

WASHINGTON STATE COUNTY AUDITOR/RECORDERS'S  
INDEXING FORM (Cover Sheet)

ORIGINAL



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Skagit County Auditor

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**RETURN ADDRESS:**

Merrill Lynch Credit Corporation  
4802 Deer Lake Drive East  
Jacksonville, Florida 32246-6484  
Attn: Loan Sale Delivery Department

**DOCUMENT TITLE(S) (or transactions contained therein):**

1. MODIFICATION AGREEMENT
- 2.
- 3.

**ACCOMMODATION RECORDING  
ISLAND TITLE CO.**

**REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:**

(on page \_\_\_\_\_ of document(s))

200112260097

**GRANTOR(S): (Last name first, then first name and initials)**

1. KILLIEN, MICHAEL J.
2. KILLIEN, MARY F.
- 3.
4. Additional names are on page \_\_\_\_\_ of document.

**GRANTEE(S): (Last name first, then first name and initials)**

1. MERRILL LYNCH CREDIT CORPORATION
- 2.
- 3.
4. Additional names are on page \_\_\_\_\_ of document.

Island Title Company has placed  
this document for recording as a  
customer courtesy and accepts no  
liability for its accuracy or validity

**LEGAL DESCRIPTION: (abbreviated: i.e., lot, block, plat or section, township, range)**

Ptn. Tract 5, STOCKFLETH'S SKYRIDGE

Additional legal description is attached as Exhibit \_\_\_\_\_ of document.

**ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER:** P69750

## MODIFICATION AGREEMENT

This Modification Agreement (this "Agreement") is entered into this December 3, 2002, by and between Michael J. Killien and Mary F. Killien (herein individually and collectively referred to as "Borrower"), and Merrill Lynch Credit Corporation, a Delaware corporation (herein referred to as "Lender").

WHEREAS, Lender is the owner and holder of that certain mortgage, deed of trust, or security deed (the "Security Instrument"), dated December 17, 2001, made by Borrower as trustor or mortgagor, as the case may be, to Lender as beneficiary or mortgagee, as the case may be, recorded on 12/26/01, in #2001-12260097 of the Public/Land Records of Skagit County, in the original principal amount of \$450,000.00, which Security Instrument encumbers the property more particularly described in the attached Exhibit A; and

WHEREAS, the Borrower, being the owner in fee simple of all of the property encumbered by the Security Instrument, has requested that Lender modify the Note and the Security Instrument (but only to the extent that the Note is incorporated therein by reference), and the parties have mutually agreed to modify the terms thereof in the manner hereafter stated.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. As of the date of execution hereof, the terms and conditions of the Note, and the corresponding portions of the Security Instrument, are modified in the following respects, only:
  - a) Beginning on the first day of January, 2003, and on the first day of every month thereafter until the first day of December, 2012, Borrower will pay only the interest on the unpaid principal balance of the Note. Borrower's initial monthly interest only payment will be in the amount of \$1,171.88 based on an initial interest rate of 3.125%. The interest rate is subject to change.
  - b) Beginning on the first day of January, 2013, and on the first day of every month thereafter until the Note is paid in full, Borrower will make regular amortizing payments of principal and interest.
  - c) Changes in the amount of Borrower's monthly payment may occur on the first day of the month beginning on July, 2003 and on the same day of the month every six months thereafter.

Post Closing Modification Agreement  
CLWANMAG (Washington) (Y)  
(02/07/02)  
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- d) Interest rate changes may occur on the 1st day of the month beginning on June, 2003 and on the same day of the month every six months thereafter.
- e) The monthly payments, determined precisely in the manner stated in the Note and giving effect to the modifications stated herein, shall continue until the entire indebtedness is fully paid, except that the final payment of the remaining indebtedness shall be due and payable on December 1, 2027 (the Maturity Date").
- f)

2. The unpaid principal balance due under the Note as of the date of this Agreement is \$450,000.00.
3. Borrower warrants that Borrower has no existing right of offset, counterclaim, or other defenses against enforcement of the Note and Security Instrument by Lender and that, if any such right or defenses do exist, they are hereby waived and released.
4. This Agreement shall supersede for all purposes any and all conflicting terms and conditions provided for in the Note and Security Instrument, but shall be construed as supplemental as to any nonconflicting term or condition stated therein. The Note and Security Instrument shall continue to evidence and secure the Borrower's indebtedness thereunder as modified herein. The parties intend and agree that this Agreement is not a novation of Borrower's loan obligation. Except to the extent provided otherwise herein, neither the Note nor the Security Instrument is modified by this Agreement and they shall remain in full force and effect until the obligations secured thereunder are paid in full and the Security Instrument is satisfied of record.
5. This Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties hereto.
6. If the spouse of the Borrower, , is not obligated on the Note, (i) then this Agreement has been executed by the spouse of the Borrower only to evidence his/her consent to the modifications of the Note and Security Instrument described herein and to the other terms hereof; and (ii) said spouse shall not be personally obligated to pay the sums owed under the terms of the Note and this Agreement.
7. This Agreement contains the entire agreement of the parties hereto with regard to modification of the Note and supersedes any prior written or oral agreements between them concerning the subject matter contained herein and no party hereto has relied upon any representations except such as are specifically set forth herein. This Agreement may not be modified, changed or amended except by written instrument signed by Lender and Borrower. This Agreement shall be governed by the laws of the state in which the property encumbered by the Security Instrument is located.



