

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) <b>John Vihstadt, Esq.</b>
B. E-MAIL CONTACT AT FILER (optional) <b>jvihstadt@krooth.com</b>
C. SEND ACKNOWLEDGMENT TO: (Name and Address)  <div style="border: 1px solid black; padding: 5px;"> <b>John Vihstadt, Esq.</b>  <b>Krooth &amp; Altman LLP</b>  <b>1850 M Street, NW, Suite 400</b>  <b>Washington, DC 20036</b>  <b>(202)-293-8200</b>  <b>Fax: (202)-872-0145</b> </div>



20140422000117880 1/7 \$41.00  
Shelby Cnty Judge of Probate, AL  
04/22/2014 01:40:06 PM FILED/CERT

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME <b>SHELBY SENIOR HOUSING, INC.</b>						
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS <b>100 Collins Street</b>			CITY <b>Columbiana</b>	STATE <b>AL</b>	POSTAL CODE <b>35051</b>	COUNTRY <b>USA</b>

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>GRANDBRIDGE REAL ESTATE CAPITAL LLC</b>						
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS <b>200 South College Street, Suite 2100</b>			CITY <b>Charlotte</b>	STATE <b>NC</b>	POSTAL CODE <b>28202</b>	COUNTRY <b>USA</b>

4. COLLATERAL: This financing statement covers the following collateral:

**SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF COLLATERAL.**

5. Check only if applicable and check only one box: Collateral is  held in a Trust (see UCC1Ad, item 17 and Instructions)  being administered by a Decedent's Personal Representative

6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
--	--

7. ALTERNATIVE DESIGNATION (if applicable):  Lessee/Lessor     Consignee/Consignor     Seller/Buyer     Bailee/Bailor     Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

**In the Office of the Judge of Probate in Shelby County, Alabama**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME	
<b>SHELBY SENIOR HOUSING, INC.</b>	
OR	
9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX



20140422000117880 2/7 \$41.00  
Shelby Cnty Judge of Probate, AL  
04/22/2014 01:40:06 PM FILED/CERT

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME				
OR				
10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11.  ADDITIONAL SECURED PARTY'S NAME or  ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
<b>Secretary of Housing and Urban Development of Washington, D.C., their successors and assigns as their interests may appear</b>				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
<b>950 22nd Street North Suite 900</b>	<b>Birmingham</b>	<b>AL</b>	<b>35203</b>	<b>USA</b>

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:  
 covers timber to be cut     covers as-extracted collateral     is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:  
**See Exhibit "A" attached hereto and made a part hereof for a description of real property.**  
  
**Shelby Woods Apartments**  
**Columbiana, Shelby County, Alabama**  
**FHA Project No.: 062-11192**

17. MISCELLANEOUS:

Exhibit A-Legal Description

A parcel of land situated in the Northeast quarter of Section 26, Township 21 South, Range 1 West, City of Columbiana, Shelby County, Alabama, being more particularly described as follows:

Commence at and iron pin found at the intersection of the South right of way margin of Butler Street and the West right of way margin of Collins Street in the Town of Columbiana, Alabama, said point being the POINT OF BEGINNING; thence proceed Westerly along the South right of way margin of Butler street for 424.79 feet to an iron pin found on the Easterly line of "J.H. Compton Subdivision" as recorded in Map Book 3, Page 16 of the Office of the Judge of Probate, Shelby County, Alabama; thence turn an angle left of 110 degrees 52 minutes 50 seconds and proceed Southeasterly along said Easterly line of "J.H. Compton Subdivision" for 759.32 feet to an iron pin found; thence turn an angle right of 36 degree 36 minutes 21 seconds and proceed Southwesterly for 70.32 feet to an iron pin found on the Northerly right of way margin of Depot Street; thence turn an angle left of 73 degrees 30 minutes 13 seconds and proceed Southeasterly along said Northerly right of way margin of Depot Street for 205.25 feet to an iron pin found; thence turn an angle left of 122 degree 14 minutes 56 seconds proceed Northerly for 886.57' to the POINT OF BEGINNING.

LESS that portion lying within the right of way of Collins Street.

LESS AND EXCEPT:

A parcel of land located in the North one-half of the Northeast quarter of Section 26, Township 21 South, Range 1 West, City of Columbiana, Shelby County, Alabama, Beginning at the Easternmost corner of the Emory H. Weathers and Louise S. Weathers property as described in deed recorded in Deed Book 332, Page 198 in the Probate Office of Shelby County, Alabama, which corner is a point on the Easterly line of J.H. Compton Addition to Columbiana, recorded in Map Book 3, Page 16 in the Probate Office of Shelby County, Alabama; from said beginning point run Southeasterly along the extension of the Easterly line of said J.H. Compton's Addition to the Northerly right of way of Depot Street; thence turn right and run Northwesterly along Depot Street to the Southernmost corner of the Weather's property; thence turn right 79 degrees 24 minutes 12 seconds and run Northerly along the Weather's property a distance of 60 feet, more or less, to the point of beginning.



