

Subordination Agreement

U.S. Department of Housing
and Urban Development
Office of Housing

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Project Name: Westminster Village Apartments
HUD Project No: 083-35758

THIS SUBORDINATION AGREEMENT ("**Agreement**") is entered into this 1st day of June, 2019 by and among (i) PNC Bank, National Association, a national banking association ("**Senior Lender**"), (ii) Lexington-Fayette Urban County Government, an urban county government created pursuant to KRS Chapter 67A ("**Subordinate Lender**"), and (iii) WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company ("**Borrower**").

Recitals

WHEREAS, Borrower is the owner of that certain 132 unit residential rental development known as "Westminster Apartments" ("**Project**"), located at 1510 Versailles road, Lexington, Fayette County, Kentucky 40504. Senior Lender has made or is making the senior mortgage loan as described on Schedule A hereto ("**Senior Indebtedness**") to Borrower in the original principal amount(s) as shown on Schedule A, evidenced by the Note described in Schedule A ("**Senior Note**"), and secured by, among other things, the Security Instrument as described in Schedule A (collectively, "**Senior Security Instrument**"), covering the property described in Exhibit A attached hereto together with all improvements thereon and personal property used relative thereof, all as more particularly described in the Senior Security Instrument ("**Mortgaged Property**").

WHEREAS, Subordinate Lender made a subordinate loan to Borrower in the amount of ~~one hundred, thirty-eight thousand, four hundred seventy~~ ^{138,479.00} ("**Subordinate Loan**")* ^{in mortgage book 9280, page 173} pursuant to the Subordinate Loan Documents as defined below, and secured by, among other things, a mortgage lien(s) against the Mortgaged Property.

WHEREAS, Senior Lender, with the approval of the U.S. Department of Housing and Urban Development ("**HUD**"), has agreed to permit Subordinate Lender to make the Subordinate Loan and to place a subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in this Agreement and in accordance with Program Obligations. "**Program Obligations**" means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in

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except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: (<http://www.hud.gov/offices/adm/hudclips/index.cfm>, or a successor location to that site).

NOW, THEREFORE, in order to induce Senior Lender to permit Subordinate Lender to make the Subordinate Loan to Borrower and to place a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Lender and Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

(a) **"Affiliate"** is defined in 24 C.F.R. 200.215, or any successor regulation.

(b) **"Bankruptcy Proceeding"** means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(c) **"Borrower"** means all entities identified as "Borrower" in the first paragraph of this Agreement, together with any successors, heirs, and assigns (jointly and severally). Borrower shall include any entity taking title to the Mortgaged Property, whether or not such entity assumes the Senior Note, provided that the term "Borrower" shall not include Senior Lender in the event that Senior Lender may acquire title to the Mortgaged Property. Whenever the term "Borrower" is used herein, the same shall be deemed to include the obligor of the debt secured by the Senior Security Instrument.

(d) **"Business Day"** means any day other than Saturday, Sunday or any other day on which Senior Lender or HUD is not open for business.

(e) **"Covenant Event of Default"** is defined in the Senior Security Instrument.

(f) **"Entity"** means an estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

(g) **"Monetary Event of Default"** is defined in the Senior Security Instrument.

(h) **"Non-Project Sources"** means any funds that are not derived from Project Sources.

(i) **"Project Sources"** means the Mortgaged Property (as defined in the Senior Security Instrument), any proceeds of the Senior loan, and any reserve or deposit made with Senior Lender or any other party as required by HUD in connection with the Senior loan.

(j) **"Senior Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Senior Lender under or in connection with the Senior loan or Senior Loan Documents.

(k) **"Senior Lender"** means the Entity named as such in the first paragraph on page 1 of this Agreement, its successors and assigns.

(l) **"Senior Loan Documents"** means the Senior Note, the Senior Security Instrument, and the Regulatory Agreement between Borrower and HUD, as such documents may be amended from time to time and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Senior Indebtedness.

(m) **"Senior Security Instrument Default"** means a "Monetary Event of Default" or a "Covenant Event of Default" as defined in the Senior Security Instrument.

(n) **"Subordinate Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Subordinate Lender under or in connection with the Subordinate Loan or the Subordinate Loan Documents.

(o) **"Subordinate Lender"** means the Entity named as such in the first paragraph on page 1 of this Agreement.

(p) **"Subordinate Loan Documents"** means the Subordinate Note, the Subordinate Mortgage, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as identified in Exhibit B.

(q) **"Subordinate Loan Enforcement Action"** means the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(r) **"Subordinate Mortgage Default"** means any act, failure to act, event, conditions, or occurrence which allows (but for any contrary provision of this

Agreement), or which with the giving of notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Lender to take a Subordinate Loan Enforcement Action.

(s) "**Surplus Cash**" is defined herein to mean the same as that term is defined in the Regulatory Agreement between Borrower and HUD.

2. Permission to Place Mortgage Lien Against Mortgaged Property.

Senior Lender agrees, subject to the provisions of this Agreement, to permit Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Mortgaged Property (which are subordinate in all respects to the lien of the Senior Security Instrument) to secure Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to Borrower. If any of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are not true and correct on both of those dates, the provisions of the Senior Loan Documents applicable to unpermitted liens on the Mortgaged Property shall apply.

3. Borrower's and Subordinate Lender's Representations and Warranties.

Borrower and, with respect to subsections (a) through (d) below, Subordinate Lender each make the following representations and warranties to Senior Lender:

(a) **Subordinate Loan Documents.** The Subordinate Loan is evidenced by the Subordinate Note(s) and is secured by the Subordinate Mortgage.

(b) **Terms of the Subordinate Loan(s).**

The original amount of the Subordinate Deferred Note is \$138,479.00. Interest on the Subordinate Deferred Note accrues monthly at the rate of 0% per annum. The Subordinate Deferred Note is due and payable in full on March 5, 2034 ("Maturity"). The principal of the Subordinate Deferred Note will be fully amortized at Maturity. The promissory note evidencing the Subordinate Deferred Note obligates Borrower to make payments as directed by Subordinate Deferred Note, subject to available Surplus Cash.

As long as HUD is the insurer or holder of the Senior Note on FHA Project No. 083-35758, any payments due from project income under the Subordinate Notes shall be payable only (i) from permissible distributions from Surplus Cash of the Project; but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. No prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Borrower

to pay the indebtedness evidenced by the Subordinate Notes.

(c) Relationship of Borrower to Subordinate Lender. Subordinate Lender is not an Affiliate of Borrower.

(d) Term. The term of the Subordinate Note does not end before the term of the Senior Note.

(e) Subordinate Loan Documents. The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, HUD prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(f) Senior Loan Documents. The executed Senior Loan Documents are the same forms as approved by HUD prior to the date of this Agreement. Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

4. Deliveries.

Borrower shall submit the following items to Senior Lender and HUD [not later than ten (10) Business Days after the date of the initial disbursement of proceeds of the Subordinate Loan].

