

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)

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 Skagit Flats Living LLC				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 16559 Country Club Dr.	CITY Burlington	STATE WA	POSTAL CODE 98233	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 Northwest Bank				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 1301 5th Ave., Ste. 2110	CITY Seattle	STATE WA	POSTAL CODE 98101	COUNTRY USA

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

See attached Exhibit A.

Parcel No. P62636/3867-000-049-2005; Parcel No. P62643/3867-000-049-2807; Parcel No. P62618-/3867-000-049-0207.

PARCEL A:

THAT PORTION OF THE EAST HALF OF TRACT 49, "PLAT OF THE BURLINGTON ACREAGE PROPERTY" AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 49, EXCEPT THE SOUTH 162.00 FEET OF THE WEST 100.00 FEET AND EXCEPT TRACT 2 OF SKAGIT COUNTY SHORT PLAT NO. 40-77, APPROVED JULY 20, 1977 RECORDED JULY 21, 1977 IN BOOK 2 OF SHORT PLATS, PAGE 88, UNDER AUDITOR'S FILE NO. 861106 IN RECORDS OF SKAGIT COUNTY, WASHINGTON ALL LYING WEST OF STATE HIGHWAY RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE SOUTH 87°59'01" EAST 100.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 87°59'01" EAST ALONG THE NORTH RIGHT OF WAY OF PETERSON ROAD TO THE WESTERLY RIGHT OF WAY OF STATE HIGHWAY 139.18 FEET; THENCE NORTH 5°25'43" EAST ALONG SAID WEST RIGHT OF WAY 81.73 FEET; THENCE NORTH 84°34'17" WEST 144.10 FEET TO THE WEST LINE OF THE EXCEPTED WEST 100.00 FEET; THENCE SOUTH 2°08'35" WEST ALONG EXCEPTED WEST 100.00 FEET 90.16 FEET TO THE POINT OF BEGINNING. SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

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"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor	
8. OPTIONAL FILER REFERENCE DATA: (WA SOS and Skagit County)	

EXHIBIT A TO UCC FINANCING STATEMENT

DEBTOR/GRANTOR: Skagit Flats Living LLC, a Washington limited liability company

SECURED PARTY/GRANTEE: Northwest Bank, an Idaho corporation

The Debtor has granted to the Secured Party a security interest in the property owned by the Debtor and described as follows in the recorded Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing:

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (collectively, the "Land");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "Improvements");

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements, and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements, and every part and parcel thereof, with the appurtenances thereto;

(e) Fixtures and Personal Property. All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), furniture, software used in or to operate any of the foregoing and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Land and the Improvements and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or usable in connection with the present or future operation and occupancy of the Land and the Improvements (collectively, the "Personal Property"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "Uniform Commercial Code"), and all proceeds and products of the above;

(f) Leases and Rents. All leases, subleases, subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of

the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Borrower of any petition for relief under any Creditors Rights Laws (collectively, the "Leases") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or its agents or employees from any and all sources arising from or attributable to the Property, including, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Borrower and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against Borrower of any petition for relief under any Creditors Rights Laws (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(g) Insurance Proceeds. All insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property (collectively, the "Insurance Proceeds");

(h) Condemnation Awards. All condemnation awards, including interest thereon, which may heretofore and hereafter be made with respect to the Property by reason of any taking or condemnation, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property (collectively, the "Awards");

(i) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(j) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(k) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder;

(l) Intangibles. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(m) Accounts. All reserves, escrows and deposit accounts maintained by Borrower with respect to the Property, including without limitation, the Accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(n) Proceeds. All proceeds of any of the foregoing items set forth in subsections (a) through (m) including, without limitation, Insurance Proceeds and Awards, whether cash, liquidation or other claims or otherwise; and

(o) Other Rights. Any and all other rights of Borrower in and to the items set forth in subsections (a) through (n) above.

EXHIBIT A**Legal Description****PARCEL A:**

THAT PORTION OF THE EAST HALF OF TRACT 49, "PLAT OF THE BURLINGTON ACREAGE PROPERTY" AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 49, EXCEPT THE SOUTH 162.00 FEET OF THE WEST 100.00 FEET AND EXCEPT TRACT 2 OF SKAGIT COUNTY SHORT PLAT NO. 40-77, APPROVED JULY 20, 1977 RECORDED JULY 21, 1977 IN BOOK 2 OF SHORT PLATS, PAGE 88, UNDER AUDITOR'S FILE NO. 861106 IN RECORDS OF SKAGIT COUNTY, WASHINGTON ALL LYING WEST OF STATE HIGHWAY RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE SOUTH 87°59'01" EAST 100.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 87°59'01" EAST ALONG THE NORTH RIGHT OF WAY OF PETERSON ROAD TO THE WESTERLY RIGHT OF WAY OF STATE HIGHWAY 139.18 FEET;
THENCE NORTH 5°25'43" EAST ALONG SAID WEST RIGHT OF WAY 81.73 FEET;
THENCE NORTH 84°34'17" WEST 144.10 FEET TO THE WEST LINE OF THE EXCEPTED WEST 100.00 FEET;
THENCE SOUTH 2°08'35" WEST ALONG EXCEPTED WEST 100.00 FEET 90.16 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL B:

