



201103280016

Skagit County Auditor

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7 8:55AM

Return Address:

S. JACK FENIGSTEIN, ESQ.

FENIGSTEIN & KAUFMAN

1900 AVENUE OF THE STARS, SUITE 2300

LOS ANGELES, CA 90067

CHICAGO TITLE

620012847

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)**Document Title(s)** (or transactions contained therein): (all areas applicable to your document must be filled in)

1. UCC-1 FINANCING STATEMENT 2. _____
3. _____ 4. _____

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) Exactly as name(s) appear on document

1. MT. VERNON MEDICAL INVESTORS, LLC _____
2. _____

Additional names on page _____ of document

Grantee(s) Exactly as name(s) appear on document

1. CAPITAL FUNDING, LLC _____
2. _____

Additional names on page 2 of document**Legal description** (abbreviated: i.e. lot, block, plat or section, township, range)

LOTS 2 AND 3 OF MOUNT VERNON SHORT PLAT NO. MV-7-95

Additional legal is on page 4 of document**Assessor's Property Tax Parcel/Account Number**☐ Assessor Tax # not yet

assigned

340420-4-004-0000; 340420-4-004-0109

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

"I am signing below and paying an additional \$50 recording fee (as provided in RCW 36.18.010 and referred to as an emergency nonstandard document), because this document does not meet margin and formatting requirements. Furthermore, I hereby understand that the recording process may cover up or otherwise obscure some part of the text of the original document as a result of this request."

Signature of Requesting Party

Note to submitter: Do not sign above nor pay additional \$50 fee if the document meets margin/formatting requirements

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

S. JACK FENIGSTEIN, ESQ.
FENIGSTEIN & KAUFMAN
1900 AVENUE OF THE STARS, SUITE 2300
LOS ANGELES, CA 90067

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

OR **MT. VERNON MEDICAL INVESTORS, LLC**

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3570 KEITH STREET, N.W.

CLEVELAND

TN 37312

USA

1d. **SEE INSTRUCTIONS**

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

LLC

1f. JURISDICTION OF ORGANIZATION

TENNESSEE

1g. ORGANIZATIONAL ID #, if any

000393666

☐ 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. **SEE INSTRUCTIONS**

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ 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 **CAPITAL FUNDING, LLC**

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

1422 CLARKVIEW ROAD

BALTIMORE

MD 21209

USA

4. This FINANCING STATEMENT covers the following collateral:

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF THE COLLATERAL. THE REAL ESTATE REFERRED TO IN EXHIBIT "B" IS DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.



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5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☒ 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) (optional). (ADDITIONAL FEE) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

MT. VERNON MORTGAGOR (SKAGIT CO., WA)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

9a. ORGANIZATION'S NAME

MT. VERNON MEDICAL INVESTORS, LLC

OR

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

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

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

☐ NONE

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

12a. ORGANIZATION'S NAME

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS OFFICE OF INSURED HEALTH CARE FACILITIES

451 SEVENTH STREET SW

CITY

WASHINGTON

STATE

DC

POSTAL CODE

20410

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 EXHIBIT "A" ATTACHED HERETO

16. Additional collateral description:

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

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

☐ Filed in connection with a Public-Finance Transaction



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EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): P26941, 340420-4-004-0109, P26940 and 340420-4-004-0000

Parcel A:

Lot 2 of City of Mount Vernon Short Plat No. MV-7-95, as approved January 24, 1996, and recorded January 26, 1996, in Volume 12 of Short Plats, page 69, under Auditor's File No. 9601260017, records of Skagit County, Washington; being a portion of the Northeast Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, of the Willamette Meridian.

Situate in Skagit County, Washington.

Parcel B:

Lot 3 of City of Mount Vernon Short Plat No. MV-7-95, as approved January 24, 1996, and recorded January 26, 1996, in Volume 12 of Short Plats, page 69, under Auditor's File No. 9601260017, records of Skagit County, Washington; being a portion of the Northeast Quarter of the Southeast Quarter of Section 20, Township 34 North, Range 4 East, of the Willamette Meridian.

Situate in Skagit County, Washington.



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Skagit County Auditor

EXHIBIT B

TO SECURITY AGREEMENT AND UCC-1 FINANCING STATEMENT

This Exhibit B is attached to, incorporated by reference in, and forms part of that certain Security Agreement (the "**Security Agreement**"), dated as of **March 1, 2011**, executed by MT. VERNON MEDICAL INVESTORS, LLC, a Tennessee limited liability company ("**Debtor**") and CAPITAL FUNDING, LLC, a Maryland limited liability company ("**Lender**") and the UCC-1 Financing Statements filed to perfect the security interest granted to Secured Party in the Security Agreement. For purposes of the Security Agreement, the Lender and the Secretary of Housing and Urban Development ("**HUD**") are jointly referred to as the "**Secured Party**".

This Exhibit B refers to the following collateral owned by Debtor, that may be now or hereafter located on the premises of, relate to, or be used in connection with, the acquisition or refinancing, repair, ownership, management, and operation of that certain skilled nursing facility known as **Life Care Center of Mount Vernon**, located at 2120 East Division Street, Mt. Vernon, Washington 98724 and that assisted living facility known as The Bridge Assisted Living at Mount Vernon, located at 301 South LaVenture Road, Mt. Vernon, Washington 98274 (collectively, the "**Premises**"), both located at **Mt. Vernon, Washington**, the Project (as defined below).

