



200711140048
Skagit County Auditor

11/14/2007 Page 1 of 15 11:10AM

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

**HORIZON BANK
WHATCOM COMMERCIAL CENTER
2211 Rimland Drive, Suite 230
Bellingham, Washington 98226**

CHICAGO TITLE COMPANY
IQB3054

Document Title: **AMENDMENT TO DEED OF TRUST**

Ref. Number(s) 199912220057 (Deed of Trust #57), 199912220058 (Deed of Trust #58), 200006080063 (Deed of Trust #63), 200708130133 (Deed of Trust #133)

Grantor: **BRIAR DEVELOPMENT COMPANY LLP**, a Washington limited liability partnership, successor-in-interest to Briar Development Company, a Washington general partnership, pursuant to that certain First Modification to Amended and Restated Partnership Agreement dated as of December 19, 2003

Grantee: **HORIZON BANK**, a Washington state-chartered bank

Legal Description: Lot 3, Mount Vernon Short Plat No. MV-5-98; Ptn. NW, Sec. 21, T34N, R4E WM (Deed of Trust #57)

Lot 2, Mount Vernon Short Plat No. MV-5-98; Ptn. NW, Sec. 21, T34N, R4E WM (Deed of Trust #58)

Ptn. Gov't Lot 1, Sec 6, T34N, R4E WM, being Tract A, Survey #200001070083, & Lot 10, Northsound Commercial Park (Deed of Trust #63)

Ptn. Gov. Lot 1, Sec 6, T34N, R4E WM (Deed of Trust #133)

[FOR FULL LEGAL DESCRIPTIONS SEE EXHIBIT A]

Assessor's Tax Parcel No(s): 340421 2 001 0100 (Deed of Trust #57); 340421 2 006 0001 (Deed of Trust #58); 340406 1 077 0200, 8041 000 001 0000 (Deed of Trust #63); 340406 0 151 0007, 340406 0 147 0004, 340406 0 148 0003, 340406 0 143 0016 (Deed of Trust #133)

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

ACCOMMODATION RECORDING

**BE ADVISED THAT THIS DEED OF TRUST SECURES
REPAYMENT OF A REVOLVING CREDIT LOAN.
BE FURTHER ADVISED THAT THE LOAN SECURED BY
THIS DEED OF TRUST BEARS INTEREST AT A VARIABLE RATE.**

THIS AMENDMENT TO DEED OF TRUST (this "Agreement") is dated effective as of October 3, 2007, by and between BRIAR DEVELOPMENT COMPANY LLP, a Washington limited liability partnership, ("Grantor") and HORIZON BANK, a Washington State Chartered Bank, its successors and assigns ("Grantee").

RECITALS

A. Grantor obtained a loan from Grantee in the aggregate principal amount of Ten Million Dollars (\$10,000,000) (including all renewals, modifications, and extensions thereof, the "**Revolving Loan**") pursuant to the terms of a Credit Agreement dated July 28, 2004, between Bank and Borrower, as previously modified by Loan Modification Agreement dated December 15, 2004, by a Change in Terms Agreement dated April 4, 2006, by a Loan Modification Agreement dated July 25, 2006, by a Change in Terms Agreement dated July 16, 2007 and by a Loan Modification Agreement dated as of August 9, 2007, and as modified as of even date herewith by a Loan Modification Agreement (including all renewals, modifications, and extensions thereof, collectively, the "**Agreement**," to which reference is made for the definitions of all capitalized terms used but not defined herein). The loan is also evidenced by an Amended and Restated Revolving Note in the stated principal amount of \$10,000,000.00 (including all renewals, modifications, and extensions thereof, the "**Revolving Note**"), which note is an amendment and restatement of that certain Revolving Note in the original principal amount of \$7,000,000.00 dated July 28, 2004 made by Borrower in favor of Bank (the "**Original Revolving Note**").

B. The obligations of Grantor under the Loan are secured by (i) the deeds of trust recorded in Skagit County, Washington under recording numbers 199912220057, 199912220058, 200006080063 and 200708130133, and (ii) the deed of trust recorded in Whatcom County, Washington under recording number 2070801976 (including all renewals, modifications, and extensions thereof, collectively, the "**Deeds of Trust**"), which



Deeds of Trust encumber the real property described on Exhibit A attached hereto and the improvements thereon (the "**Property**").