(a) Title Evidence. Evidence of title (title policy or title policy endorsement, as appropriate) insuring the lien of the Senior Security Instrument which insures that (i) the lien of the Subordinate Mortgage is subordinate to the lien of the Senior Mortgage, and (ii) this Agreement has been recorded among the applicable land records.

(b) Certification. A certification from Borrower and Subordinate Lender to HUD that the Subordinate Loan Documents do not contain any changes from the Subordinate Loan Documents submitted to, and approved by, HUD, before the date of this Agreement.

(c) Loan Documents. A complete set of the Subordinate Loan Documents. **{Not required for Section 223(a)(7) refinancings.}**

5. Terms of Subordination.

(a) Agreement to Subordinate. Senior Lender and Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment of the indebtedness evidenced by the Senior Loan Documents, and (ii) the Subordinate Mortgage and the other

Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Security Instrument and the other Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Security Instrument, curing defaults by Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Security Instrument, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property). Subordinate Lender agrees to extinguish and release its lien on any and all Mortgaged Property in the event Senior Lender, HUD, or a designee of either acquires title to the Mortgaged Property pursuant to a deed in lieu of foreclosure.

(b) Subordination of Subrogation Rights. Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Senior Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument.

(c) Payments Before Senior Security Instrument Default. Until Subordinate Lender receives a default notice of a Senior Security Instrument Default from Senior Lender, Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents provided that such payments are otherwise permitted under the terms of this Agreement.

(d) Payments After Senior Security Instrument Default. Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Security Instrument Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a default notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Project Sources on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) unless either (i) such payment is being made solely from Non-Project Sources or (ii) such payment is made with Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Security Instrument Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 5 shall terminate, and Senior Lender shall have no right to any subsequent

payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new default notice from Senior Lender in accordance with the provisions of this Section 5(d).

(e) Remitting Subordinate Loan Payments to Senior Lender. If, after Subordinate Lender receives a default notice from Senior Lender in accordance with subsection (d) above, Subordinate Lender receives any payments under the Subordinate Loan Documents (other than payments permitted under subsection (d) above), Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted, in kind to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender, and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Mortgage Default which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) Agreement Not to Commence Bankruptcy Proceeding. Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any Bankruptcy Proceeding with respect to Borrower, without Senior Lender's prior written consent.

6. Default Under Subordinate Loan Documents.

(a) Notice of Default and Cure Rights. Subordinate Lender shall deliver to Senior Lender a default notice within five Business Days in each case where Subordinate Lender has given a default notice to Borrower. Failure of Subordinate Lender to send a default notice to Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the opportunity, but not the obligation, to cure any Subordinate Mortgage Default within 60 days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents, subject to the limitations set forth in Section 6(b) below.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender. If a Subordinate Mortgage Default occurs and is continuing, Subordinate Lender agrees that it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan

Documents with respect to the Mortgaged Property, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder without Senior Lender's prior written consent. However, the preceding sentence shall not (i) limit Subordinate Lender's right to bring an action seeking recovery solely from Non-Project Sources or (ii) preclude Subordinate Lender from exercising or enforcing all the rights available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable law to enforce covenants and agreements of Borrower relating to income, rent or affordability restrictions.

7. Default Under Senior Loan Documents.

(a) Notice of Default and Cure Rights. Senior Lender shall deliver to Subordinate Lender a default notice within five Business Days in each case where Senior Lender has given a default notice to Borrower (provided that Senior Lender shall have no liability to Borrower, Subordinate Lender or to any other Entity for failure to timely give such notice). Failure of Senior Lender to send a default notice to Subordinate Lender shall not prevent the exercise of Senior Lender's right and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Borrower agrees that Subordinate Lender shall have the opportunity, but not the obligation, to cure either a Monetary Event of Default or a Covenant Event of Default within 30 days following the date of such notice, or any time prior to an assignment of the Senior Security Instrument from Senior Lender to HUD, whichever date is later. Subordinate Lender acknowledges that Senior Lender shall be entitled during such period described above to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender shall have the opportunity to cure a Covenant Event of Default during such period described above so long as there is no Monetary Event of Default under the Senior Loan Documents. All amounts paid by Subordinate Lender to Senior Lender to cure any default under the Senior Loan Documents shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) Cross Default. Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Security Instrument Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents.

8. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and Subordinate Lender in the Mortgaged Property; and (b) solely as between Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower

acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be; give Borrower the right to notice of any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents, as applicable; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. Rights and Obligations of Subordinate Lender under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) Protection of Security Interest. Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure Senior Security Instrument Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Mortgaged Property and curing other defaults by Borrower under the Subordinate Loan Documents.

(b) Condemnation or Casualty. In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Mortgaged Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a "Casualty"), at any time or times when the Senior Security Instrument remains a lien on the Mortgaged Property the following provisions shall apply:

(1) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by or with the written consent of Senior Lender; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (to payment of the costs and expenses of repair and restoration and/or to payment of the Senior Security Instrument) in the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the

Senior Security Instrument, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Security Instrument shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents. Any proceeds then remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents shall be paid by the Subordinate Lender to Borrower.

(c) No Modification of Subordinate Loan Documents. Borrower and Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents without Senior Lender's consent shall be void ab initio and of no effect whatsoever.

10. Modification of Senior Loan Documents; Refinancing of Senior Indebtedness.

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money, provided however, there shall be no modification of the Senior Loan Documents without the consent of the Subordinate Lender if such modification would increase the principal amount of the Senior Indebtedness beyond the original principal amount of the Senior Indebtedness (excluding any amounts having been advanced by Senior Lender for the protection of its security interest pursuant to the Senior Loan Documents), increase the interest rate of the Senior Indebtedness, or decrease the original maturity term of the Senior Indebtedness.

Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Indebtedness in accordance with Program Obligations (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Indebtedness, the Senior Note, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the indebtedness related to the refinance loan, the refinance note, the security instrument securing the refinance note, all documents evidencing, securing or otherwise pertaining to the refinance note and the holder of the refinance note, provided however, there shall be no refinancing of the Senior Indebtedness without the consent of the Subordinate Lender if such refinancing would increase the principal amount of the Senior Indebtedness beyond the original principal amount of the Senior Indebtedness (excluding any amounts having been advanced by Senior Lender for the protection of its

security interest pursuant to the Senior Loan Documents), increase the interest rate of the Senior Indebtedness, or decrease the original maturity term of the Senior Indebtedness.

11. Default by Subordinate Lender or Senior Lender.

If Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting Lender shall have the right to all available legal and equitable relief.

12. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which Senior Lender or Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two Business Days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER:

PNC Bank, National Association
575 Market Street, 28th Floor
San Francisco, CA 94105
Attention: FHA Servicing Department, FHA Project
No. 083-35758

With a copy to:

U.S. Department of Housing and Urban Development
Director - Office of Multifamily Asset Management
Room 6160
451 Seventh Street, S.W.

Washington, DC 20410

SUBORDINATE LENDER:

Lexington-Fayette Urban County Government
Grants & Special Programs
200 East Main Street
Lexington, KY 40507

Attention: Charlie Lanter, Director

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. General.

