



201008160150  
Skagit County Auditor

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## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Thomas A. Hauser, Esq.  
Ballard Spahr LLP  
300 East Lombard Street  
18<sup>th</sup> Floor  
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a. ORGANIZATION'S NAME		GUARDIAN NORTHWEST TITLE CO.		
OR	HP HEART PARTNERS, LLC	94827-4		
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
c/o Frontier Management, LLC 17400 SW Upper Boones Ferry Road, Suite 230		Durham	OR	97224 USA
1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID#, if any
		limited liability company	Washington	602619735 <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID#: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID#, if any
				<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR	Fannie Mae			
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
3900 Wisconsin Avenue, N.W.		Washington	DC	20016 USA

4. This FINANCING STATEMENT covers the following collateral:

See attached Schedule A attached hereto and made a part hereof by reference.

5. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> LESSEE/LESSOR <input type="checkbox"/> CONSIGNEE/CONSIGNOR <input type="checkbox"/> BAILEE/BAILOR <input type="checkbox"/> SELLER/BUYER <input type="checkbox"/> AG. LIEN <input type="checkbox"/> NON-UCC FILING				
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2		
8. OPTIONAL FILER REFERENCE DATA Skagit County, Washington				

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

OR	9a. ORGANIZATION'S NAME HP HEART PARTNERS, LLC		
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

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11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one name (11a or 11b) – do not abbreviate or combine names

OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUF FIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. TAX ID# SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> None	

12. ☐ ADDITIONAL SECURED PARTY'S or ☒ ASSIGNOR S/P'S NAME – insert only one name (12a or 12b)

OR	12a. ORGANIZATION'S NAME RED MORTGAGE CAPITAL, LLC				
	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUF FIX	
12c. MAILING ADDRESS Two Miranova Place, 12 <sup>th</sup> Floor		CITY Columbus	STATE OH	POSTAL CODE 43215	COUNTRY USA

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

See attached Exhibit A attached hereto and  
Made a part hereof.

15. Name and address of a RECORD Owner of above-described real estate  
(if Debtor does not have a record interest):

16. Additional collateral description.

17. Check only if applicable and check only one box.  
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

- ☐ Debtor is a TRANSMITTING UTILITY
- ☐ Filed in connection with a Manufactured-Home Transaction – effective 30 years
- ☐ Filed in connection with a Public-Finance Transaction – effective 30 years.

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**EXHIBIT A**

**LEGAL DESCRIPTION  
(attached)**



**EXHIBIT "A"**

LOT 1, OF BURLINGTON SHORT PLAT NO. BURL-1-95, AS APPROVED MARCH 28, 1995, AND RECORDED APRIL 20, 1995, IN VOLUME 11 OF SHORT PLATS, PAGES 194 AND 195, UNDER AUDITOR'S FILE NO. 9504200032, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE NORTH ½ OF THE WEST ½ OF TRACT 50, "PLAT OF THE BURLINGTON ACREAGE PROPERTY", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON.

TOGETHER WITH AN EASEMENT FOR INGRESS, EGRESS, UTILITIES AND PARKING AS ESTABLISHED BY INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 9903020075 AND AMENDED BY INSTRUMENT RECORDED ON AUGUST 16, 2006 UNDER AUDITOR'S FILE NO. 200608160154.

ALSO TOGETHER WITH AN EASEMENT FOR LANDSCAPING AND UTILITIES AS ESTABLISHED BY INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 200005180001, RECORDS OF SKAGIT COUNTY, WASHINGTON.