20140422000117880 3/7 \$41.00  
Shelby Cnty Judge of Probate, AL  
04/22/2014 01:40:06 PM FILED/CERT

**EXHIBIT "B"**  
**TO UCC-1 FINANCING STATEMENT**

DEBTOR: **SHELBY SENIOR HOUSING, INC.** ("Borrower")

SECURED PARTY: **GRANDBRIDGE REAL ESTATE CAPITAL LLC** ("Lender")

ADDITIONAL SECURITY PARTY:  
**THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT ("HUD"** and together  
with the Lender the "**Secured Parties**")

Lender is making a mortgage loan to Debtor in the original principal amount of **\$2,480,000.00** (the "**Loan**"). The Loan is evidenced by a Multifamily Note dated as of April 1, 2014 in favor of the Lender (the "**Note**"), and secured by a Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (the "**Security Instrument**") of even date with the Note in favor of Secured Party. The Loan is being insured by HUD.

Capitalized terms not otherwise defined herein shall have the following meanings:

**"Collateral Agreement"** means any separate agreement between Debtor and Lender for the purpose of establishing replacement reserves for the Collateral Property, establishing an account to assure the completion of repairs or Improvements specified in that agreement, or any other agreement or agreements between Debtor and Lender which provide for the establishment of any other fund, reserve or account including but not limited to those reserves and escrows required by HUD.

**"Governmental Authority"** means any board, commission, department or body of any municipal, county, state, tribal or federal governmental unit, including any U.S. territorial government, and any public or quasi-public authority, or any subdivision of any of them, that has or acquires jurisdiction over the Collateral Property, including the use, operation or improvement of the Collateral Property.

**"Impositions"** means (1) any water, sewer or other similar charges, (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, (4) mortgage insurance premiums paid or to be paid to HUD, (5) ground rents, (6) any other amounts due under the Security Instrument that Debtor fails to pay, (7) Reserve for Replacement, Residual Receipts and all other escrows or



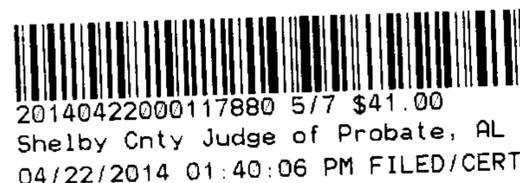
accounts required by Lender or HUD whether or not held by Lender or HUD, and/or (8) amounts for other charges and expenses which Lender at any time reasonably deems necessary to protect the Collateral Property, to prevent the imposition of liens on the Collateral Property, or otherwise to protect Lender's interests, all as reasonably estimated from time to time by Lender.

**"Reserve for Replacement"** means an account required by HUD and held by Lender for defraying certain costs of replacing major structural elements and mechanical equipment of the Improvements or for any other purpose.

**"Residual Receipts"** means certain funds, the distribution and use of which is restricted by HUD, held by non-profit, public body and limited dividend Debtors under loans insured or held by HUD pursuant to Section 220, Section 221(d)(3) and 231 of the National Housing Act, as amended.

The Security Instrument grants to Lender, *inter alia*, a security interest covering 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 to this Financing Statement (the "**Land**"), including any future replacements and additions (the "**Improvements**");
2. **Fixtures.** All property or goods that are or becomes so related or attached to the Land or the Improvements that an interest arises in them under real property law, whether acquired now or in the future, excluding all tenant owned goods and property and including but not limited to: 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; playground and exercise equipment; and classroom furnishings and 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 or electronically stored personal property (other than Fixtures) that are owned, leased or used by Debtor 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, choses in action and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all certificates, approvals and governmental permits relating to any activities on the Land. Generally, intangibles shall also include all cash and cash escrow funds, such as but not limited to: Reserve for Replacement accounts, bank accounts, Residual Receipts accounts, and investments. (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.** All insurance policies covering any part of the Collateral Property and all proceeds paid or to be paid by any insurer of any part of the Collateral Property, whether or not Borrower obtained the insurance pursuant to Lender's Secured Parties' requirements (the "**Insurance Proceeds**");

6. **Awards.** All awards, payments and other compensation made or to be made by any Governmental 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, including cash or securities deposited to secure performance by parties of their obligations (the "**Contracts**");

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

9. **Rents.** All rents (whether from residential or non-residential space), revenues, issues, profits (including carrying charges, maintenance fees, and other cooperative revenues, and fees received from leasing space *on or access to any part of* the Collateral Property) and other income of the Land or the Improvements, gross receipts, receivables, parking fees, laundry and vending machine income and fees and charges for food and other services provided at the Collateral Property, whether now due, past due, or to become due, Residual Receipts, and escrow accounts, however and whenever funded and wherever held (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 Collateral Property, or any portion of the Collateral Property (including but not limited to proprietary leases, non-residential leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals. (Ground leases that create a leasehold interest in the Land and where the Debtor's leasehold is security for the Loan re not included in this definition.) (the "**Leases**");

11. **Other.** All earnings, royalties, instruments, accounts, accounts receivable, supporting obligations, issues and profits from the any part of the Collateral Property, and all undisbursed proceeds of the Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

12. **Imposition Deposits.** Deposits held by the Lender to pay Impositions (the "**Imposition Deposits**");

13. **Refunds or Rebates.** All refunds or rebates of Impositions by any Governmental Authority or insurance company (other than refunds applicable to periods before the real property tax year in which the Security Instrument is dated);

14. **Tenant Security Deposits.** All tenant security deposits which have been forfeited by any tenant under any Lease;

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;

16. **Other Deposits and/or Escrows.** All deposits and/or escrows held by or on behalf of Lender under Collateral Agreements; and

17. **Litigation.** All awards, payments, settlements or other compensation resulting from litigation involving the Collateral Property.