

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT ("Agreement") is made and entered into this 19th day of June 2020 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **NEST A-LEXINGTON, LLC**, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (hereinafter referred to as the "Borrower").

WITNESSETH:

WHEREAS, pursuant to Chapter 2, Article XXXXV, Section 2-482 of the Lexington-Fayette Urban County Code of Ordinances ("the Code"), the Affordable Housing Fund ("the Fund") was created to preserve, produce, and provide safe, quality, and affordable housing; and

WHEREAS, pursuant to Chapter 2, Article XXXXV, Section 2-479 of the Code, the Affordable Housing Governing Board oversees and manages the administration of the Fund; and

WHEREAS, Borrower by application dated August 19, 2019 and updated on February 24, 2020 (hereinafter referred to as the "Application"), has applied for and has received approval for funds for a specific housing related project described below (hereinafter referred to as the "Eligible Activity"); and

WHEREAS, in order to assist Borrower in the funding of the Eligible Activity, LFUCG is willing to make funds available to Borrower from the Fund under the terms and conditions of this Agreement; and

WHEREAS, on October 31, 2019 and updated on May 12, 2020, LFUCG issued to Borrower a Commitment Letter under LFUCG's Affordable Housing Fund Program (hereinafter referred to as the "Program") which was accepted by Borrower ("Commitment Letter"), attached hereto as Exhibit A and the terms and conditions of which are incorporated herein; and

WHEREAS, the project for which Borrower has been approved includes construction activities.

NOW, THEREFORE, the parties do hereby agree as follows:

Article 1 - Commitment

1.1 LFUCG'S COMMITMENT. Pursuant to the Application, the Commitment Letter and this Agreement, LFUCG will make available an amount not to exceed **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)** ("Loan") to Borrower from the Fund. Affordable Housing Funds will be disbursed by LFUCG to Borrower in accordance with the requirements set forth in this Agreement and conditioned upon Borrower's continued satisfactory performance under the terms of this Agreement. The Loan will be made available in the form of a **One HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT and 00/100 dollars (\$163,668.00)** 0% 15 year forgivable loan whereby as long as the Project (defined below) remains in compliance with Affordable Housing

Fund requirements and guidelines, one fifteenth (1/15th) of the original principal balance will be forgiven annually; and a **One HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT and 00/100 dollars (\$163,668.00)** 2% 15 year amortizing mortgage loan, with payments beginning on July 1, 2020, until paid in full. The Loan will be evidenced by promissory notes (“Notes”) in form and substance satisfactory to LFUCG payable to LFUCG and signed by Borrower. Principal and interest (if any) of the Loan shall be amortized in equal, consecutive monthly installments of principal and accrued but unpaid interest, commencing as set forth in the Notes and continuing until principal and interest have been paid in full. All unpaid principal and accrued interest shall be due July 1, 2035 (“Maturity Date”). In the event of any inconsistency between the Application, the Commitment Letter and this Agreement, this Agreement will control. The Loan will be expended only for the purpose of construction of the Project (defined below) described in the mortgage(s) executed pursuant to Section 1.2 below and in conformity with the other provisions of this Agreement, the Commitment and the Application. Further, LFUCG will not be required to advance any amount under this Agreement if an Event of Default (as hereinafter defined) has occurred and is continuing.

1.2 MORTGAGE; OTHER SECURITY. The performance of the Borrower’s obligations under this Agreement shall be secured by a mortgage lien, or mortgage liens, in favor of LFUCG in the total principal amount of the Loan in form and substance satisfactory to LFUCG. In the sole discretion of LFUCG, the performance of Borrower’s obligations under this Agreement may also be secured by an Assignment of Leases and Rents, Security Agreement, UCC-1 Financing Statement, Fixture Filing, and such other documents as LFUCG may in its sole discretion require (collectively, the mortgage(s) and the other security documents described in this subsection are referred to as the “Security Documents,” as attached hereto as Exhibit B, the terms and conditions of which are incorporated herein).

1.3 ELIGIBLE ACTIVITY. The Loan has been made available based upon the information provided by Borrower in the Application. The sole purpose of this allocation of funds is and will be to acquire and rehabilitate nine (9) single family homes and one (1) duplex (“Project”). The Project shall be constructed at 319 Race Street, 306 E. 7th Street, 430 Hawkins Street, 763 Florence Avenue, 460 Chestnut Street, 456 Chestnut Street, 419 E. Fifth Street, 421 E. Fifth Street, 540 Chestnut Street and 227 E. Seventh Street. (“Properties”).

1.4 PROPERTIES. In the event the Project includes new construction activities, Borrower must identify specific units (the “Units”) to be assisted. Once identified, Units may not be changed, removed or substituted without prior written approval of LFUCG.

ARTICLE 2 - REPRESENTATIONS AND WARRANTIES OF BORROWER

2.1 Borrower represents and warrants that:

(a) The Properties will be free and clear of all encumbrances, except for Permitted Encumbrances defined in the mortgage entered contemporaneously herewith, easements, restrictions, stipulations and rights-of-way of record, applicable zoning rules and regulations and taxes which may be due and payable or which have been assessed and become a lien against the property whether or not yet due and payable;

(b) All funds disbursed hereunder will be used only for construction or

development expenses, as applicable, of the Properties, as approved by LFUCG, and said funds will not be used in any other manner or for any other purpose; and

(c) The construction work has been approved by the appropriate local, regional and state agencies, including those concerned with planning and zoning, public works and health.

2.2 Borrower understands and acknowledges that projects assisted with LFUCG Funds must, at a minimum, meet the requirements set out in this Agreement. Borrower will supply, at LFUCG's request, all necessary documentation to substantiate compliance with this paragraph.

2.3 Borrower represents and warrants that, at the time any advances are made by LFUCG as provided herein, the Properties will contain no substance known to be hazardous such as hazardous waste, lead-based paint (in violation of Federal or State law), asbestos, methane gas, urea formaldehyde, insulation, oil, toxic substances, polychlorinated biphenyls (PCBs) or radon, and Borrower shall take all action necessary to insure that the Properties contain no such substances. Further, the Properties will not be affected by the presence of oil, toxic substances or other pollutants that could be a detriment to the Properties, nor is Borrower or are the Properties in violation of any local, state or federal environmental law or regulation and no violation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Toxic Substance Control Act, Safe Drinking Water Control Act, Comprehensive Environmental Resource Compensation and Liability Act or Occupational Safety and Health Act has occurred or is continuing. Borrower will take all actions within its control necessary to insure that no such violation occurs. Borrower will immediately deliver to LFUCG any notice it may receive about the existence of any of the foregoing hazardous conditions on the Properties or about a violation of any such local, state or federal law or regulation with respect to the Properties.

2.4 Borrower is duly organized and validly existing and in good standing under the laws of the State of Ohio; has the power and authority, corporate or otherwise, to own its Properties and carry on its business as being conducted; and is duly qualified to do business wherever qualification is required. Borrower has been organized pursuant to state law for the primary purpose of providing housing to persons and families of lower and moderate income. Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering the performance of its duties under this Agreement, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any cease or desist order.

2.5 Plans and Specifications for the Project are satisfactory to Borrower and, to the extent required by applicable law, have been approved by all governmental agencies and authorities having jurisdiction thereof, and the use of the Project site(s) contemplated hereby will comply with all local zoning requirements.

2.6 There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting it or the Project or involving the validity or enforceability of any mortgage or the priority of the mortgage lien granted by or to Borrower, at law or in equity, on or before or by any governmental authority or any other matters which would substantially impair the ability of Borrower to pay when due any amounts which may become payable in respect to the Note, and to the Borrower's knowledge, it is not in default with respect to any order, writ, judgment, injunction, decree or demand of any court of any governmental authority.

2.7 The consummation of the transaction contemplated hereby and the performance of this Agreement and any Mortgage, if so required, will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or other loan, credit agreement, corporate charter, bylaw or any other instrument to which the Borrower is a party or by which it may be bound or affected.

ARTICLE 3 – REQUIREMENTS FOR DISBURSEMENT

3.1 **DISBURSEMENT OF AFFORDABLE HOUSING FUNDS.** The Loan will be disbursed to Borrower upon receipt by LFUCG of the following:

- (a) an executed original of the Authorized Signature form; and
- (b) evidence that the Project will remain affordable as provided below;
- (c) proof of costs in adherence to LFUCG's requirements for draws and inspections for the Program activity under this Agreement (construction draws);
- (d) execution of the Notes, recordation of a valid mortgage lien against the Properties securing repayment of the Loan, and execution of any and all other Security Documents which may be required by LFUCG.

LFUCG will not be required to advance any amount hereunder if an Event of Default (hereinafter defined) has occurred and is continuing.

3.2 **AFFORDABILITY PERIOD.** Five (5) of the Project units must remain affordable to households at or below sixty percent (60 %) and the remaining six (6) Project units must remain affordable to households at or below eighty percent (80%) of the area median income pursuant to the guidelines of the United States Department of Housing and Urban Development (HUD) for a minimum of fifteen (15) years from date the Loan proceeds are first expended on each unit in the Project. Affordability must be ensured by recorded deed restrictions for all Properties receiving Affordable Housing Funds.

3.3 **SECTION 8 RENTAL ASSISTANCE.** If Loan proceeds are used to construct rental property, Borrower will not refuse to lease any Unit assisted with Affordable Housing Funds to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, as amended, solely because of the status of the prospective tenant as a holder of a certificate or voucher. Provided, however, if the rent required for the Unit is based upon a percentage of the prospective tenant's income through project design, or the assisted housing unit(s) utilize project-based rental housing assistance through another source, this section will not apply. This section does not apply to homeowner-occupied units of housing assisted with Affordable Housing Funds.

3.4 **INSURANCE.** For all Properties assisted with Affordable Housing Funds, the Borrower or Property Owner must maintain all risk, fire and extended coverage, in form and with companies acceptable to LFUCG, for each Unit of the Project and any improvements to be constructed thereon in an amount of not less than the Affordable Housing Funds made available to Borrower for each Unit of the Project. Each policy must include appropriate loss payable clauses in favor of LFUCG or Borrower, as applicable, as beneficiary and without right of cancellation or change except upon thirty (30) days' written notice to LFUCG. Borrower will deliver proof of all insurance to LFUCG upon request.

3.5 REPAYMENT. In the event that repayment of the Affordable Housing Funds is required, Borrower agrees to repay funds to the Fund through LFUCG on a timely basis.

3.6 CLOSING COSTS. All costs associated with funding under this Agreement will be borne by the Borrower, including but not limited to the cost of attorney's fees, documentation, recording fees, and costs associated with disbursement. There will be a one percent (1%) Closing Cost Fee of **THREE THOUSAND TWO HUNDRED SEVENTY THREE AND 00/100 DOLLARS (\$3,273.00)** payable to LFUCG at the date of the closing.

3.7 LEGAL MATTERS. All legal matters incident to the contemplated transaction will be concluded to the satisfaction of LFUCG's Department of Law.

3.8 PROOF OF CORPORATE ACTION. Prior to execution of this Agreement, LFUCG shall have received (i) copies of Borrower's organizational documents; (ii) confirmation from the Secretary of State of Borrower's organizational jurisdiction that Borrower is a validly existing entity in good standing, and (iii) a resolution from the Borrower's Board of Directors, member, manager or general partner, as appropriate, authorizing the execution of the legal documents evidencing the funding received under this Agreement. If Borrower is a foreign entity, it shall, in addition to jurisdictional organizational documents, provide evidence of its authority to conduct business in the Commonwealth of Kentucky.

ARTICLE 4 - CONSTRUCTION LOAN TERMS

4.1 PLANS AND SPECIFICATIONS. Borrower will develop the Properties in accordance with plans and specifications which have been approved by LFUCG, or by any other agency approved by LFUCG, which plans and specifications, upon such approval, will be incorporated herein by reference. Said plans and specifications will include and specifically identify all roads, sewer lines and water lines and will provide for the development of the Properties in conformance with applicable Affordable Housing Program requirements. Said plans and specifications may be subject to minor changes as required to comply with state and local building codes and to conform to the Properties, provided such changes are approved by LFUCG. In addition to said plans and specifications, Borrower will prepare or cause to be prepared from time to time such additional plans and drawings, including working drawings, shop drawings and supplemental specifications, as may be necessary or desirable to facilitate expeditious construction of the improvements in accordance with the approved plans and specifications and will cause copies of all such additional items to be delivered to LFUCG. All of said plans and specifications and any such additional items so approved are hereinafter collectively referred to as the "Plans and Specifications." Borrower will not deviate nor permit any such deviation from the Plans and Specifications without the prior written consent of LFUCG.

4.2 NO LIENS. Borrower will cause all work to be performed, including all labor, materials, supervision, supplies, equipment, architectural, and engineering services necessary to complete the improvements, in accordance with the Plans and Specifications. The Borrower will complete the improvements free from all materialmen's liens and all mechanic's liens and claims. All contracts with subcontractors and materialmen will contain, upon the request of LFUCG, a provision for not less than ten percent (10%) retainage to ensure adequate and complete performance in connection with interim or progress payments hereunder. Advances of the

Affordable Housing Funds by LFUCG will not be made until a representative of LFUCG has inspected the improvements, certified their completion and received from the general contractor and all subcontractors' affidavits, in form and substance satisfactory to LFUCG, stating that payment will constitute payment in full of all amounts due and owing to them and their suppliers.

4.3 DEADLINE ON PROPERTY DEVELOPMENT. Borrower will begin development of the Properties within 30 days after an advance is made hereunder for the Properties and will cause all development work to be pursued with diligence and without delay. Borrower will cause the improvements to be constructed in a good and workmanlike manner in substantial compliance with the Plans and Specifications and in all respects in full compliance with all laws, rules, permits, requirements and regulations of any governmental agency or authorities having jurisdiction over the Property.

4.4 USE OF FUNDS. Borrower will cause all Affordable Housing Funds borrowed or advanced pursuant hereto to be applied entirely and exclusively for the construction, acquisition, rehabilitation or development, as applicable, of the Properties and payment of labor and materials in the completion of development work in substantial compliance with the Plans and Specifications and for the payment of such other costs incidental thereto as may be specifically approved in writing by LFUCG.

4.5 RIGHT OF INSPECTION. Borrower will permit access by LFUCG to the books and records of Borrower and to the Property and all improvements at reasonable times. In the event LFUCG determines that any work or materials are not substantially in conformance with the Plans and Specifications, or are not in conformance with any applicable laws, regulations, permits, requirements or rules of any governmental authority having or exercising jurisdiction thereover or are not otherwise in conformity with sound building practices, LFUCG may stop the work and order replacement or correction of any such work or materials. Such inspection will not be construed as a representation or warranty by LFUCG to any third party that the improvements are, or will be, free of faulty materials or workmanship.