(a) Assignment/Successors. This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Senior Lender and Subordinate Lender.

(b) No Partnership or Joint Venture. Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) Senior Lender's and Subordinate Lender's Consent. Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances; UCC Financing Statements. Subordinate Lender, Senior Lender and Borrower each agree, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Loan Documents are subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement. Senior Lender is hereby authorized to file any and all UCC financing statement amendments required to reflect the priority of the Senior Indebtedness.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the State in which the Mortgaged Property is located, except as, so long as the Senior loan is insured or held by HUD, and solely as to rights and remedies of HUD, federal jurisdiction may be appropriate pursuant to any federal requirements. The State courts, and with respect to HUD's rights and remedies, federal courts, and governmental authorities in the State in which the Mortgaged Property is located, shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Subordinate Loan Documents. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure; or (iv) the acquisition by Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement. Notwithstanding the foregoing, in the event the Senior Indebtedness is refinanced, the term of this Agreement shall continue and the Subordinate Indebtedness and Subordinate Loan Documents shall be subordinate to any such indebtedness related to the refinance loan as provided in Section 10 above.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

Each signatory below hereby certifies that each of their statements and representations contained in this Agreement and all their supporting documentation thereto are true, accurate, and complete. This Agreement has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

PNC BANK, NATIONAL ASSOCIATION
a national banking association

By: *Kathy Ratliff*
Kathy Ratliff
Senior Vice President

ACKNOWLEDGMENT

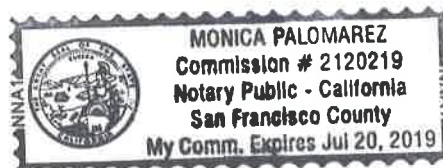
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA §
 §
COUNTY OF SAN FRANCISCO §

On May 17, 2019, before me, Monica Palomarez personally appeared Kathy Ratliff, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Monica Palomarez
Notary Public Signature

(Notary Public Seal)

BORROWER:

WESTMINSTER KENTUCKY, LLC, a
Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky
limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited
liability company, its Sole Member

By: [Signature]

Name: Charles O'Neal

Title: Chief Executive Officer

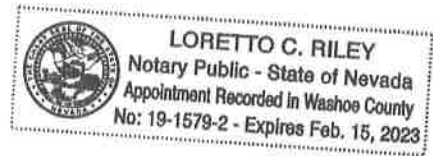
STATE OF NV)
COUNTY OF Washoe)

On May 24th, 2019, before me, Loretta C Riley, Notary Public,
personally appeared Charles O'Neal, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of
NV that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary Public 19-1579-2 (Seal)
My Commission Expires: 2/15/23



Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

SCHEDULE A (SENIOR NOTE)

Public Reporting Burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

NOTE
(MULTISTATE)

HUD Project No.: 083-35758
HUD Project Name: Westminster Village Apartments

\$7,061,000.00

as of March 1, 2019

FOR VALUE RECEIVED, the undersigned, **WESTMINSTER KENTUCKY, LLC**, a Kentucky limited liability company ("**Borrower**") jointly and severally (if more than one) promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION**, a national banking association, the principal sum of **Seven Million Sixty-One Thousand and 00/100ths Dollars (\$7,061,000.00)** ("**Loan**"), with interest on the unpaid principal balance at the **Interest Rate**.

As used herein, "**Interest Rate**" means the annual rate of **Four and Sixty-Eight Hundredths per centum per annum (4.68%)**.

1. Defined Terms. As used in this Note, (a) the term "Lender" means the holder of this Note, (b) the term "Indebtedness" means the principal of, interest on, and all other amounts due at any time under this Note, the Security Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances under Section 13 of the Security Instrument to protect the security of the Security Instrument; (c) the term "Security Instrument" has the meaning set forth in Section 4 of this Note; and (d) the term "Program Obligations" means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only

to the extent that they interpret, clarify and implement terms in this Note rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: (<http://www.hud.gov/offices/adm/hudclips/index.cfm> or a successor location to that site).

The definition of any capitalized term or word used herein can be found in this Note and, if not found in this Note, then found in the Regulatory Agreement between Borrower and HUD and/or the Security Instrument.

2. Address for Payment. All payments due under this Note shall be payable in immediately available funds at **PNC Bank, National Association**, 575 Market Street, 28th Floor, San Francisco, California 94105, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.

3. Payment of Principal and Interest. Principal and interest shall be paid as follows:

(a) Interest only at the Interest Rate on such amount of principal as may be advanced from time to time, computed from the date of such advance, shall be payable monthly commencing on **April 1, 2019**, and on the first day of each month thereafter up to and including **June 1, 2020** ("**Last Interest Only Payment Date**"). Thereafter, consecutive monthly installments of principal and interest at the Interest Rate, each in the amount of **Thirty-Two Thousand Five Hundred Sixty-Five and 21/100ths Dollars (US \$32,565.21)**, shall be payable on the first day of each month beginning on **July 1, 2020** ("**Amortization Commencement Date**") until the entire unpaid principal balance evidenced by this Note is fully paid. Notwithstanding the foregoing, in the event that any principal under this Note is advanced after the Last Interest Only Payment Date, for the period commencing on the Amortization Commencement Date and continuing through the first day of the month following the date on which the final advance of principal is made, the monthly installments of principal and interest shall be reduced, as determined by the Lender, to equal the sum of (i) interest accrued on this Note (at the Interest Rate) on the outstanding principal balance during the prior month plus (ii) the principal payment due under the original amortization schedule used in determining the monthly principal and interest payment amount set forth above. In any event, the balance of the principal (if any) remaining unpaid, plus accrued interest shall be due and payable on **June 1, 2060** or on any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise ("**Maturity Date**").

(b) Solely for the purpose of calculating interest due, any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date.

4. Security. The Indebtedness is secured by, among other things, a mortgage, deed to secure debt or deed of trust dated as of the date of this Note

("Security Instrument"), and reference is made to the Security Instrument for other rights of Lender as to collateral for the Indebtedness.

5. Application of Payments. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness that is less than all amounts due and payable at such time, Lender shall apply that payment to amounts then due and payable in the manner and in the order set forth in Section 7(a)(3) of the Security Instrument. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Note shall remain unchanged.

6. Acceleration. If a Monetary Event of Default occurs and is continuing for a period of thirty (30) days, the entire unpaid principal balance, any accrued interest and all other amounts payable to Lender under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower. If a Covenant Event of Default occurs and the Indebtedness is accelerated as set forth in the Security Instrument, the entire unpaid principal balance, any accrued interest, and all other amounts payable to Lender under this Note and any other Loan Document shall at once become due and payable. Lender may exercise this option to accelerate regardless of any prior forbearance. Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, all accrued interest and all other sums due Lender under the Loan Documents.

7. Late Charge. If any monthly amount payable under this Note or under the Security Instrument or any other Loan Document is not received by Lender within ten (10) days after the amount is due, Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to **two (2%) percent** of the unpaid principal and interest due in such month. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late monthly payment.

