

Return Address:

S. JACK FENIGSTEIN, ESQ.

FENIGSTEIN & KAUFMAN

1900 AVENUE OF THE STARS, SUITE 2300

LOS ANGELES, CA 90067



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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 OPERATIONS, 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 OPERATIONS, LLC					
1b. INDIVIDUAL'S LAST NAME					
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	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	
	LLC	TENNESSEE	000300537		<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					
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	
					<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 CAPITAL FUNDING, LLC					
3b. INDIVIDUAL'S LAST NAME					
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. <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) [OPTIONAL FEE]		All Debtors Debtor 1 Debtor 2			
8. OPTIONAL FILER REFERENCE DATA						

MOUNT VERNON OPERATOR (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 OPERATIONS, LLC

OR

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

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):

**MT. VERNON MEDICAL INVESTORS, LLC
3570 KEITH STREET NW
CLEVELAND, TN 37312**

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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EXHIBIT "B"
to Lessee Security Agreement and UCC Financing Statement

Collateral

All of the following described property and interests in property owned by Grantor/Debtor, whether now in existence or hereafter arising, and relating to, situated or located on or used or usable in connection with the maintenance and/or operation of that 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**").

(a) All fixtures, furniture, equipment and other goods and tangible personal property of every kind and description whatsoever now or hereafter located on, in or at the Premises, including, but not limited to, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, radiators, motors, furnaces, compressors and transforms; all power generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment, and fixtures, fans and switchboards; all telephone equipment; all piping, tubing and plumbing equipment and fixtures; all heating, refrigeration, air-conditioning, cooling, ventilating, sprinkling, water, power, waste disposal and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, kitchen and laundry fixtures, utensils, appliances and equipment, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture now or hereafter installed or used or usable in the operation of any part of the buildings, structures or improvements erected or to be erected in or upon the Premises and every replacement thereof, accession thereto, or substitution therefor, whether or not all of the above are now or hereafter acquired or attached to the Premises in any manner;

(b) All articles of tangible personal property not otherwise described herein (but excluding vehicles requiring titling) which are now or hereafter located in, attached to or used in, on or about the buildings, structures or improvements now or hereafter located, placed, erected, constructed or built on the Premises and all replacements thereof, accessions thereto, or substitution therefor, whether or not the same are, or will be, attached to such buildings, structures or improvements in any manner;

(c) All rents, leases, income, revenues, issues, profits, royalties and other benefits arising or derived or to be derived from, or related to, directly or indirectly, the Premises, whether or not any of the property described in this item (c) constitutes accounts, chattel paper, documents, general intangibles, instruments or money;

(d) All awards now or hereafter made with respect to the Premises as a result of (i) the



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exercise of the power of condemnation or eminent domain, or the police power, (ii) the alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Premises (including but not limited to any destruction or decrease in the value by fire or other casualty), whether or not any of the property described in this item (d) constitutes accounts, chattel paper, documents, general intangibles, instruments, investment property, deposit accounts, or money;

(e) All land surveys, plans and specifications, drawings, briefs and other work product and other papers and records now or hereafter used in the construction, reconstruction, alteration, repair or operation of the Premises;

(f) Licenses, permits, certificates and agreements for the provision of property or services to or in connection with, or otherwise benefiting, the Premises, any nursing home license, assisted living facility license, any and all Medicaid/Medicare Provider Agreements, and any other license necessary for the provision of services at the Premises; however, the Secured Party disclaims a security interest in such of the property described in this item (f) to the extent that a security interest in such property may not be granted to the Secured Party without the forfeiture of the rights of the Grantor/Debtor (or any assignee of the Grantor/Debtor) or a default resulting thereunder.

(g) To the extent but only to the extent such items relate to or are derived from the Premises, all funds, monies, securities and other property held in escrow (but excluding residents' deposit accounts to the extent prohibited by applicable law), lock boxes, depository or blocked accounts, deposit accounts or reserves and all rights to receive (or to have distributed to the Grantor/Debtor) any funds, monies, securities or property held in escrow, lock boxes, depository or blocked accounts or as reserves including but not limited to all of Grantor's/Debtor's rights (if any) to any funds or amounts in that certain reserve funds and/or residual receipts accounts created under the Regulatory Agreement required by the Secretary of Housing and Urban Development or the Federal Housing Administration Commissioner;

(h) To the extent but only to the extent such items relate to or are derived from the Premises, all accounts, Accounts Receivable, general intangibles, chattel paper, instruments, documents, inventory, goods, cash, bank accounts, deposit accounts, certificates of deposits, securities, insurance policies, letters of credit, deposits, judgments, liens, causes of action, warranties, guaranties and all other properties and assets of the Grantor/Debtor derived from the Premises, tangible or intangible, whether or not similar to the property described in this item (h) As used herein, the term "Accounts Receivable" shall include (i) all healthcare insurance receivables, healthcare revenues, including, but not limited to Medicaid and Medicare receivables, Veterans Administration or other governmental receivables, private patient receivables, and HMO 10 receivables derived from the Premises; (ii) any payments due or to be made to the Grantor/Debtor relating to the Premises or (iii) all other rights of the Grantor/Debtor to receive payment of any kind with respect to the Premises;



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(i) All books, records and files of whatever type or nature relating to any or all of the property or interests in property described herein or the proceeds thereof, whether or not written, stored electronically or electromagnetically or in any other form, and whether or not such books, records, or files constitute accounts, equipment or general intangibles.

(j) To the extent permitted by applicable law, any and all security or other deposits which have not been forfeited by any tenant under any lease relating to the Premises;

(k) All products and proceeds of any and all of the property (and interests in property) described herein including but not limited to proceeds of any insurance, whether or not in the form of original collateral, accounts, contract rights, chattel paper, general intangibles, equipment, fixtures, goods, securities, leases, instruments, inventory, documents, deposit accounts or cash; and

(l) 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.



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