

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
LANDMARK TITLE
BY: TJA, DEPUTY - WI 7 P.

A. NAME & PHONE OF CONTACT AT FILER (optional) Jaime A. Montoya, Esq. (202) 293-8200
B. E-MAIL CONTACT AT FILER (optional) jmontoya@krooth.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Krooth & Altman LLP 1850 M Street, N.W. Suite 400 Washington, DC 20036

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 LIBERTY BLVD ASSOCIATES, LLC				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 6440 SOUTH WASATCH BLVD, SUITE 100		CITY SALT LAKE CITY	STATE UT	POSTAL CODE 84121
			COUNTRY USA	

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 RED MORTGAGE CAPITAL, LLC				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 1717 MAIN STREET, SUITE 900		CITY DALLAS	STATE TX	POSTAL CODE 75201
			COUNTRY USA	

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 only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

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

8. OPTIONAL FILER REFERENCE DATA:
FILE WITH SALT LAKE COUNTY (LIBERTY BLVD APARTMENTS; FHA PROJECT NO. 105-35251)

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

LIBERTY BLVD ASSOCIATES, LLC

OR 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

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

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

OR 11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

1670 Broadway, 25th Floor

CITY

Denver

STATE

CO

POSTAL CODE

80202

COUNTRY

USA

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.

**"Liberty Blvd Apartments"
FHA Project No. 105-35251**

17. MISCELLANEOUS:

EXHIBIT "A"
TO UCC-1 FINANCING STATEMENT
LEGAL DESCRIPTION

Beginning at a point on the Southerly line of Block 31, Plat "B", Salt Lake City Survey, said point being North 89°57'49" East along said Southerly line 2.59 feet from the Southeast corner of Lot 3 of said Block 31, and running thence South 89°57'49" West along said Southerly line 167.58 feet to the Southwest corner of said Lot 3; thence North 0°01'56" West along the Westerly line of said Lot 3 a distance of 155.11 feet; thence South 89°57'15" West 77.53 feet; thence North 0°01'57" West 10.00 feet; thence South 89°57'15" West 5.00 feet; thence South 0°01'57" East 1.50 feet; thence South 89°57'15" West 82.53 feet to a point on the Westerly line of said Block 31; thence North 0°01'57" West along said Westerly line 166.50 feet to the Northwest corner of Lot 4 of said Block 31; thence North 89°57'15" East along the Northerly line of said Lot 4 a distance of 102.00 feet; thence North 0°01'56" West 4.50 feet; thence North 89°57'15" East 63.07 feet to a point on the Easterly line of Lot 5 of said Block 31; thence North 0°01'56" West along said Easterly line and line extended 330.61 feet to a point on the Southerly right of way line of 400 South Street, said point being North 0°01'56" East along said Easterly line extension 5.00 feet from the Northeast corner of said Lot 5; thence North 89°56'41" East along said right of way line 165.07 feet to a point on the Easterly line extension of Lot 6 of said Block 31, said point being North 0°01'55" West along said Easterly line extension 5.00 feet from the Northeast corner of said Lot 6; thence South 0°01'55" East along said Easterly line and line extended 525.25 feet to a point on the Easterly line of said Lot 3; thence North 89°57'49" East 2.51 feet; thence South 0°01'55" East 140.03 feet to the point of beginning.

Tax Parcel Number: 16-05-308-063-0000

EXHIBIT "B"
TO UCC-1 FINANCING STATEMENT

DEBTOR:

LIBERTY BLVD ASSOCIATES, LLC, a Utah limited liability company ("**Debtor**")

SECURED PARTY:

RED MORTGAGE CAPITAL, LLC, a Delaware limited liability company ("**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 \$39,345,500.00 (the "**Loan**"). The Loan is evidenced by a Multistate Note in favor of the Lender (the "**Note**"), and secured by a Multifamily Trust Deed, Assignment of Leases and Rents and Security Agreement (Utah) (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:

"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 Mortgaged Property, including the use, operation or improvement of the Mortgaged 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 Mortgaged Property, to prevent the imposition of liens on the Mortgaged 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.

The Security Instrument grants to Lender, *inter alia*, a security interest covering the following types (or items) of property (the "**Mortgaged 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, computers, 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; 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 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 Mortgaged Property and all proceeds paid or to be paid by any insurer of any part of the Mortgaged 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 Mortgaged 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 Mortgaged 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 Mortgaged 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 Mortgaged 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 Mortgaged 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 Mortgaged 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 Mortgaged Property, or any portion of the Mortgaged 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 Mortgaged Collateral, 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. **Names.** All names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

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

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