

2013-003607

Klamath County, Oregon

04/04/2013 03:32:08 PM

Fee: \$67.00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Benjamin A. Kelley, Esq.
 Ballard Spahr LLP
 300 East Lombard Street
 18th Floor
 Baltimore, Maryland 21202

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 ARHC PPKLAOR01, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

c/o American Realty Capital
 405 Park Avenue, 12th Floor
 Attention: Edward M. Weil, Jr.

CITY

New York

STATE

NY

POSTAL CODE

10022

COUNTRY

USA

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR1e. TYPE OF ORGANIZATION
limited liability company1f. JURISDICTION OF ORGANIZATION
Delaware1g. ORGANIZATIONAL ID#, if any
5238370☐ NONE2. 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

1a. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE3. 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

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

c/o Red Mortgage Capital, LLC
 Two Miranova Place, 12th Floor

CITY

Columbus

STATE

OH

POSTAL CODE

43215

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

All items of personal property which are described on Schedule "A" hereto and which are located on, related to or used in connection with the real property described in Exhibit "A" hereto.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING6. ☒ 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) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

Land Records of Klamath County, Oregon

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

DMEAST #16541877 v1

(Pelican Pointe -- Borrower -- Local)

67 Amz

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT					
OR	9a. ORGANIZATION'S NAME ARHC PPKLAOR01, LLC				
	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 <u>one</u> name (11a or 11b) – do not abbreviate or combine names					
OR	11a. ORGANIZATION'S NAME				
	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. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input type="checkbox"/> ASSIGNOR S/P'S NAME – insert only <u>one</u> name (12a or 12b)					
OR	12a. ORGANIZATION'S NAME				
	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY
13. This FINANCING STATEMENT covers <input type="checkbox"/> timber to be cut or <input type="checkbox"/> as-extracted collateral, or is filed as a <input checked="" type="checkbox"/> fixture filing. 14. Description of real estate: <div style="text-align: center; font-size: 1.2em; margin-top: 20px;">See Exhibit A</div> 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 <u>only</u> if applicable and check <u>only</u> one box. Debtor is a <input type="checkbox"/> Trust or <input type="checkbox"/> Trustee acting with respect to property held in trust or <input type="checkbox"/> Decedent's Estate		
			18. Check <u>only</u> if applicable and check <u>only</u> one box. <input type="checkbox"/> Debtor is a TRANSMITTING UTILITY <input type="checkbox"/> Filed in connection with a Manufactured-Home Transaction – effective 30 years <input type="checkbox"/> Filed in connection with a Public-Finance Transaction – effective 30 years.		

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1AD) (rev. 07/29/98)

**SCHEDULE A
TO UCC FINANCING STATEMENT
(Borrower)
(Seniors Housing)**

DEBTOR: ARHC PPKLAOR01, LLC
C/O AMERICAN REALTY CAPITAL
405 PARK AVENUE, 12TH FLOOR
NEW YORK, NEW YORK 10022
ATTENTION: EDWARD M. WEIL, JR.

SECURED PARTY: FANNIE MAE
C/O RED MORTGAGE CAPITAL, LLC
TWO MIRANOVA PLACE, 12TH FLOOR
COLUMBUS, OHIO 43215

This financing statement covers 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 hereto (the "Land"), including any future replacements and additions (the "Improvements");
2. **Fixtures.** All property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: 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; and exercise 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 personal property (other than Fixtures) 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, 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 and

all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land, and all personal property currently owned or acquired by Debtor after the date hereof used in connection with the ownership and operation of the Land and the Improvements as a Seniors Housing Facility, all kitchen or restaurant supplies and facilities, dining room supplies and facilities, medical supplies and facilities, leasehold improvements, or related furniture and equipment, together with all present and future parts, additions, accessories, replacements, attachments, accessions, replacement parts and substitutions therefor, and any other equipment, supplies or furniture owned by Debtor and leased to any third party service provider or operator under any operating lease, use, occupancy, or lease agreements, as well as all licenses, to the extent permitted by applicable law and regulations, including replacements and additions thereto (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 Proceeds.** All proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Collateral Property, whether or not Debtor obtained the insurance pursuant to Lender's requirement (the "Insurance Proceeds");

6. **Awards.** All awards, payments and other compensation made or to be made by any municipal, state or federal 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, any contract or other agreement for the provision of goods or services at or otherwise in connection with the operation, use or management of the Land or the Improvements, and any cash deposited to secure performance by parties of their obligations (the "Contracts");

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

9. **Rents.** All rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including but not limited to payments under any Housing Assistance Payments Contract), parking fees, laundry and vending machine income and fees and charges for food, healthcare and other services provided at the Land or the Improvements, whether now due, past due, or to

become due, security deposits, entrance fees, application fees, processing fees, community fees and any other amounts or fees forfeited by any resident or tenant, together with and including all proceeds from any private insurance for residents to cover rental charges and charges for services at or in connection with the Land or the Improvements, and the payments and the right to receive payments from residents or Medicaid programs or similar federal, state or local programs, boards, bureaus or agencies, due for the rents or services of residents at the Land and Improvements (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 Land or the Improvements, or any portion of the Land or the Improvements and all modifications, extensions or renewals thereof, all residency, occupancy, admission, and care agreements pertaining to residents of the Land and Improvements and also specifically, that certain Operating Lease dated as of August 31, 2012, by and between Sugar Creek TRS, LLC and Debtor (the "Leases");

11. **Other.** All earnings, royalties, accounts, issues and profits from the Land, the Improvements or any other part of the Collateral Property, and all undisbursed proceeds of the loan secured by this Instrument and, if Debtor is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