4.6 UNDERTAKING. If required by LFUCG prior to disbursement of Affordable Housing Funds hereunder and thereafter as LFUCG may require, Borrower will deliver to LFUCG (a) an agreement between Borrower and the architect who has prepared the Plans and Specifications whereby such architect agrees that the agreement is assignable to LFUCG upon the same terms and conditions as exist in said agreement; (b) an agreement between Borrower and Borrower's contractor whereby Borrower's contractor agrees that the agreement is assignable to LFUCG upon the same terms and conditions as exist in said agreement; (c) copies of all subcontracts and material purchase orders between Borrower's contractor and any persons, firms, or corporations with whom it has contracted to provide labor, materials or services with respect to the construction of the improvements, where any such contract exceeds a minimum price of Five Thousand Dollars (\$5,000.00); and (d) if requested in writing by LFUCG, a list of all persons, firms and corporations who have provided or proposed to provide labor, materials or services in connection with construction of the improvements.

4.7 NONLIABILITY OF LFUCG. This Agreement will not be construed to make LFUCG liable to materialmen, contractors, craftsmen, laborers or others for goods and services delivered by them to or upon the Properties or for debts or claims accruing to said parties against the Borrower. There are no contractual relationships, either express or implied, between LFUCG and any materialmen, contractors, craftsmen, laborers or any other persons supplying work, labor

or materials on the job, nor will any third person or persons, individual or corporate, be deemed to be beneficiaries of this Agreement or any term, condition or provisions hereof or on account of any actions taken or omitted by LFUCG pursuant hereto.

ARTICLE 5 – BREACH OR DEFAULT

5.1 RECAPTURE OF FUNDS; BREACH OF AGREEMENT. In the event of a breach, LFUCG may suspend Borrower's authority to draw Affordable Housing Funds at any time by giving notice to Borrower. LFUCG has the right, in its sole discretion, to terminate disbursement of funds and/or recapture any remaining portion of Affordable Housing Funds and/or require repayment of Affordable Housing Funds already disbursed upon the occurrence of one or more of the following events (“Breach”):

(a) Borrower does not diligently pursue the activity detailed in Borrower’s Application and for which Affordable Housing Funds have been awarded;

(b) Borrower violates any of the terms of this Agreement, the Affordable Housing Program statutes, the Notes evidencing the Affordable Housing Funds under this Agreement or any other Security Document entered into pursuant to this Agreement;

(c) Borrower does not submit reports or submits inadequate reports pursuant to Article 6 below;

(d) Borrower defaults under any of the terms of this Agreement or any other document executed in conjunction with funding under this Agreement, and such default is not cured within any applicable cure period;

(e) Borrower is unable to draw all Affordable Housing Funds, as set forth in the closing documents, in no instance later than twenty-four (24) months from the date of this Agreement;

(f) Borrower is unable to document its participation in the project throughout the compliance period as required of nonprofit material participation per IRC Section 42;

(g) The information submitted to LFUCG by Borrower, upon which LFUCG relied in its decision to allocate funds to Borrower, proves to be untrue or incorrect in any material respect; or

(h) LFUCG determines in its sole discretion that it would be inadvisable to disburse Affordable Housing Funds to Borrower because of a material and adverse change in Borrower’s condition.

5.2 EVENTS OF DEFAULT. Occurrence of one or more of the following events will, in the sole discretion of LFUCG, constitute an event of default:

(a) Any installment of principal or interest required by the Promissory Notes remains unpaid for more than ten (10) days after the due date thereof;

(b) Any representation or warranty made herein, or in any certificate, report or statement furnished to LFUCG in connection with the Affordable Housing Funds or the Notes proves to have been untrue or misleading in any material respect when made;

(c) Failure of Borrower to perform any of the provisions of the Notes, this Agreement or any other document executed in connection with this Agreement;

(d) Borrower's violation of the affordability requirements, whether evidenced by recorded Deed Restriction or owner certification of continued compliance;

(e) The entry of any lien or encumbrance against the Properties, except for Permitted Encumbrances defined in the mortgage entered contemporaneously herewith, and ad valorem taxes which are not yet due and payable and liens incurred in the ordinary course of business with respect to amounts which are not yet due and payable without penalty or interest;

(f) Borrower fails to prosecute Project site development work with diligence so that construction thereof will be completed in a timely manner;

(g) Any party obtains or seeks an order or decree in any court of competent jurisdiction seeking to enjoin the construction of the improvements or to delay construction of the same or to enjoin or prohibit Borrower or LFUCG from carrying out the terms and conditions hereof, and such proceedings are not discontinued or such decree is not vacated within thirty (30) days after LFUCG has given Borrower notice under the provisions hereof

(h) Borrower discontinues the construction work and abandonment continues for a period of ten (10) days;

(i) Borrower permits cancellation or termination of any insurance policy required under this Agreement or fails, if required, to obtain any renewal or replacement thereof satisfactory to LFUCG;

(j) Borrower (A) becomes bankrupt, or ceases, becomes unable, or admits in writing its inability to pay its debts as they mature, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, creditors; (B) applies for, or consents (by admission of material allegations of a petition or otherwise) to the appointment of a trustee, receiver or liquidator of the Borrower or of a substantial portion of its assets, or authorizes such application or consent, or proceedings seeking such appointment are commenced without such authorization, consent or application against it and which are not dismissed or stayed within fifteen (15) days; (C) authorizes or files a voluntary petition in bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction; or authorizes such application or consent; or proceedings to such end are instituted against the Borrower without such authorization, application or consent and are approved as properly instituted, which are not dismissed within fifteen (15) days or which result in adjudication of bankruptcy or insolvency;

(k) Borrower is found to have violated any law or regulation, whether federal or state; or

5.3 CURE OF BREACH OR DEFAULT; PENALTIES. If any breach or default is not cured within thirty (30) days from the date LFUCG notifies Borrower of the breach or default, LFUCG may continue suspension of disbursements. Additionally, LFUCG may declare the loan and/or grant immediately due and payable and may institute proceedings for its collection. LFUCG may terminate this Agreement by giving written notice to Borrower. In the event of a termination, Borrower's authority to draw Affordable Housing Funds will terminate as of the date of the notice of termination and Borrower will have no right, title or interest in or to any remaining Affordable Housing Funds.

5.4 MISAPPROPRIATION OF FUNDS. Borrower will be liable for any and all misappropriation of Affordable Housing Funds, audit exceptions by state or federal agencies, and violations of the terms of this Agreement. LFUCG also has the right to require Borrower to repay

to LFUCG a portion of or all Affordable Housing Funds drawn by Borrower in cases of breach involving misappropriation of funds or fraudulent uses of funds.

5.5 RIGHTS UPON DEFAULT. If one or more of the events of default described above occur, LFUCG may declare Borrower to be in default under this Agreement by giving not less than then (10) days prior written notice (or other notice required by applicable default provisions in other LFUCG loan documents) to Borrower, except for a default in payment, in which case no notice is required, and thereafter, LFUCG may exercise any one or more of the following remedies:

(a) Terminate the credit hereby extended, declare the entire unpaid balance and all accrued but unpaid interest under the Notes due and payable and institute proceedings for collection thereof. Provided, however, LFUCG may make advances under the occurrence of an event of default without waiving any of its rights hereunder;

(b) Exercise its rights under the Notes or any other Security Document;

(c) Enter upon the Project site(s), expel and eject Borrower and all persons claiming through or under Borrower and collect the rents and profits therefrom;

(d) Complete the Project site development work at the cost and expense of Borrower and add such cost to the debt evidenced by the loan and/or grant and this Agreement and secured by the Security Documents;

(e) Have discharged of record any mechanic's and materialmen's lien or other lien against the Project site(s);

(f) Institute such legal proceedings or other proceedings in the name of Borrower or LFUCG as LFUCG may deem appropriate for the purpose of protecting the Project site(s) and LFUCG's interests therein; or

(g) Do and perform all acts and deeds in the name of Borrower or LFUCG as LFUCG deems necessary or desirable to protect the Project site(s) and LFUCG's interests therein.

(h) All of the rights and remedies of LFUCG under this Agreement shall be cumulative and to the fullest extent permitted by law and shall be in addition to all those rights and remedies afforded LFUCG at law or in equity or in bankruptcy.

5.6 PAYMENTS DUE TO DEFAULT. Borrower shall reimburse and fully compensate LFUCG upon demand for all loss, damage and expense, including without limitation reasonable attorney's fees and court costs, together with interest on the amount thereof from the date the same accrues at the rate of twelve percent (12%) per annum, incurred by LFUCG (a) by reason of any default or defaults hereunder or under this Agreement, the Notes, or the Security Documents or any other loan document executed by Borrower, (b) by reason of the neglect by Borrower of any duty or undertaking hereunder or under the Security Documents and (c) in the exercise of any right or remedy hereunder or under the Security Documents.

ARTICLE 6 – RECORDS; REPORTING

6.1 RECORDS; ACCESS. Borrower agrees to keep adequate records pertaining to the Project and the uses of Affordable Housing Funds. Borrower agrees to provide LFUCG or its designee access to all of its books and records, including fiscal records, for the purpose of program assessment reviews, and to retain all books and records until the later of three (3) years from the

termination of this Agreement, or until all audits of performance during the term of this Agreement have been completed, or until any pending litigation involving this grant or related books and records is settled. Borrower agrees to maintain its books and records in accordance with generally accepted accounting principles. Nothing in this Agreement will be construed to limit the ability of LFUCG to monitor implementation of the project funded by this Agreement.

6.2 REPORTING REQUIREMENTS. In the event project activity reports are required, reports must be submitted as requested by LFUCG, on the forms provided by LFUCG, beginning the first calendar quarter after Borrower receives a disbursement of Affordable Housing Funds.

6.3 ANNUAL FINANCIAL REPORTING. Borrower agrees to provide LFUCG or its designee audited financials and/or Financial Compilation Reports on an annual basis during the term of this Agreement.

6.4 WARRANTY AS TO INFORMATION. Borrower acknowledges that its award of Affordable Housing Funds has been based upon information received from Borrower. Borrower warrants that the financial and other information furnished by Borrower to LFUCG was, at the time of application, and continues to be, true and accurate.

6.5 PROGRAM COMPLIANCE. Borrower agrees to comply with the LFUCG Affordable Housing Program guidelines and criteria relating to the Fund.

ARTICLE 7 - MISCELLANEOUS

7.1 NOTICES. Any notice required or permitted to be given pursuant to this Agreement will be deemed to have been duly given when properly addressed and hand-delivered, or mailed by registered or certified mail with postage prepaid, to Borrower or LFUCG, as the case may be, at the following addresses or to such other place as any of the parties may for themselves designate in writing from time to time for the purpose of receiving notices pursuant hereto:

Borrower: Nest A-Lexington LLC
5500 Frantz Road, Suite 153
Dublin, OH 43017
ATTN: Clint Edgington, President

LFUCG: Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
ATTN: Charlie Lander, Director of the Division of Grants and Special

Programs

7.2 COSTS TO BE PAID BY BORROWER. All items which Borrower agrees to furnish under this Agreement will be furnished at Borrower's sole cost and expense.

7.3 NON-DISCRIMINATION AND FAIR HOUSING RULES. The Project and all contractors and major subcontractors engaged in connection therewith shall comply with all fair housing and non-discrimination statutes and regulations as they are amended from time to time,

which include but are not limited to the following, each of which is hereby incorporated by reference into this Agreement:

Fair Housing Act (Title VIII of the Civil Rights Act of 1968);
24 CFR § 5.105, which prohibits discrimination on the basis of actual or perceived sexual orientation or gender identity, and marital status;
Title VI of the Civil Rights Act of 1964;
Section 504 of the Rehabilitation Act of 1973;
Section 109 of Title I of the Housing and Community Development Act of 1974;
Title II of the Americans with Disabilities Act of 1990;
Architectural Barriers Act of 1968;
Age Discrimination Act of 1975;
Title IX of the Education Amendments Act of 1972;
Presidential Executive Orders 11063, 11246, 12892, 12898, 13166, 13217; and
Nondiscrimination and Equal Opportunity requirements [24 CFR §5.105(a)].
Chapter 2, Article 2, §§2-26 – 2-46 of the Code.

7.4 SUSPENSION AND DEBARMENT. Borrower certifies by submission of its application and execution of this Agreement that to the best of its knowledge and belief after reasonable investigation, that it and/or its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any transaction under this Agreement by any federal department or agency, or under LFUCG's Suspension and Debarment Policy. Borrower further agrees that any future principal will meet the requirements of this section.

7.5 INDEMNIFICATION. Borrower shall indemnify, defend and hold LFUCG harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including without limitation, reasonable attorney's fees and litigation expenses), actions or causes of actions, arising out of or relating to any breach of any covenant or agreement or the incorrectness or inaccuracy of any representation and warranty of Borrower contained in this Agreement or in any document delivered to LFUCG or by Borrower, or any other person on behalf of Borrower pursuant to the terms of this Agreement, except for that which occurs as a result of LFUCG's gross negligence or willful misconduct.

7.6 GOVERNING LAW. This Agreement and the loan referred to herein will be governed by the laws of the Commonwealth of Kentucky.

7.7 ASSIGNABILITY. Borrower may not assign this Agreement nor any part hereof without the prior written consent of LFUCG. Subject to the foregoing restriction, this Agreement will inure to the benefit of LFUCG, its successors and assigns and will bind Borrower, Borrower's successors, assigns and representatives.

7.8 MODIFICATION. No variance or modification of this Agreement will be valid and enforceable except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

7.9 EXHIBITS. Any exhibits attached to this Agreement and the matters contained therein are incorporated herein and deemed to be a part hereof as if fully recited in this Agreement prior to the date of execution hereof.

7.10 **WAIVER.** LFUCG may waive Borrower's performance of any of the terms of this Agreement or Borrower's default hereunder; provided, however, such waiver must be in writing, signed by LFUCG, and any such written waiver hereunder will not be construed as a waiver of any other term or condition of this Agreement or of any act of continuing default.

7.11 **INVALID PROVISIONS.** The invalidity or unenforceability of a particular provision of this Agreement will not affect the other provisions hereof, and this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.

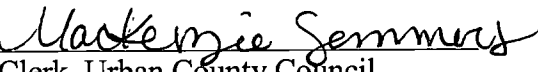
7.12 **HEADINGS.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

WITNESS the signatures of the parties hereto as of the date and year first above written.

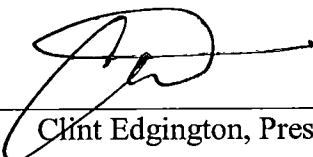
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: 
Linda Gorton, Mayor

ATTEST:

Deputy 
Clerk, Urban County Council

NEST A-LEXINGTON, LLC

By: 
Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington, as President, on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025

Anne K. Zavaglia

Notary Public



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

EXHIBIT A
(Commitment Letter)

MAYOR LINDA GORTON



LEXINGTON

RICHARD MCQUADY
DIRECTOR
AFFORDABLE HOUSING

May 12, 2020

Mr. Clint Edgington
Nest A Lexington LLC
5500 Frantz Road, Suite 153
Dublin, Ohio 43017

Dear Mr. Edgington,

The purpose of this updated commitment letter is to adjust for the properties associated with your development in Lexington, Kentucky. The original commitment letter, addressed to Lexington Opportunity Partners and dated October 31, 2019 included 3 properties (200 and 202 Race Street, and 445 East Seventh Street) that will no longer be part of the transaction. Instead, three properties located at 456, 460 and 540 Chestnut Street will be substituted and included in the transaction.

