STATE OF WASHINGTON)

COUNTY OF CLALLAM) ss

I certify that I know or have satisfactory evidence that Millie Hanson and Dan Hatfield are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: Aug 2 2005



Cheryl A. Flack
PRINT NAME: CHERYL A. FLACK
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, residing at Vanouver
My commission expires: 2/1/2006

Lender:

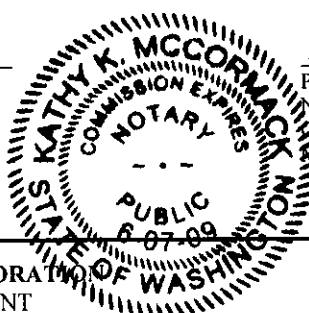
By: Michael T. Healy
Michael T. Healy
President

STATE OF WASHINGTON)

COUNTY OF Thurston) ss

I certify that I know or have satisfactory evidence that Michael Healy is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: July 26, 2005



Kathy K. McCormack
PRINT NAME: Kathy K. McCormack
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, residing at Olympia
My commission expires: 6-7-9