C. Grantor's obligations under the Loan Documents are guaranteed by certain Guaranty Agreements (including all renewals, modifications, and extensions thereof, collectively the "**Guaranty**") executed by Richard R. Haggen and Donald E. Haggen (collectively, the "**Guarantor**").

D. Grantor has requested that Grantee extend the Termination Date of Loan to October 5, 2009, and, to accommodate Grantor's request, Grantee has agreed to do so on the terms and conditions set forth in this Amendment.

AGREEMENTS

In consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

1. TERMINOLOGY. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

2. AMENDMENTS TO LOAN AGREEMENT AND PROMISSORY NOTE. Pursuant to a Loan Modification Agreement (the "**Modification**") dated as of even date herewith by and between Grantor and Grantee, effective upon recordation of this Amendment in the Official Records of Skagit County, Washington and Whatcom County, Washington, certain terms of the Loan Documents have been amended, including, without limitation, increasing the amount of the Credit Limit and extending the Termination Date.

3. AMENDMENTS TO SECURITY DOCUMENTS. Each of the Deeds of Trust and all other documents or instruments securing the Loan (including all renewals, modifications, and extensions thereof, the "**Security Documents**") is hereby amended such that each such Security Document shall secure, in addition to all other obligations secured by each such Security Document, the timely payment and performance of all of Grantor's obligations arising under and in connection with the Loan Documents, as amended by the Modification and under the Original Note, as amended and restated by the Revolving Note.

4. EFFECT ON LOAN DOCUMENTS. This Amendment shall be sufficient to serve as an amendment to all of the Security Documents, as appropriate and shall be deemed to be included in the term "Loan Documents" as defined in the Agreement. Any reference to any Security Document shall be deemed to be a reference to such document as amended by this Amendment. This Amendment supersedes and shall control over any inconsistent provisions of the Security Documents, or any previous extensions or other amendments of the Security Documents. Except as amended herein, the Security Documents shall remain in full force and effect as written, and the provisions of the Security Documents shall remain unaffected, unchanged, and unimpaired hereby.



4. AUTHORIZATION/BINDING EFFECT. Each of the persons signing this Amendment on behalf of Grantor warrants and represents that this Amendment was duly authorized by all individuals or entities whose authorization was required for this Amendment to be effective. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

5. APPLICABLE LAW. This Amendment is to be construed in all respects and enforced according to the laws of the State of Washington, without regard to that state's choice of law rules.

6. COUNTERPARTS. The parties may execute this Amendment in any number of counterparts, each of which shall be deemed an original instrument but all of which together shall constitute one and the same instrument.

7. NOTICE RE 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.**



EXECUTED as of the day and year first above written.

BORROWER:

BRIAR DEVELOPMENT COMPANY LLP, a Washington limited liability partnership

LENDER:

HORIZON BANK, a Washington State Chartered Bank

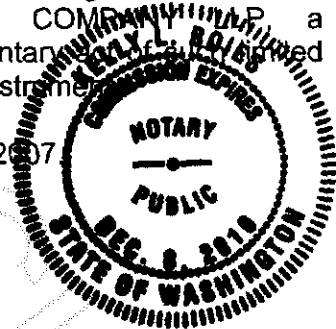
By: *Dale C. Henley*
Name: DALE C. HENLEY
Title: PRES. & CEO

By: *Susan Cedergreen*
Name: SUSAN CEDERGREEN
Title: SVP

STATE OF WASHINGTON)
COUNTY OF Whatcom) ss.

I certify that I know or have satisfactory evidence that Dale C. Henley is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument, and acknowledged it as the President & CEO of BRIAR DEVELOPMENT COMPANY LLP a Washington limited liability partnership, to be the free and voluntary act of said person for the uses and purposes mentioned in the instrument.

Dated this 2nd day of November, 2007



STATE OF WASHINGTON)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that Susan Cedergreen is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument, and acknowledged it as the Sr. V. Pres. of HORIZON BANK a Washington State Chartered Bank, to be the free and voluntary act of said person for the uses and purposes mentioned in the instrument.

Dated this 8th day of November, 2007.