8. Exculpation; Remedies.

(a) Except for personal liability expressly provided for in this Note or in the Security Instrument or in the Regulatory Agreement, the execution of this Note shall impose no personal liability upon Borrower and those parties listed in the Section 50

Addendum to the Regulatory Agreement for payment of the Indebtedness evidenced thereby, and in the Event of Default, the holder of the Note shall look solely to the Mortgaged Property in satisfaction of the Indebtedness and will not seek or obtain any deficiency or personal judgment against Borrower and those parties listed in the Section 50 Addendum to the Regulatory Agreement, except such judgment or decree as may be necessary to foreclose or bar its interest in the Mortgaged Property and all other property mortgaged, pledged, conveyed or assigned to secure payment of the Indebtedness; provided, that nothing in this Section 8 of this Note and no action so taken shall operate to impair any obligation of Borrower under the Regulatory Agreement.

(b) Notwithstanding Section 8(a) above, Borrower shall be liable to Lender for any loss or damage suffered by Lender as a result of (1) failure of Borrower to pay to Lender, upon demand after an Event of Default, all Rents to which Lender is entitled under Section 3(a) of the Security Instrument and the amount of all security deposits collected from tenants with existing Leases; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by Sections 19 and 20 of the Security Instrument; (3) failure of Borrower to comply with Section 15 of the Security Instrument relating to the delivery of books and records, statements, schedules and reports; (4) Borrower's acquisition of any property or operation of any business not permitted by Section 33 of the Security Instrument; (5) a transfer or the granting of a lien or encumbrance that is an Event of Default under Sections 17 and 21 of the Security Instrument, other than a transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company; or (6) fraud or written material misrepresentation by Borrower or any officer, director, general partner, member, manager or employee of Borrower in connection with the Loan Application for or creation of the Indebtedness or any request for any action or consent by Lender. These damages shall be paid only from the available proceeds of an appropriate insurance policy or from Surplus Cash or other escrow accounts.

(c) Notwithstanding Section 8(a) above, Borrower shall provide complete redress as set forth in Section 45(c) of the Security Instrument and shall indemnify and hold harmless the Indemnitees as set forth in Section 48 of the Security Instrument.

9. Voluntary and Involuntary Prepayments.

(a) This Note contains a prepayment restriction and prepayment premium charge acceptable to HUD as to term, amount, and conditions, which are set forth in the attached Rider 1. In the event of a default, pursuant to Program Obligations, HUD may override any lockout or any prepayment premium, or combination thereof, in Rider 1 on the last day of any calendar month during any year in which the prepayment premium is greater than one percent (1%) in order to facilitate a partial or full refinancing of the Mortgaged Property and avoid a mortgage insurance claim.

(b) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note prior to the Maturity Date and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium in the amount provided for in Section 9(a) or in Rider 1, as applicable.

(c) Notwithstanding the provisions of subsections (a) and (b) above: (1) any payment made, other than as a result of acceleration, within 30 days of the Maturity Date shall not be considered a prepayment, (2) any payment made in accordance with Sections 19(f) or 20(b) of the Security Instrument shall not be considered a prepayment, (3) no prepayment premium shall be payable with respect to any reduction in the original principal amount of the Loan, or any prepayment, resulting from any cost certification or other report required by HUD pursuant to Program Obligations, or (4) any payment made pursuant to Section 13 of this Note shall not be considered a prepayment.

(d) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(e) Borrower acknowledges that the provisions of this Note relating to prepayment restrictions and prepayment premiums are a material part of the consideration for the Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of the Borrower's voluntary agreement to such provisions.

(f) If the Indebtedness is paid in full while insured under the provisions of the National Housing Act, as amended, the Borrower shall pay to the Lender such adjusted mortgage insurance premium as may be required by Program Obligations.

(g) All payments to reduce the principal balance hereunder, other than regularly scheduled payments of principal, shall be made to Lender in immediately available funds. Payments received after **4:00 p.m. Eastern Standard Time** will be deemed to have been received on the next Business Day.

10. Costs and Expenses. Borrower shall pay all expenses and costs, including reasonable fees and out-of-pocket expenses of attorneys and expert witnesses and costs of investigation and litigation (including appellate), incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

11. Forbearance. Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Loan Document, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount that is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any right or remedy for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

12. Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower.

13. Loan Charges. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

14. Commercial Purpose. Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

15. Counting of Days. Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

16. Governing Law; Consent to Jurisdiction and Venue.

(a) This Note and the Security Instrument, if it does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the jurisdiction in which the Land is located ("**Property Jurisdiction**"), except so long as the Loan is insured or held by HUD, federal law will apply to HUD's rights and remedies where state or local laws are preempted by federal law.

(b) Borrower agrees that any controversy arising under or in relation to this Note or the Security Instrument shall be litigated exclusively in the Property Jurisdiction except as, so long as the Loan is insured or held by HUD and solely as to rights and remedies of HUD, federal jurisdiction may be appropriate pursuant to any federal requirements. The state courts, and with respect to HUD's rights and remedies, federal courts and Governmental Authorities in the Property Jurisdiction, shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note, any security for the Indebtedness, or the Security Instrument. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

17. Rules of Construction. The captions and headings of the Sections of this Note are for convenience only and shall be disregarded in construing this Note. Any reference in this Note to a "**Section**" shall, unless otherwise explicitly provided, be construed as referring, respectively, to a Section of this Note. Use of the singular in this Note includes the plural and use of the plural includes the singular. As used in this Note, the term "**including**" means "including, but not limited to."

18. Notices. All notices, demands and other communications required or permitted to be given by Lender to Borrower or Borrower to Lender pursuant to this Note shall be given in accordance with Section 31 of the Security Instrument.

19. Federal Remedies. In addition to any rights and remedies set forth in the Regulatory Agreement between Borrower and HUD, HUD has rights and remedies under federal law so long as HUD is the insurer or holder of the Loan, including but not limited to the right to foreclose pursuant to the Multifamily Mortgage Foreclosure Act of 1981, as amended, 12 U.S.C. § 3701, *et seq.*, as amended, when HUD is the holder of the Note.

20. Termination of HUD Rights and Remedies. At such time as HUD no longer insures or holds this Note, (a) all rights and responsibilities of HUD shall conclude, all mortgage insurance and references to mortgage insurance premiums, all references to HUD, GNMA and Program Obligations and related terms and provisions shall cease, and all rights and obligations of HUD shall terminate; (b) all obligations and responsibilities of Borrower to HUD shall likewise terminate; and (c) all obligations and responsibilities of Lender to HUD shall likewise terminate; provided, however, nothing contained in this Section 20 shall in any fashion discharge Borrower from any obligations to HUD under the Regulatory Agreement or Program Obligations or Lender from any obligations to HUD under Program Obligations, which occurred prior to termination of the Contract of Insurance or Regulatory Agreement, as applicable. The provisions of this Section 20 shall be given effect automatically upon the termination of the Contract of Insurance or the transfer of this Note and the Security Instrument by HUD to another party, provided that upon the request of Borrower, Lender or the party

to whom the Note or the Security Instrument has been transferred, at no cost to HUD, HUD shall execute such documents as may be reasonably requested to confirm the provisions of this Section 20.

21. WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (a) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (b) WAIVES 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 AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

22. Additional Provisions. Further provisions and obligations of this Note are contained in that certain Rider 1, attached hereto and made a part hereof.

IN WITNESS WHEREOF, Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative as of the date first above written.

BORROWER:

WESTMINSTER KENTUCKY, LLC
a Kentucky limited liability company

By: Allied Westminster, LLC
a Kentucky limited liability company
its Managing Member

By: Allied Argenta, LLC
a Delaware limited liability company
its Sole Member

By: 
James Angelica
Chief Financial Officer

By: WMV, LLC
a Kentucky limited liability company
its Managing Member

By: Presbyterian Housing Corporation
a Kentucky non-profit corporation
its Sole Member

By: _____
R. Strand Kramer Jr.
President

IN WITNESS WHEREOF, Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative as of the date first above written.

BORROWER:

WESTMINSTER KENTUCKY, LLC
a Kentucky limited liability company

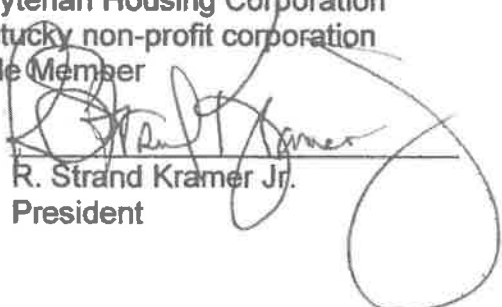
By: Allied Westminster, LLC
a Kentucky limited liability company
its Managing Member

By: Allied Argenta, LLC
a Delaware limited liability company
its Sole Member

By: _____
James Angelica
Chief Financial Officer

By: WMV, LLC
a Kentucky limited liability company
its Managing Member

By: Presbyterian Housing Corporation
a Kentucky non-profit corporation
its Sole Member

By: 

R. Strand Kramer Jr.
President

State of Kentucky Mortgage Note

Westminster Kentucky, LLC

to

PNC Bank, National Association

Project No.: 083-35758

Initially endorsed for insurance under §221(d)(4) of the National Housing Act, as amended, and regulations published thereunder in effect on **November 1, 2018** to the extent of advances approved by HUD.

By: *John B. Miller* Date: March 22nd, 2019.
Authorized Agent

At final endorsement, a total sum of \$ _____ has been approved for insurance hereunder by HUD.

By: _____ Date: _____, 20____.
Authorized Agent

HUD Project No.: 083-35758
HUD Project Name: Westminster Village Apartments

RIDER 1
TO
NOTE (MULTISTATE) OF
WESTMINSTER KENTUCKY, LLC
TO
PNC BANK, NATIONAL ASSOCIATION
IN THE PRINCIPAL SUM OF \$7,061,000.00
DATED AS OF MARCH 1, 2019

1. This Rider 1 to Note (Multistate) (this "Rider") is attached to and made a part of the Note (Multistate) from Borrower to Lender, dated as of **March 1, 2019** (the "Note").

2. In addition to the requirements of Section 9 of the Note, this Rider adds the following terms and conditions: Borrower shall not prepay any sums due under the Note prior to **July 1, 2020**. Commencing on **July 1, 2020**, Borrower may prepay, in whole or in part, any sum due under the Note on the last day of any month, upon thirty (30) days advance written notice to Lender, provided prepayment is accompanied by the applicable prepayment premium (expressed as a percentage of the principal amount so prepaid) set forth below:

<u>Prepayment Period</u>	<u>Prepayment Premium</u>
July 1, 2020 through June 30, 2021	10%
July 1, 2021 through June 30, 2022	10%
July 1, 2022 through June 30, 2023	10%
July 1, 2023 through June 30, 2024	7%
July 1, 2024 through June 30, 2025	6%
July 1, 2025 through June 30, 2026	5%
July 1, 2026 through June 30, 2027	4%
July 1, 2027 through June 30, 2028	3%
July 1, 2028 through June 30, 2029	2%
July 1, 2029 through June 30, 2030	1%
July 1, 2030 and thereafter	None

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]


SIGNATURE PAGE TO RIDER 1

BORROWER:

WESTMINSTER KENTUCKY, LLC
a Kentucky limited liability company

By: Allied Westminster, LLC
a Kentucky limited liability company
its Managing Member

By: Allied Argenta, LLC
a Delaware limited liability company
its Sole Member

By: 
James Angelica
Chief Financial Officer

By: WMV, LLC
a Kentucky limited liability company
its Managing Member

By: Presbyterian Housing Corporation
a Kentucky non-profit corporation
its Sole Member

By: _____
R. Strand Kramer Jr.
President

[END OF RIDER 1]

SIGNATURE PAGE TO RIDER 1**BORROWER:**

WESTMINSTER KENTUCKY, LLC
a Kentucky limited liability company

By: Allied Westminster, LLC
a Kentucky limited liability company
its Managing Member

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its Sole Member

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its Sole Member

By: 
R. Strand Kramer Jr.
President


[END OF RIDER 1]

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its Sole Member

By: _____
R. Strand Kramer Jr.
President

[END OF RIDER 1]

SIGNATURE PAGE TO RIDER 1

BORROWER:

WESTMINSTER KENTUCKY, LLC
a Kentucky limited liability company

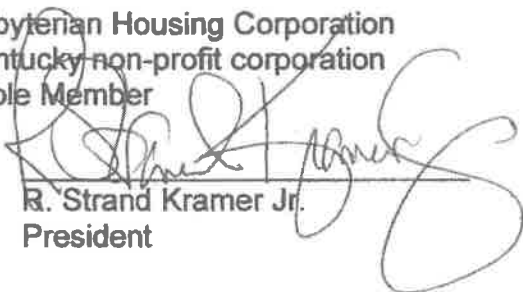
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a Kentucky non-profit corporation
its Sole Member

By: 
R. Strand Kramer Jr.
President

[END OF RIDER 1]

EXHIBIT A (LEGAL DESCRIPTION)

