

**RETURN ADDRESS:**

Horizon Bank  
Attn: Tonya Alexander  
2211 Rimland Dr. Ste 230  
Bellingham, WA 98226



200711010039

Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

114935.P

**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): 200503040108

Additional on page \_\_\_\_

Grantor(s):

1. Watson Properties, a Limited Partnership

Grantee(s)

1. Horizon Bank

Legal Description: Lots 28 & 29, Heritage Square and Lot 2, Mira Vista; ptn SW 1/4 NE 1/4,  
18-34-4 E W.M.

Additional on page 2

Assessor's Tax Parcel ID#: 4479-000-002-0002 (P83258), 4400-000-028-0006 (P81470),  
4400-000-029-0005 (P81471), 340418-1-010-0002 (P26254)

**THIS MODIFICATION OF DEED OF TRUST dated October 25, 2007, is made and executed between Watson Properties, a Limited Partnership ("Grantor") and Horizon Bank, whose address is Skagit Commercial Center, 2211 Rimland Drive, Suite 230, Bellingham, WA 98226 ("Lender").**

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

Loan No: 6000001103

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**DEED OF TRUST.** Lender and Grantor have entered into a Deed of Trust dated March 2, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

**Recorded March 4, 2005 in Skagit County, Washington under Auditor's File No. 200503040108.**

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

**PARCEL A:**

Lots 28 and 29, "HERITAGE SQUARE," as per plat recorded in Volume 12 of Plats, pages 65 and 66, records of Skagit County, Washington.

**PARCEL B:**

Lot 2, "MIRA VISTA, INC.," as per plat recorded in Volume 14 of Plats, page 16, records of Skagit County, Washington.  
Situate in the County of Skagit, State of Washington.

**PARCEL "C":**

That portion of the North 512.6 feet of the Southwest 1/4 of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W.M., lying West of a line 650 feet West of and parallel to the East line of said Southwest 1/4 of the Northeast 1/4, EXCEPT the West 320 feet thereof.

Situate in the County of Skagit, State of Washington.

The Real Property or its address is commonly known as Mount Vernon, WA 98274. The Real Property tax identification number is 4479-000-002-0002 (P83258), 4400-000-028-0006 (P81470), 4400-000-029-0005 (P81471), 340418-1-010-0002 (P26254).

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

**The Revolving Line of Credit evidenced by the Note dated October 25, 2007 increased to \$500,000.00, which shall be and remain secured by the Deed of Trust. This note is a renewal and replacement of Promissory Note from Borrower to Lender dated March 2, 2005 in the original amount of \$100,000.00. All references in the loan documents to the old Note shall be deemed to be a reference to the new Note.**

**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 OCTOBER 25, 2007.**

**GRANTOR:**

**WATSON PROPERTIES, A LIMITED PARTNERSHIP**

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

By: 

Bradley W. Watson, Member of Mountain Glen Management, L.L.C.

**LENDER:**

**HORIZON BANK**

x 

Authorized Officer



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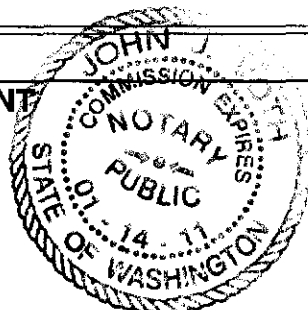
MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 6000001103

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PARTNERSHIP ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )



On this 01st day of November, 20 07, before me, the undersigned Notary Public, personally appeared **Bradley W. Watson, Member of Mountain Glen Management, L.L.C., General Partner of Watson Properties, a Limited Partnership**, and personally known to me or proved to me on the basis of satisfactory evidence to be a partner or designated agent of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership 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 partnership.

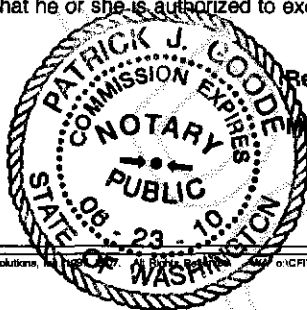
By John J. Watson Residing at Burlington, WA  
Notary Public in and for the State of WA. My commission expires \_\_\_\_\_

LENDER ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )

On this 1st day of November, 20 07, before me, the undersigned Notary Public, personally appeared John J. Watson and personally known to me or proved to me on the basis of satisfactory evidence to be the Committee Chair, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

By Pat J. Coode Residing at Bellingham  
Notary Public in and for the State of WA My commission expires 04/23/2010



LASER PRO Lending, Ver. 5.37.00.005 Copr. Harland Financial Solutions, Inc.

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