Please note there is a 1% transaction fee (\$3,273) that is due at closing.

Please contact me if you have any questions.

Sincerely,

Richard L. McQuady
Affordable Housing Manager

Accepted By

Clint Edgington



MAYOR LINDA GORTON



LEXINGTON

RICHARD MCQUADY
DIRECTOR
AFFORDABLE HOUSING

October 31, 2019

Mr. Clint Edgington, President
Nest Lexington, LLC.
500 Frantz Rd., Suite 153
Dublin, OH 43017

Dear Mr. Edgington,

The Board of Directors of Lexington-Fayette County Urban County Government's (LFUCG) Affordable Housing Fund has approved a \$327,336 allocation for the acquisition and rehabilitation of 11 units located at the following addresses:

1. 319 Race Street
2. 306 East 7th Street
3. 430 Hawkins
4. 763 Florence
5. 200 Race
6. 202 Race
7. 227 East 7th Street (Duplex)
8. 419 East 5th Street
9. 421 East 5th Street
10. 445 East 7th Street

The allocation will be in the form of a \$163,668 15 year, 2% amortizing loan and a \$163,668 15 year forgivable loan, with 1/15th of the loan forgiven each year the properties remains in compliance with Affordable Housing Fund guidelines.

This allocation is subject to the following conditions:

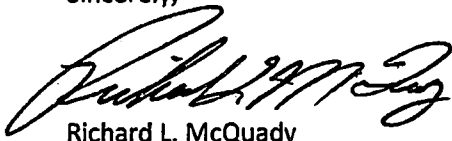
1. The rehabilitation work is inspected and accepted by an inspector assigned by the LFUCG Office of Affordable Housing.



3. Five (5) of the eleven (11) units must be leased to households whose incomes upon initial leasing of the unit are at or below 60% of area median income for Fayette County Kentucky.
4. The amortizing loan will be guaranteed by Nest Opportunity Fund, LLC and Nest A-Lexington, LLC.

Please indicate your acceptance of this contingent commitment and upon acceptance LFUCG will work to close the transaction.

Sincerely,



Richard L. McQuady

Accepted by:



Clint Edgington, President
Nest Lexington-A, Ltd.



EXHIBIT B
(Security Documents)

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
MORTGAGE**

This **MORTGAGE** ("Mortgage"), is made and entered into this 19th day of June, 2020 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (herein "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **NEST A-LEXINGTON, LLC** an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (herein "Mortgagor").

WITNESSETH:

Mortgagor hereby recites and agrees as follows, which recitations and agreements constitute a part of this Mortgage:

WHEREAS, Mortgagor is indebted to LFUCG for monies loaned or to be loaned to Mortgagor under the terms of a commitment letter dated October 31, 2019 and updated on May 12, 2020, and accepted by Mortgagor and an Affordable Housing Fund Loan Agreement (the "Loan Agreement") of even date herewith, between Mortgagor and LFUCG providing for Affordable Housing Fund Mortgage Loans in the amount of **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED AND THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)**, (the "Mortgage Loans "); and Mortgagor has determined that it is to Mortgagor's direct and indirect economic benefit that LFUCG make the Mortgage Loans to Mortgagor, and therefore have agreed to execute and deliver this Mortgage in order to secure repayment of the Mortgage Loans.

Terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement.

NOW, THEREFORE, MORTGAGOR, in consideration of the Mortgage Loans, hereby conveys to LFUCG, with covenant of general warranty all of Mortgagor's right, title and interest in and to certain real estate located in Fayette County, Kentucky (more particularly described in Exhibit A attached hereto and incorporated herein by reference) (the "Property");

TOGETHER with all privileges and appurtenances thereunto belonging, Mortgagor's interest as lessor in any leases affecting the Property, and all revenues, rents, issues and profits from the Property (whether payable under a lease or otherwise), and all the estate, right, title and interest of Mortgagor, at law or in equity, of, in and to the Mortgagor's leasehold interest in the Property herein described, and every part thereof, and together with all buildings and improvements now existing or hereafter constructed or placed thereon; and together with all heating, ventilating, and air conditioning equipment relative thereto and all fixtures, now or hereafter located in or upon or affixed to the Property, and all machinery, apparatus, equipment and articles of personal property of every kind and description belonging to Mortgagor, now or hereafter located in or upon or affixed to the Property, all of which are and shall be a part of said Property and a portion of the security for the Mortgage Loans; and together with all insurance or condemnation proceeds accruing or arising or relative to any of the foregoing during the term of this Mortgage;

ALL the foregoing property, interests and rights encumbered by this Mortgage are hereafter collectively referred to as the "Premises".

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, revenues, issues and profits therefrom, unto LFUCG, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor covenants that Mortgagor is well seized of the Premises and each portion thereof, and has full right and power to grant, bargain, sell, convey, mortgage and warrant the Mortgagor's interest in the same in the manner and form written. Mortgagor represents and warrants to LFUCG that the granting of this Mortgage has been and is duly authorized. Mortgagor covenants that the Premises are free from all liens and encumbrances whatsoever, excepting; (i) the lien of general taxes not yet due and payable, easements and restrictions of record, and restrictions and zoning laws affecting the Premises, if any; (ii) Permitted Encumbrances (as hereinafter defined); and (iii) any leases as may now or hereafter affect any portion of the Premises. Mortgagor warrants and will defend the Premises, with the privileges and appurtenances thereunto belonging, to LFUCG, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of LFUCG, at Mortgagor's sole expense.

THIS MORTGAGE is given to secure: (a) Payment of the Mortgage Loans , same being evidenced by promissory notes (hereafter the "Notes") of even date herewith and any modifications, extensions or renewals thereof, executed and delivered by Mortgagor to LFUCG, in the principal amount of **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED AND THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)**, and payment of interest thereon at the rate(s) and in the manner provided therein; the entire principal amount advanced and all interest thereon, if not sooner paid, being due and payable by Mortgagor on July 1, 2035, as more particularly described in the Notes; and (b) payment by Mortgagor of its obligations to LFUCG of all sums expended or advanced by LFUCG pursuant to any provisions and performance of each and every of LFUCG's and Mortgagor's respective covenants, conditions and agreements contained in this Mortgage, the Notes, the Loan Agreement and any other instrument or agreement evidencing, securing or otherwise pertaining to the Mortgage Loan (hereafter collectively, the "Mortgage Loan Documents"). (Hereafter all references to the "Mortgage Loans" where appropriate shall include all advances made and expenses incurred by LFUCG pursuant to this Mortgage for the protection of the Premises and all other security for the Mortgage Loans).

AND MORTGAGOR, AND EACH OF THEM, AND WHEN AND AS APPLICABLE, HEREBY COVENANTS AND AGREES THAT:

1. Mortgagor agrees to pay the principal of and interest on the Mortgage Loans evidenced by the Notes and secured hereby, to be paid at the times and in the manner provided in the Notes.
2. Mortgagor will pay or will have paid all taxes, assessments, and other similar charges levied upon the Premises before the same become delinquent, and will promptly deliver to LFUCG, if requested, receipts of the proper officers therefor; Mortgagor's failure to pay or to have paid any such charges shall at LFUCG's election constitute a default hereunder. Or, at LFUCG's sole option in the event of delinquency, LFUCG may pay such delinquent taxes, assessments, and charges, including any penalties or interest thereon (of which payment, amount and validity thereof, the receipt of the proper officer shall be conclusive evidence) and any amount so paid by LFUCG shall become immediately due and payable by Mortgagor, shall be secured by this

Mortgage and shall bear interest from date of advance until paid at an annual rate equal to twelve percent (12%).

3. Mortgagor hereby assigns to LFUCG all leases and rents, revenues, issues and profits of the Premises (whether or not payable under a lease) as further security for the payment of all amounts by Mortgagor and performance of all Mortgagor's obligations under the Mortgage Loan Documents, and grants LFUCG the right to enter on the Premises for the purpose of collecting same, and to promote, manage and/or operate the Premises or any part thereof in such manner as LFUCG may elect, and to apply the revenues received therefrom, after payment of all necessary charges and expenses, to the obligations secured by this Mortgage, upon Mortgagor's default under any covenants, conditions, or agreements contained in the Note, herein or in any other Mortgage Loan Document. While this is a present assignment, LFUCG will not exercise its rights hereunder unless and until Mortgagor shall be in default hereunder or Mortgagor shall be in default under any other Mortgage Loan Document. Mortgagor shall, and hereby agrees that it will, indemnify LFUCG, its officers, agents and employees for and hold each of them harmless from any and all claims and demands whatsoever which may be asserted against LFUCG, its officers, agents or employees by reason of any actual or alleged undertakings or obligations on LFUCG's part to perform or discharge any terms, covenants or agreements relative to use or occupancy of the Premises or any part thereof or for waste committed or permitted on the Premises, or by reason of any actual or allegedly dangerous or defective condition or conditions of the Premises resulting in loss or injury to any lessee or to any other person, including LFUCG's reasonable costs and attorney's fees incurred by reason of any of the foregoing. Provided, that said obligation to indemnify LFUCG shall not apply to any loss, injury or damage caused by the gross negligence or willful misconduct of LFUCG, its officers, agents or employees.

4. Mortgagor, at its own expense will maintain with admitted insurers authorized to do business in the Commonwealth of Kentucky against claims for bodily injury, personal injury, death or property damage occurring on, in or about the Premises or as a result of ownership of the improvements located on the Premises in amounts not less than as set forth in the Mortgage Loan Agreement. Mortgagor further covenants to keep the improvements now existing or hereafter erected on or in the Premises insured against loss or damage by, or abatement of rental income, resulting from fire and "all risk" perils. Mortgagor covenants to maintain flood insurance as required by the Flood Disaster Protection Act of 1973, as amended and any additional flood insurance required by LFUCG. All perils insured, with the exception of flood, shall be in an amount not less than the full replacement value of the property. Mortgagor agrees to promptly pay or have paid when due all premiums on such insurance and further agrees, if requested by LFUCG, to furnish a certificate from the company carrying such insurance acknowledging that such insurance is adequate in an amount to prevent the operation of any coinsurance provision contained therein. All such insurance shall be carried by companies approved by LFUCG in its reasonable discretion and, the policies and renewals thereof shall be deposited with and held by LFUCG. All policies of insurance required to be maintained by Mortgagor pursuant to this paragraph 4 shall name as the insured parties Mortgagor and LFUCG, shall be reasonably satisfactory to LFUCG and shall: (a) provide for the benefit of such holder or holders, that thirty (30) days' prior written notice of suspension, cancellation, termination, modification, non-renewal or lapse or material change of coverage shall be given to all insured parties and that such insurance shall be given to all insured parties and that such insurance shall not be invalidated by any act or neglect of Mortgagor or LFUCG or any owner of the Premises, nor by any foreclosure or other proceedings

or notices thereof relating to the Premises or any interest therein, nor by occupation of the Premises for purposes more hazardous than are permitted by such policy and (b) not contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Premises against the peril involved, whether collectible or not.

The originals of all such policies shall be delivered to LFUCG. In the event of Mortgagor's failure to comply with any of the requirements of this paragraph, same shall at LFUCG's option constitute a default hereunder. Or, LFUCG may, in its discretion, obtain any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by LFUCG shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

In the event of any loss or damage to the Premises or any portion thereof, Mortgagor will give immediate notice thereof to LFUCG, and LFUCG may thereupon make proof of claim relative to such loss or damage, if same is not promptly made by Mortgagor. Mortgagor hereby authorizes LFUCG (should LFUCG so elect) to settle, adjust, or compromise any claims for loss, damage, or destruction under any such policy or policies of insurance and collect the proceeds thereof, and to this end hereby grants LFUCG the Mortgagor's power of attorney for such purposes (which power of attorney is a power coupled with an interest, same being irrevocable for the term of this Mortgage); provided, that LFUCG will exercise its rights under this sentence only in the event Mortgagor is in default on the Mortgage Loan or under the Mortgage Loan Documents. All such proceeds of fire and extended coverage insurance, to the full extent of the Mortgage Loan, are hereby assigned to LFUCG and shall be payable to LFUCG if LFUCG should so elect, and Mortgagor hereby authorizes and directs any affected insurance company to make payment thereof directly to LFUCG. All such insurance proceeds or any portion thereof shall be applied in whole or in part to restoration, repair, replacement, or rebuilding of the Premises. The delivery to LFUCG of any such policies or certificates of insurance, or renewals thereof, shall constitute an assignment to LFUCG of all unearned premiums thereon as further security for the payment of the Mortgage Loan. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the Mortgage Loan, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to LFUCG.

5. Mortgagor will have maintained or will maintain the Premises in good condition and repair and will not commit or allow any waste or destruction, reasonable wear and tear excepted. Mortgagor will comply with, or cause to be complied with, any applicable statutes, ordinances, regulations, or requirement of any governmental authority relative to the Premises and the use and maintenance thereof, and will promptly repair, restore, replace, or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty or as the result of any proceeding referred to in paragraph (7) hereof. No buildings, structures, or improvements hereafter erected on the Premises shall be removed, demolished, or substantially or structurally altered in any respect by Mortgagor, on Mortgagor's behalf, or by any tenant or by any other party without the prior written consent of LFUCG by its duly authorized officer, LFUCG, and any person authorized by LFUCG, may enter upon and inspect the Premises at all reasonable times.

6. Except for a mortgage granted by Mortgagor in favor of Peoples Exchange Bank in the amount of **THREE HUNDRED NINETY EIGHT THOUSAND NINE HUNDRED FORTY NINE and 00/100 DOLLARS (\$398,949.00)** (hereinafter the "Permitted Encumbrance"),

Mortgagor will not create, suffer or allow any charge, lien or encumbrance (whether superior or inferior to the lien of this Mortgage) upon the Premises or any part thereof, leases as have been approved by LFUCG and the lien of general and special taxes duly levied and assessed but not yet due and payable, without prior written consent of LFUCG by its duly authorized officer. Mortgagor will pay or will have paid promptly when due any charges for utilities or services including but not limited to electricity, gas and water; should Mortgagor or any tenant fail to pay such charges, LFUCG may pay the same, and any amount so paid by LFUCG shall become immediately due and payable by Mortgagor with interest at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

7. If all or any part of the Premises are damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Premises, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the Mortgage Loans then remaining unpaid, is hereby assigned by Mortgagor to LFUCG, who may collect and receive the same and give proper receipts therefor in the name of Mortgagor, and the same shall be paid forthwith to LFUCG. To such end, Mortgagor hereby grants to LFUCG the Mortgagor's power of attorney (which power of attorney is a power coupled with an interest and shall be irrevocable for the term of this Mortgage). Any award or payment so received by LFUCG during the continuation of any default or threatened default may, at the sole option of LFUCG, be retained and applied, in whole or in part, to the Mortgage Loan (whether or not then due and payable), in such manner as LFUCG may determine and/or released, in whole or in part, to Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Premises which may have been affected by such taking, alteration, or proceeding. Provided that absent the continuation of default or threatened default LFUCG will release said sums to Mortgagor, to be applied to restoration of the Premises. LFUCG shall not be obligated to see to the application of any amounts so released to Mortgagor. In the event of a material and adverse effect upon the value of the Premises by reason of any such damage, taking or acquisition, and should the proceeds or award payable therefor not satisfy in full the Mortgage Loans, same shall constitute an event of default hereunder and on the Mortgage Loans and Notes.