ALL THAT TRACT OR PARCEL OF LAND SITUATED ON THE SOUTH SIDE OF THE VERSAILLES PIKE, IN LEXINGTON, FAYETTE COUNTY, KENTUCKY, AND MORE FULLY DESCRIBED AND BOUNDED AS FOLLOWS, TO-WIT: BEGINNING AT A POINT IN THE SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, SAID POINT BEING A CORNER TO GLENN HADDOX; THENCE WITH SAID SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, S 82 DEGREES 37 MINUTES W 115.43 FEET TO A CORNER WITH ERHART; THENCE WITH ERHART FOR TWO CALLS, S 03 DEGREES 42 MINUTES W 287.01 FEET AND S 89 DEGREES 38 MINUTES W 149.6 FEET TO THE POINT IN THE LINE OF ALENDER; THENCE WITH ALENDER FOR TWO CALLS, S 00 DEGREES 10 MINUTES E 136.5 FEET AND S 83 DEGREES 43 MINUTES W 46.7 FEET TO A POINT IN THE LINE OF JEFFERS; THENCE WITH JEFFERS S 04 DEGREES 33 MINUTES E 590.68 FEET TO A POINT; THENCE LEAVING THE LINE OF JEFFERS S 88 DEGREES 30 MINUTES E 360.48 FEET TO A POINT IN THE LINE OF ADDIE STACKHOUSE; THENCE WITH STACKHOUSE AND CONTINUING WITH THE FAYETTE COUNTY (DETENTION HOME) N 07 DEGREES 36 MINUTES E 674 FEET TO A POINT; THENCE AGAIN WITH THE FAYETTE COUNTY (DETENTION HOME) FOR TWO CALLS, N 84 DEGREES 10 MINUTE E 14 FEET AND N 07 DEGREES 14 MINUTES W 14 FEET TO A POINT IN THE LINE OF GLENN HADDOX; THENCE WITH HADDOX FOR TWO CALLS, S 82 DEGREES 37 MINUTES W 138 FEET AND N 06 DEGREES 42 MINUTES W 379 FEET TO THE BEGINNING AND CONTAINING 8.00 ACRES, AS SHOWN BY PLAT DATED JULY 22, 1969 PREPARED BY CECIL C. HARP ENGINEERS AND APPROVED BY THE LEXINGTON-FAYETTE COUNTY PLANNING COMMISSION, WHICH PLAT IS ATTACHED TO A CERTAIN MORTGAGE DATED AUGUST 20, 1969 AND IS OF RECORD IN THE FAYETTE COUNTY COURT CLERK'S OFFICE IN MORTGAGE BOOK 852, PAGE 215; TOGETHER WITH APPURTENANT EASEMENTS FOR A SANITARY SEWER AS SHOWN ON SAID BUILDING SITE RECORD PLAT AND AS GRANTED BY DEED OF EASEMENT DATED AUGUST 21, 1969 OF RECORD IN DEED BOOK 970, PAGE 143 IN THE AFORESAID OFFICE.

BEING THE SAME PROPERTY CONVEYED TO WESTMINSTER KENTUCKY, LLC, A KENTUCKY LIMITED LIABILITY COMPANY, BY SPECIAL WARRANTY DEED DATED MARCH 1, 2019, OF RECORD IN DEED BOOK 3654, PAGE 616 IN THE OFFICE OF THE CLERK OF FAYETTE COUNTY, KENTUCKY.

TAX DATA:

PARCEL ID NO. 04016950

ASSESSMENT \$2,683,500.00 EXEMPT

EXHIBIT B (SUBORDINATE LOAN DOCUMENTS)

HOME Agreement

First Amendment to HOME Agreement

Subordinate Mortgage

Mortgage Modification Agreement

Mortgage Note

Declaration of Restrictive Covenants

HOME AGREEMENT

THIS HOME AGREEMENT, dated and entered into this the 5th day of March, 2019, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507 ("**Government**") through its Division of Grants and Special Programs and **WESTMINSTER KENTUCKY, LLC**, ("**Owner**"), whose mailing address is 1510 Versailles Road, Lexington, Fayette County, Kentucky 40504.

WITNESSETH:

WHEREAS, Government, in accordance with the regulations codified at 24 CFR 92.102 – 92.106 for the HOME Investment Partnerships Program, has been designated a Participating Jurisdiction by the U.S. Department of Housing and Urban Development ("H.U.D.") and is the recipient of federal funding from the HOME Investment Partnerships Program;

WHEREAS, Government's approved 2018 Annual Action Plans provide \$138,479 in funding from the HOME Investment Partnerships Program for the development of rental housing for low-income HOME-eligible persons and/or households in accordance with the HOME Investment Partnerships Program regulations as stated in 24 CFR Part 92.205-92.206;

WHEREAS, Owner has requested federal funds from the Government's HOME Program for the rehabilitation of rental housing for low-income persons and/or households;

WHEREAS, Government is willing to make a loan to the Owner upon the terms and conditions hereinafter set forth;

WHEREAS, Owner will rehabilitate a multi-family residential project located at 1510 Versailles Road in Lexington, Fayette County, Kentucky under the name of Westminster Village Apartments;

NOW, THEREFORE, in consideration of the covenants set out herein, the parties agree as follows:

SECTION 1

PARTICULAR COVENANTS

1.01 The Government hereby agrees to loan to Owner the maximum sum of One Hundred Thirty Eight Thousand Four Hundred Seventy Nine Dollars and 00/100 Dollars (\$138,479.00). This loan shall be in the form of a Deferred Payment Loan for the term of fifteen (15) years from the date of this Loan Agreement. The Deferred Payment Loan shall be at zero percent (0%) interest for the fifteen (15) year period and shall be repayable in full at the end of the fifteen (15) year period. Funds shall be used for the rehabilitation of 132 residential units of multi-family housing located at 1510 Versailles Road, Lexington, Fayette County, Kentucky ("Project"). The number of HOME funded units is nine (9).

1.02 Owner acknowledges and agrees to remain fully and solely liable for the repayment of the loan to the Government, pursuant to the terms and conditions of this Agreement and the Mortgage Note execution in connection herewith. The affordability period is fifteen (15) years and begins on the day that the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report. Repayment of funds does not affect the period of affordability.

1.03 During the term of this loan, the Owner shall make no payments of principal provided Owner complies with all of the terms and conditions of this HOME Agreement, Declaration of Restrictive Covenants, Mortgage Note and Subordinate Mortgage dated March 5, 2019.

1.04 All sums borrowed hereunder shall be used solely and exclusively for the Project that is further described as the construction of residential rental property located at 1510 Versailles Road, Lexington, Fayette County, Kentucky, for rent to low-income persons and/or households or for other eligible costs as set forth in 24 CFR 92.206. Owner acknowledges that *nine (9) units in the Project shall be administered as HOME-assisted units*, and that the per-unit subsidy shall not exceed the maximum per-unit subsidy amount established under Section 234 Condominium Housing Limits for elevator-type projects that apply to the area in which the units are located. The nine HOME-assisted units shall be floating. At a minimum, the following types of units will be HOME assisted:

Unit Type	# of Units	High HOME	Low HOME
0 BR	0	0	0
1 BR	4	0	1
2 BR	72	0	5
3 BR	56	3	0
4 BR	0	0	0
	132	3	6

1.05 No loan shall be made hereunder unless and until Owner supplies to Government the following documentation:

- Copy of Development Agreement and Development Team
- Final Sources and Uses of Funds
- Commitment letters with all terms and conditions for all mortgages, grants, subordination agreements, bridge loans and investment tax credits
- Copy of the Partnership Agreement
- Closing Statement for Purchase of Property
- Construction Cost Estimate
- Construction Contract
- Documentation on syndication costs
- Twenty-Year Operating Proforma for the Project
- Documentation that no excess federal funds are in the project

