

October 24, 2007

Dear Mr. Evans,

I am writing to explain to you why my family's business, Sunnyland Properties, is not extending our \$ 2.8 million loan with your bank. As we talked about in our meeting last spring '07, I shared my concerns about Horizon Bank's involvement with the Chuckanut Ridge development. I was hoping to hear that your bank would decide that developing this land was not in the bank's best interest and that you would want to be seen in this community as a 'good neighbor' and sell to the city of Bellingham, reinvesting in other properties that would not encourage sprawl as this development would do. Unfortunately, you did not see it that way.

After our meeting, I told my business partners that I refused to sign with Horizon Bank on a long term loan. We have now placed our \$ 2.8 million loan, plus \$500,000 with another local bank and are closing out Sunnyland Properties' accounts with your bank. This has included \$125,000.00 from a personal investors' account and \$6,000.00 from a checking account. It is a general practice to stay loyal to those we work with and Sunnyland Properties has had accounts with Horizon Bank for many, many years.

A side note: our remodeling of Sunnyland Square has been quite the talk in town and a model of "brownfield" redevelopment versus building on "greenfields", like the Fairhaven Highlands proposed development of Chuckanut Ridge land certainly is.

There still is time to rethink your bank's investment. I hope you and your board members will seriously reconsider your option to partner with the city of Bellingham to find a way to finance transfer of this 'gem' to public ownership and preservation.

Sincerely,

Patrice Clark, citizen of Bellingham and president of Sunnyland Properties

cc: Dale Holt, Robert Diehl, Gary Goodman, Rick Haggen, Fred Miller, James Strengholt, Robert Tauscher, Dennis Joines