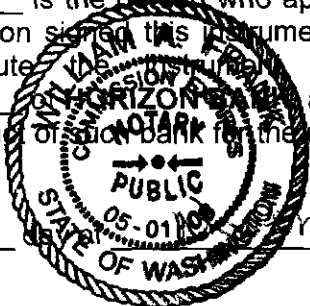


Exhibit "A" (continued)

Reference: 199912220057

Lot 3 Mount Vernon Short Plat No. MV-5-98, approved August 30, 1999, and recorded August 31, 1999, under Auditor's File No. 199908310020, records of Skagit County, Washington; being a portion of the Northwest Quarter of Section 21, Township 34 North, Range 4 East of the Willamette Meridian. Situate in Skagit County, WA

Reference: 199912220058

Lot 2 Mount Vernon Short Plat No. MV-5-98, approved August 30, 1999, and recorded August 31, 1999, under Auditor's File No. 199908310020, records of Skagit County, Washington; being a portion of the Northwest Quarter of Section 21, Township 34 North, Range 4 East of the Willamette Meridian. Situate in Skagit County, WA



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EXHIBIT "A"

Ref 200006080063

PARCEL A:

The West Half of Government Lot 1 in Section 6, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT the South Quarter of the East Half of the West Half of said Government Lot 1;

AND EXCEPT that portion of the East Half of the West Half of said Government Lot 1, lying North of a line 200 feet South of and parallel with the County road, as the same existed on July 7, 1955, (now known as State Highway 20);

AND ALSO EXCEPT that portion thereof lying North of the County road;

AND ALSO EXCEPT that portion described as follows:

The East 108 feet (measured along the South line of SSH No. 1-C) of the West Half of the West Half of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, lying South of SSH No. 1-C and North of a line 200 feet South (measured at right angles to said SSH No. 1-C) and parallel with the South line of said highway;

AND ALSO EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed recorded June 2, 1972, under Auditor's File No. 769083, records of Skagit County, Washington;

AND ALSO EXCEPT that portion of the West Half of the West Half of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, lying South of State Route 20 and North of a line running parallel with the South line of said State Route 20, said line passing through a point which lies 77 feet Northeasterly of Highway Engineers Station S - EW 13 + 00 as shown in that certain deed executed by Kenneth S. Goulter, et ux, to the State of Washington for State Route 20 interchange of SR 5 Skagit River to Jct. SR 20 as recorded June 2, 1972, under Auditor's File No. 769083, records of Skagit County, Washington;

AND ALSO EXCEPT that portion of the East Half of the West Half of said Government Lot 1 lying South of State Route 20 and North of a line 400 feet South of and parallel with the Southerly margin of said State Route 20, as the same existed on February 1, 1979;

AND ALSO EXCEPT the East 110 feet thereof;

Continued



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EXHIBIT "A"

Ref: 200006080063

PARCEL A continued

AND ALSO EXCEPT that portion of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the Southeast corner of said Government Lot 1;
 thence North 89°07'54" West along the South line thereof a distance of 40.00 feet to the present West line of South Burlington Boulevard as conveyed to the City of Burlington by deeds recorded under Auditor's File Nos. 8707280007 and 8707280008, records of Skagit County, Washington;
 thence continuing North 89°07'54" West along said South line a distance of 667.43 feet to the true point of beginning;
 thence North 00°23'13" East a distance of 161.80 feet;
 thence North 89°42'18" West a distance of 209.00 feet;
 thence South 00°24'50" West a distance of 44.78 feet to the point of curvature of a tangent curve concave to the Northwest having a radius of 94.93 feet;
 thence Southwesterly along the arc of said curve which is to the right, through a central angle of 63°04'24" a distance of 104.50 feet;
 thence South 64°39'13" West a distance of 57.39 feet to a non-tangent curve concave to the Southeast having a radius of 70.07 feet the centerpoint of which bears South 32°28'54" East;
 thence Southwesterly along the arc of said curve which is to the left through a central angle of 04°33'33" a distance of 5.58 feet to the end of said curve, said centerpoint of which bears South 37°02'27" East;
 thence South 00°17'42" West a distance of 2.31 feet to said South line of Government Lot 1;
 thence South 89°07'54" East along said South line a distance of 318.93 feet to the point of beginning.

