



201911130129

11/13/2019 01:25 PM Pages: 1 of 5 Fees: \$107.50  
Skegit County Auditor

**RETURN ADDRESS:**

First Financial Northwest  
Bank  
PO Box 1130  
Renton, WA 98057

GUARDIAN NORTHWEST TITLE CO.  
**MODIFICATION OF DEED OF TRUST** 1A-3636

Reference # (if applicable): 201911090118 Additional on page \_\_\_\_\_

Grantor(s):

1. Dacodo, LLC
2. Watson Properties, a Limited Partnership

Grantee(s)

1. First Financial Northwest Bank

Legal Description: Parcel "E" of Burlington BSP labeled "B-D-M Binding Site Plan"

Additional on page 2

Assessor's Tax Parcel ID#: P122963, 8057-000-005-0000

**THIS MODIFICATION OF DEED OF TRUST** dated November 6, 2019, is made and executed between Dacodo, LLC, a Washington Limited Liability Company, as to an undivided 76.7% interest and in Watson Properties, a Limited Partnership, a Washington Limited Partnership, as to an undivided 23.3% interest, whose address is 1111 Cleveland Ave Ste 203, Mount Vernon, WA 98273 ("Grantor") and First Financial Northwest Bank, whose address is 207 Wells Ave S, PO Box 1130, Renton, WA 98057 ("Lender").

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

Page 2

**DEED OF TRUST.** Lender and Grantor have entered into a Deed of Trust dated October 31, 2018 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

**Recorded on November 9, 2018 in Skagit County, State of Washington under Recording Number 201811090118.**

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

Parcel "E" of City of Burlington Binding Site Plan labeled "B-D-M Binding Site Plan", approved May 23, 2005 and recorded May 26, 2005, as Skagit County Auditor's File No. 200505260114;

TOGETHER WITH a non-exclusive easement for ingress, egress, parking and utilities as described in Declaration of Temporary Easements/Cross Easements recorded under Auditor's File No. 200510180088.

The Real Property or its address is commonly known as 1860 S Burlington Blvd, Burlington, WA 98233. The Real Property tax identification number is P122963, 8057-000-005-0000.

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

**Increase principal amount of Original Note dated October 31, 2018 from 8,050,000.00, (which currently has an unpaid principal balance of \$7,903,763.85) to \$9,453,763.85 for an additional advance of \$1,550,000.00.**

**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 endorsers 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.

**NOTICE OF ORAL AGREEMENTS.** 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.

**NO SECONDARY LIENS OR OTHER ENCUMBRANCES.** Borrower and Grantor covenants and agrees that: (i) Borrower and Grantor is lawfully seized of the estate hereby conveyed and has full right and power to grant, convey and assign the Real Property, (ii) the Real Property is free from liens, encumbrances, exceptions and other charges of any kind whatsoever, except for the exceptions listed in Lender's title insurance policy insuring the Deed of Trust or exceptions otherwise approved in writing by Lender, and (iii) No other liens or encumbrances, whether superior or inferior to the Deed of Trust, shall be created or suffered to be created by Borrower and Grantor without the prior written consent of Lender.

**ADDITIONAL PROVISION.** CenterState Bank, 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").

Lender and Fixed Rate Provider have previously entered into an ARC Master Servicing Agreement (the "MSA") specifying, among other things, circumstances under which Fixed Rate Provider may exercise Lender'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. Unless and until Borrower's receipt of written notice from Fixed Rate Provider that Fixed Rate Provider has assumed exercise of such rights under the MSA, Lender will be entitled to exercise all rights of Lender and Fixed Rate Provider hereunder and all rights of Lender under the Loan, Loan Agreement or Note. Upon and after written notice from Fixed Rate Provider to Borrower that Fixed Rate Provider has become entitled under the MSA to exercise the Lender's rights under the Loan, Loan Agreement or Note and the property pledged hereunder, (i) Fixed Rate Provider will be entitled to exercise all rights of Lender and Fixed Rate Provider hereunder and all rights of Lender 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 Lender and Fixed Rate Provider hereunder and rights of Lender under the Loan, Loan Agreement or Note. The relative rights, obligations and priorities as between Fixed Rate Provider and Lender with respect to the rights referred to in this paragraph will be governed by the MSA.

