

Prepared by, and after recording
return to:

Hunton Andrews Kurth LLP
1445 Ross Avenue, Suite 3700
Dallas, Texas 75202
Attn: Kathleen Munoz

UCC FINANCING STATEMENT

Grantor(s)/Borrower(s): Fairfield Arbor Park LP

Grantee/Beneficiary: CBRE Multifamily Capital, Inc

Legal Description Abbreviated West half of West half of NW ¼ of SW ¼ of Sec. 21, Township 34 North, Range 4, & East 300 Feet of the North 20 Feet of the West 330 Feet of SW ¼ of Sec. 21, Township 34 North, Range 4, & Lots 7, 8, 9, 15, 16, and 17, Ridgewood 2nd Addition

Additional legal description is on Page A-1 of this document.

Assessor's Tax Parcel ID Nos.
P27305/ 340421-3-014-0009
P27319 / 340421-3-017-0303
P79464 / 4337-000-007-0009
P79465 / 4337-000-008-0008
P79466 / 4337-000-009-0007
P79472 / 4337-000-016-0008
P79473 / 4337-000-017-0007
P79471/ 4337-000-015-0009

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Hunton Andrews Kurth LLP 1445 Ross Avenue, Suite 3700 Dallas, Texas 75202 Attn: Kathleen Munoz

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME FAIRFIELD ARBOR PARK LP				
OR				
1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS				
c/o Fairfield Residential Company, 5355 Mira Sorrento Place, Suite 100		CITY San Diego	STATE CA	POSTAL CODE 92121
			COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS				
		CITY	STATE	POSTAL CODE
			COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME CBRE MULTIFAMILY CAPITAL, INC.				
OR				
3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS				
c/o CBRE Loan Services, Inc., 929 Gressner Road, Suite 1700		CITY Houston	STATE TX	POSTAL CODE 77024
			COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

Debtor's present and hereafter acquired right, title and interest, if any, in and to all of the real estate described in the attached Exhibit A, including, without limitation, the collateral described on Schedule A attached hereto and made a part hereof.

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	
6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing	
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailor/Bailor <input type="checkbox"/> Licensee/Licenser	

8. OPTIONAL FILER REFERENCE DATA:
To be filed with Skagit County, WA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME
FAIRFIELD ARBOR PARK LP

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
 covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
See Exhibit A attached hereto and made a part hereof.

17. MISCELLANEOUS:

**SCHEDULE A
TO UCC FINANCING STATEMENT
(Borrower)**

DEBTOR: FAIRFIELD ARBOR PARK LP
C/O FAIRFIELD RESIDENTIAL COMPANY
5355 MIRA SORRENTO PLACE, SUITE100
SAN DIEGO, CALIFORNIA 92121

SECURED PARTY: CBRE MULTIFAMILY CAPITAL, INC.
C/O CBRE LOAN SERVICES, INC.
929 GRESSNER ROAD, SUITE 1700
HOUSTON, TEXAS 77024

This financing statement covers the following types (or items) of property (the “**Collateral Property**”):

1. Improvements.

The buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the land described in Exhibit A attached hereto (the “**Property**”), including any future replacements, facilities, and additions and other construction on the Property (the “**Improvements**”);

2. Goods.

All goods which are used now or in the future in connection with the ownership, management, or operation of the Property or the Improvements or are located on the Property or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Property or the Improvements or are located on the Property or in the Improvements (the “**Goods**”);

3. Fixtures.

All Goods that are so attached or affixed to the Property or the Improvements as to constitute a fixture (the “**Fixtures**”) under the laws of the jurisdiction in which the Property is located (the “**Property Jurisdiction**”);

4. Personality.

All Goods, accounts, choses of action, chattel paper, documents, general intangibles (including software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Collateral Property now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Collateral Property, and all other intangible property and rights relating to the operation of, or used in connection with, the Collateral Property, including all governmental permits relating to any activities on the Property or the Improvements (the “**Personalty**”);

5. Other Rights.

All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Property or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

6. Insurance Proceeds.

All insurance policies relating to the Collateral Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of any part of the Collateral Property, whether or not Debtor obtained the insurance pursuant to Secured Party’s requirements;