8. If LFUCG shall incur or expend any sums, including reasonable attorneys' fees, to sustain the lien of this Mortgage or its priority, or to protect or enforce any of LFUCG's rights hereunder or under any other Mortgage Loan Document, to protect the Premises as collateral for the Mortgage Loan, or to recover any portion of the Mortgage Loans, all such sums shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid. All such sums shall be secured by this Mortgage and shall be a lien on the Premises prior to any right, title, interest, or claim, in, to or upon the Premises attaching or accruing subsequent to the lien of this Mortgage.

9. Mortgagor will not hereafter lease the Premises, except leases executed in Mortgagor's ordinary course of business, nor will Mortgagor assign, alter, terminate or otherwise materially modify the terms of any lease affecting the Premises to which Mortgagor is a party, nor further encumber or assign (in whole or in part) the rents, revenues, income, or profits arising from the Premises or any portion thereof (except in connection with the Permitted Encumbrances) without the prior written consent of LFUCG by its duly authorized officer, or in any other manner impair the value of the Premises or the security of this Mortgage for the payment of the Mortgage Loans.

10. Mortgagor will observe and perform all covenants, conditions, and agreements imposed on it by any lease or leases now or hereafter affecting the Premises, or any portion thereof. If Mortgagor shall default in its performance of any of the terms, covenants, conditions, or obligations imposed upon it by any such lease or leases, which default would give the other party or parties thereto the right to terminate or cancel said lease or leases and if same may have a material adverse effect on the value of the Premises as security or the Mortgage Loan then, at the sole option of LFUCG, the entire Mortgage Loan shall become immediately payable and collectible by foreclosure or otherwise, without notice or demand. Provided, that in the event of any such default by Mortgagor (whether as lessor, lessee, sub lessee or otherwise), LFUCG shall have the right but not the obligation to cure any such default of Mortgagor, in such manner and to the extent LFUCG may deem advisable to protect its interest in the Premises. In the event that LFUCG should so elect, then any and all sums so expended by LFUCG relative to effecting any such cure shall become immediately due and owing LFUCG by Mortgagor, shall be secured hereby and shall bear interest at the rate specified in numerical paragraph (2) hereof until paid.

11. With respect to the Premises and the operation and promotion thereof, Mortgagor will keep or will cause to be kept proper books of record and account in accordance with generally accepted accounting principles consistently applied. LFUCG shall have the right to examine said books of record and account at such reasonable times and intervals as LFUCG may elect.

12. In the event that LFUCG (a) grants any extension of time or forbearance for payment of any portion of the Mortgage Loan; (b) takes, or realizes, other additional security for the payment thereof; (c) waives or does not exercise any right granted herein, under the Notes or under any other Mortgage Loan Document; (d) grants any release, with or without consideration, of all or any part of the security held for the payment of the Mortgage Loan; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Notes; then and in any such event, such act or failure to act shall not release Mortgagor or (if applicable) any of its principals or any co-maker, sureties, or guarantors of this Mortgage or of the Notes, under any covenant of this Mortgage, the Notes or other Mortgage Loan Documents, nor preclude LFUCG from exercising any right or privilege herein or therein granted or intended to be granted in the event of any other existing or subsequent default and without in any manner impairing or affecting the lien or priority of this Mortgage.

13. Mortgagor will not hereafter make or permit, without the prior written consent of LFUCG by its duly authorized officer (a) any sale of the Premises, or the execution of any contract for deed relative to the Premises, or any assumption of the Mortgage Loan, any condominium conversion or any use of the Premises or any part thereof for any purpose other than that presently contemplated by the parties hereto; (b) after completion of the renovations contemplated by the Plans and Specifications defined in the Loan Agreement, any material alteration, removal or demolition of any buildings, improvements, fixtures, apparatus, machinery, and equipment now or hereafter located or erected upon the Premises except in the ordinary course of business; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any fixtures, apparatus, machinery, equipment or personal property in or upon any of the buildings or improvements comprising a part of the Premises; (d) except in connection with the Permitted Encumbrances, any assignment of the revenues, rents, income or profits from the Premises; (e) except for the Permitted Encumbrances, any mortgage, lien or encumbrance upon the Premises, or any part thereof (whether prior or inferior to the lien of this Mortgage) affecting or adverse to the

lien hereof, general and special taxes duly levied and assessed and not yet due and payable and any lease now or hereafter affecting any portion of the Premises. Any of the foregoing without LFUCG's prior written consent shall be and constitute a default by Mortgagor on this Mortgage and on the Mortgage Loans.

14. In the event of Mortgagor's default in the performance of any of the covenants and conditions contained in this Mortgage or in the event of Mortgagor's default in payment of the Mortgage Loans or any part thereof, or in the Notes or under any other Mortgage Loan Document and (absent an express contrary grace or curative period) shall such failure, omission or default not have been fully corrected by Mortgagor, as applicable, to the complete satisfaction of LFUCG within thirty (30) days after LFUCG gives Mortgagor and Mortgagor's limited partners written notice of the occurrence of any such default, at the address set forth in Section 7.1 of the Loan Agreement; or any of them and shall such default remain uncured beyond any applicable grace or curative period; or in the event any representation or warranty of the Mortgagor herein contained, or in the event any representation or warranty of the Mortgagor contained in any other Mortgage Loan Document shall prove to be untrue or misleading in any material respect; or in the event of any petition in bankruptcy, receivership, or reorganization is filed by or against Mortgagor and same is not vacated within sixty (60) days; or in the event any assignment or composition for the benefit of creditors is made or entered into by Mortgagor; or in the event of any judgment or proceeding entered or brought against Mortgagor or the Premises or to foreclose any lien thereon or on any part thereof; or in the event of a substantial adverse change in financial position of Mortgagor; or in the event of an unauthorized encumbrance or change in ownership of the Premises or of any other security for the Mortgage Loan; or if in the opinion of LFUCG, there is any material decline in the value of the Premises or any other security for the Mortgage Loan; or should Mortgagor default on any other indebtedness now or hereafter owing LFUCG by Mortgagor beyond any applicable grace or curative period; then, and in such event, at LFUCG's sole option, without further notice or demand, the same being hereby expressly waived by Mortgagor as evidenced by Mortgagor's execution of this Mortgage, the Mortgage Loan shall become due, payable and collectible. Upon the happening of any such event (hereinafter an "Event of Default"), in addition to any other right of remedy which LFUCG may now or hereafter have at law or in equity, and not by way of limitation, LFUCG shall have the right and power to exercise any or all or any combination of the following remedies: (a) to declare the Mortgage Loan due and payable (and same shall thereupon be due and payable and to foreclose upon this Mortgage and the lien hereof; (b) to sell the Premises according to law as an entirety or in separate parcels; (c) to apply without notice (same being hereby expressly waived by Mortgagor) for the appointment of a receiver to collect the revenues and profits of the Premises and to preserve the security hereof as a matter of right, either before or after any foreclosure sale, without regard to the value of the Premises or any other property as security for the amount due LFUCG, or the solvency of any entity liable for the payment of such amounts; (d) to enter upon and take possession of the Premises without application to any court, with the irrevocable consent of Mortgagor as evidenced by Mortgagor's execution of this Mortgage, and collect the revenues, issues and profits thereof, and, without the appointment of any receiver or application being made therefor, to manage, promote and/or operate the Premises, either in LFUCG's name or Mortgagor's name, by whatever means LFUCG may elect, and receive all the revenues, issues and profits therefrom, and apply the same, after payment of all necessary charges and expenses deemed by LFUCG to be necessary, to payment of the Mortgage Loan. All the foregoing rights and powers are effective and may be enforced by LFUCG either in conjunction with or without any action to foreclose this Mortgage,

and without applying at any time for a receiver for the Premises. The foregoing rights and remedies are independent of and in addition to any statutory right to appointment of a receiver. Written notices required by the foregoing paragraph shall be sent by certified mail to the addresses provided in the Mortgage Loan Agreement.

15. Any sale under this Mortgage shall operate to divest all right, title and interest of Mortgagor in and to the Premises and rights so sold; shall be a perpetual bar both in law and equity against the Mortgagor; and shall be in bar of any equity or right of redemption, the same being expressly waived by Mortgagor.

16. Mortgagor represents and warrants, to its knowledge and belief, that no hazardous substances are present on the Premises. Furthermore, Mortgagor represents, warrants, and agrees that Mortgagor will not use, generate, treat, store, dispose of or otherwise introduce any such hazardous substances into or on the Premises. Mortgagor represents, warrants and agrees that there is no current and will be no future unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic affluent or discharge) or condition in or on or affecting the Premises or affecting the health of any person in or on the Premises. The Mortgagor shall pay immediately when due the cost of removal of any such wastes or substances, and shall keep the Premises free of any lien imposed pursuant to laws, rules, regulations and orders pertaining to hazardous wastes or substances and the removal thereof; in the event Mortgagor fails to do so, it shall be deemed an Event of Default. The Mortgagor shall indemnify LFUCG and hold LFUCG harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and cost incurred in the investigation, defense and/or settlement of claims) that LFUCG may incur as a result of or in connection with the assertion against LFUCG of any claim relating to the presence or removal of any hazardous waste or substance referred to in this paragraph, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto. The obligations of Mortgagor under this paragraph to indemnify LFUCG and hold LFUCG harmless shall survive payment of the Mortgage Loan and Notes and shall survive release of this Mortgage and shall extend to the representatives, successors and assigns of LFUCG.

17. Whenever used in this Mortgage, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, representatives, successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "Mortgagor" shall include the successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "person" shall include any individual, partnership, corporation, trustee, or unincorporated association. The singular shall include the plural and the plural, the singular; the gender used shall include the other genders. The invalidity or unenforceability of any one (1) or more phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the validity or enforceability of the remaining portions of this Mortgage or of any part hereof. If this Mortgage is invalid or unenforceable as to any part of the Mortgage Loan, or if this Mortgage is invalid or unenforceable as to any part of the Premises, the Mortgage Loan shall be completely repaid.

18. All the terms, covenants, conditions and agreements herein set forth shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, attorneys, representatives, successors and assigns, as the case may be, of the parties hereto.

19. No delay or omission on the part of LFUCG in exercising any right or remedy hereunder or under any other Mortgage Loan Documents shall operate as a waiver of such right or remedy or any other right or remedy. A waiver by LFUCG on any one occasion shall not be a bar to or waiver of any right or remedy on any further occasion. The rights and remedies provided herein and in the other Mortgage Loan Documents are cumulative, and LFUCG may resort to any other right or remedy or any combination thereof available under the other Mortgage Loan Documents or at law or in equity without first exhausting and without affecting or impairing the security of or any right or remedy afforded by this Mortgage. No waiver shall be effective as to LFUCG unless same shall be in writing by its duly authorized officer; any such waiver shall be construed strictly according to its terms.

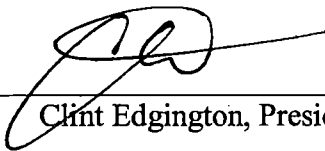
20. If Mortgagor shall pay to LFUCG all sums due LFUCG under the Notes and the interest thereon, in the manner and at the times mentioned in the Notes, or otherwise in connection with the Mortgage Loan , and Mortgagor shall pay LFUCG any and all other sums due from Mortgagor to LFUCG under this Mortgage and shall fully keep and perform the terms, covenants, conditions and agreements under this Mortgage or otherwise due LFUCG relative to the Mortgage Loan, then this Mortgage and the estate granted thereby shall cease and be void, and this Mortgage shall thereupon be released by LFUCG at the cost and expense of Mortgagor.

This Mortgage may be executed by the parties in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

This Mortgage is taken, in part, to secure a Mortgage Loan made for the purpose of erecting, improving or adding to a building.

IN TESTIMONY WHEREOF, LFUCG and the Mortgagor have caused this instrument to be executed by LFUCG and the Mortgagor's duly authorized officers this day and date first hereinabove appearing.

Nest A-Lexington, LLC

By: 
Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington, as President, on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025

Anne K. Zavaglia
Notary Public



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: Linda Gorton
Linda Gorton, Mayor

ATTEST:

Clerk, Urban County Council

THIS INSTRUMENT PREPARED BY:

Brittany Griffin Smith
Brittany Griffin Smith, Esq.
Attorney

Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

EXHIBIT A

The Property being all of:

Tract 1

All that tract or parcel of land situated on the northwest side of Race Street between East Third Street and East Fourth Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows, to wit:

Beginning at a point in the northwest line of Race Street, said point being 207 feet northeast of the northeast line of East Third Street and said point being a corner to Earl Woodson; thence with the northwest line of Race Street, north $45^{\circ} 00'$ East 27 feet to the line of Anderson Martin; thence with Martin North $44^{\circ} 41'$ West 78 feet to the line of Vertner Taylor; thence with Taylor and continuing with Acie Price South $45^{\circ} 00'$ West 27 feet to the line of Earl Woodson; thence with Woodson South $45^{\circ} 41'$ East 78 feet to the beginning, the improvements thereon being known and designated as 319 Race Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 2

Beginning at a point on East Seventh Street, Forty-four (44) feet from the East corner of Seventh Street and Elm Tree Lane; thence in an Easterly direction with Seventh Street Twenty-one (21) feet; thence in a Southerly direction between parallel lines of equal width a distance of One Hundred and Twenty (120) feet; being the West half of Lot No. 44 in the division of Elm Tree Heights Subdivision, a plat of which is of record in Plat Cabinet E, Slide 184 (formerly Plat Book 2, Page 8), in the Fayette County Clerk's Office; and the improvements thereon being known as 306 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 3

All that tract or parcel of land located on the east side of Hawkins Avenue in Lexington, Fayette County, Kentucky, and more particularly described and bounded as follows:

Beginning at a point in the east line of Hawkins Avenue, said point being 301.5 feet west of East Fourth Street and corner to James Smith; thence with the east line of Hawkins Avenue in a northerly direction 26 feet to a stake corner to Montejoy; thence in an easterly direction with Montejoy 81 feet to a stake corner to Carter; thence in a southerly direction with Carter 26 feet to

a stake corner to Smith; thence in a westerly direction with the line of Smith 81 feet to the point of beginning. The improvements on said property being known as 430 Hawkins Avenue; and

Being the same property conveyed by Rebuilt Realty, LLC, a Kentucky limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated July 6, 2019, of record in Deed Book 3681, Page 477, in the Fayette County Clerk's Office.