1.06 Upon request, Owner shall provide supporting documentation for all other costs as specified in the Sources and Uses of Funds statement. Government consents to the following loans to the Owner in connection with the Project, and the obligations under this HOME Agreement made

to the Owner shall at all times be subordinate in all respects to the obligations under the following loans: (i) a loan from the Secretary of Housing and Urban Development, in the amount of \$1,718,413 (“**HUD Flexible Subsidy Loan**”), which was assumed by the Owner as reflected in the Amended and Restated Flexible Subsidy Note (“**HUD Flexible Subsidy Note**”); and (ii) a loan from the Lexington-Fayette Urban County Government, through its Office of Affordable Housing, as reflected in the Lexington-Fayette Urban County Government Affordable Housing Fund Loan Agreement, in an amount not to exceed \$400,000 (“**LAHTF Loan**”), as evidenced by the Lexington-Fayette Urban County Government Affordable Housing Fund Promissory Note in the amount of \$200,000 (“**LAHTF Promissory Note**”) and the Lexington-Fayette Urban County Government Affordable Housing Fund Deferred Promissory Note in the amount of \$200,000 (“**LAHTF Deferred Promissory Note**”). The obligations under this HOME Agreement shall at all times be senior to and superior in all respects to a loan from Presbyterian Housing Corporation, a Kentucky non-profit corporation to the Owner in the amount of \$3,082,167 (“**Seller Loan**”), as evidenced Surplus by the Cash Note (HUD 92223M) (“**Seller Note**”).

Owner shall provide Government thirty (30) days’ written notice and Government’s written consent is required before an amendment is made to any senior loan or a proposal is submitted or entered into by the Borrower for a deed in lieu of foreclosure.

1.07 No loan shall be made hereunder unless and until Owner has delivered to Government a note in the amount of \$138,479 and a mortgage securing said note, all within one year of the date of this HOME Agreement for the purpose of securing the loan made hereunder, which mortgage shall be upon the real property located at 1510 Versailles Road, Lexington, in Fayette County, Kentucky, together with all buildings and other structures now or hereafter erected or installed and all fixtures now or hereafter attached to or used in, or in the operation of any such lands, buildings and structures which are necessary to complete use and occupancy of such buildings or structures for the purposes for which they were or are to be erected or installed. To the extent permitted by law, all personal property described in the subordinate Mortgage shall be deemed to be fixtures and part of the property. As to any part of personal property not permitted by law to be fixtures, the mortgage shall constitute a security agreement under the Uniform Commercial Code.

1.08 For a period of fifteen (15) years from the date on which development of the Project is completed, established as the date the HUD’s Integrated Disbursement and Information System (IDIS) accepts and records the Completion report, one hundred percent (100%) of the HOME-assisted (nine units) shall be rented to low-income and very low-income households. Six (6) of the HOME-assisted units are required to be rented to very low-income households. Low-income households are those households with adjusted gross incomes at or below sixty percent (60%) of the median income for the community. Very low-income households are those households with adjusted gross incomes at or below fifty percent (50%) of the median income for the community. During this same fifteen (15) year period, for projects of five or more HOME-assisted units, twenty percent (20%) of the HOME-assisted units shall be rented to very low-income households except as otherwise set out herein in Section 1.11. Owner shall use the Section 8 Program definition of annual gross income (24 CFR 5.609).

1.09 For a period of fifteen (15) years from the date on which development of the Project is completed, established as the date the HUD’s Integrated Disbursement and Information System (IDIS) accepts and records the Completion report, Owner shall charge the low HOME and high

HOME rents in HOME-assisted units as established from time to time by HUD pursuant to any regulations promulgated by HUD or the Government. The rents so charged must include utility costs. The maximum allowable HOME rent must be reduced by a utility allowance approved by Government if tenant is required to pay separately for utilities. The Utility Allowance must be approved by the Lexington-Fayette Urban County Government prior to Lease-Up. Utility allowances approved by Government may vary as periodic adjustments are made. Should HUD revise these or other rent guidelines set out herein so as to permit Owner to adjust the rent charged, Owner must obtain the approval of the Government prior to adjusting rents and provide tenants with no less than thirty (30) days written notice before adjustments are implemented.

1.10 The family size and the adjusted gross income for all tenants in HOME-assisted units must be determined at the time of initial occupancy and annually for a period of fifteen (15) years from the date on which development of the Project is completed. Project is deemed to be completed on the date the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report. Owner shall obtain and verify income and family size information from each tenant upon initial rent up and annually during the fifteen (15) year affordability period. Owner shall provide information on family size, adjusted gross income and rent charged for all tenants in HOME-assisted units to the Government's Division of Grants and Special Programs within sixty (60) days after the initial rent up and the annual review date. Owner shall obtain any necessary releases from tenant to allow Government to independently verify the information provided.

1.11 For a period of fifteen (15) years from the date on which development of the Project is completed, established as the date the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report, Owner shall comply with the affirmative marketing requirements established by the Government pursuant to 24 CFR 92.351(a). The owner must adopt and follow written tenant selection policies and criteria that: (1) limit the housing to very low- income and low-income families; and (2) are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants). Additionally, the Owner may give preference to Veterans in all units. The Owner shall provide all information to the Government necessary to the monitoring of the Owner's marketing strategy to ensure compliance with this section.

1.12 a. The Owner shall, on an annual basis, during a period of fifteen (15) years from the date on which development is completed, review the income, family size and exclusions of all tenants in HOME-assisted units and determine if any are over-income. Development is deemed to be completed on the date the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report. An over-income tenant is a household with an adjusted gross income exceeding eighty percent (80%) of the median income for the community. Owner shall not evict over-income tenants based on income. Owner shall increase the rent of the HOME-assisted unit to thirty percent (30%) of the household's adjusted gross income. HOME-assisted units vacated by an over-income tenant must be rented to an income-eligible tenant during the fifteen (15) year period, except tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42. HOME-assisted units vacated by an over-income tenant must be rented to an income-eligible tenant for the duration of these covenants.

b. Should the adjusted gross income of a very low-income tenant renting a unit at the low HOME rate increase to greater than fifty percent (50%) of the median for the community but less than eighty percent (80%) of the median for the community during the term of the tenancy and during the fifteen (15) year period from the date on which development of the Project is completed, the Owner shall set the rent for such tenant at the high HOME rate for the duration of the tenancy. The Project is deemed to be completed on the date the initial tenant surveys are verified. Owner shall not evict such a tenant on the basis of the increase of the adjusted gross income. The next vacancy shall be rented to a very low-income tenant whose income is at or below fifty percent (50%) of the area median income at a rent no higher than the established low HOME rent.

1.13 During the fifteen (15) year period of affordability, the Owner shall permit the Government, its employees, and its consultants access to all of its financial records so that Government can make a determination of the continued financial viability of the Project.

1.14 No loan shall be made hereunder unless and until all necessary parties execute deed restrictions or other covenants to limit the use of the property in conformance with the terms of the eligibility and affordability provisions of the HOME Investment Partnerships Program of the H.U.D. Such instrument shall be fully and properly executed by the Owner, shall be in recordable form, and shall become a covenant which runs with the land. Such restrictions or covenants shall be made a part of any instrument, executed subsequent to this Loan Agreement and the Mortgage Note and Mortgage referenced herein, conveying any interest in said property.