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Executed on the date first above written.

**BORROWER:**

*Gregory D. Bilge*  
Name: *Gregory D. Bilge*  
(Witness)

*Michael J. Killien* (Seal)  
Michael J. Killien

*Mary F. Killien* (Seal)  
Mary F. Killien

*Rebekah Petrick*  
Name: *Rebekah Petrick*  
(Witness)

\_\_\_\_\_  
(Seal)

*Gregory D. Bilge*  
Name: *Gregory D. Bilge*  
(Witness)

\_\_\_\_\_  
(Seal)

*Rebekah Petrick*  
Name: *Rebekah Petrick*  
(Witness)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

MERRILL LYNCH CREDIT CORPORATION, by  
Cendant Mortgage Corporation, Authorized Agent

*Albert J. Dimoush*  
Albert J. Dimoush  
Assistant Vice President

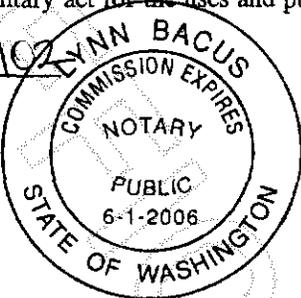


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STATE OF WASHINGTON )  
 )  
COUNTY OF Skagit )

I certify that I know or have satisfactory evidence that Michael Killien & Mary F. Killien is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

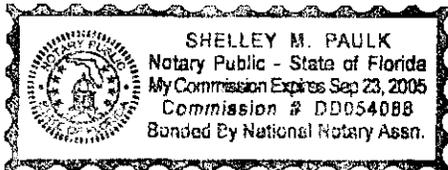
Dated: 12/16/02  
(seal or stamp)



Lynn Bacus  
Title: Notary Public  
My appointment expires 6-1-06

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 3 day of January, 2003, by Albert J. Dimoush, Assistant Assistant Vice President of Cendant Mortgage Corporation, the duly authorized agent of Merrill Lynch Credit Corporation, a Delaware corporation on behalf of the corporation. He/She is personally known to me.



Shelley M. Paulk  
Name: Shelley M. Paulk  
Notary Public, State of Florida  
Commission No.: DD054088  
My Commission Expires: 9.23.2005



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EXHIBIT "A"

A portion of Tract 5, ASSESSOR'S PLAT OF STOCKFLETH'S SKYRIDGE, according to the plat thereof recorded in Volume 9 of Plats, page 42, records of Skagit County, Washington, which premises are in the Northeast Quarter of the Northeast Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, being more particularly described as follows:

Beginning at a point on the East line of said subdivision a distance of 256.9 feet North of the Southeast corner thereof;  
thence North  $0^{\circ}14'$  West along the East line of said subdivision a distance of 149.4 feet;  
thence West a distance of 223.4 feet to the East right-of-way line of a 40.0 feet private road;  
thence South  $5^{\circ}27'30''$  West along said road right-of-way line a distance of 75.6 feet to the P.C. of a  $15^{\circ}$  curve to the left;  
thence following said  $15^{\circ}$  curve right-of-way line a distance of 100.0 feet to the P.R.C. of a  $27^{\circ}58'$  curve to the right;  
thence following said  $27^{\circ}58'$  curve right-of-way line to the right a distance of 73.0 feet to the Puget Sound Power and Light Co. transmission line;  
thence North  $73^{\circ}32'30''$  East along said transmission line a distance of 43.8 feet to an angle point in said line;  
thence North  $64^{\circ}31'30''$  East along said transmission line to the true point of beginning;

EXCEPT that portion, if any, lying within a tract of land in the Northeast Quarter of the Northeast Quarter of Section 32, Township 34 North, Range 4 East of the Willamette Meridian, being a portion of Tract 5, STOCKFLETH'S SKYRIDGE ASSESSOR'S PLAT, recorded in Volume 9 of Plats, page 42, records of Skagit County, Washington, described as follows:

Commencing at the Southeast corner of said Northeast Quarter of the Northeast Quarter;  
thence North  $01^{\circ}08'06''$  East along the East line of said subdivision a distance of 406.30 feet to the point of beginning;  
thence continuing along said East line North  $01^{\circ}08'06''$  East a distance of 35.47 feet to the Northeast corner of said Lot 5;  
thence South  $82^{\circ}19'06''$  West along the North line of said Tract 5 a distance of 225.67 feet to the Northwest corner of said Tract 5 and the East margin of Olympic Place as shown on said Assessor's Plat;  
thence North  $88^{\circ}38'19''$  East a distance of 223.00 feet to the point of beginning.

Situated in Skagit County, Washington.



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