

Name & Return Address:

Tom Hicswa

PNC Mortgage

3232 Newmark Drive, Miamisburg, OH 45342

Please print legibly or type information.

Document Title(s)	Loan Modification Agreement Of Deed of Trust
Grantor(s)	Kevin L Ruge and Amy L Ruge
0	Additional Names on Page 0 of Document
Grantee(s)	PNC Mortgage a Division of PNC Bank, National Association
0	Additional Names on Page 0 of Document
Legal Description (Abbreviated: i.e., lot, block & subdivision name or number OR section/township/range and quarter/quarter section)	NW 1/4 SEC 29TH T2N R5E
Complete Legal Description on Page	7 of Document
Auditor's Reference Number(s)	DOT REC INFO- 02-22-2007 / 2007165087
Assessor's Property Tax Parcel/Account Number(s)	02-05-29-0-0-0402-00
<p>The Auditor/Recorder will rely on the information provided on this cover sheet. The Staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.</p> <p>I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.</p> <p>_____ Signature of Requesting Party (Required for non-standard recordings only)</p> <p>Gpcovst.doc rev 4/02</p>	

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5315015

LOAN MODIFICATION AGREEMENT

(Interest Only, Variable Rate based on Prime)

This Loan Modification Agreement ("Agreement"), made **NOVEMBER 30, 2009**, between **KEVIN L RUGE AND AMY L RUGE HUSBAND AND WIFE ("Borrower(s))** and PNC Mortgage, a division of PNC Bank, National Association ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated **FEBRUARY 15, 2007** and recorded in **SKAMANIA County, State of WASHINGTON** (2) the Note bearing the same date as, and secured 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

62 CONNIE LN
WASHOUGAL, WASHINGTON 98671
 (Property Address)

the real property described being set forth as follows:

SEE ATTACHED EXHIBIT 'A', legal description.

All capitalized terms defined in the Note will have the same meaning in this Agreement.

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. **BORROWER'S PROMISE TO PAY**

DOT Recording Info -

2-22-2009 D-200165087

As of **NOVEMBER 30, 2009**, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is **FOUR HUNDRED SEVENTEEN THOUSAND AND 00/100 DOLLARS (U.S. \$417,000.00)** consisting of the amount(s) loaned to the Borrowers by the Lender and any interest capitalized to date.

2. **INTEREST**

Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender as follows: Beginning **JANUARY 1, 2010**, Borrower will pay interest at a yearly rate of **3.250%**. The interest rate Borrower will pay may change in accordance with Section 4 of this Agreement.

The interest rate required by this Section 2 and Section 4 of this Agreement is the rate Borrower will pay both before and after any default described in the Note.

3. **PAYMENTS**

(A) **Time and Place of Payments**

Borrower will make monthly payments on the first day of every month, beginning **FEBRUARY 1, 2010**. Borrower will make these payments every month until all principal and interest and other charges owed under the Note are paid in full. Before the Maturity Date (defined below), Borrower's payments will consist only of the interest due on the Unpaid Principal Balance of the Note. No payments of principal are scheduled before the Maturity Date.

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Payments consisting only of interest due will not reduce the Unpaid Principal Balance. Each monthly payment will be applied as of its scheduled due date, and if the payment includes both principal and interest, it will be applied to interest before principal. If, on **JANUARY 1, 2012**, Borrower still owes amounts under the Note, Borrower will pay those amounts in full on that date, which is called the "Maturity Date."

Borrower will make monthly payments at **PNC Mortgage, a division of PNC Bank, National Association, P. O. Box 1820, Dayton, OH 45401-1820** or at a different place if required by the Note Holder.

(B) Amount of Borrower's Monthly Payments

Borrower's monthly payment will be in the amount of U.S. **\$1,129.38** until the first Change Date (defined below). After the first Change Date, Borrower's monthly payment may change in accordance with Section 3(C) and Section 4(C)(ii) of this Agreement.