Tract 4

Being all of Lot No. 21, Block "B", of the Galbrath Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slides 258 and 259 (f/k/a Plat Book 2, Page 82 and 83), in the Fayette County Clerk's Office; and the improvements thereon being known and designated as 763 Florence Avenue; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 5

Beginning at a point One Hundred and Thirty-eight and one-half (138 ½) feet South of Fifth and Chestnut Street; thence along Chestnut Street in a southerly direction Thirty-two (32) feet to Mrs. Robinson's line (formerly S.S. King); thence running back at right angles to Chestnut Street of equal width One Hundred and Forty (140) feet. The house on said lot being known as 460 Chestnut Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 6

Being all that tract or parcel of land with improvements thereon known as 456 Chestnut Street in the City of Lexington and County of Fayette and State of Kentucky; beginning at a point in the East line of Chestnut Street 170.5 feet South of 5th Street; thence with the East line of Chestnut Street in a Southerly direction 28.5 feet; thence extending back in an Easterly direction between parallel lines of equal width as the front distance 140 feet;

There is excepted from the above description and this conveyance a plot of ground 18 feet wide and 12 feet deep out of the Southeast corner of the above tract which was conveyed to Fred Banks and Georgia Banks, husband and wife, by Deed dated July 13, 1957, and of record in Deed Book 627, Page 149, Fayette County Clerk's Office;

There is also conveyed herein an easement for the purpose of ingress and egress from Hawkins Avenue to the rear of the above property as follows:

Beginning at a point in the West line of Hawkins Avenue, said point being 266 feet North of East Fourth Street; thence in a Westerly direction to a stake in the line of the above described property; thence in a Northerly direction 10 feet to a stake in the line of Smith; thence along the line of Smith in an Easterly direction to Hawkins Avenue; thence along Hawkins Avenue and in a Southerly direction 10 feet to the point of beginning and being an easement over the Northerly 10 feet of the property known as 457 Chestnut Avenue, said easement having been conveyed by Deed dated July 13, 1957, from Fred Banks and Georgia Banks, husband and wife, and of record in Deed Book 627, Page 161, in the Fayette County Clerk's Office; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 7

Beginning at a point on the northeasterly side of Fifth Street 183 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 27 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 8

Beginning at a point on the northeasterly side of Fifth Street 210 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 19 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 9

540 Chestnut Street with all improvements thereon fronting fifty (50) feet on the east side of the street between Fifth and Sixth Streets, and running back equal width 156 feet; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 10

All that tract or parcel of land located in the City of Lexington, County of Fayette, State of Kentucky, and more fully described and bounded as follows:

Beginning at a point on the North side of East Seventh Street 40 feet West of Lancaster Street; thence in a Westerly direction along Seventh Street 40 feet, more or less; thence in a Northerly direction 83 feet, more or less; thence in an Easterly direction 40 feet, more or less; thence in a Southerly direction 83 feet, more or less, to the place of beginning, known and designated as 227 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated August 12, 2019, of record in Deed Book 3691, Page 420, in the Fayette County Clerk's Office.

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
DECLARATION OF COVENANTS AND RESTRICTIONS**

This **DECLARATION OF COVENANTS AND RESTRICTIONS** ("Declaration") is made this 19th day of June 2020, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **NEST A-LEXINGTON, LLC**, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (hereinafter "Borrower")

Borrower is the fee simple owner of the properties in Fayette County, Kentucky, described on Exhibit A attached hereto and made a part hereof (the "Property") upon which Borrower is to rehabilitate nine (9) single family homes and one (1) duplex ("Project").

To facilitate the Project, Borrower has been awarded funds in the amount **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)** (the "AHF Funds") from the Affordable Housing Fund (the "AHF Program").

1. **OCCUPANCY BY LOW-INCOME PERSONS OR FAMILIES.** In consideration of Lexington-Fayette Urban County Government ("LFUCG") by and through the Office of Affordable Housing, making funds available to Borrower for the construction of the Properties, Borrower covenants that the dwelling units constructed on the Property described herein shall be maintained as housing for low-income persons or families, which shall be defined as individuals/families with annual gross incomes at or below eighty percent (80%) of the area median income, adjusted for household size, as defined by the U.S. Department of Housing and Urban Development ("HUD").

2. **RENT REQUIREMENTS.** Borrower further covenants that the rent charged for any of the dwelling units subject to this restriction constructed or rehabilitated on the property described herein will comply with the limits on rents chargeable to tenants pursuant to the rent restrictions of the AHF Program as determined by LFUCG Office of Affordable Housing.

3. **ENFORCEMENT.** The covenants set forth in this Deed shall run with the land described above and, to the fullest extent permitted by law and equity, shall be binding for the benefit and in favor of and enforceable by LFUCG, their successors and assigns.

LFUCG shall be entitled to (a) institute legal action to enforce performance and observance of these covenants, (b) enjoin any acts which are violative of these covenants, and (c) exercise any other legal or equitable right or remedy with respect to these covenants.

This covenant shall continue in effect for fifteen (15) years from the completion and/or occupancy date. Only LFUCG, or its successors and assigns, has the right to release this Declaration prior to its expiration date.

IN WITNESS WHEREOF, Borrower has executed this Declaration as of the date set

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
MORTGAGE**

This **MORTGAGE** ("Mortgage"), is made and entered into this 19th day of June, 2020 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (herein "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **NEST A-LEXINGTON, LLC** an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (herein "Mortgagor").

WITNESSETH:

Mortgagor hereby recites and agrees as follows, which recitations and agreements constitute a part of this Mortgage:

WHEREAS, Mortgagor is indebted to LFUCG for monies loaned or to be loaned to Mortgagor under the terms of a commitment letter dated October 31, 2019 and updated on May 12, 2020, and accepted by Mortgagor and an Affordable Housing Fund Loan Agreement (the "Loan Agreement") of even date herewith, between Mortgagor and LFUCG providing for Affordable Housing Fund Mortgage Loans in the amount of **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED AND THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)**, (the "Mortgage Loans "); and Mortgagor has determined that it is to Mortgagor's direct and indirect economic benefit that LFUCG make the Mortgage Loans to Mortgagor, and therefore have agreed to execute and deliver this Mortgage in order to secure repayment of the Mortgage Loans.

Terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement.

NOW, THEREFORE, MORTGAGOR, in consideration of the Mortgage Loans, hereby conveys to LFUCG, with covenant of general warranty all of Mortgagor's right, title and interest in and to certain real estate located in Fayette County, Kentucky (more particularly described in Exhibit A attached hereto and incorporated herein by reference) (the "Property");

TOGETHER with all privileges and appurtenances thereunto belonging, Mortgagor's interest as lessor in any leases affecting the Property, and all revenues, rents, issues and profits from the Property (whether payable under a lease or otherwise), and all the estate, right, title and interest of Mortgagor, at law or in equity, of, in and to the Mortgagor's leasehold interest in the Property herein described, and every part thereof, and together with all buildings and improvements now existing or hereafter constructed or placed thereon; and together with all heating, ventilating, and air conditioning equipment relative thereto and all fixtures, now or hereafter located in or upon or affixed to the Property, and all machinery, apparatus, equipment and articles of personal property of every kind and description belonging to Mortgagor, now or hereafter located in or upon or affixed to the Property, all of which are and shall be a part of said Property and a portion of the security for the Mortgage Loans; and together with all insurance or condemnation proceeds accruing or arising or relative to any of the foregoing during the term of this Mortgage;

ALL the foregoing property, interests and rights encumbered by this Mortgage are hereafter collectively referred to as the "Premises".

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, revenues, issues and profits therefrom, unto LFUCG, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor covenants that Mortgagor is well seized of the Premises and each portion thereof, and has full right and power to grant, bargain, sell, convey, mortgage and warrant the Mortgagor's interest in the same in the manner and form written. Mortgagor represents and warrants to LFUCG that the granting of this Mortgage has been and is duly authorized. Mortgagor covenants that the Premises are free from all liens and encumbrances whatsoever, excepting; (i) the lien of general taxes not yet due and payable, easements and restrictions of record, and restrictions and zoning laws affecting the Premises, if any; (ii) Permitted Encumbrances (as hereinafter defined); and (iii) any leases as may now or hereafter affect any portion of the Premises. Mortgagor warrants and will defend the Premises, with the privileges and appurtenances thereunto belonging, to LFUCG, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of LFUCG, at Mortgagor's sole expense.

THIS MORTGAGE is given to secure: (a) Payment of the Mortgage Loans , same being evidenced by promissory notes (hereafter the "Notes") of even date herewith and any modifications, extensions or renewals thereof, executed and delivered by Mortgagor to LFUCG, in the principal amount of **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED AND THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)**, and payment of interest thereon at the rate(s) and in the manner provided therein; the entire principal amount advanced and all interest thereon, if not sooner paid, being due and payable by Mortgagor on July 1, 2035, as more particularly described in the Notes; and (b) payment by Mortgagor of its obligations to LFUCG of all sums expended or advanced by LFUCG pursuant to any provisions and performance of each and every of LFUCG's and Mortgagor's respective covenants, conditions and agreements contained in this Mortgage, the Notes, the Loan Agreement and any other instrument or agreement evidencing, securing or otherwise pertaining to the Mortgage Loan (hereafter collectively, the "Mortgage Loan Documents"). (Hereafter all references to the "Mortgage Loans" where appropriate shall include all advances made and expenses incurred by LFUCG pursuant to this Mortgage for the protection of the Premises and all other security for the Mortgage Loans).

AND MORTGAGOR, AND EACH OF THEM, AND WHEN AND AS APPLICABLE, HEREBY COVENANTS AND AGREES THAT:

1. Mortgagor agrees to pay the principal of and interest on the Mortgage Loans evidenced by the Notes and secured hereby, to be paid at the times and in the manner provided in the Notes.
2. Mortgagor will pay or will have paid all taxes, assessments, and other similar charges levied upon the Premises before the same become delinquent, and will promptly deliver to LFUCG, if requested, receipts of the proper officers therefor; Mortgagor's failure to pay or to have paid any such charges shall at LFUCG's election constitute a default hereunder. Or, at LFUCG's sole option in the event of delinquency, LFUCG may pay such delinquent taxes, assessments, and charges, including any penalties or interest thereon (of which payment, amount and validity thereof, the receipt of the proper officer shall be conclusive evidence) and any amount so paid by LFUCG shall become immediately due and payable by Mortgagor, shall be secured by this

10. Mortgagor will observe and perform all covenants, conditions, and agreements imposed on it by any lease or leases now or hereafter affecting the Premises, or any portion thereof. If Mortgagor shall default in its performance of any of the terms, covenants, conditions, or obligations imposed upon it by any such lease or leases, which default would give the other party or parties thereto the right to terminate or cancel said lease or leases and if same may have a material adverse effect on the value of the Premises as security or the Mortgage Loan then, at the sole option of LFUCG, the entire Mortgage Loan shall become immediately payable and collectible by foreclosure or otherwise, without notice or demand. Provided, that in the event of any such default by Mortgagor (whether as lessor, lessee, sub lessee or otherwise), LFUCG shall have the right but not the obligation to cure any such default of Mortgagor, in such manner and to the extent LFUCG may deem advisable to protect its interest in the Premises. In the event that LFUCG should so elect, then any and all sums so expended by LFUCG relative to effecting any such cure shall become immediately due and owing LFUCG by Mortgagor, shall be secured hereby and shall bear interest at the rate specified in numerical paragraph (2) hereof until paid.

11. With respect to the Premises and the operation and promotion thereof, Mortgagor will keep or will cause to be kept proper books of record and account in accordance with generally accepted accounting principles consistently applied. LFUCG shall have the right to examine said books of record and account at such reasonable times and intervals as LFUCG may elect.

12. In the event that LFUCG (a) grants any extension of time or forbearance for payment of any portion of the Mortgage Loan; (b) takes, or realizes, other additional security for the payment thereof; (c) waives or does not exercise any right granted herein, under the Notes or under any other Mortgage Loan Document; (d) grants any release, with or without consideration, of all or any part of the security held for the payment of the Mortgage Loan; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Notes; then and in any such event, such act or failure to act shall not release Mortgagor or (if applicable) any of its principals or any co-maker, sureties, or guarantors of this Mortgage or of the Notes, under any covenant of this Mortgage, the Notes or other Mortgage Loan Documents, nor preclude LFUCG from exercising any right or privilege herein or therein granted or intended to be granted in the event of any other existing or subsequent default and without in any manner impairing or affecting the lien or priority of this Mortgage.

13. Mortgagor will not hereafter make or permit, without the prior written consent of LFUCG by its duly authorized officer (a) any sale of the Premises, or the execution of any contract for deed relative to the Premises, or any assumption of the Mortgage Loan, any condominium conversion or any use of the Premises or any part thereof for any purpose other than that presently contemplated by the parties hereto; (b) after completion of the renovations contemplated by the Plans and Specifications defined in the Loan Agreement, any material alteration, removal or demolition of any buildings, improvements, fixtures, apparatus, machinery, and equipment now or hereafter located or erected upon the Premises except in the ordinary course of business; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any fixtures, apparatus, machinery, equipment or personal property in or upon any of the buildings or improvements comprising a part of the Premises; (d) except in connection with the Permitted Encumbrances, any assignment of the revenues, rents, income or profits from the Premises; (e) except for the Permitted Encumbrances, any mortgage, lien or encumbrance upon the Premises, or any part thereof (whether prior or inferior to the lien of this Mortgage) affecting or adverse to the

lien hereof, general and special taxes duly levied and assessed and not yet due and payable and any lease now or hereafter affecting any portion of the Premises. Any of the foregoing without LFUCG's prior written consent shall be and constitute a default by Mortgagor on this Mortgage and on the Mortgage Loans.

14. In the event of Mortgagor's default in the performance of any of the covenants and conditions contained in this Mortgage or in the event of Mortgagor's default in payment of the Mortgage Loans or any part thereof, or in the Notes or under any other Mortgage Loan Document and (absent an express contrary grace or curative period) shall such failure, omission or default not have been fully corrected by Mortgagor, as applicable, to the complete satisfaction of LFUCG within thirty (30) days after LFUCG gives Mortgagor and Mortgagor's limited partners written notice of the occurrence of any such default, at the address set forth in Section 7.1 of the Loan Agreement; or any of them and shall such default remain uncured beyond any applicable grace or curative period; or in the event any representation or warranty of the Mortgagor herein contained, or in the event any representation or warranty of the Mortgagor contained in any other Mortgage Loan Document shall prove to be untrue or misleading in any material respect; or in the event of any petition in bankruptcy, receivership, or reorganization is filed by or against Mortgagor and same is not vacated within sixty (60) days; or in the event any assignment or composition for the benefit of creditors is made or entered into by Mortgagor; or in the event of any judgment or proceeding entered or brought against Mortgagor or the Premises or to foreclose any lien thereon or on any part thereof; or in the event of a substantial adverse change in financial position of Mortgagor; or in the event of an unauthorized encumbrance or change in ownership of the Premises or of any other security for the Mortgage Loan; or if in the opinion of LFUCG, there is any material decline in the value of the Premises or any other security for the Mortgage Loan; or should Mortgagor default on any other indebtedness now or hereafter owing LFUCG by Mortgagor beyond any applicable grace or curative period; then, and in such event, at LFUCG's sole option, without further notice or demand, the same being hereby expressly waived by Mortgagor as evidenced by Mortgagor's execution of this Mortgage, the Mortgage Loan shall become due, payable and collectible. Upon the happening of any such event (hereinafter an "Event of Default"), in addition to any other right of remedy which LFUCG may now or hereafter have at law or in equity, and not by way of limitation, LFUCG shall have the right and power to exercise any or all or any combination of the following remedies: (a) to declare the Mortgage Loan due and payable (and same shall thereupon be due and payable and to foreclose upon this Mortgage and the lien hereof; (b) to sell the Premises according to law as an entirety or in separate parcels; (c) to apply without notice (same being hereby expressly waived by Mortgagor) for the appointment of a receiver to collect the revenues and profits of the Premises and to preserve the security hereof as a matter of right, either before or after any foreclosure sale, without regard to the value of the Premises or any other property as security for the amount due LFUCG, or the solvency of any entity liable for the payment of such amounts; (d) to enter upon and take possession of the Premises without application to any court, with the irrevocable consent of Mortgagor as evidenced by Mortgagor's execution of this Mortgage, and collect the revenues, issues and profits thereof, and, without the appointment of any receiver or application being made therefor, to manage, promote and/or operate the Premises, either in LFUCG's name or Mortgagor's name, by whatever means LFUCG may elect, and receive all the revenues, issues and profits therefrom, and apply the same, after payment of all necessary charges and expenses deemed by LFUCG to be necessary, to payment of the Mortgage Loan. All the foregoing rights and powers are effective and may be enforced by LFUCG either in conjunction with or without any action to foreclose this Mortgage,

and without applying at any time for a receiver for the Premises. The foregoing rights and remedies are independent of and in addition to any statutory right to appointment of a receiver. Written notices required by the foregoing paragraph shall be sent by certified mail to the addresses provided in the Mortgage Loan Agreement.

15. Any sale under this Mortgage shall operate to divest all right, title and interest of Mortgagor in and to the Premises and rights so sold; shall be a perpetual bar both in law and equity against the Mortgagor; and shall be in bar of any equity or right of redemption, the same being expressly waived by Mortgagor.

16. Mortgagor represents and warrants, to its knowledge and belief, that no hazardous substances are present on the Premises. Furthermore, Mortgagor represents, warrants, and agrees that Mortgagor will not use, generate, treat, store, dispose of or otherwise introduce any such hazardous substances into or on the Premises. Mortgagor represents, warrants and agrees that there is no current and will be no future unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic affluent or discharge) or condition in or on or affecting the Premises or affecting the health of any person in or on the Premises. The Mortgagor shall pay immediately when due the cost of removal of any such wastes or substances, and shall keep the Premises free of any lien imposed pursuant to laws, rules, regulations and orders pertaining to hazardous wastes or substances and the removal thereof; in the event Mortgagor fails to do so, it shall be deemed an Event of Default. The Mortgagor shall indemnify LFUCG and hold LFUCG harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and cost incurred in the investigation, defense and/or settlement of claims) that LFUCG may incur as a result of or in connection with the assertion against LFUCG of any claim relating to the presence or removal of any hazardous waste or substance referred to in this paragraph, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto. The obligations of Mortgagor under this paragraph to indemnify LFUCG and hold LFUCG harmless shall survive payment of the Mortgage Loan and Notes and shall survive release of this Mortgage and shall extend to the representatives, successors and assigns of LFUCG.

17. Whenever used in this Mortgage, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, representatives, successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "Mortgagor" shall include the successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "person" shall include any individual, partnership, corporation, trustee, or unincorporated association. The singular shall include the plural and the plural, the singular; the gender used shall include the other genders. The invalidity or unenforceability of any one (1) or more phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the validity or enforceability of the remaining portions of this Mortgage or of any part hereof. If this Mortgage is invalid or unenforceable as to any part of the Mortgage Loan, or if this Mortgage is invalid or unenforceable as to any part of the Premises, the Mortgage Loan shall be completely repaid.

18. All the terms, covenants, conditions and agreements herein set forth shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, attorneys, representatives, successors and assigns, as the case may be, of the parties hereto.

19. No delay or omission on the part of LFUCG in exercising any right or remedy hereunder or under any other Mortgage Loan Documents shall operate as a waiver of such right or remedy or any other right or remedy. A waiver by LFUCG on any one occasion shall not be a bar to or waiver of any right or remedy on any further occasion. The rights and remedies provided herein and in the other Mortgage Loan Documents are cumulative, and LFUCG may resort to any other right or remedy or any combination thereof available under the other Mortgage Loan Documents or at law or in equity without first exhausting and without affecting or impairing the security of or any right or remedy afforded by this Mortgage. No waiver shall be effective as to LFUCG unless same shall be in writing by its duly authorized officer; any such waiver shall be construed strictly according to its terms.

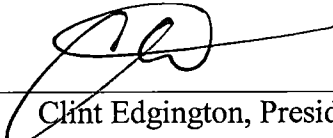
20. If Mortgagor shall pay to LFUCG all sums due LFUCG under the Notes and the interest thereon, in the manner and at the times mentioned in the Notes, or otherwise in connection with the Mortgage Loan, and Mortgagor shall pay LFUCG any and all other sums due from Mortgagor to LFUCG under this Mortgage and shall fully keep and perform the terms, covenants, conditions and agreements under this Mortgage or otherwise due LFUCG relative to the Mortgage Loan, then this Mortgage and the estate granted thereby shall cease and be void, and this Mortgage shall thereupon be released by LFUCG at the cost and expense of Mortgagor.

This Mortgage may be executed by the parties in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

This Mortgage is taken, in part, to secure a Mortgage Loan made for the purpose of erecting, improving or adding to a building.

IN TESTIMONY WHEREOF, LFUCG and the Mortgagor have caused this instrument to be executed by LFUCG and the Mortgagor's duly authorized officers this day and date first hereinabove appearing.

Nest A-Lexington, LLC

By: 
Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington, as President, on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025

Anne K. Zavaglia
Notary Public



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: Linda Gorton
Linda Gorton, Mayor

ATTEST:

Deputy Mackenzie Semmer
Clerk, Urban County Council

THIS INSTRUMENT PREPARED BY:

Brittany A. Griffin
Brittany Griffin Smith, Esq.
Attorney
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

EXHIBIT A

The Property being all of:

Tract 1

All that tract or parcel of land situated on the northwest side of Race Street between East Third Street and East Fourth Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows, to wit:

Beginning at a point in the northwest line of Race Street, said point being 207 feet northeast of the northeast line of East Third Street and said point being a corner to Earl Woodson; thence with the northwest line of Race Street, north 45° 00' East 27 feet to the line of Anderson Martin; thence with Martin North 44° 41' West 78 feet to the line of Vertner Taylor; thence with Taylor and continuing with Acie Price South 45° 00' West 27 feet to the line of Earl Woodson; thence with Woodson South 45° 41' East 78 feet to the beginning, the improvements thereon being known and designated as 319 Race Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 2

Beginning at a point on East Seventh Street, Forty-four (44) feet from the East corner of Seventh Street and Elm Tree Lane; thence in an Easterly direction with Seventh Street Twenty-one (21) feet; thence in a Southerly direction between parallel lines of equal width a distance of One Hundred and Twenty (120) feet; being the West half of Lot No. 44 in the division of Elm Tree Heights Subdivision, a plat of which is of record in Plat Cabinet E, Slide 184 (formerly Plat Book 2, Page 8), in the Fayette County Clerk's Office; and the improvements thereon being known as 306 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 3

All that tract or parcel of land located on the east side of Hawkins Avenue in Lexington, Fayette County, Kentucky, and more particularly described and bounded as follows:

Beginning at a point in the east line of Hawkins Avenue, said point being 301.5 feet west of East Fourth Street and corner to James Smith; thence with the east line of Hawkins Avenue in a northerly direction 26 feet to a stake corner to Montejoy; thence in an easterly direction with Montejoy 81 feet to a stake corner to Carter; thence in a southerly direction with Carter 26 feet to

a stake corner to Smith; thence in a westerly direction with the line of Smith 81 feet to the point of beginning. The improvements on said property being known as 430 Hawkins Avenue; and

Being the same property conveyed by Rebuilt Realty, LLC, a Kentucky limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated July 6, 2019, of record in Deed Book 3681, Page 477, in the Fayette County Clerk's Office.

Tract 4

Being all of Lot No. 21, Block "B", of the Galbrath Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slides 258 and 259 (f/k/a Plat Book 2, Page 82 and 83), in the Fayette County Clerk's Office; and the improvements thereon being known and designated as 763 Florence Avenue; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 5

Beginning at a point One Hundred and Thirty-eight and one-half (138 ½) feet South of Fifth and Chestnut Street; thence along Chestnut Street in a southerly direction Thirty-two (32) feet to Mrs. Robinson's line (formerly S.S. King); thence running back at right angles to Chestnut Street of equal width One Hundred and Forty (140) feet. The house on said lot being known as 460 Chestnut Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 6

Being all that tract or parcel of land with improvements thereon known as 456 Chestnut Street in the City of Lexington and County of Fayette and State of Kentucky; beginning at a point in the East line of Chestnut Street 170.5 feet South of 5th Street; thence with the East line of Chestnut Street in a Southerly direction 28.5 feet; thence extending back in an Easterly direction between parallel lines of equal width as the front distance 140 feet;

There is excepted from the above description and this conveyance a plot of ground 18 feet wide and 12 feet deep out of the Southeast corner of the above tract which was conveyed to Fred Banks and Georgia Banks, husband and wife, by Deed dated July 13, 1957, and of record in Deed Book 627, Page 149, Fayette County Clerk's Office;

There is also conveyed herein an easement for the purpose of ingress and egress from Hawkins Avenue to the rear of the above property as follows:

Beginning at a point in the West line of Hawkins Avenue, said point being 266 feet North of East Fourth Street; thence in a Westerly direction to a stake in the line of the above described property; thence in a Northerly direction 10 feet to a stake in the line of Smith; thence along the line of Smith in an Easterly direction to Hawkins Avenue; thence along Hawkins Avenue and in a Southerly direction 10 feet to the point of beginning and being an easement over the Northerly 10 feet of the property known as 457 Chestnut Avenue, said easement having been conveyed by Deed dated July 13, 1957, from Fred Banks and Georgia Banks, husband and wife, and of record in Deed Book 627, Page 161, in the Fayette County Clerk's Office; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 7

Beginning at a point on the northeasterly side of Fifth Street 183 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 27 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 8

Beginning at a point on the northeasterly side of Fifth Street 210 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 19 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 9

540 Chestnut Street with all improvements thereon fronting fifty (50) feet on the east side of the street between Fifth and Sixth Streets, and running back equal width 156 feet; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 10

All that tract or parcel of land located in the City of Lexington, County of Fayette, State of Kentucky, and more fully described and bounded as follows:

Beginning at a point on the North side of East Seventh Street 40 feet West of Lancaster Street; thence in a Westerly direction along Seventh Street 40 feet, more or less; thence in a Northerly direction 83 feet, more or less; thence in an Easterly direction 40 feet, more or less; thence in a Southerly direction 83 feet, more or less, to the place of beginning, known and designated as 227 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated August 12, 2019, of record in Deed Book 3691, Page 420, in the Fayette County Clerk's Office.

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
PROMISSORY NOTE**

\$163,668.00

June 17, 2020

FOR VALUE RECEIVED, NEST A-LEXINGTON, LLC, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (the "Maker") promises to pay to LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ("LFUCG"), an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507, its successors and assigns, the principal sum of **ONE HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT AND 00/100 DOLLARS (\$163,668.00)** or so much thereof as may be advanced under the Loan Documents (as defined in the Loan Agreement) and outstanding, together with interest thereon at the rate of two percent (2%) per annum until paid in full, calculated and paid in the manner hereinafter set forth, as follows:

- A. Interest on the outstanding principal *calculated in the manner set forth below* shall be due and payable in arrears on the 1st day of each month beginning on July 1, 2020 and continuing on the *first* day of each succeeding month thereafter until the principal balance shall be paid in full;
- B. Unless otherwise agreed to in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid costs or charges, provided however, upon an Event of Default, without cure, LFUCG reserves the right to apply payments in its sole discretion;
- C. Any payment due under this Note on a day which is not a business day shall be made on the succeeding business day and any resulting extension of time shall be included in the computation of the interest payment amount;
- D. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed;
- E. The entire principal balance, together with all interest accrued and unpaid thereon and all other sums due under this Note shall be due and payable on July 1, 2035, (the "Maturity Date").

If any payment required under this Note is not paid within ten (10) days after such payment is due, the undersigned will pay to LFUCG or the subsequent holder of this Note a late charge equal to five percent (5%) of the amount of such payment or Twenty-five Dollars (\$25.00), whichever is greater, each month until the required payment is made, up to a maximum of One Thousand Five Hundred Dollars (\$1,500.00) per late charge to compensate LFUCG for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable, and shall be in addition to all other rights and remedies available to LFUCG.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Commitment Letter (the "Commitment Letter") dated October 31, 2019, and updated on May 12, 2020, and an Affordable Housing Fund Loan Agreement ("Loan Agreement") between the undersigned and LFUCG, of even date herewith, providing for an amortizing mortgage loan of **ONE HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT AND 00/100 DOLLARS**

(\$163,668.00) and this Note is expressly subject to and will be bound by the terms and conditions set forth in such Commitment Letter and Loan Agreement as if all of such terms and conditions were expressly set forth herein.

If (1) any installment of interest or the payment of principal required by this Note remains unpaid for more than 10 days after the due date thereof, or (2) the undersigned or any guarantor should be a debtor in any voluntary or involuntary bankruptcy petition, receivership or other insolvency proceeding, or (3) the undersigned fails to observe or perform any of the terms of this Note or (4) there is any default by the undersigned under the Loan Agreement, the Mortgage or any other document, instrument or agreement providing any security for this Note, then, in any of those events, LFUCG or the holder of this Note may declare the remaining principal balance of this Note (or so much thereof as may have been advanced) to be immediately due and payable. In the event of default under this Promissory Note, interest shall accrue on the entire unpaid balance at a rate of twelve percent (12%) per annum from the date the default is declared until the default has been cured.

Any waiver of any default hereunder or under the instruments securing this Note at any time will not, at any other time, constitute a waiver of the terms of this Note or the instruments securing it, and the acceptance of payments upon the indebtedness evidenced hereby will not constitute a waiver of the option of LFUCG or the holder of this Note to accelerate repayment of the entire unpaid balance, unless LFUCG or the holder expressly grants such waiver in writing.