PARCEL B:

Lot 10, PLAT OF NORTHSOUND COMMERCIAL PARK, according to the plat thereof recorded in Volume 12 of Plats, page 46, records of Skagit County, Washington.

Continued



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EXHIBIT "A"

Ref: 200006080063

PARCEL C:

That portion of the South Half of the Northeast Quarter of Government Lot 1 of Section 6, Township 34 North, Range 4 East of the Willamette Meridian, lying West of the State Highway right-of-way conveyed to the State of Washington, by deed dated February 7, 1927, and recorded February 21, 1927, under Auditor's File No. 201385, records of Skagit County, Washington, and lying Southerly of a line which runs West (parallel with the North line of said Government Lot 1) from a point that is 150 feet South of the Northeast corner of said South Half of the Northeast Quarter of said Government Lot 1;

EXCEPT that portion conveyed to the City of Burlington by deed recorded December 9, 1985, under Auditor's File No. 8512090010, records of Skagit County, Washington.

PARCEL D:

The North 139 feet of the following described property:

That portion of the North Half of the Southeast Quarter of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the South line of said subdivision, 30 feet West of the Southeast corner thereof;
thence North 00°13' West a distance of 16 feet to the true point of beginning;
thence North 89°12'15" West a distance of 221.28 feet;
thence North 00°08'22" East a distance of 310.95 feet to the North line of said subdivision;
thence South 89°12'15" East along the North line of said subdivision to the West right-of-way line of the State Highway;
thence South 00°13' West along said highway right-of-way line to the true point of beginning;

EXCEPT that certain 10 foot wide strip of land conveyed to the City of Burlington by deeds recorded February 19, 1986, and November 25, 1986, under Auditor's File Nos. 8602190020 and 8611250010, records of Skagit County, Washington.

Continued



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EXHIBIT "A"

Ref: 200006080063

PARCELE:

That portion of the North Half of the Southeast Quarter of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the South line of the above subdivision 30.0 feet West of the Southeast corner thereof;
thence North 89°12'15" West along the South line of said subdivision a distance of 621.26 feet to the Southwest corner thereof;
thence North 00°08'22" East along the West line of said subdivision a distance of 326.98 feet to the Northwest corner thereof;
thence South 89°12'15" East along the North line of said subdivision a distance of 400 feet;
thence South 00°08'22" West a distance of 310.95 feet;
thence South 89°12'15" East a distance of 221.28 feet to the West right-of-way line of the State Highway;
thence South 00°13' West along said highway right-of-way line a distance of 16.0 feet to the point of beginning;

EXCEPT that portion conveyed to the City of Burlington for street purposes by deeds recorded July 28, 1987, under Auditor's File Nos. 8707280007 and 8707280008, records of Skagit County, Washington.

(Also known as Parcel A of Survey recorded in Volume 20 of Surveys, page 29, under Auditor's File No. 9712230023, records of Skagit County, Washington).

Continued



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EXHIBIT "A"
Ref: 200006080063

PARCEL F:

The South Quarter of the East Half of the West Half of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, (also known as Parcel B of Survey recorded in Volume 20 of Surveys, page 29, under Auditor's File No. 9712230023, records of Skagit County, Washington);

EXCEPT that portion of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the Southeast corner of said Government Lot 1;
thence North 89°07'54" West along the South line thereof a distance of 40.00 feet to the present West line of South Burlington Boulevard as conveyed to the City of Burlington by deeds recorded under Auditor's File Nos. 8707280007 and 8707280008, records of Skagit County, Washington;
thence continuing North 89°07'54" West along said South line a distance of 667.43 feet to the true point of beginning;
thence North 00°23'13" East a distance of 161.80 feet;
thence North 89°42'18" West a distance of 209.00 feet;
thence South 00°24'50" West a distance of 44.78 feet to the point of curvature of a tangent curve concave to the Northwest having a radius of 94.93 feet;
thence Southwesterly along the arc of said curve which is to the right, through a central angle of 63°04'24" a distance of 104.50 feet;
thence South 64°39'13" West a distance of 57.39 feet to a non-tangent curve concave to the Southeast having a radius of 70.07 feet the centerpoint of which bears South 32°28'54" East;
thence Southwesterly along the arc of said curve which is to the left through a central angle of 04°33'33" a distance of 5.58 feet to the end of said curve, said centerpoint of which bears South 37°02'27" East;
thence South 00°17'42" West a distance of 2.31 feet to said South line of Government Lot 1;
thence South 89°07'54" East along said South line a distance of 318.93 feet to the point of beginning.