(C) Monthly Payment Changes

Changes in Borrower's monthly payment will reflect changes in the Unpaid Principal Balance and in the interest rate that Borrower must pay. The Note Holder will determine Borrower's new interest rate and the changed amount of Borrower's monthly payment in accordance with Section 4 of this Agreement. Borrower's payment may also change if Borrower makes a partial prepayment of principal. The Note Holder will deliver or mail to Borrower a notice of the change as provided in the Note.

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate Borrower will pay may change on **MARCH 1, 2010** and on the **1st** day every month thereafter. The date on which Borrower's interest rate above could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an Index. The "Index" is the Prime Rate as published in *The Wall Street Journal*, it being acknowledged that the Prime Rate is not necessarily the lowest rate of interest then available from Lender on fluctuating-rate loans. The most recent Index figure available as of each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

On each Change Date, the Note Holder will calculate Borrower's new interest rate by adding **ZERO** percentage point(s) (**0.000%**) to the then 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 Borrower's new interest rate until the next Change Date.

For the monthly payments due after the first Change Date, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay all accrued interest each month on the Unpaid Principal Balance at the related Change Date at the new interest rate determined above. Borrower will pay the amount of the new monthly payment beginning on the first monthly payment date after the Change Date until the amount of Borrower's monthly payment changes again.

(D) Limits on Interest Rate Charges

Borrower interest rate will never be greater than **10.500%**.

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5. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of principal at any time before they are due. A payment of principal only is known as a "Prepayment." When Borrower makes a Prepayment, Borrower will tell the Note Holder in writing that Borrower is doing so. Borrower may not designate a payment as a Prepayment if Borrower has not made all the monthly payments due under the Note.

Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use Borrower's Prepayments to reduce the amount of principal that Borrower owes under the Note. However, the Note Holder may apply Borrower's Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying the Prepayment to reduce the principal amount of the Note. If Borrower makes a partial Prepayment, there will be no changes in the due date of Borrower's monthly payment unless the Note Holder agrees in writing to those changes.

Any reduction in the amount of the monthly payment due to a partial Prepayment may be offset by an interest rate increase.

6. 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 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.

7. 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.
8. 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; provided that any addendum to the Note pertaining to the interim construction financing is null and void and of no further effect as of the date of this Agreement.

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9. BORROWER HEREBY ACKNOWLEDGES AND AGREES TO PAY ALL AMOUNTS OUTSTANDING UNDER THE NOTE, AS MODIFIED HEREIN, ON OR BEFORE THE MATURITY DATE. BORROWER FURTHER ACKNOWLEDGES AND AGREES THAT LENDER IS NOT OBLIGATED AND DOES NOT AGREE TO ANY OTHER OR FUTURE AMENDMENTS, EXTENSIONS OR CONVERSIONS AND THAT THIS AGREEMENT DOES NOT CREATE A COURSE OF DEALING BETWEEN BORROWER AND LENDER. BY SIGNING BELOW, BORROWER HEREBY IRREVOCABLY WAIVES ALL DEFENSES AND COUNTERCLAIMS AGAINST LENDER AND ITS OFFICERS, DIRECTORS, AFFILIATES, SUBSIDIARIES, PARENTS, REPRESENTATIVES, AGENTS, SHAREHOLDERS, ATTORNEYS, EMPLOYEES, PREDECESSORS, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "RELEASED PARTIES"), AND FULLY, FINALLY AND IRREVOCABLY RELEASES THE RELEASED PARTIES FROM ANY AND ALL DEFENSES, COUNTERCLAIMS, OFFSETS, CROSS-CLAIMS, CLAIMS, CAUSES OF ACTION, DAMAGES AND DEMANDS OF ANY KIND OR NATURE, KNOWN OR UNKNOWN, KNOWABLE OR UNKNOWNABLE, EXISTING AS OF THE DATE OF THIS AGREEMENT ARISING OUT OF OR RELATING TO THE INTERIM CONSTRUCTION LOAN AND ANY OF THE LOAN DOCUMENTS RELATED THERETO AND THE CONSTRUCTION OF THE RELATED IMPROVEMENTS. BY SIGNING BELOW, BORROWER WARRANTS THAT ALL INFORMATION PROVIDED TO VERIFY ABILITY TO REPAY THE NOTE, AS MODIFIED HEREIN, IS ACCURATE AND WAS NOT ALTERED OR FALSIFIED IN ANY MANNER.