All building materials, equipment, inventory, furniture, furnishings, general intangibles or other property installed or to be installed or used in and about the building or buildings now erected or hereafter to be erected upon the lands (1) secured by that certain Deed of Trust with Assignment of Rents executed by Debtor for the benefit of Secured Party and dated as of **March 1, 2011** (the "**FHA Mortgage**"), and (2) situated in the City of **Mount Vernon, Skagit County** of the state of **Washington**, FHA Project No. **127-22066**, as more particularly described in Exhibit A attached to both the Security Agreement and the UCC-1 Financing Statements (the "**Project**"), that are necessary to complete the comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including, but not limited to, all gas and electric appliances and fixtures; all engines, motors, dynamos, elevators, and machinery; all boilers, radiators, sprinkling, water, power, communications equipment; heaters, furnaces, stoves, heating equipment; all fire prevention, alarm, extinguishing systems and apparatus, all cleaning equipment, all stoves, ranges, and cooking equipment; all bathtubs, sinks, basins, pipes, hot-water boilers, faucets, and other plumbing fixtures; all mantels; cabinets; all washing machines, laundry tubs, and ironers; all lighting, air-conditioning and ventilating equipment; all partitions, awnings, shades, screens, drapery and venetian blinds; all walks, fences, shrubbery, driveways, and all incinerating equipment, together with appurtenances thereto; all equipment used in the diagnosis and treatment of patients; and all building material and equipment now or hereafter delivered to the premises and intended to be installed therein, such goods, equipment, chattels and personal property as are commonly used in the fully furnishing of and the equipping of a nursing home, whether personal property, inventory or fixtures, whether now owned or hereafter from time to time acquired by Debtor, together with all Debtor's after-acquired property, substitutions, replacements, additions, attachments, accessories, accretions, their component parts thereto or thereof, all other items of like property installed or to be installed or used therein and any and all proceeds thereof whether now in existence or hereafter arising.



TOGETHER WITH all receipts, revenues, income, profits, proceeds, other funds, cash escrows, securities, deposit accounts, all accounts, including, but not limited to, healthcare insurance receivables and other accounts receivable, and unrestricted cash and investments derived from the Project.

TOGETHER WITH all income derived from private pay, benefits and reimbursements under provider agreements with Medicaid, Medicare, State and local programs, payments from health care insurers and any other assistance providers, all rents, charges and fees received from leasing space on the Project, all contributions, donations, gifts, grants, bequests and endowment funds by donors and all accounts receivable, undisbursed funds in Surplus Cash, Residual Receipts, escrow accounts and other assistance available for project operation.

TOGETHER WITH all equipment owned by Debtor (except such equipment as is specifically excluded as hereinafter or hereinabove provided) located on properties leased by Debtor.

TOGETHER WITH:

- (i) all rents, royalties, issues, profits, revenues, income and other benefits of the Project as well as all leases and subleases of the Project together with, to the extent permitted by applicable law, all cash or securities deposited thereunder to secure performance of the lessees of their obligations;
- (ii) any and all of the above that may become fixtures by virtue of attachment to the Project;
- (iii) all interests of Debtor, in any and all of the above that may be leased by Debtor from others;
- (iv) all Debtor's rights, options, powers and privileges in and to (but not Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contracts pertaining to the construction, development, repair, operation, ownership, equipping and management of the Project and all Debtor's right, title and interest in and to all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits, and the like, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Project;
- (v) all intangible personal property, accounts, licenses, permits, instruments, contract rights, chattel paper, and general intangibles of Debtor;
- (vi) all records, books of account now or hereafter maintained by or on behalf of Debtor and/or its agents and employees in connection with the Project; and
- (vii) all names now or hereafter used in connection with the Project and the goodwill associated therewith, but excluding the name Life Care or Life Care Centers of America, American Lifestyles, and any variation thereof.

As well as all Debtor's right, title and interest in and to any and all judgment, awards of damages, payments, proceeds, settlements or other compensation heretofore or hereafter made (the "Awards"),



including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of:

- (viii) any taking of the Project or any part thereof by the exercise of the power of condemnation or eminent domain, or police power;
- (ix) any change or alteration of the grade of any street;
- (x) any other injury or decrease in the value of the Project or any part thereof, including, but not limited to, destruction or decrease in value by fire or other casualty; and
- (xi) any and all payments, proceeds, settlements, or other compensation, including interest thereof, from any and all insurance policies covering the Project or any portion thereof.

all of which Awards, rights thereto and shares therein are hereby pledged and assigned to Secured Party, who, upon a default hereunder, is hereby authorized to collect and receive the proceeds thereof, but only to the extent permitted by applicable law, and to give proper receipts and acquaintances therefore and to apply, at its option, the net proceeds thereof, after deducting expense of collection, as a credit upon any portion, as selected by Secured Party, of the indebtedness secured by the FHA Mortgage and the Security Agreement.

Together with, without limiting the foregoing, all accounts, equipment, inventory, general intangibles, instruments or chattel paper as defined in the Uniform Commercial Code of any applicable state, but only to the extent such items are derived from or are located at the Premises.

In addition, any equipment initially excluded from the lien of the Security Agreement of which this Schedule forms a part, due to the fact that it is the subject of a lease or security agreement, may be refinanced or replaced with any equipment through a lease or other financing arrangement secured by the equipment on an ongoing basis. If and when title to any such equipment resides in Debtor free of any such security interest of others, the lien of the Security Agreement of which this Schedule forms a part shall attach to such equipment, provided, however, that Debtor shall be entitled to obtain replacements for such equipment utilizing leases or purchase money financing.

Nothing in this Exhibit "B" shall relieve Debtor of its obligations under the Regulatory Agreement between Debtor and HUD as the same may be amended from time to time.