12. **Imposition Deposits.** Deposits held by the Lender to pay when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Collateral Property, (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, and (4) 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 (the "Imposition Deposits");

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

14. **Tenant Security Deposits.** All resident and tenant security deposits, entrance fees, application fees, processing fees, community fees and any other amounts or fees deposited by any resident or tenant upon execution of a Lease which have not been forfeited by any resident or tenant (the "Tenant Security Deposits");

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 (the "Names");

16. **Accounts.** All money, funds, investment property, accounts, general intangibles, deposit accounts, chattel paper, documents, instruments, judgments, claims, settlements of claims, causes of action, refunds, rebates, reimbursements, reserves, deposits, subsidies, proceeds, products, rents and profits, now or hereafter arising, received or receivable, from or on account of the Debtor's management and operation of the Land and Improvements as a Seniors Housing Facility (the "Accounts"); and

17. **Inventory.** All right, title and interest of Debtor in and to inventory of every type and description, now owned and hereafter acquired, including, without limitation, raw materials, work in process, finished goods, goods returned or repossessed or stopped in transit, goods used for demonstration, promotion, marketing or similar purposes, property in, on or with which any of the foregoing may be stored or maintained, all materials and supplies usable or used or consumed at the Land or the Improvements, and all documents and documents of title relating to any of the foregoing, together with all present and future parts, additions, accessories, attachments, accessions, replacements, replacement parts and substitutions therefor or thereto in any form whatsoever (the "Inventory").

[Remainder of Page Intentionally Blank]

EXHIBIT A

Legal Description

LEGAL DESCRIPTION: Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1:

THAT PORTION OF TRACT 40B LYING SOUTH AND WESTERLY OF THE U.S.B.R. "A" CANAL AND EASTERLY OF WASHBURN WAY AND ALL OF TRACT 40C, ENTERPRISE TRACTS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

EXCEPTING THEREFROM THAT PORTION DEEDED TO KLAMATH COUNTY IN VOLUME 335, PAGE 87, AND PARCEL DEEDED TO UNITED STATE OF AMERICA FOR CANALS AND LATERALS RECORDED JUNE 25, 1909 IN VOLUME 27, PAGE 236 AND IN VOLUME 38, PAGES 209 AND 210, ALL DEED RECORDS OF KLAMATH COUNTY, OREGON, AND THAT PORTION OF TRACT 40C DESCRIBED AS FOLLOWS:

BEGINNING AT A ONE-HALF INCH IRON PIN ON THE EAST RIGHT OF WAY LINE OF WASHBURN WAY, SAID POINT BEING NORTH 00° 20' 00" EAST ALONG THE CENTERLINE OF WASHBURN WAY AND ALONG THE WEST LINE OF SECTION 34 A DISTANCE OF 332.19 FEET AND SOUTH 89° 33' 03" EAST A DISTANCE OF 30.00 FEET

FROM THE 5/8 INCH IRON PIN MARKING THE WEST ONE-QUARTER CORNER OF SECTION 34; THENCE NORTH 00° 20' 00" EAST ALONG THE EAST RIGHT OF WAY LINE OF WASHBURN WAY A DISTANCE OF 285.00 FEET TO A ONE-HALF INCH IRON PIN; THENCE SOUTH 89° 33' 03" EAST PARALLEL WITH THE NORTH LINE OF "MILLS GARDEN" SUBDIVISION A DISTANCE OF 472.43 FEET TO A ONE-HALF INCH IRON PIN; THENCE CONTINUING SOUTH 89° 33' 03" EAST A DISTANCE OF 29 FEET MORE OR LESS, TO THE WESTERLY RIGHT OF WAY LINE OF THE U.S.B.R. "A" CANAL; THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE IN THE NORTH LINE OF "MILLS GARDEN" SUBDIVISION; THENCE NORTH 89° 33' 03" WEST ALONG THE NORTH LINE OF "MILLS GARDEN" (SOUTH 89° 45' WEST BY SAID SUBDIVISION PLAT) A DISTANCE OF 20.96 FEET, MORE OR LESS, TO A TWO-INCH IRON PIPE; THENCE CONTINUING NORTH 89° 33' 03" WEST ALONG SAID SUBDIVISION LINE A DISTANCE OF 606.40 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF WASHBURN WAY.

PARCEL 2:

A TRACT OF LAND SITUATED IN TRACTS 40B AND 40C, ENTERPRISE TRACTS, IN THE NW 1/4 OF SECTION 34, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF KLAMATH, STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN LOCATED NORTH 0 DEGREES 24' WEST A DISTANCE OF 792.2 FEET FROM THE TWO-INCH PIPE MARKING THE INITIAL POINT OF "MILLS GARDENS" SUBDIVISION, SAID INITIAL POINT BEING NORTH 0 DEGREES 24' WEST A DISTANCE OF 15.0 FEET AND NORTH 89 DEGREES 45' EAST A DISTANCE OF 30.0 FEET

FROM THE WEST QUARTER CORNER OF SAID SECTION 34 ACCORDING TO THE OFFICIALLY RECORDED PLAT OF SAID "MILLS GARDENS" SUBDIVISION; THENCE NORTH 0 DEGREES 24' WEST A DISTANCE OF 85.0 FEET TO AN IRON PIN; THENCE NORTH 89 DEGREES 36' EAST A DISTANCE OF 100.0 FEET TO AN IRON PIN; THENCE SOUTH 0 DEGREES 24' EAST A DISTANCE OF 85.0 FEET TO AN IRON PIN; THENCE SOUTH 89 DEGREES 36' WEST A DISTANCE OF 100.0 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION LYING WITHIN THE BOUNDARIES OF WASHBURN WAY.