THAT PORTION OF THE EAST HALF OF TRACT 49, "PLAT OF THE BURLINGTON ACREAGE PROPERTY" AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 49, EXCEPT THE SOUTH 162.00 FEET OF THE WEST 100.00 FEET AND EXCEPT TRACT 2 OF SKAGIT COUNTY SHORT PLAT NO. 40-77, APPROVED JULY 20, 1977 RECORDED JULY 21, 1977 IN BOOK 2 OF SHORT PLATS, PAGE 88, UNDER AUDITOR'S FILE NO. 861106 IN RECORDS OF SKAGIT COUNTY, WASHINGTON ALL LYING WEST OF STATE HIGHWAY RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE NORTH 2°08'35" EAST ALONG THE WEST LINE OF SAID EAST HALF 162.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID WEST LINE NORTH 2°08'35" EAST 170.00 FEET TO THE SOUTH LINE OF SAID TRACT 2;
THENCE ALONG TRACT 2 SOUTH 87°59'01" EAST 4.87 FEET;
THENCE CONTINUING ALONG SAID TRACT 2 NORTH 46°20'20" EAST 150.62 FEET;
THENCE SOUTH 84°34'17" EAST 28.96 FEET;
THENCE SOUTH 5°25'43" WEST 239.11 FEET;
THENCE SOUTH 84°34'17" EAST TO THE WESTERLY RIGHT OF WAY OF THE STATE HIGHWAY 125.33 FEET;
THENCE SOUTH 5°25'43" WEST ALONG SAID STATE RIGHT OF WAY 110.50 FEET;
THENCE NORTH 84°34'17" WEST TO THE WEST LINE OF THE EXCEPTED WEST 100.00 FEET 144.10 FEET;

THENCE NORTH 2°8'35" EAST 71.84 FEET;
THENCE NORTH 87°59'01" WEST ALONG THE EXCEPTED SOUTH 162.00 FEET 100.00 FEET
TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL C:

THAT PORTION OF THE EAST HALF OF TRACT 49, "PLAT OF THE BURLINGTON ACREAGE PROPERTY" AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 49, EXCEPT THE SOUTH 162.00 FEET OF THE WEST 100.00 FEET AND EXCEPT TRACT 2 OF SKAGIT COUNTY SHORT PLAT NO. 40-77, APPROVED JULY 20, 1977 RECORDED JULY 21, 1977 IN BOOK 2 OF SHORT PLATS, PAGE 88, UNDER AUDITOR'S FILE NO. 861106 IN RECORDS OF SKAGIT COUNTY, WASHINGTON ALL LYING WEST OF STATE HIGHWAY RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID EAST HALF, THENCE NORTH 2°08'35" EAST ALONG THE WEST LINE OF SAID EAST HALF 162.00 FEET;
THENCE CONTINUING ALONG SAID WEST LINE NORTH 2°08'35" EAST 170.00 FEET TO THE SOUTH LINE OF SAID TRACT 2;
THENCE ALONG TRACT 2 SOUTH 87°59'01" EAST 4.87 FEET;
THENCE CONTINUING ALONG SAID TRACT 2 NORTH 46°20'20" EAST 150.62 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 84°34'17" EAST 28.96 FEET;
THENCE SOUTH 5°25'43" WEST 239.11 FEET;
THENCE SOUTH 84°34'17" EAST TO THE WESTERLY RIGHT OF WAY OF THE STATE HIGHWAY 125.33 FEET; THENCE NORTH 5°25'43" EAST ALONG SAID STATE RIGHT OF WAY 297.64 FEET; THENCE NORTH 1°41'39" WEST ALONG SAID RIGHT OF WAY 127.80 FEET TO THE NORTH LINE OF SAID TRACT 49;
THENCE NORTH 88°09'43" WEST ALONG SAID NORTH LINE 138.71 FEET TO TRACT 2 OF SAID SHORT PLAT;
THENCE SOUTH 6°48'16" EAST ALONG SAID TRACT 2 A DISTANCE OF 144.59 FEET;
THENCE SOUTH 46°20'20" WEST ALONG SAID TRACT 2 A DISTANCE OF 46.78 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.