7. Awards.

All awards, payments, and other compensation made or to be made by any municipal, state or federal authority with respect to any part of the Collateral Property, including any awards or settlements resulting from (a) any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Collateral Property, whether direct or indirect (a “**Condemnation Action**”), (b) any damage to the Collateral Property caused by governmental action that does not result in a Condemnation Action, or (c) the total or partial taking of any part of the Collateral Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

8. Contracts.

All contracts, options, and other agreements for the sale of any part of the Collateral Property entered into by Debtor now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

9. Rents.

All rents (whether from residential or non-residential space), revenues and other income of the Property or the Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any), parking fees, laundry and vending machine income, and fees and charges for food, health care and other services provided at the Collateral Property, whether now due, past due, or to become due, and all tenant security deposits (the "**Rents**");

10. Leases.

All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Collateral Property, or any portion of the Collateral Property (including proprietary leases or occupancy agreements if Debtor is a cooperative housing corporation), and all modifications, extensions, or renewals thereof (the "**Leases**") and all Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases;

11. Other.

All earnings, royalties, accounts receivable, issues, and profits from any part of Collateral Property, and all undisbursed proceeds of the loan secured by the Mortgage, Deed of Trust, or Deed to Secure Debt upon the Property and Improvements (the "**Security Instrument**") and, if Debtor is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

12. Imposition Deposits.

Deposits held by the Secured Party to pay when due (a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Collateral Property, (b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance, and such other insurance as Secured Party may require, (c) taxes, assessments, vault rentals, and other charges, if any, general, special, or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien on the Collateral Property or any taxes upon any of the documents evidencing or securing the loan secured by the Security Instrument, and (d) amounts for other charges and expenses which Secured Party at any time reasonably deems necessary to protect the Collateral Property, to prevent the imposition of liens on the Collateral Property, or otherwise to protect Secured Party's interests, all as reasonably determined from time to time by Secured Party (the "**Impositions**");

13. Refunds or Rebates.

All refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which the Security Instrument is dated);

14. Names.

All names under or by which any of the Collateral Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Collateral Property;

15. Collateral Accounts and Collateral Account Funds.

Any and all funds on deposit in any account designated as a "Collateral Account" by Secured Party pursuant to any separate agreement between Debtor and Secured Party which provides for the establishment of any fund, reserve or account;

16. Other Proceeds.

Any and all products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds;

17. Mineral Rights.

All of Debtor's right, title and interest in the oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas, minerals, and mineral interests with which any of the foregoing interests or estates are pooled or unitized; and

18. Accounts.

All money, funds, investment property, accounts, general intangibles, deposit accounts, chattel paper, documents, instruments, judgments, claims, settlements of claims, causes of action, refunds, rebates, reimbursements, reserves, deposits, subsidies, proceeds, products, Rents and profits, now or hereafter arising, received or receivable, from or on account of the ownership, management and operation of the Property and the Improvements.

All terms used and not specifically defined herein, but which are otherwise defined by the Uniform Commercial Code in force in the Property Jurisdiction (the "UCC"), shall have the meanings assigned to them by the UCC.

[Remainder of Page Intentionally Blank]

**EXHIBIT A
TO
SCHEDULE A TO UCC FINANCING STATEMENT
(Borrower)**

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

PARCEL A:

THE WEST HALF OF THE WEST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO THE CITY OF MOUNT VERNON FOR STREET PURPOSES BY DEED DATED AUGUST 10, 1977, AND RECORDED AUGUST 19, 1977, UNDER AUDITOR'S FILE NO. 863093, RECORDS OF SKAGIT COUNTY, WASHINGTON;

ALSO EXCEPT THE WEST 5 FEET THEREOF DEEDED TO THE CITY OF MOUNT VERNON DECEMBER 21, 1993, UNDER AUDITOR'S FILE NO. 9312210046, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL B:

THE EAST 300 FEET OF THE NORTH 20 FEET OF THE FOLLOWING DESCRIBED PARCEL:

THE WEST 330 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

EXCEPT COUNTY ROAD ALONG THE SOUTH LINE THEREOF.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL C:

LOTS 7, 8, 9, 15, 16, AND 17, RIDGEWOOD 2ND ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 11 OF PLATS, PAGE 40, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON.