

Important: Read Instructions on Back Before Filling out Form.

REORDER FROM
Registre, Inc.
314 PIERCE ST.
P.O. BOX 218
ANOKA, MN. 55303
(612) 421-1713

INSC # 1999-28763
07/08/1999-28763
01:26 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
18.00
004 HHS

FILED WITH:		
Shelby County		
4. ASSIGNEE OF SECURED PARTY	(IF ANY)	(Last Name First if a Person)

5A. Enter Code(s) From Back of Form That Best Describes The Collateral Covered By This Filing:

<u>000</u> _____	<u>800</u> _____
<u>100</u> _____	_____
<u>200</u> _____	_____
<u>300</u> _____	_____
<u>500</u> _____	_____
600 _____	_____
<u>700</u> _____	_____

Check X if covered: <input type="checkbox"/> Products of Collateral are also covered.	
6. This statement is filed without the debtor's signature to perfect a security interest in collateral (check X, if so) <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state. <input type="checkbox"/> already subject to a security interest in another jurisdiction when debtor's location changed to this state. <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest is perfected. <input type="checkbox"/> acquired after a change of name, identity or corporate structure of debtor <input type="checkbox"/> as to which the filing has lapsed.	7. Complete only when filing with the Judge of Probate The initial indebtedness secured by this financing statement is \$ _____ Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ _____ 8. <input type="checkbox"/> This financing statement covers timber to be cut, crops, or fixtures and is to be cross indexed in the real estate mortgage records (Describe real estate and if debtor does not have an interest of record, give name of record owner in Box 5)
Signature(s) of Secured Party(ies) (Required only if filed without debtor's Signature — see Box 6)	

Paragon Assisted Living, LLC
Signature(s) of Debtor(s)
By: Gordon L Smith
Signature(s) of Debtor(s) Gordon L. Smith
President & Chief Executive Officer
Type Name of Individual or Business

Signature(s) of Secured Party(ies) or Assignee

Signature(s) of Secured Party(ies) or Assignee

Type Name of Individual or Business

ATTACHMENT TO UCC-1 FINANCING STATEMENT

ADDITIONAL SECURED PARTY

U.S. Department of Housing and Urban Development ("Secretary")
Alabama State Office
Beacon Ridge Tower
600 Beacon Parkway W., Suite 300
Birmingham, AL 35209-3144

The Debtor and the Secured Party hereby agree that the Secretary shall be an additional secured party under this UCC-1 together with the Secured Party, as their interests may appear, provided, however, that nothing in the Uniform Commercial Code Financing Statement shall require the execution, now or at any future time, of any amendment, extension, or other document by the Secretary.

SCHEDULE "A"

All of the goods, equipment, furnishings, fixtures, furniture, chattels and articles of personal property, including without limitation all building material and supplies, furnaces, boilers, oil burners, refrigeration, air conditioning and sprinkler systems, awnings, screens, window shades, motors, dynamos, incinerators, plants and shrubbery and all other equipment, machinery, appliances, fittings and fixtures, whether personal property, inventory or fixtures, whether now owned or hereafter from time to time acquired by Debtor, 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 (other than the proceeds of any future sale of interests in Debtor by means of a Public Offering or other syndication and additional capital contribution obligations of Debtor's partners);

All intangible property and rights relating to the property or the operation thereof, or used in connection therewith, all contract rights, or other agreements relating to services in connection with the use, operation, occupancy, or maintenance of the building or buildings at the premises, accounts receivable, instruments, actions and rights in action, rents, issues, income and cash collateral;

All rights to insurance proceeds and condemnation awards, arising from the premises, and personal property, and all rights of Debtor as to the business operations on the premises;

All of the leases, rental agreements, rents, income and profits, including without limitation, all security and other deposits, licenses, permits, obligations owing to Debtor or lessor, including rent paid more than one month in advance, liquidated damages and deposits now existing or hereafter arising under any leases, subleases, or other agreements or arrangements pertaining to or affecting the premises, or the operations thereon, or the personal property, and all of the right, title and interest of the Debtor therein;

Any and all assisted living licenses, permits and/or certificates of need which may be required to own and operate the project;

All proceeds, replacements, additions, substitutions, renewals and accessions of any of the foregoing, covering or relating to any or all thereof, whether now in existence or hereafter arising and relating to, situated or located on, or used or usable in connection with the operation of the multifamily housing project known as Lakeview Estates, Birmingham, AL, FHA Project No. 062-43063 securing the Mortgage (identified by legal description as set forth in Schedule B).

SCHEDULE "B"

A part of the Southwest quarter of the Northwest quarter of Section 15, Township 19 South, Range 2 West, and the Southeast quarter of the Northeast quarter of Section 16, Township 19 South, Range 2 West, Shelby County, Alabama and being more particularly described as follows:

Begin at the Northeast corner of the Southeast quarter of the Northeast quarter of Section 16, Township 19 South, Range 2 West, Shelby County, Alabama; thence turn an angle of $45^{\circ}33'20''$ right from the section line Southerly and thence run Southwesterly 444.44 feet; thence turn $96^{\circ}38'08''$ left and run Southeasterly for 328.74 feet; thence turn $65^{\circ}51'05''$ right and run Southwesterly for 219.96 feet; thence turn $42^{\circ}35'40''$ left and run Southeasterly for 155.17 feet to a point on the North right of way line of Valleydale Road; thence turn $90^{\circ}22'40''$ left and run Northeasterly along said North right of way line for 68.56 feet; thence turn $61^{\circ}57'43''$ left and run Northerly for 136.07 feet; thence turn $22^{\circ}20'09''$ right and run Northeasterly for 116.03 feet; thence turn $39^{\circ}37'34''$ right and run Northeasterly for 348.13 feet; thence turn $73^{\circ}40'47''$ right and run Southeasterly for 136.64 feet; thence turn $16^{\circ}00'42''$ right and run Southeasterly for 64.16 feet to a point on the North right of way line of Valleydale Road; thence turn an angle of $89^{\circ}57'21''$ left and run Northeasterly along said North right of way line for 59.00 feet; thence turn an angle of $106^{\circ}03'20''$ left and run Northwesterly for 775.48 feet to the point of beginning.

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