

RETURN ADDRESS:
PEOPLES BANK
Loan Services Department
PO Box 233
LYNDEN, WA 98264



201612220070
Skagit County Auditor \$76.00
12/22/2016 Page 1 of 4 2:10PM

CHICAGO TITLE
620020545

MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 201312260110

Additional on page ____

Grantor(s):

1. ENCO PROPERTIES LLC

Grantee(s)

1. PEOPLES BANK

Legal Description: LOT B CITY OF SEDRO-WOLLEY SHORT PLAT NO. SW 07-96

Additional on page 2

Assessor's Tax Parcel ID#: 350427-1-010-0500 P113705



THIS MODIFICATION OF DEED OF TRUST dated December 19, 2016, is made and executed between ENCO PROPERTIES LLC, WHO ACQUIRED TITLE AS ENCO PROPERTIES, LLC, A WASHINGTON LIMITED LIABILITY COMPANY, whose address is 1337 ROY ROAD, BELLINGHAM, WA 98229-0323 ("Grantor") and PEOPLES BANK, whose address is BARKLEY FINANCIAL CENTER, 3100 WOBURN ST, BELLINGHAM, WA 98226 ("Lender").

**MODIFICATION OF DEED OF TRUST
(Continued)**

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated December 18, 2013 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

A DEED OF TRUST DATED DECEMBER 18, 2013 AND RECORDED DECEMBER 26, 2013 UNDER AUDITOR'S FILE NO. 201312260110, RECORDS OF SKAGIT COUNTY, WASHINGTON.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in SKAGIT County, State of Washington:

Lot B, CITY OF SEDRO-WOOLLEY SHORT PLAT NO. SW 07-96, approved August 18, 1998, and recorded August 25, 1998, in Volume 13 of Short Plats, pages 155 and 156, under Auditor's File No. 9808250134, records of Skagit County, Washington; being a portion of the East Half of the Southwest Quarter of the Northeast Quarter of Section 27, Township 35 North, Range 4 East of the Willamette Meridian.

Situated in Skagit County, Washington.

The Real Property or its address is commonly known as 2001 HOSPITAL DRIVE, SEDRO WOOLLEY, WA 98284. The Real Property tax identification number is 350427-1-010-0500 P113705.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

ADD ADDITIONAL SWAP VERBIAGE:

CenterState Bank of Florida N.A. d/b/a ARC Fixed Rate Provider (including its successors and assigns) ("Fixed Rate Provider"), is an additional secured party under this Deed of Trust. Any of the terms Mortgagee, Beneficiary, Secured Party or other term intended to reference the entity benefiting from the security interest or lien created hereunder to secure Borrower's obligations is deemed to include Fixed Rate Provider. Any of the terms Obligations, Secured Obligations, Debt, Secured Debt or other terms intended to reference Borrower's obligations secured hereunder is deemed to include obligations owed by Borrower to Fixed Rate Provider under the Rate Conversion Agreement between Fixed Rate Provider and Borrower, dated on or about the date hereof (such agreement, as the same may be amended or modified, the "Rate Conversion Agreement").

Bank and Fixed Rate Provider have previously entered into a Master Servicing specifying, among other things, circumstances under which Fixed Rate Provider may take over Bank's rights under the Loan, Loan Agreement or Note and with respect to collateral for Borrower's obligations thereunder and under the Rate Conversion Agreement. Until Borrower's receipt of written notice from Fixed Rate Provider, Bank will be entitled to exercise all rights of Bank and Fixed Rate Provider hereunder and all rights of Bank under the Loan, Loan Agreement or Note. Upon and after written notice from Fixed Rate Provider to Borrower that Fixed Rate Provider is entitled to act with respect to the Loan, Loan Agreement or Note and the property pledged hereunder, (i) Fixed Rate Provider will be entitled to exercise all rights of Bank and Fixed Rate Provider hereunder and all rights of Bank under the Loan, Loan Agreement or Note and (ii) Borrower will comply with instructions, notices and other communications solely from Fixed Rate Provider with respect to rights of Bank and Fixed Rate Provider hereunder and rights of Bank under the Loan, Loan Agreement or Note. The relative rights and priorities as between Fixed Rate Provider and Bank with respect to the rights referred to in this paragraph will be governed by the Master Servicing Agreement.

As additional security for Borrower's obligations to Bank secured hereunder, Borrower pledges to Bank and grants Bank a first priority lien and security interest in any Early Unwind Amount (as defined in the Rate Conversion Agreement) owed to Borrower under the Rate Conversion Agreement. In the event of a default by Borrower under the Loan, Loan Agreement or Note, Borrower assigns to Bank payment of any such Early Unwind Amount. Upon written notice from Bank to Fixed Rate Provider that a default has occurred under the Loan, Loan Agreement or Note, Fixed Rate Provider will be authorized to pay such Early Unwind Amount to Bank without liability to Borrower. Any dispute on Borrower's part regarding the appropriateness of Bank's notice of default or Fixed Rate Payer's payment of the Early Unwind Amount to Bank will be addressed by Borrower to Bank, and Borrower will not seek legal or other recourse or remedy from or with respect to Fixed Rate Payer.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED DECEMBER 19, 2016.

GRANTOR:

ENCO PROPERTIES LLC

By: 
OLIVIA COLLIER, Member of ENCO PROPERTIES LLC

By: 
JON ENGELBY, Member of ENCO PROPERTIES LLC

MODIFICATION OF DEED OF TRUST
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LENDER:

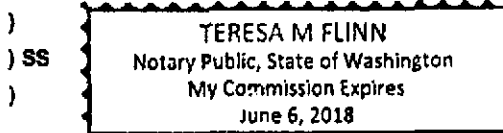
PEOPLES BANK

x Teresa Flinn
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Whatcom



On this 20th day of December, 2016, before me, the undersigned Notary Public, personally appeared OLIVIA COLLIER, Member of ENCO PROPERTIES LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

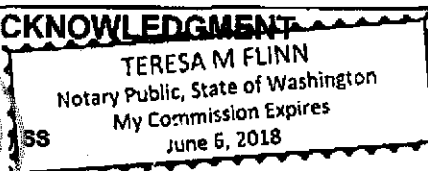
By Teresa Flinn
Notary Public in and for the State of WA

Residing at Bellingham
My commission expires 6/6/18

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Whatcom



On this 20th day of December, 2016, before me, the undersigned Notary Public, personally appeared JON ENGELBY, Member of ENCO PROPERTIES LLC, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

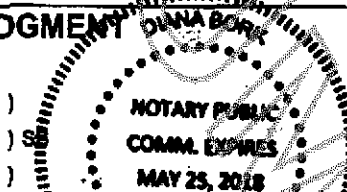
By Teresa Flinn
Notary Public in and for the State of WA

Residing at Bellingham
My commission expires 6/6/18

LENDER ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Whatcom



On this 20th day of December, 2016, before me, the undersigned Notary Public, personally appeared Teresa Flinn and personally known to me or proved to me on the basis of satisfactory evidence to be the SVP, Commercial loan officer, authorized agent for PEOPLES BANK that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of PEOPLES BANK, duly authorized by PEOPLES BANK through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of PEOPLES BANK.

By Diana Poole
Notary Public in and for the State of WA

Residing at Bellingham WA
My commission expires May 25, 2018

**MODIFICATION OF DEED OF TRUST
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