As additional security for Borrower's obligations to Lender secured hereunder, Borrower pledges to Lender and grants Lender 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 Lender the right to payment of any such Early Unwind Amount. Upon written notice from Lender 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 Lender without liability to Borrower. Any dispute on Borrower's part regarding the appropriateness of Lender's notice of default or Fixed Rate Provider's payment of the Early Unwind Amount to Lender will be addressed by Borrower to Lender, and Borrower will not seek legal or other recourse or remedy from or with respect to Fixed Rate Provider on account of any such payment to Lender.

**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 NOVEMBER 6, 2019.**

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

GRANTOR:

DACODO, LLC

By: [Signature]  
Daniel R. Mitzel, Member/Manager of Dacodo, LLC

By: [Signature]  
Donald G. DeBode, Manager of Dacodo, LLC  
MEMBER

WATSON PROPERTIES, A LIMITED PARTNERSHIP

MOUNTAIN GLEN MANAGEMENT, L.L.C., General Partner of Watson Properties, a Limited Partnership

By: [Signature]  
Craig Cammock, Executive Manager of Mountain Glen Management, L.L.C.

LENDER:

FIRST FINANCIAL NORTHWEST BANK

X [Signature]  
Michael Lum, FVP / Commercial Banking Sales Manager

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

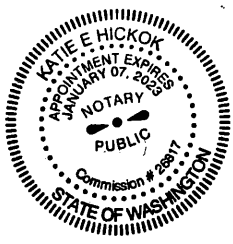
STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )

This record was acknowledged before me on November 8, 2019 by Daniel R. Mitzel, Member/Manager of Dacodo, LLC.

[Signature]  
(Signature of notary public)

Notary Public  
(Title of office)

My commission expires:  
1-7-23  
(date)



MODIFICATION OF DEED OF TRUST  
(Continued)

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

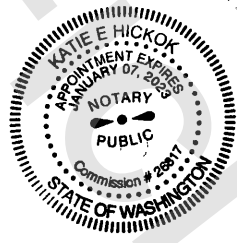
STATE OF WA )

) SS

COUNTY OF Snohomish )

This record was acknowledged before me on November 8, 2019 by Donald G. DeBode, Manager of Dacodo, LLC.

[Signature]  
(Signature of notary public)



Notary Public  
(Title of office)

My commission expires:  
1-7-23  
(date)

PARTNERSHIP ACKNOWLEDGMENT

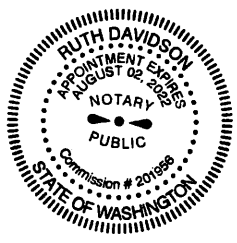
STATE OF Washington )

) SS

COUNTY OF Snohomish )

This record was acknowledged before me on November 12, 2019 by Craig Cammock, Executive Manager of Mountain Glen Management, L.L.C., General Partner of Watson Properties, a Limited Partnership.

[Signature]  
(Signature of notary public)



Notary Public  
(Title of office)

My commission expires:  
8/2/22  
(date)

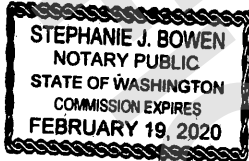
MODIFICATION OF DEED OF TRUST  
(Continued)

Page 5

LENDER ACKNOWLEDGMENT

STATE OF WASHINGTON )  
 ) SS  
COUNTY OF KING )

This record was acknowledged before me on November 6, 2019 by Michael Lum as  
FVP / Commercial Banking Sales Manager of First Financial Northwest Bank.



Stephanie Bowen  
(Signature of notary public)  
Stephanie J. BOWEN  
Notary Public  
(Title of office)

My commission expires:  
2-19-2020  
(date)