

After Recording Return To:  
FHHL-Post Closing Mail Room  
1555 W. Walnut Hill Ln #200 MC 6712  
Irving, TX 75038  
Loan Number: 0059383927

29289

(Space Above this Line for Recording Data)

**LOAN MODIFICATION AGREEMENT**  
**(Providing for Fixed Interest Rate Interest Only)**

This Loan Modification Agreement ("Agreement"), made this 11th day of SEPTEMBER, 2007, between  
RANDY L PAYNE & CHRISTY M PAYNE, Husband & Wife

("Borrower") and

FIRST HORIZON HOME LOANS, A DIVISION OF FIRST TENNESSEE BANK N.A.  
SUCCESSOR BY MERGER TO FIRST HORIZON HOME LOAN CORPORATION ("Lender"),  
amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed ("The Security Instrument"),  
dated 12/13/2006 and recorded in 2006164186, of  
the Land / Official Records of Skamania County, 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  
1622 MABEE MINES ROAD, WASHOUGAL, Washington 98671  
(Property Address)

the real property described being set forth as follows:

A TRACT OF LAND IN SECTION 35, TOWNSHIP 2 NORTH, RANGE 5 EAST OF  
THE WILLAMETTE MERIDIAN, IN THE COUNTY OF SKAMANIA, STATE OF  
WASHINGTON, DESCRIBED AS FOLLOWS: LOT 1 OF THE MABEE MINES SHORT  
PLAT RECORDED IN AUDITOR FILE NO. 2006163678, SKAMANIA COUNTY  
RECORDS.

02-05-35-0-0-0700-00

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In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note and Security Instrument):

1. As of 9/17/2007, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 471,000.00. Borrower hereby renews and extends such indebtedness and promises to pay jointly and severally to the order of the Lender the sum of U.S. \$ 471,000.00 (the "Principal Balance"), consisting of the amount(s) loaned to borrower by Lender and any interest capitalized to date.
2. Borrower promises to make initial monthly payments of U.S. \$ 3,041.88, beginning on the first day of NOVEMBER, 2007, until the first principal and interest payment due date. Borrower promises to pay the Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Principal Balance at the yearly rate of 7.750 %, from 9/17/2007. Borrower promises to make monthly payments of principal and interest of U.S. \$ 3,866.67, beginning on the first day of NOVEMBER, 2017, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on 10/01/2037 (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. Borrower will make such payments at PO BOX 809, MEMPHIS, TN 38101 or at such other place as Lender may require.
3. The lien and security interest secured by this Agreement is a "Renewal and Extension" effective as of 9/11/2007. It is the intention of the parties that all liens and security interests described in the Security Instrument are hereby renewed and extended until the indebtedness evidenced by the Note, as renewed, modified, and extended hereby, has been fully paid. Lender and Borrower acknowledge and agree that such extension, renewal, amendment, modification or rearrangement shall in no manner affect or impair the Note or the liens and security interests securing same, the purpose of this Agreement being simply to extend, modify, amend or rearrange the time and the manner of payment of the Note and the indebtedness evidenced thereby, and to carry forward all liens and security interests securing the Note (including if applicable any and all vendor's liens securing the Note), which are expressly acknowledged by the Borrower to be valid and subsisting, and in full force and effect so as to fully secure the payment of the Note. The Borrower hereby expressly waives the benefit of any and all statutes of limitation which might otherwise inure to Borrower's benefit, or be in any way applicable to Borrower's obligations under the terms of any and all instruments described herein.
4. 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 this 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 the 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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5. 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; and
  - (b) all terms and provisions of any adjustable rate rider, or other instrument or documents 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.
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 Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.
7. Prepayment. Borrower may prepay all or any part of the principal of the Note at any time; however, a Pre-payment penalty may apply. If the partial Prepayment is made during the period when my monthly payments consist only of interest, the amount of the monthly payment will decrease for the remainder of the term when my payments consist only of interest as well as during the time that my payments consist of principal and interest. If the partial Prepayment is made during the period when my payments consist of principal and interest, the amount of my monthly payment will not decrease; however, the principal and the interest required under this Modification Agreement will be paid prior to the Maturity Date. Any prepayment of principal may result in this Note having an earlier maturity date than shown in Paragraph 2 above, but will not affect Borrower's monthly payment obligation. If a Prepayment penalty is applicable, see attached Prepayment Penalty Addendum to Modification Agreement regarding prepayment of the loan.
8. No Oral Agreements: THE WRITTEN LOAN AGREEMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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ACCEPTED AND AGREED TO BY THE  
OWNER AND HOLDER OF SAID NOTE  
FIRST HORIZON HOME LOANS,  
A DIVISION OF FIRST TENNESSEE BANK N.A.

By:

Its:

Randy L Payne  
Borrower RANDY L PAYNE

Christy M Payne  
Borrower CHRISTY M PAYNE

Borrower

Borrower

State of WASHINGTON :  
County of CLARK :

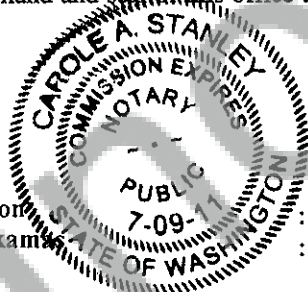
Before me, a Notary Public on this day personally appeared  
RANDY L PAYNE & CHRISTY M PAYNE

known to me (or proved to me on the oath of \_\_\_\_\_,  
through Wa. State Driver License (description of identity card or other document) to be  
the person whose name is subscribed to the foregoing instrument and acknowledgement to me that he/she/they  
executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of this office this 12 day of Sept, 2007

(Seal)

State of Oregon :  
County of Clackamas :



Carol A. Stanley  
Notary Public

Corporate Acknowledgement

Jan Demlow

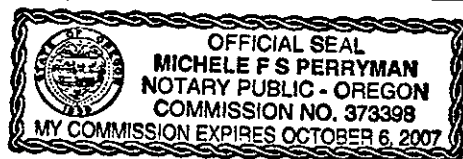
Vice President

Before me, the undersigned authority, on this day appeared \_\_\_\_\_,

a \_\_\_\_\_ of FIRST HORIZON HOME LOANS,  
A DIVISION OF FIRST TENNESSEE BANK N.A. subscribed to the foregoing instrument, and  
acknowledged to me that she executed the same for the purposes and  
consideration therein expressed as the act and deed of said corporation and in the capacity therein stated.

Given under my hand and seal of this office this 11th day of September, 2007

(Seal)



Michele F S Perryman  
Notary Public