



200011270066

, Skagit County Auditor

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When recorded return to:

HORIZON BANK
211 E. Holly
P.O. Box 608
Bellingham, Washington 98226

Grantor:

* Additional names on page _____ of document.

Grantee:

* Additional names on page _____ of document.

Legal Description:

Lots 1 and 2, Block 4, Addition to Bay View, Wash, Vol 1, Pg 11, Skagit Cty, Wa

* Additional legal description is on page _____ of document.

Assessor's Property Tax Parcel or Account Number:

4068-004-002-00001

(Space above this line for recording purposes)

FINANCING STATEMENT

(TO BE FILED IN THE REAL ESTATE RECORDS)

1. DATE. This Financing Statement is dated February 29, 2000.

2. DEBTOR:

LANGE'S HONEY SKEP, INC.

a Washington corporation
1690 Dahlstedt Rd
Burlington, WA 98233
Tax I.D. # 911735495

3. SECURED PARTY:

HORIZON BANK

a WASHINGTON banking corporation
211 E. Holly
P.O. Box 608
Bellingham, Washington 98226
Tax I.D. # 91-0141935

4. COLLATERAL. This Financing Statement covers the following type(s) (or items) of property (Collateral), whether now owned or hereafter acquired:

**Equipment
Fixtures**

The term "Collateral" further includes, but is not limited to, the following property, whether now owned or hereafter acquired, and whether or not held by a bailee for the benefit of the Debtor or owner, all: accessions, accessories, additions, fittings, increases, insurance benefits and proceeds, parts, products, profits, renewals, rents, replacements, special tools and substitutions, together with all books and records pertaining to the Collateral and access to the equipment containing such books and records including computer stored information and all software relating thereto,

plus all cash and non-cash proceeds and all proceeds of proceeds arising from the type(s) (items) of property listed above.

Pertaining to the equipment portion of the Collateral, the term "Collateral" shall include, but not be limited to, wherever located, all furniture, accessions, non-titled vehicles that are not held for resale, trailers, tools, machinery, equipment, supplies, all proceeds thereof and proceeds of proceeds thereof.

- 5. PROCEEDS. All proceeds of proceeds referred to herein shall include, but not be limited to, wherever located, accounts, chattel paper, documents, equipment, farm products, general intangibles, instruments, inventory and all other goods.
- 6. FIXTURES. That portion of the Collateral that is or shall become a fixture shall be located on the following described real property which is owned by Patrick Ray:
See attached Exhibit A

This Financing Statement is to be filed in the real estate records.

DEBTOR:

LANGE'S HONEY SKEP, INC.
a Washington corporation

[Corporate Seal*]

By:

Patrick Ray

PATRICK RAY, PRESIDENT

Henry E Thompson

HENRY E THOMPSON, SECRETARY

Eric Thompson

ERIC THOMPSON, VICE PRESIDENT

(*Corporate seal may be affixed, but failure to affix shall not affect validity or reliance.)

PLEASE RETURN COPY TO SECURED PARTY AT THE ABOVE ADDRESS.

TERMINATION STATEMENT

(Not valid until signed by authorized person)

This statement of termination of financing is presented to a filing officer for filing pursuant to the Uniform Commercial Code. Secured Party certifies that Secured Party no longer claims a security interest under the financing statement bearing the file number above.

Dated: _____

SECURED PARTY:

HORIZON BANK
a WASHINGTON banking corporation

By: _____
(Authorized Bank Signature)

(Print Name and Title)

(*Corporate seal may be affixed, but failure to affix shall not affect validity or reliance.)



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THIS IS THE LAST PAGE OF A 2 PAGE DOCUMENT. EXHIBITS AND/OR ADDENDA MAY FOLLOW.

Exhibit A

That portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 4 East of the Willamette Meridian, described as follows:

Beginning at a point on the North line of said subdivision at a point which lies 396 feet West of the Northeast corner thereof; thence South parallel with the East line of said subdivision a distance of 567 feet; thence West parallel with the North line of said subdivision a distance of 207 feet, more or less, to the East line of the former right-of-way of the Great Northern Railroad, as it existed on December 19, 1899; thence North along said East right-of-way to the North line of said subdivision; thence East along said North line to the point of beginning.

Situated in the County of Skagit, State of Washington.



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