

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A NAME & PHONE OF CONTACT AT FILER (optional) Cynthia Chapman (513) 723-4000
B E-MAIL CONTACT AT FILER (optional)
C SEND ACKNOWLEDGMENT TO (Name and Address) Ms. Cynthia Chapman Vorys, Sater, Seymour and Pease LLP 301 East Fourth Street Suite 3500, Great American Tower Cincinnati, OH 45202

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 GRACE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP				
OR				
1b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c MAILING ADDRESS 40 Court Street, Suite 700	CITY Boston	STATE MA	POSTAL CODE 02108	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 A** attached hereto for a description of the real estate to which certain of the collateral relates. See **Exhibit B** attached hereto for a description of the collateral.

Either Secured Party, acting alone, is authorized to file continuation statements with respect to this financing statement.

5. Check <u>only</u> if applicable and check <u>only one</u> box. Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative				
6a. Check <u>only</u> if applicable and check <u>only one</u> 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 one</u> box <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing	
7. ALTERNATIVE DESIGNATION (if applicable) <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor				
8. OPTIONAL FILER REFERENCE DATA				

RI UCC Index Grace Church Apartments; FHA Project No. 016-35126

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 <input type="checkbox"/>				
9a ORGANIZATION'S NAME				
GRACE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP				
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 ADDITIONAL NAME(S)/INITIAL(S)			SUFFIX	
10c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
11. <input checked="" type="checkbox"/> ADDITIONAL SECURED PARTY'S NAME or <input type="checkbox"/> ASSIGNOR SECURED PARTY'S NAME Provide only one name (11a or 11b)				
11a ORGANIZATION'S NAME				
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT C/O PROVIDENCE FIELD OFFICE				
OR				
11b INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
11c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
121 South Main Street, Suite 300	Providence	RI	02903	USA
12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)				

<p>13 <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)</p> <p>15 Name and address of RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest)</p>	<p>14 This FINANCING STATEMENT <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing</p> <p>16 Description of real estate See Exhibit A attached hereto.</p>
---	--

17. MISCELLANEOUS

NAME OF FIRST DEBTOR (1A OR 1B) ON RELATED FINANCING STATEMENT

ORGANIZATION'S NAME

GRACE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP

INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

NAME OF FIRST SECURED PARTY (3A OR 3B) ON RELATED FINANCING STATEMENT

ORGANIZATION'S NAME

RED MORTGAGE CAPITAL, LLC

INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

EXHIBIT A TO UCC FINANCING STATEMENT

ALL THAT CERTAIN LOT, or parcel of land, with the buildings and improvements thereon, located on the southeasterly side of Washington Street and the southwesterly side of Jackson Walkway in the City of Providence, County of Providence and State of Rhode Island, being bounded and described as follows:

BEGINNING at a point in the southeasterly line of Washington Street, which point is 73 feet southwesterly of the southerly intersection of said Washington Street with Jackson Walkway, being also the westerly corner of land now or formerly of Santi Campanella; thence running southeasterly bounding northeasterly on said Campanella land 21.39 feet to a corner; thence turning an interior angle of 269° 57' 40" and running northeasterly bounding northwesterly on said Campanella land 72.99 feet to said Jackson Walkway; thence turning an interior angle of 90° and running southeasterly bounding northeasterly on said Jackson Walkway 208.06 feet to Green Walkway, so-called; thence turning a 90° angle and running southwesterly bounding southeasterly on said Green Walkway 201.05 feet to a point for a corner; thence turning an interior angle of 90° 05' 30" and running northwesterly bounding southwesterly on land now or formerly of Reynolds Regency Corporation, et al 229.36 feet to said southeasterly line of Washington Street; thence turning an interior angle of 89° 56' 50" and running northeasterly bounding northwesterly on said Washington Street 128.41 feet to the point or place of beginning.

BE ALL SAID MEASUREMENTS, more or less, or however otherwise the same may be bounded and described.

BEING designated as Lot 440 on Tax Assessor's Plat 25 of the City of Providence, as presently constituted, for reference purposes only.

NAME OF FIRST DEBTOR (1A OR 1B) ON RELATED FINANCING STATEMENT

ORGANIZATION'S NAME GRACE PRESERVATION ASSOCIATES LIMITED PARTNERSHIP			
INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

NAME OF FIRST SECURED PARTY (3A OR 3B) ON RELATED FINANCING STATEMENT

ORGANIZATION'S NAME RED MORTGAGE CAPITAL, LLC		
INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

EXHIBIT B TO UCC FINANCING STATEMENT

All of the Debtor's present and future right, title, and interest in and to all of the following described property and interests in property (whether now owned or existing or hereafter acquired, arising or created), to the fullest extent such property and interests in property may, under applicable law, be subject to a security interest under the Uniform Commercial Code:

- a. **The Collateral Property.** All of the "Collateral Property," which is defined as the Mortgaged Property (as defined below) except the Land (as defined below); and
- b. **Products and Proceeds.** All products and cash proceeds and non-cash proceeds of any of the Collateral Property.

As used herein, the "Mortgaged Property" means all of the following:

1. **Land.** The land and/or estate in realty described in Exhibit A to this UCC Financing Statement (the "Land");
2. **Improvements.** The buildings, structures, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions (the "Improvements");
3. **Fixtures.** All property or goods that are or become 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 and exercise equipment, and classroom furnishings and equipment (the "Fixtures");

4. **Personalty.** All equipment, inventory, and general intangibles (the "Personalty"). The definition of "Personalty" includes 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 certifications, 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: replacement reserve funds, bank accounts, residual receipts funds, and investments;
5. **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;
6. **Insurance Policies and Proceeds.** All insurance policies covering the Mortgaged Property, and 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 Mortgaged Property, whether or not Debtor obtained such insurance policies pursuant to Secured Party's requirement;
7. **Awards.** All awards, payments and other compensation made or to be made by any Governmental Authority (as defined below) 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. As used herein, "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;

8. **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;
9. **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, and the right to collect such proceeds, liquidated claims, or other consideration;
10. **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 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;
11. **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 Debtor is a cooperative housing corporation), and all modifications, extensions, or renewals ("Leases"). Ground leases that create a leasehold interest in the Land and where the Debtor's leasehold is security for the loan from Secured Party to Debtor are not included in this definition;
12. **Other.** All earnings, royalties, instruments, accounts, accounts receivable, supporting obligations, issues and profits from the Land, the Improvements, or any other part of the Mortgaged Property, and all undisbursed loan proceeds; and, if Debtor is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
13. **Imposition Deposits.** All deposits made with Secured Party by Debtor for payments of the following (collectively, "Impositions"): mortgage insurance premiums (or monthly service charges in lieu thereof), ground rents, premiums on policies of fire and other property insurance, water rates, Taxes (as defined below), and municipal/government utility charges and special assessments; all other required escrows and deposits, including any replacement reserves; and deposits as may be required by any Collateral Agreement (as defined below). As used herein, "Taxes" means all 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, could become a lien on the Land or the Improvements; and "Collateral Agreement" means any separate agreement between Debtor and Secured Party for the purpose of establishing replacement reserves for the