This Note is also secured by and is further subject to a Declaration of Covenants and Restrictions ("Declaration") (collectively with the Loan Agreement, Mortgage and any other document executed with this Note, the "Loan Documents") all of even date herewith executed by Maker in favor of LFUCG, and this Note is expressly made subject to and will be bound by the terms and conditions set forth in said Loan Documents as if all such terms and conditions were expressly set forth herein. All sums which shall or may become due and payable by the Maker in accordance with the provisions of this Note shall be deemed to constitute additional interest on, and shall be evidenced by this Note, shall be secured by the Mortgage and the other Loan Documents.

The Maker and all persons now or hereafter liable, whether primarily or secondarily, for the whole or any part of the indebtedness evidenced by this Note jointly and severally:

(a) agree to remain and continue to be responsible for the payment of the principal of and interest on this Note notwithstanding any extension or extensions of time of the payment of the principal or interest, or any change or changes by way of release or surrender of any collateral, real or personal, held as security for the payment of this Note, and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of any such persons;

(b) waive presentment, notice of dishonor, protest, notice of protest and diligence in collection and all exemptions, whether homestead or otherwise, to which they or any of them may now or hereafter be entitled under the laws of Kentucky or any other state; and

(c) agree, upon default, to pay all costs of collection, securing or attempting to collect or secure this Note, including a reasonable attorney's fee, whether same be collected or secured by suit or otherwise, providing the collection of such costs and fees is permitted by applicable law.

The outstanding principal amount of this Note may be prepaid in whole or in part at any time without penalty.

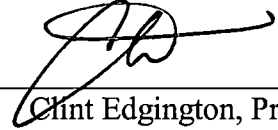
The Maker (and the undersigned representative(s) of the Maker) represents that the Maker has full power, authority and legal right to execute and deliver this Note and that this Note constitutes a valid and binding obligation of the Maker.

This Note will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

The undersigned shall have no personal liability under this Note or any other Loan Document for the repayment of the indebtedness evidenced by this Note or for the performance of any other obligations of the undersigned under the Loan Documents (collectively, the "Indebtedness"), and LFUCG's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be LFUCG's exercise of its rights and remedies under the Loan Documents with respect to the Premises (as defined in the Mortgage) and any other collateral held by LFUCG as security for the Indebtedness. This limitation on the undersigned's liability shall not limit or impair LFUCG's enforcement of its rights against any indemnitor or guarantor pursuant to any agreement of indemnity or guaranty. Notwithstanding the foregoing provisions, the undersigned shall be fully and personally liable for damages to LFUCG resulting from (i) the undersigned's fraud or misrepresentation, whether affirmative or by omission; (ii) the misapplication of (a) proceeds of insurance covering any portion of the Premises, or (b) proceeds of condemnation of any portion of the Premises or proceeds from the sale or conveyance of any portion of the Premises in lieu of condemnation; and (iii) all reasonable costs and expenses including court costs and reasonable attorney's fees incurred in collecting any of the foregoing.

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NEST A-LEXINGTON, LLC

By: 
Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington, as President, on behalf of Nest A-Lexington, LLC.


My commission expires: 3-5-2025


Notary Public



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

THIS INSTRUMENT PREPARED BY:


Brittany Griffin Smith, Esq.
Attorney
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
FORGIVABLE LOAN PROMISSORY NOTE**

\$163,668.00

June 19, 2020

FOR VALUE RECEIVED, NEST A-LEXINGTON, LLC, an Ohio Limited Liability Company, whose principal address is 1500 Frantz Road, Suite 153, Dublin, Ohio 43017 (the "Maker") promises to pay to LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ("LFUCG"), an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507, its successors and assigns, the principal sum of **ONE HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT AND 00/100 DOLLARS (\$163,668.00)** or so much thereof as may be advanced under the Loan Documents (as defined in the Loan Agreement) and outstanding, together with interest thereon at the rate of zero percent (0%) per annum.

A. Payments shall be required as follows:

1. Interest on the outstanding principal *calculated in the manner set forth below* shall be due and payable in arrears on the 1st day of each month beginning on July 1, 2020 and continuing on the *first* day of each succeeding month thereafter until the principal balance shall be paid in full.
2. Unless otherwise agreed to in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid costs or charges, provided however, upon an Event of Default, without cure, LFUCG reserves the right to apply payments in its sole discretion;
3. Any payment due under this Note on a day which is not a business day shall be made on the succeeding business day and any resulting extension of time shall be included in the computation of the interest payment amount.
4. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed.
5. Subject to Paragraph B below, the entire principal balance, together with all interest accrued and unpaid thereon and all other sums due under this Note shall be due and payable on July 1, 2035, (the "Maturity Date")

B. However, so long as Maker does not commit or participate in any event of breach or default as defined in Sections 5.1 and 5.2 of the Loan Agreement, the Maker's obligation to pay the principal of this Forgivable Loan Promissory Note shall be forgiven. The loan shall be forgiven as follows:

1. 1/15th of the above-stated principal's sum shall be forgiven beginning on July 1, 2021 and each year thereafter for each full year during the Affordability Period.
2. The entire principal sum shall be forgiven in full on July 1, 2035 as long as all terms and conditions of all Loan Documents have been satisfactorily complied and fulfilled.

If any payment required under this Note is not paid within ten (10) days after such payment is due, the undersigned will pay to LFUCG or the subsequent holder of this Note a late charge equal to five percent (5%) of the amount of such payment or Twenty-five Dollars (\$25.00), whichever is greater, each month until the required payment is made, up to a maximum of One Thousand Five Hundred Dollars (\$1,500.00) per late charge to compensate LFUCG for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to LFUCG.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Commitment Letter (the "Commitment Letter") dated October 31, 2019, and updated on May 12, 2020, and a Loan Agreement ("Loan Agreement") between the undersigned and LFUCG, of even date herewith, providing for a forgivable mortgage loan of **ONE HUNDRED SIXTY THREE THOUSAND SIX HUNDRED SIXTY EIGHT AND 00/100 DOLLARS (\$163,668.00)** and this Note is expressly subject to and will be bound by the terms and conditions set forth in such Commitment and Loan Agreement as if all of such terms and conditions were expressly set forth herein.

If (1) any installment of interest or the payment of principal required by this Note remains unpaid for more than 10 days after the due date thereof, or (2) the undersigned or any guarantor should be a debtor in any voluntary or involuntary bankruptcy, receivership or other insolvency proceeding, or (3) the undersigned fails to observe or perform any of the terms of this Note or (4) there is any default by the undersigned under the Loan Agreement, the Mortgage or any other document, instrument or agreement providing any security for this Note, then, in any of those events, LFUCG or the holder of this Note may declare the remaining principal balance of this Note (or so much thereof as may have been advanced) to be immediately due and payable. In the event of default under this Promissory Note, interest shall accrue on the entire unpaid balance at a rate of twelve percent (12%) per annum from the date the default is declared until the default has been cured.

Any waiver of any default hereunder or under the instruments securing this Note at any time will not, at any other time, constitute a waiver of the terms of this Note or the instruments securing it, and the acceptance of payments upon the indebtedness evidenced hereby will not constitute a waiver of the option of LFUCG or the holder of this Note to accelerate repayment of the entire unpaid balance, unless LFUCG or the holder expressly grants such waiver in writing.

This Note is also secured by and is further subject to a Declaration of Covenants and Restrictions ("Declaration") (collectively with the Loan Agreement, Mortgage and any other document executed herewith this Note, the "Loan Documents") all of even date herewith executed by Maker in favor of LFUCG, and this Note is expressly made subject to and will be bound by the terms and conditions set forth in said Loan Documents as if all such terms and conditions were expressly set forth herein. All sums which shall or may become due and payable by the Maker in accordance with the provisions of this Note shall be deemed to constitute additional interest on, and shall be evidenced by this Note, shall be secured by the Mortgage and the other Loan Documents.

The Borrower and all persons now or hereafter liable, whether primarily or secondarily, for the whole or any part of the indebtedness evidenced by this Note jointly and severally:

(a) agree to remain and continue to be responsible for the payment of the principal of and interest on this Note notwithstanding any extension or extensions of time of the payment of the principal or interest, or any change or changes by way of release or surrender of any collateral, real or personal, held as security for the payment of this Note, and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of any such persons;

(b) waive presentment, notice of dishonor, protest, notice of protest and diligence in collection and all exemptions, whether homestead or otherwise, to which they or any of them may now or hereafter be entitled under the laws of Kentucky or any other state; and

(c) agree, upon default, to pay all costs of collection, securing or attempting to collect or secure this Note, including a reasonable attorney's fee, whether same be collected or secured by suit or otherwise, providing the collection of such costs and fees is permitted by applicable law.

The outstanding principal amount of this Note may be prepaid in whole or in part at any time without penalty.

The Maker (and the undersigned representative(s) of the Maker) represents that the Maker has full power, authority and legal right to execute and deliver this Note and that this Note constitutes a valid and binding obligation of the Maker.

This Note will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

The undersigned shall have no personal liability under this Note or any other Loan Document for the repayment of the indebtedness evidenced by this Note or for the performance of any other obligations of the undersigned under the Loan Documents (collectively, the "Indebtedness"), and LFUCG's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be LFUCG's exercise of its rights and remedies under the Loan Documents with respect to the Premises (as defined in the Mortgage) and any other collateral held by LFUCG as security for the Indebtedness. This limitation on the undersigned's liability shall not limit or impair LFUCG's enforcement of its rights against any indemnitor or guarantor pursuant to any agreement of indemnity or guaranty. Notwithstanding the foregoing provisions, the undersigned shall be fully and personally liable for damages to LFUCG resulting from (i) the undersigned's fraud or misrepresentation, whether affirmative or by omission; (ii) the misapplication of (a) proceeds of insurance covering any portion of the Premises, or (b) proceeds of condemnation of any portion of the Premises or proceeds from the sale or conveyance of any portion of the Premises in lieu of condemnation; and (iii) all reasonable costs and expenses including court costs and reasonable attorney's fees incurred in collecting any of the foregoing.

[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW]

NEST A-LEXINGTON, LLC

By: [Signature]
 Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June, 2020, by Clint Edgington, as President on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025

[Signature]
 Notary Public



Anne K. Zavaglia
 Notary Public, State of Ohio
 My Commission Expires 03-05-2025

THIS INSTRUMENT PREPARED BY:
[Signature]
 Brittany Griffin Smith, Esq.
 Attorney
 Lexington-Fayette Urban County Government
 200 East Main Street
 Lexington, Kentucky 40507
 (859) 258-3500

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
DECLARATION OF COVENANTS AND RESTRICTIONS**

This **DECLARATION OF COVENANTS AND RESTRICTIONS** ("Declaration") is made this 19th day of June 2020, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **NEST A-LEXINGTON, LLC**, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (hereinafter "Borrower")

Borrower is the fee simple owner of the properties in Fayette County, Kentucky, described on Exhibit A attached hereto and made a part hereof (the "Property") upon which Borrower is to rehabilitate nine (9) single family homes and one (1) duplex ("Project").

To facilitate the Project, Borrower has been awarded funds in the amount **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)** (the "AHF Funds") from the Affordable Housing Fund (the "AHF Program").

1. **OCCUPANCY BY LOW-INCOME PERSONS OR FAMILIES.** In consideration of Lexington-Fayette Urban County Government ("LFUCG") by and through the Office of Affordable Housing, making funds available to Borrower for the construction of the Properties, Borrower covenants that the dwelling units constructed on the Property described herein shall be maintained as housing for low-income persons or families, which shall be defined as individuals/families with annual gross incomes at or below eighty percent (80%) of the area median income, adjusted for household size, as defined by the U.S. Department of Housing and Urban Development ("HUD").

2. **RENT REQUIREMENTS.** Borrower further covenants that the rent charged for any of the dwelling units subject to this restriction constructed or rehabilitated on the property described herein will comply with the limits on rents chargeable to tenants pursuant to the rent restrictions of the AHF Program as determined by LFUCG Office of Affordable Housing.

3. **ENFORCEMENT.** The covenants set forth in this Deed shall run with the land described above and, to the fullest extent permitted by law and equity, shall be binding for the benefit and in favor of and enforceable by LFUCG, their successors and assigns.

LFUCG shall be entitled to (a) institute legal action to enforce performance and observance of these covenants, (b) enjoin any acts which are violative of these covenants, and (c) exercise any other legal or equitable right or remedy with respect to these covenants.

This covenant shall continue in effect for fifteen (15) years from the completion and/or occupancy date. Only LFUCG, or its successors and assigns, has the right to release this Declaration prior to its expiration date.

IN WITNESS WHEREOF, Borrower has executed this Declaration as of the date set

forth above.

By: NEST A-LEXINGTON, LLC

By: [Signature]
Clint Edgington, President

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington, as President, on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025.

[Signature]
NOTARY PUBLIC



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

THIS INSTRUMENT PREPARED BY:

[Signature]
Brittany Griffin Smith, Attorney
Lexington-Fayette Urban County Government
200 East Main Street, 11th floor
Lexington, Kentucky 40507
(859) 258-3500

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EXHIBIT A

The Properties being all of:

Tract 1

All that tract or parcel of land situated on the northwest side of Race Street between East Third Street and East Fourth Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows, to wit:

Beginning at a point in the northwest line of Race Street, said point being 207 feet northeast of the northeast line of East Third Street and said point being a corner to Earl Woodson; thence with the northwest line of Race Street, north 45° 00' East 27 feet to the line of Anderson Martin; thence with Martin North 44° 41' West 78 feet to the line of Vertner Taylor; thence with Taylor and continuing with Acie Price South 45° 00' West 27 feet to the line of Earl Woodson; thence with Woodson South 45° 41' East 78 feet to the beginning, the improvements thereon being known and designated as 319 Race Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 2

Beginning at a point on East Seventh Street, Forty-four (44) feet from the East corner of Seventh Street and Elm Tree Lane; thence in an Easterly direction with Seventh Street Twenty-one (21) feet; thence in a Southerly direction between parallel lines of equal width a distance of One Hundred and Twenty (120) feet; being the West half of Lot No. 44 in the division of Elm Tree Heights Subdivision, a plat of which is of record in Plat Cabinet E, Slide 184 (formerly Plat Book 2, Page 8), in the Fayette County Clerk's Office; and the improvements thereon being known as 306 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 3

All that tract or parcel of land located on the east side of Hawkins Avenue in Lexington, Fayette County, Kentucky, and more particularly described and bounded as follows:

Beginning at a point in the east line of Hawkins Avenue, said point being 301.5 feet west of East Fourth Street and corner to James Smith; thence with the east line of Hawkins Avenue in a northerly direction 26 feet to a stake corner to Montejoy; thence in an easterly direction with

Montejoy 81 feet to a stake corner to Carter; thence in a southerly direction with Carter 26 feet to a stake corner to Smith; thence in a westerly direction with the line of Smith 81 feet to the point of beginning. The improvements on said property being known as 430 Hawkins Avenue; and

Being the same property conveyed by Rebuilt Realty, LLC, a Kentucky limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated July 6, 2019, of record in Deed Book 3681, Page 477, in the Fayette County Clerk's Office.