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Lender PNC Mortgage, a division of PNC Bank,
National Association

Witness: _____

By: Debra L. Conley (Seal)
Authorized Signature
DEBRA L CONLEY
MORTGAGE OFFICER
Its: _____
(Authorized Representative Title)

Witness: _____

----- (Space Below This Line For Acknowledgments) -----

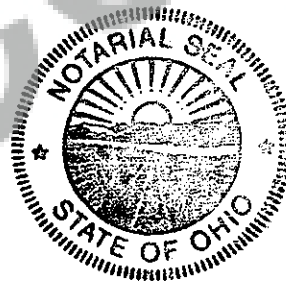
STATE OF OHIO)
) ss.
COUNTY OF MONTGOMERY)

DEBRA L CONLEY
MORTGAGE OFFICER

BEFORE ME, a Notary Public in and for said County and State, personally appeared _____,
_____(Title) of PNC Mortgage, a division of PNC Bank, National Association (Lender),
who acknowledged that he/she did sign the foregoing instrument and that the same is the free act and deed of said
Corporation and his/her free act and deed personally and as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand, this 26 day of February, 2010.

Michelle Bolden
Notary Public Michelle Bolden
My Commission Expiration Date is: 6-2-2010



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Witness: _____ KEVIN L RUGE (Seal)
Borrower

Witness: _____ AMY L RUGE (Seal)
Borrower

Witness: _____ (Seal)
Borrower

Witness: _____ (Seal)
Borrower

State of Washington

County of Clark

On February 8th 2010, before me, Megan Irene Garber (notary public), personally appeared KEVIN L RUGE AND AMY L RUGE HUSBAND AND WIFE, (Borrowers) who 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.

(If acknowledged in the State of California, the following also applies:

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.)

WITNESS my hand and official seal.

Megan Irene Garber
Notary Public

My Commission Expiration Date is: September 10th 2011

(NOTARY PUBLIC SEAL)

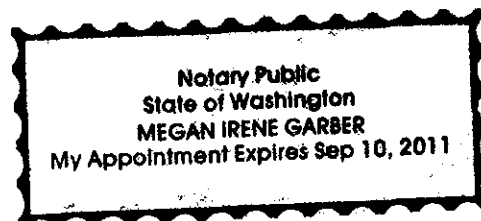


EXHIBIT 'A'

Legal Description

A parcel of property located in the Northwest Quarter of Section 29, Township 2 North, Range 5 East of the Willamette Meridian, in Skamania County, Washington, described as follows:

Commencing at the Northwest corner of said Northwest Quarter of Section 29;

Thence South $01^{\circ}21'56''$ West along the West line of said Northwest Quarter of Section 29 a distance of 1299.51 feet;

Thence North $89^{\circ}49'38''$ East 915.71 feet;

Thence North $01^{\circ}10'05''$ West 334.26 feet to the True Point of Beginning;

Thence North $89^{\circ}30'14''$ East 719.46 feet;

Thence North $70^{\circ}55'20''$ East 1064.99 feet to the East line of said Northwest Quarter of Section 29;

Thence North $01^{\circ}15'49''$ East along said East line 548.23 feet to the North line of said Northwest Quarter of Section 29;

Thence North $88^{\circ}41'28''$ West along said North line 1757.69 feet to a point which bears North $01^{\circ}10'05''$ West from the True Point of Beginning.

Thence South $01^{\circ}10'05''$ East 942.76 feet to the True Point of Beginning.

EXCEPT a strip of land 300 feet in width acquired by the United States of America for the Bonneville Power Administration's Bonneville-Vancouver No. 1 and No. 2 electric power transmission lines as recorded in Book 27 of Deeds at Page 319 of Skamania County.

TOGETHER WITH an easement for ingress, egress and utilities as disclosed by instrument recorded June 19, 2002 in Book 225, Page 504, Skamania County Records. Also as shown on survey recorded in Book 3 of Surveys, Page 417.