Continued



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Order No.: B16060

EXHIBIT "A"

Ref: 200006080063

PARCEL G:

The South Half of the South Half of the East Half of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPT that portion conveyed to the City of Burlington for street purposes by deeds recorded July 28, 1987, under Auditor's File Nos. 8707280007 and 8707280008, records of Skagit County, Washington.

(Also known as Parcel C of Survey recorded in Volume 20 of Surveys, page 29, under Auditor's File No. 9712230023, records of Skagit County, Washington).

- END OF EXHIBIT "A" -



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EXHIBIT A

[LEGAL DESCRIPTION]

Ref: 200708130133

PARCEL A:

The East 100 feet of the following described tract:

That portion of the East Half of the West Half of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, lying Southerly of the State Highway and Northerly of a line which is parallel with and 200 feet Southerly of the Southerly line of said State Highway, as conveyed by deed recorded July 27, 1976, under Auditor's File No. 839826, records of Skagit County, Washington;

EXCEPT the East 10 feet thereof;

AND FURTHER EXCEPTING that portion conveyed to the State of Washington for road purposes by deed recorded August 15, 2006, under Auditor's File No. 200608150173, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL B:

The West 81.57 feet of the following described tract:

That portion of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the West line of the Pacific Highway and the South line of the County road along the North line of said Government Lot 1;
Thence West 470 feet to the true point of beginning;
Thence West to the West line of the East Half of Government Lot 1;
Thence South to the South line of the North Half of the North Half of the North Half of Government Lot 1 (said line being the North line of the tract conveyed December 21, 1915, to Anna J. Knutzen by deed recorded in Volume 102 of Deeds, page 21);
Thence East to a point 470 feet West of the West line of the Pacific Highway;
Thence North to the true point of beginning;

[Continued on next page.]



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Exhibit "A" continued, Ref: 200708130133

ALSO the East 10 feet of that portion of the West Half of Government Lot 1, lying South of the County road, as conveyed by deed recorded July 27, 1976, under Auditor's File No. 839826, records of Skagit County, Washington, and North of a line which is 200 feet South of and parallel with the County road in Section 6, Township 34 North, Range 4 East of the Willamette Meridian;

EXCEPTING that portion conveyed to the State of Washington for road purposes by deed recorded August 15, 2006, under Auditor's File No. 200608150173, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL C:

That portion of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the West line of the Pacific Highway and the South line of the County road along the North line of Government Lot 1;
Thence West 470 feet to the true point of beginning;
Thence West to the West line of the East Half of Government Lot 1;
Thence South to the South line of the North Half of the North Half of the North Half of Government Lot 1 (same being the North line of a tract conveyed December 21, 1915 to Anna J. Knutzen by deed recorded in Volume 102 of Deeds, page 21);
Thence East to a point 470 feet West of the West line of the Pacific Highway;
Thence North to the true point of beginning;

EXCEPT the West 81.57 feet thereof as conveyed to Floyd Packwood, et ux, by deed recorded under Auditor's File No. 467381, records of Skagit County, Washington;

AND FURTHER EXCEPTING that portion conveyed to the State of Washington for road purposes by deed recorded August 15, 2006, under Auditor's File No. 200608150173, records of Skagit County, Washington.

Situated in Skagit County, Washington

[Continued on next page.]



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UNRECORDED
Exhibit "A" continued, Ref: 200708130133

PARCEL D:

That portion of Government Lot 1, Section 6, Township 34 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the South line of the County road along the North line of said subdivision and the West line of the Pacific Highway;

Thence West along said County road 255 feet to the true point of beginning;

Thence continuing West along said road 215 feet;

Thence South to a point 15 feet South of the South line of the North Half of the North Half of the North Half of said Government Lot 1;

Thence East to a point South of the true point of beginning;

Thence North to the true point of beginning;

EXCEPTING that portion conveyed to the State of Washington for road purposes by deed recorded August 15, 2006, under Auditor's File No. 200608150173, records of Skagit County, Washington.

Situated in Skagit County, Washington

END



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