Tract 4

Being all of Lot No. 21, Block "B", of the Galbrath Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slides 258 and 259 (f/k/a Plat Book 2, Page 82 and 83), in the Fayette County Clerk's Office; and the improvements thereon being known and designated as 763 Florence Avenue; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated April 12, 2019, of record in Deed Book 3660, Page 469, in the Fayette County Clerk's Office.

Tract 5

Beginning at a point One Hundred and Thirty-eight and one-half (138 ½) feet South of Fifth and Chestnut Street; thence along Chestnut Street in a southerly direction Thirty-two (32) feet to Mrs. Robinson's line (formerly S.S. King); thence running back at right angles to Chestnut Street of equal width One Hundred and Forty (140) feet. The house on said lot being known as 460 Chestnut Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 6

Being all that tract or parcel of land with improvements thereon known as 456 Chestnut Street in the City of Lexington and County of Fayette and State of Kentucky; beginning at a point in the East line of Chestnut Street 170.5 feet South of 5th Street; thence with the East line of Chestnut Street in a Southerly direction 28.5 feet; thence extending back in an Easterly direction between parallel lines of equal width as the front distance 140 feet;

There is excepted from the above description and this conveyance a plot of ground 18 feet wide and 12 feet deep out of the Southeast corner of the above tract which was conveyed to Fred Banks and Georgia Banks, husband and wife, by Deed dated July 13, 1957, and of record in Deed Book 627, Page 149, Fayette County Clerk's Office;

There is also conveyed herein an easement for the purpose of ingress and egress from Hawkins Avenue to the rear of the above property as follows:

Beginning at a point in the West line of Hawkins Avenue, said point being 266 feet North of East Fourth Street; thence in a Westerly direction to a stake in the line of the above described property; thence in a Northerly direction 10 feet to a stake in the line of Smith; thence along the line of Smith in an Easterly direction to Hawkins Avenue; thence along Hawkins Avenue and in a Southerly direction 10 feet to the point of beginning and being an easement over the Northerly 10 feet of the property known as 457 Chestnut Avenue, said easement having been conveyed by Deed dated July 13, 1957, from Fred Banks and Georgia Banks, husband and wife, and of record in Deed Book 627, Page 161, in the Fayette County Clerk's Office; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 7

Beginning at a point on the northeasterly side of Fifth Street 183 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 27 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 8

Beginning at a point on the northeasterly side of Fifth Street 210 feet southeast of the intersection of Fifth and Chestnut Streets; running thence in a southeastwardly direction and with Fifth Street a distance of 19 feet, and extending back in a northeasterly direction, of equal width and between parallel lines, a distance on 139.4 feet; and

Being a portion of the same property conveyed by Leathan Properties, LLC, a Kentucky limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by Deed dated September 19, 2019, of record in Deed Book 3700, Page 326, in the Fayette County Clerk's Office.

Tract 9

540 Chestnut Street with all improvements thereon fronting fifty (50) feet on the east side of the street between Fifth and Sixth Streets, and running back equal width 156 feet; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, Ltd., an Ohio limited liability company, by

Deed dated September 26, 2019, of record in Deed Book 3703, Page 114, in the Fayette County Clerk's Office.

Tract 10

All that tract or parcel of land located in the City of Lexington, County of Fayette, State of Kentucky, and more fully described and bounded as follows:

Beginning at a point on the North side of East Seventh Street 40 feet West of Lancaster Street; thence in a Westerly direction along Seventh Street 40 feet, more or less; thence in a Northerly direction 83 feet, more or less; thence in an Easterly direction 40 feet, more or less; thence in a Southerly direction 83 feet, more or less, to the place of beginning, known and designated as 227 East Seventh Street; and

Being a portion of the same property conveyed by Mt. Melrose, LLC d/b/a Mt. Melrose II, LLC, a Delaware limited liability company, to L.O.P. 1, LTD., an Ohio limited liability company, by Deed dated August 12, 2019, of record in Deed Book 3691, Page 420, in the Fayette County Clerk's Office.

GUARANTY AGREEMENT

This Guaranty Agreement (the "*Agreement*"), dated and effective as of the 19th day of June 2020, is made by **NEST OPPORTUNITY FUND, LLC**, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (the "*Guarantor*") and **NEST A-LEXINGTON, LLC**, an Ohio Limited Liability Company, whose principal address is 5500 Frantz Road, Suite 153, Dublin, Ohio 43017 (hereinafter referred to as the "*Company*"), for the benefit of **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A (the "*Lender*"), on behalf of its **OFFICE OF AFFORDABLE HOUSING**.

WHEREAS, the Company was formed by the Guarantor for the purpose of investing in property and intends to acquire and rehabilitate nine (9) single family homes and one (1) duplex property in Lexington, Fayette County, Kentucky (the "*Project*").

WHEREAS, the Company, which is authorized to do business in the Commonwealth of Kentucky, desires to transact business with and to obtain a loan in the amount of **THREE HUNDRED TWENTY SEVEN THOUSAND THREE HUNDRED THIRTY SIX AND 00/100 DOLLARS (\$327,336.00)** ("*Loan*") from the Lender, under the terms of the Commitment Letter dated October 31, 2019 and updated May 12, 2020, and an Affordable Housing Fund Loan Agreement ("*Loan Agreement*"), and as further evidenced by two promissory notes and a mortgage (collectively referred to as the "*Loan Documents*") which were executed contemporaneously with this Agreement, the terms and conditions of said Loan Agreement and Loan Documents are incorporated herein as if they have been restated in length.

WHEREAS, the Lender is unwilling to provide the Loan unless the undersigned Guarantor shall absolutely, unconditionally, and jointly and severally guaranty to the Lender the payment and performance of the obligations of the Company as set forth in the Loan Agreement and Loan Documents.

WHEREAS, Lender and Company desire that the Guarantor provide funds to the authorized representative of the Company, to the extent needed by the Company's authorized representative, to provide payments on the Lender's loan until paid in full, if not available from annual surplus cash flow. Guarantor is agreeable to providing the funds.

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, and to induce the Lender to extend credit to the Company under the Loan Agreement and Loan Documents, and acknowledging that the Lender, in extending such credit, shall rely on this Agreement, Guarantor absolutely and unconditionally guarantees to the Lender the prompt payment when due and at all times thereafter of any and all indebtedness and liabilities of the Company of every kind, nature, and character (including all renewals, extensions and modifications thereof, and whether created directly by the Lender or acquired by assignment or otherwise, whether joint or several, whether matured or unmatured, and whether absolute or contingent) to the Lender under the Loan Agreement and Loan Documents, including interest

thereon as provided therein, charges, penalties, reasonable attorneys' fees, and costs and expenses of collection incurred by the Lender (all of which existing and future indebtedness of the Company to the Lender are hereinafter collectively referred to as the "Obligations"). The Guarantor, Lender and Company further agree as follows:

1. **Term.** This Agreement shall commence as of the date hereof and shall terminate when the Company has satisfied in full its obligation pursuant to the Lender's Loan Agreement.

2. **Notices.** All Notices required by this Agreement shall be given in writing and by U.S. Mail to all of the addresses specified below:

Nest A-Lexington, LLC
5500 Frantz Road, Suite 153
Dublin, Ohio 43017
ATTN: Clint Edgington

Nest Opportunity Fund, LLC
5500 Frantz Road, Suite 153
Dublin, Ohio 43017
ATTN: Clint Edgington

Lexington-Fayette Urban County Government
c/o Lexington Affordable Housing Program
200 East Main Street, 6th Floor
Lexington, Kentucky 40507
ATTN: Charlie Lanter, Director of the Division of Grants and Special Programs

3. **Irrevocable Guaranty.** The Guarantor absolutely, unconditionally, and irrevocably guarantees to the Lender the full and prompt payment(s) when due, of the amount of **\$327,336.00**, plus all accrued but unpaid interest, charges, penalties, reasonable attorney's fees, and costs and expenses of collection of the Obligations, whether due at maturity or earlier.

4. **Guarantor's Representations.** The Guarantor warrants and represents to the Lender that it is duly organized and existing under the laws of the state of incorporation or organization and is in good standing in every other state in which it does business, that the execution, delivery and performance of this Agreement are within its corporate or company powers, have been duly authorized, are not in contravention of law or the terms of its articles, bylaws or operating agreement, or of any indenture, agreement or undertaking to which it is a party or by which it is bound, and that the execution of this Agreement is in furtherance of the business purposes of such operation. It further represents that it will maintain (or possess sufficient credit to timely borrow) sufficient funds to be able to satisfy its obligations under this Agreement. The Guarantor shall be required to provide annual financial statements to the Lender.

5. **Right of Immediate Recourse.** The Lender shall have the right of immediate recourse against Guarantor for full and immediate payment of the Obligations at any time after the Obligations, or any part thereof, have not been paid in full according to the tenor and under

the terms of the instrument governing such Obligations, whether on demand, at fixed maturity, or maturity accelerated by reason of a default. It is expressly understood and agreed that the Lender shall have the right to select, in its absolute discretion, the portion of the Obligations to which this Agreement will apply, regardless of what portion of the Obligations remains unpaid. The Guarantor's liability under this Agreement shall be direct and immediate, and not conditional or contingent upon the pursuit of any remedies against the Company, any other guarantor, or any other person, nor against any security or liens available to the holder of the promissory notes for payment. If the notes are partially paid through the Lender's election to pursue any of its remedies, or if the notes are otherwise partially paid, Guarantor shall remain liable for the entire unpaid principal balance thereof and all accrued but unpaid interest on the notes and for the other Obligations. Further, this is a guaranty of payment, not of collection, and Guarantor therefore agrees that the Lender shall not be obligated, prior to seeking recourse against or receiving payment from Guarantor, to any of the following (although the Lender may do so, in whole or in part, at its sole option), all of which are hereby unconditionally waived by Guarantor:

a. Take any steps whatsoever to collect from the Company or to file any claim of any kind against the Company;

b. Take any steps whatsoever to accept, perfect the Lender's interest in, foreclose, realize on, or deal in any manner with collateral security, if any, for the payment of the Obligations, or any other guaranty of the Obligations; or

c. In any other respect exercise any diligence whatsoever in collecting or attempting to collect any of the Obligations by any means. The liability of Guarantor for payment of the Obligations shall be absolute, and unconditional, and nothing except actual full payment to the Lender of all the Obligations shall operate to discharge Guarantor's liability hereunder. Accordingly, Guarantor unconditionally and irrevocably waives each and every defense which, under principles of guarantee or suretyship law, would otherwise operate to impair or diminish the liability of Guarantor.

6. ***Liability Shall Not Diminish.*** Without limiting the generality of the foregoing, Guarantor agrees that none of the following shall diminish or impair the liability of Guarantor in any respect (all of which may be done without notice to Guarantor of any kind):

a. Any extension, modification, indulgence, compromise, settlement, or variation of the terms of any of the Obligations, or of any agreement entered into with Guarantor or any other person liable for any part of the Obligations;

b. The voluntary or involuntary discharge or release of any of the Obligations, or of any Guarantor or other person liable therefore, by reason of bankruptcy or insolvency laws or otherwise;

c. The acceptance or release, with or without substitution, by the Lender of any collateral security or other guaranty, or collateral security for such other guaranty, or any exchange, settlement, compromise or extension with respect to any collateral security, other guaranty or collateral security for such other guaranty;

d. The application or allocation by the Lender of payments, collections or credits on any portion of the Obligations regardless of what portion of the Obligations remains unpaid;

e. The creation of any new Obligations covered by this Agreement or renewal of any existing Obligations, or the amendment or modification of any provision or term of the Loan Agreement or Loan Documents, with or without notice to Guarantor;

f. The making of a demand, or absence of demand, for payment of the Obligations or giving, or failing to give, any notice of dishonor or protest or any other notice, including any notice regarding the disposition of any collateral acting as security for the Loan. Guarantor unconditionally waives:

i. Any subrogation of the rights of the Lender against the Company, until all of the Obligations have been satisfied in full;

ii. Any acceptance of this Agreement; and

iii. Any set-offs of counterclaims against the Lender which would impair the Lender's rights against the Guarantor hereunder.

7. ***Burden and Benefit.*** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. The Guarantor may not assign the obligations under this Agreement without the prior written consent of the Lender.

8. ***Severability of Provisions and Survivability.*** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, the invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid. Further, the obligations of the Guarantor under this Agreement shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Security Instrument.

9. ***Grant of Security Interest.*** Guarantor hereby grants to the Lender a lien on and a continuing security interest in all instruments, documents, securities, cash, general intangibles, property, and the proceeds of any of the foregoing, owned by Guarantor or in which Guarantor has an interest, which now or hereafter are at any time in possession or control of the Lender, or in transit by mail or carrier to or from the Lender or in the possession of any third party on behalf of the Lender, without regard to whether the Lender received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, or whether the Lender had conditionally released the same, all of which shall at all times constitute additional security for the Obligations of the Company and the obligations of Guarantor hereunder, and all of which may be applied at any time without notice to the Company or to Guarantor to the Obligations of the Company in such order as the Lender may determine.

10. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless the waiver shall be in writing and signed by the party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

11. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Loan Agreement.

12. **Governing Law and Consent to Personal Jurisdiction.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to principles of conflicts of laws. Guarantor consents to personal jurisdiction in any court in which enforcement of this guaranty may be sought.

13. **Entire Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors, and assigns. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any of its provisions may be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

14. **Waiver of Jury Trial.** The Guarantor and Lender each (A) agree not to elect a trial by jury with respect to any issue that is triable of right by jury and arising out of this Guaranty Agreement or arising out of the relationship between the parties as Guarantor and Lender, and (B) waive any right to trial by jury with respect to such issue to the extent that any such right exists now or in the future. This waiver of right to trial by jury is separately given by each party, knowingly, voluntarily, with the benefit of competent legal counsel.

15. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

16. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

The parties have executed this Guaranty Agreement as of the date first written above.

COMPANY

NEST A-LEXINGTON, L.L.C.

By: NEST A-LEXINGTON, L.L.C.

By: [Signature]

Name: Clint Edgington

Title: President

COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington on behalf of Nest A-Lexington, LLC.

My commission expires: 3-5-2025

[Signature]
Notary Public

GUARANTOR

By: NEST OPPORTUNITY FUND, L.L.C.

By: [Signature]

Name: Clint Edgington

Title: President

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 19 day of June 2020, by Clint Edgington on behalf of Nest Opportunity Fund, LLC.

My commission expires: 3-5-2025

[Signature]
Notary Public

LENDER



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025



Anne K. Zavaglia
Notary Public, State of Ohio
My Commission Expires 03-05-2025

By: Linda Horton
Linda Gorton, Mayor

COMMONWEALTH OF KENTUCKY)
) **SS**
COUNTY OF FAYETTE)

Subscribed, sworn to and acknowledged before me this 25 day of June 2020, by Mayor Linda Gorton on behalf of the Lexington-Fayette Urban County Government.

My commission expires: 4-20-2022

Theresa V. Reynolds
Notary Public

