

RETURN ADDRESS:

Horizon Bank
% Documentation Dept -
AC
2211 Rimland Dr. Suite
#230
Bellingham, WA 98226



200812030076
Skagit County Auditor

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MODIFICATION OF DEED OF TRUST

Reference # (if applicable): 200511070140 CMLBAGH12

Additional on page ____

Grantor(s):

1. Follman, Harry Jay
2. Follman, Sharil Lynn

GUARDIAN NORTHWEST TITLE CO.

ACCOMMODATION RECORDING ONLY

M9271

Grantee(s)

1. Horizon Bank

Legal Description: Lots 3-12, Blk. 4, Clear Lake

Additional on page ____

Assessor's Tax Parcel ID#: 4138-004-012-0005 (P74779)

THIS MODIFICATION OF DEED OF TRUST dated November 24, 2008, is made and executed between Harry Jay Follman and Sharil Lynn Follman; husband and wife ("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)**

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DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated November 3, 2005 (the "Deed of Trust") which has been recorded in Skagit County, State of Washington, as follows:

Recorded November 7, 2005 under Auditor's No. 200511070140, 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:

As to an undivided 73/97 interest in the following described property:

Lots 3 through 12, inclusive, Block 4, "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington.

TOGETHER WITH all of the vacated alley lying between said lots.

Situate in the County of Skagit, State of Washington.

The Real Property or its address is commonly known as 12842 State Route 9, Clear Lake, WA 98235. The Real Property tax identification number is 4138-004-012-0005 (P74779).

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

The Revolving Line of Credit evidenced by the Note dated October 2, 2007 in the amount of \$1,400,000.00 shall be and remain secured by this Deed of Trust.

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.

COUNTERPARTS. This Agreement may be executed in a number of identical counterparts and by each party on a separate counterpart. If so executed, all of such counterparts shall collectively constitute one agreement.

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 24, 2008.

GRANTOR:

X Harry Jay Follman
Harry Jay Follman

X Sharif Lynn Follman
Sharif Lynn Follman

LENDER:

HORIZON BANK

X Jay Kaenzel
Authorized Officer



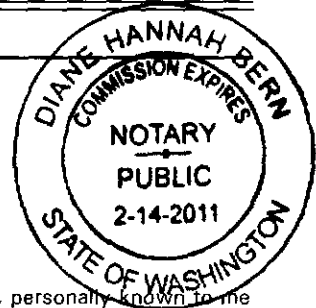
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MODIFICATION OF DEED OF TRUST
(Continued)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



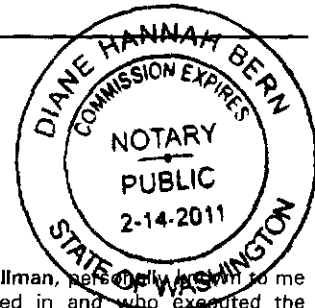
On this day before me, the undersigned Notary Public, personally appeared Harry Jay Follman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of December, 2008

By Diane Hannah Bern Residing at Ferndale, WA
Notary Public in and for the State of WA My commission expires 2-14-2011

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)



On this day before me, the undersigned Notary Public, personally appeared Sharil Lynn Follman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 1st day of December, 2008

By Diane Hannah Bern Residing at Ferndale, WA
Notary Public in and for the State of WA My commission expires 2-14-2011



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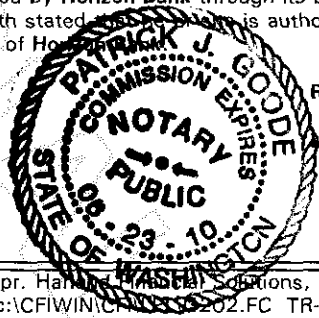
MODIFICATION OF DEED OF TRUST
(Continued)

LENDER ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 3rd day of December, 2007, before me, the undersigned Notary Public, personally appeared J. J. [unclear] and personally known to me or proved to me on the basis of satisfactory evidence to be the Special V.P., authorized agent for **Horizon Bank** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **Horizon Bank**, duly authorized by **Horizon Bank** through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated [unclear] is authorized to execute this said instrument and in fact executed this said instrument on behalf of **Horizon Bank**.

By [Signature] Residing at Bellevue
Notary Public in and for the State of WA My commission expires 10/23/10



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