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**SCHEDULE A**  
**(Borrower)**

DEBTOR: HP HEART PARTNERS, LLC

SECURED PARTY ASSIGNOR: RED MORTGAGE CAPITAL, LLC

SECURED PARTY ASSIGNEE: FANNIE MAE

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 "Land"), including any future replacements and additions (the "Improvements");
2. **Fixtures.** All property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, 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 disposals, 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; and exercise equipment (the "Fixtures");
3. **Personalty.** All equipment, inventory, general intangibles which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, including furniture, furnishings, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible personal property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, and any operating agreements relating to the Land or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land, and all personal property currently owned or acquired by Debtor after the date hereof used in connection with the ownership and operation of the Land and the Improvements as a Seniors Housing Facility, all kitchen or restaurant supplies and facilities, dining room supplies

Schedule A to Borrower UCC  
(Seniors Housing)

Form 4555-SH/Borrower  
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and facilities, medical supplies and facilities, leasehold improvements, or related furniture and equipment, together with all present and future parts, additions, accessories, replacements, attachments, accessions, replacement parts and substitutions therefor, and any other equipment, supplies or furniture owned by Debtor and leased to any third party service provider or operator under any operating lease, use, occupancy, or lease agreements, as well as all licenses, to the extent permitted by applicable law and regulations, including replacements and additions thereto (the "Personalty");

4. **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 Land 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 (the "Other Rights");

5. **Insurance Proceeds.** All proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property, whether or not Debtor obtained the insurance pursuant to Lender's requirement (the "Insurance Proceeds");

6. **Awards.** All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof (the "Awards");

7. **Contracts.** All contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property entered into by Debtor now or in the future, any contract or other agreement for the provision of goods or services at or otherwise in connection with the operation, use or management of the Land or the Improvements, and any cash deposited to secure performance by parties of their obligations (the "Contracts");

8. **Other Proceeds.** All proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds (the "Other Proceeds");

9. **Rents.** All rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including but not limited to payments under any Housing Assistance Payments Contract), parking fees, laundry and vending machine income and fees and charges for food, healthcare and other services provided at the Land or the Improvements, whether now due, past due, or to become due, security deposits, entrance fees, application fees, processing fees, community fees and any other amounts or fees forfeited by any resident or tenant, together with and including all proceeds from any private insurance for residents to cover rental charges and charges for services at or in connection with the Land or the Improvements, and the payments and the right to receive payments from residents or Medicaid programs or similar federal, state or local programs, boards,

bureaus or agencies, due for the rents or services of residents at the Land and Improvements (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 Land or the Improvements, or any portion of the Land or the Improvements and all modifications, extensions or renewals thereof, all residency, occupancy, admission, and care agreements pertaining to residents of the Land and Improvements and also specifically, that certain Management Agreement dated as of June 21, 2006 by and between HP Oak Harbor Partners, LLC, HP Burlington Partners, LLC, Frontier Management, LLC and Debtor (the "Leases");

11. **Other.** All earnings, royalties, accounts, issues and profits from the Land, the Improvements or any other part of the Collateral Property, and all undisbursed proceeds of the loan secured by this 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 Lender to pay when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Collateral Property, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require, (3) taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all 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 Land or the Improvements, and (4) amounts for other charges and expenses which Lender 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 Lender's interests, all as reasonably estimated from time to time by Lender (the "Imposition Deposits");

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) (the "Refunds or Rebates");

14. **Tenant Security Deposits.** All resident and tenant security deposits, entrance fees, application fees, processing fees, community fees and any other amounts or fees deposited by any resident or tenant upon execution of a Lease which have not been forfeited by any resident or tenant (the "Tenant Security Deposits");

15. **Names.** All names under or by which any of the above Collateral Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Collateral Property (the "Names");

16. **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



Debtor's management and operation of the Land and Improvements as a Seniors Housing Facility (the "Accounts"); and

17. **Inventory.** All right, title and interest of Debtor in and to inventory of every type and description, now owned and hereafter acquired, including, without limitation, raw materials, work in process, finished goods, goods returned or repossessed or stopped in transit, goods used for demonstration, promotion, marketing or similar purposes, property in, on or with which any of the foregoing may be stored or maintained, all materials and supplies usable or used or consumed at the Land or the Improvements, and all documents and documents of title relating to any of the foregoing, together with all present and future parts, additions, accessories, attachments, accessions, replacements, replacement parts and substitutions therefor or thereto in any form whatsoever (the "Inventory").

Schedule A to Borrower UCC  
(Seniors Housing)

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