

STATE OF INDIANA
LAKE COUNTY
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2007 JUN 21 PM 2:12

MICHAEL A. BROWN
RECORDER

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

2007 000457

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

E. Joseph Knoll
Krooth & Altman, LLP
1850 M Street, NW
Suite 400
Washington, DC 20036
(202) 293-8200

All over 12 e

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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 HOBART RETIREMENT L.L.C.				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 315 W. Jefferson Blvd.				
CITY South Bend		STATE IN	POSTAL CODE 46601	COUNTRY USA
1d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION limited liability company	1f. JURISDICTION OF ORGANIZATION Indiana	1g. ORGANIZATIONAL ID #, if any <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	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 RED MORTGAGE CAPITAL, INC.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 2 Miranova Place, 12th Floor				
CITY Columbus		STATE OH	POSTAL CODE 43215	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit "A" attached hereto and made a part hereof for a description of the real property covered by this Financing Statement.
See Exhibit "B" attached hereto and made a part hereof for a description of the Collateral secured hereby.

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	<input type="checkbox"/> [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 File with Lake County						

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

HOLD FOR MERIDIAN TITLE CORP.

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 HOBART RETIREMENT L.L.C.			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME 2007	MIDDLE NAME, SUFFIX 000457

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. 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)

12a. ORGANIZATION'S NAME SECRETARY OF HOUSING & URBAN DEVELOPMENT					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS 151 North Delaware Street, Suite 1200		CITY Indiannapolis	STATE IN	POSTAL CODE 46204	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 and made a part hereof for a description of the real property covered by this Financing Statement.

"Brentwood at Hobart"
FHA Project No. 073-10016

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

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1: Lot 33 in Second Amended Final Development Plan of St. Mary Medical Center Campus, as per plat thereof, recorded in Plat Book 86 page 21, in the Office of the Recorder of Lake County, Indiana.

PARCEL 2: Non-exclusive easement rights for a perpetual storm water drainage easement created in Drainage Easement Agreement, dated July 22, 1999, recorded February 9, 2000 as Document No. 2000-009266, in the Office of the Recorder of Lake County, Indiana.

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**EXHIBIT "B" TO SUPPLEMENTAL SECURITY AGREEMENT
AND FINANCING STATEMENTS**

This Exhibit "B" is attached to, incorporated by reference in, and forms a part of that certain Supplemental Security Agreement and Financing Statements (collectively, the "Security Documents"), executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined) in favor of **RED MORTGAGE CAPITAL, INC.**, an Ohio corporation (the "Secured Party").

This Exhibit "B" refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with, the construction, financing, repair, ownership, management, and operation of a certain assisted living facility project known as "**BRENTWOOD AT HOBART**" (the "Project"), located in Lake County, Indiana and owned by **HOBART RETIREMENT L.L.C.**, an Indiana limited liability company (the "Debtor"):

1. All income, rents, profits, receipts and charges from the Project.
2. All accounts including without limitation the following: Reserve Fund for Replacement, residual receipts, and special funds; ground rents, taxes, water rents, assessments and fire and other hazard-insurance premiums; accounts receivable; operating revenue; initial operating escrow; and escrow for latent defects.
3. All insurance and condemnation proceeds; and all inventories.
4. All materials now owned or hereafter acquired by the Debtor and intended for the construction, reconstruction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit "A" attached hereto (the "Property"), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.
5. All of the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power 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, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon

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the Property; and every renewal or replacement thereof or articles in substitution therefor, whether or not the same are now or hereafter attached to the Property in any manner; all except for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

6. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (i) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, or the police power, (ii) any change or alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shares therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give proper receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the indebtedness secured by the Security Documents.

7. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

8. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income and other benefits of the Property, or arising from the use or enjoyment of all or any portion thereof, or from any lease or agreement pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, accounts receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

9. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, repair, operation, ownership, equipping and management of the Property and all of the Debtor's right, title and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction, development, repair, operation, management and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

10. All intangible personal property, accounts, licenses, permits, instruments, contract rights, chattel paper and general intangibles of the Debtor, including but not limited to cash; accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) to amounts held in escrow; insurance proceeds; condemnation rights; deposits; judgments, liens and causes of action; warranties and guarantees.

11. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

12. The interest of the Debtor in and to any and all funds created or established and held by the Trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

13. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials.

14. Any and all of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

15. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor and/or its agents and employees in connection with the Project.

16. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

17. Proceeds, products, returns, additions, accessions and substitutions of and to any and all of the above.

18. All hospital beds, medical equipment and apparatus, and all other equipment goods and personal property as are commonly used in the full furnishing and equipping of a residential care facility and/or assisted living facility, whether personal property, inventory or fixtures, whether now owned or hereafter from time to time acquired by either of the Debtors, together with all substitutions, replacements, additions, attachments, accessories, accretions, their component parts thereto or thereof, all other items of like property and all accounts and contract rights covering or relating to any of all thereof, whether now in existence or hereafter arising, and relating to, situated on, or used or usable in connection with the ownership, operation, management, use and occupancy of the Project.

19. All licenses, permits and approvals issued by any federal, state and local governmental entity in connection with or relating to the ownership, operation, management, use and occupancy of the Project.

20. All Medicare/Medicaid Provider Agreements pertaining to the Project, whether now existing or hereinafter issued to or for the benefit of either of the Debtors or as to which either of the Debtors may have any right, title or interest.

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21. Any and all contracts or agreements with third parties, whether now existing or hereinafter issued to or for the benefit of the Project.

22. Any and all of the above that may become fixtures by virtue of attachment to Property.

23. The interest of the Debtor, as lessee, in any and all of the above which may be leased by the Debtor from others.

24. Any and all of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

25. Proceeds, products, returns, additions, accessions and substitutions of and to any and all of the above.

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