WHEN RECORDED RETURN TO:

Horizon Bank Commercial Banking Center 2211 Rimland Drive, Suite 230 Bellingham, WA 98226



1/29/2004 Page

1 of

211:22AM

CHICAGO TITILE C29751	NITA'S FIVE IN A
WASHINGTON UCC-2 COUNTY AUI	
1. Grantor(s): (last name first, and mailing address(es)) Little Mountain Heights, L.L.C. 504 E. Fairhaven Ave Burlington, WA 98233 2. Grantee(s)/Assignee/Beneficary: Horizon Bank 2211 Rimland Drive, Suite 236 Bellingham, WA 98226	Assignee(s) of Secured Party(ies):
THIS FIXTURE FILING SHALL COVER COLLATERAL THAT IS AFFIXED TO	THE FOLLOWING DESCRIBED PROPERTY.
Reference Number:Short Legal Description: Ptn. 28-34-4	Additional on page
	Additional on page 2
340428-4-009-0007 (P28062); 340428-4-009-0106 (P28063). See Attached Exhibit 1 to UCC-2 Financing Statement dated January 26, 2004.	
THIS FIXTURE FILING COVERS THE FOLLOWING DESCRIBED PROPERTY	
substitutions relating to any of the foregoing; all records of any kind relati	ing to any of the foregoing; all proceeds relating
substitutions relating to any of the foregoing; all records of any kind relation any of the foregoing (including insurance, general intangibles and accordance).	ing to any of the foregoing; all proceeds relating unts proceeds).
to any of the foregoing (including insurance, general intangibles and account in the foregoing (including insurance, general intangibles and account in the foregoing in the for	unts proceeds). 6. Complete fully if box (d) is checked:
o any of the foregoing (including insurance, general intangibles and account to the foregoing (including insurance, general intangibles and account to the feet of	unts proceeds)
to any of the foregoing (including insurance, general intangibles and according to the foregoing (including insurance, general intangibles and according to the debtor is the record owner. 5. This statement is signed by the Secured Party(ies)Instead of the Debtor(s) to perfect a security interest in collateral: (Please check appropriate box) (a) already subject to security interest in another jurisdiction when it was brought	6. Complete fully if box (d) is checked: complete as applicable for (a), (b), and (c):
The debtor is the record owner. This statement is signed by the Secured Party(ies)instead of the Debtor(s) to perfect a security interest in collateral: (Please check appropriate box) (a) already subject to security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) which is proceeds of the original collateral described above in which a	6. Complete fully if box (d) is checked: complete as applicable for (a), (b), and (c): Original recording number
4. The debtor is the record owner. 5. This statement is signed by the Secured Party(ies)instead of the Debtor(s) to perfect a security interest in collateral: (Please check appropriate box) (a) already subject to security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) which is proceeds of the original collateral described above in which a security interest was perfected, or	6. Complete fully if box (d) is checked: complete as applicable for (a), (b), and (c): Original recording number Office where recorded
5. This statement is signed by the Secured Party(ies)instead of the Debtor(s) to perfect a security interest in collateral: (Please check appropriate box) (a) already subject to security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) which is proceeds of the original collateral described above in which a security interest was perfected, or (c) as to which the recording has lapsed, or	6. Complete fully if box (d) is checked: complete as applicable for (a), (b), and (c): Original recording number Office where recorded

EXHIBIT TO UCC-2 FINANCING STATEMENT

January 26, 2004

DEBTORS:

Little Mountain Heights, L.L.C.

MAILING ADDRESS:

504 E. Fairhaven Ave, Burlington, WA 98233

THIS FIXTURE FILING SHALL COVER COLLATERAL THAT IS AFFIXED TO THE FOLLOWING DESCRIBED PROPERTY:

This Financing Statement is to be recorded in the real estate records. Some or all of the collateral is located on the following described real estate: PARCEL A:That portion of the Northeast Quarter of the Southwest Quarter of Section 28, Township 34 North, Range 4 East of the Willamette Meridian, described as follows: Beginning at the intersection of the East line of said subdivision with the South line of the County Road running along the North line thereof: Thence Southerly along said East line a distance of 700 feet to the true point of beginning; Thence Westerly parallel with the South line of said subdivision to the Easterly line of the Little Mountain County Road No. 323; Thence Southerly along said Easterly line to its intersection with the South line of said northeast Quarter of the Southwest Quarter; Thence Easterly along the South line of said subdivision to the Southeast corner thereof; Thence Northerly along the East line of said subdivision a distance of 600 feet, more or less, to the true point of beginning; EXCEPT any portion conveyed to Skagit County, State of Washington, by Right-of-Way Deeds recorded under Auditor's File Nos. 8808020041, 8808020042, 8808020043 and 8808020044, records of Skagit County, Washington Situated in Skagit County, Washington PARCEL B: The West 660 feet of the Northwest Quarter of the Southeast Quarter of Section 28, Township 34 North, Range 4 East of the Willamette Meridian; EXCEPT the North 264 feet of the West 165 feet thereof; AND EXCEPT the North 30 feet thereof as conveyed to Skagit County for road purposes by deed recorded September 9, 1947, under Auditor's File No. 408560, records of Skagit County, Washington; AND ALSO EXCEPT any portion conveyed to Skagit County, State of Washington. by Right-of-Way Deeds recorded under Auditor's File Nos. 8808020041, 8808020042, 8808020043 and 8808020044, records of Skagit County, Washington. Situated in Skagit County, Washington. PARCEL C: That portion of the Southeast Quarter of the Southwest Quarter and of the Southwest Quarter of the Southeast Quarter of Section 28, Township 34 North, Range 4 East of the Willamette Meridian, lying Northeasterly of the County Road known as Little Mountain Road No. 323, as conveyed to Skagit County by Deeds recorded May 26, 1932, January 3, 1936, and July 23, 1946, under Auditor's File Nos. 275344, 250891, and 394229, records of Skagit County, Washington; EXCEPT any portion conveyed to Skagit County, State of Washington, by Right-of-Way Deeds recorded under Auditor's File Nos. 8808020041, 8808020042, 8808020043 and 8808020044, records of Skagit County, Washington Situated in Skagit County, Washington.

THIS FIXTURE FILING COVERS THE FOLLOWING DESCRIBED PROPERTY:

All Timber; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).

200401290060 Skagit County Auditor

1/29/2004 Page

of 211:22AM

This Exhibit is executed on the same date as the UCC-2 Financing Statement by Horizon Bank and the undersigned.

By:

Kendall Gentry, Manager of Little Mountain Heights.

Signature(s) of Debtor(s)

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Norizon Bank

Signature(s) of Secured Party (ies