1.15 The Owner shall construct all units in the Project in accordance with the Kentucky Building Code, as amended, and all applicable State and local codes, ordinances, and zoning requirements. The housing must meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Construction contract(s) and construction documents must describe the work to be undertaken in adequate detail so that inspections can be conducted. The Owner shall be responsible for construction inspections and shall provide copies of all inspections to the Government. The Government shall also inspect for work in progress and shall make a final inspection.

1.16 The Owner shall maintain all units within a building containing a unit receiving a HOME subsidy in good condition and repair in accordance with Chapter 12.1 of the Code of Ordinances of the Lexington-Fayette Urban County Government, as amended, for the full fifteen years term of this loan. Owner shall not remove or demolish any portion of any unit. Owner shall complete or restore promptly and in good workmanlike manner any unit which may be constructed, damaged or destroyed to the extent insurance proceeds are actually received and to pay when due all claims for labor performed and materials furnished. Owner shall not create, permit or suffer to be created or to exist any claims or liens for the labor or materials supplied for the development of the units set out herein. Owner will comply with all laws affecting said project and will not commit or permit any waste thereon or commit or permit any act thereon in violation of law.

Government may conduct inspections of units annually for purposes of determining Owner's compliance with maintenance requirements during the fifteen (15) year period of affordability. Upon written notification of violations of maintenance requirements, Owner shall make corrections within 60 days.

1.17 Except for such interests in the real property as may be conveyed, assigned or otherwise transferred by Owner in connection with the Additional Indebtedness, the Owner shall not transfer any interest in the real property described herein in any manner or through any document or instrument of any kind during the term of the loan or without the consent of the Government which shall not be unreasonably withheld. Notwithstanding anything to the contrary herein, any transfers of partnership interests in the Owner are expressly permitted and shall not constitute a default hereunder.

1.18 The loan set out herein may be assumed by an individual or entity capable and able to enter into enforceable contracts, agreements or other loan documents as may be required to ensure compliance with the requirements and intent of the HOME Program upon the prior written consent of the Government's Division of Grants and Special Programs, which consent shall not be unreasonably withheld or delayed.

1.19 Any lease entered into between Owner and a tenant shall require the tenant to provide information as to family size and income as set out herein. Non-renewable leases shall not be utilized. The lease shall be in conformance with the Uniform Residential Landlord and Tenant Act to the extent the Uniform Residential Landlord and Tenant Act is applicable to Owner and the requirements of 24 CFR 92.253. Leases for the HOME-assisted units shall be submitted to the Government for approval prior to execution. The requirements set forth in this paragraph shall be in effect for a period of fifteen (15) years from the date on which development of the project is completed.

1.20 The real property and improvements described herein shall be residential rental units and related administrative offices and common areas for the full fifteen (15) year term of the loan. Owner shall not convert the units to condominium ownership or any form of cooperative ownership during the fifteen (15) year term of the loan, without the prior written consent of the Government.

1.21 The Owner shall provide, maintain and deliver to the Government evidence of fire and extended coverage insurance satisfactory to and with loss payable to the Government in the order and amount of the Mortgage Note hereby secured; assign to the Government any award of damages, or portion thereof, in connection with any condemnation for public use or injury to this property in the same manner and with the same effect as provided for payment of proceeds of fire and other insurance, said award or damaged not to exceed the amount secured by the Mortgage Note and to the extent not assigned to the holder of any prior or superior mortgage on this property.

1.22 The Owner shall pay all taxes, legal assessments, water rates, utilities, special assessments or other charges when the same shall become due and without delinquency and shall not permit any liens to be imposed on this property by any reason of delinquency.

1.23 The Owner shall not seek relief under the bankruptcy laws or declare insolvency, make assignments for the benefit of its creditors or be placed in receivership.

1.25 The Owner shall act in conformity with the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100 et seq.; Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259 [3 CFR, 1959-1963 Comp., p 652 and 3 CFR, 1980 Comp., p 307] and implementing regulations at 24 CFR part 107); and Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. 2000d et seq.) regarding Nondiscrimination in Federally Assisted Programs and implementing regulations issued at 24 CFR part 1. The Owner shall not discriminate against prospective tenants on the basis of race, color, national origin, religion, sex, familial status or disability. The Owner shall also comply with the provisions of the Violence Against Women Act ("VAWA"), as amended in March 2013.

1.26 The Owner shall act in conformity with the Age Discrimination Act of 1975, (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR Part 146.

1.27 The Owner shall act in conformity with the Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225) which provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications; the Fair Housing Act (42 U.S.C. 3601-19) as implemented by 24 CFR 100.205; and Section 504 of the Rehabilitation Act of 1973 prohibiting the discrimination in federally assisted programs on the basis of handicap (29 U.S.C. 791 et seq) and implementing regulations at 24 CFR part 8.

1.28 The Owner shall comply with the requirements of Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) concerning the use of Minority Business Enterprises; Executive Order 12432 (3 CFR, 1983 Comp., p. 198) regarding Minority Enterprise Development; and, Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) regarding Women's Business Enterprises. The Owner shall require its contractors and subcontractors to provide disadvantaged business enterprises with opportunities to participate in the project to ensure equal opportunity to socially and economically disadvantaged small businesses.

1.29 Owner and Government acknowledge that all laborers and mechanics, etc., employed in the construction of any project containing twelve (12) or more dwelling units and assisted with HOME funds, whether employed by Owner, contractors, or subcontractors, shall be paid wages complying with the Davis-Bacon Act (40 U.S.C. Section 276(A)-7). The Owner further agrees to comply with the applicable provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-333), and the applicable provisions of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. et seq.). Owner agrees that it will be responsible for compliance with these regulations and shall provide Government with evidence of compliance upon request.

1.30 Regulations Pursuant to So-Called "Anti-Kickback Act"

The Owner and/or his Contractor shall comply with the applicable regulations of the Secretary of Labor, United States Department of Labor, made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934, (48 STAT. 948; 62 Stat. 862; title 18 U.S.C. section 874; and title 40 U.S.C. section 276c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in subcontractor's contract to insure compliance therewith by all subcontractors thereunder, except as

said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.

1.31 The Owner shall require all of its contractors and subcontractors to certify that neither they nor their principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federally funded activities.

1.32 The Owner shall comply with the "Lead Based Paint Poisoning Prevention Act of 1971" and H.U.D. Regulations 24 CFR 35 and Section 8 Conforming Rule at 24 CFR 982.401(j). All interior and exterior paints, enamels, finishes, and/or primers used on any surfaces of housing and its environs shall not contain more than .06 of 1 percent of lead by weight (calculated as lead metal) in the total non-volatile content of liquid paints.

1.33 To assure and protect its rights under this Loan, the Government shall have right of access and inspection of the Project at reasonable times and with reasonable notice to the Owner.

1.34 The Owner shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin or handicap. The Owner shall state in all solicitations and advertisements for employees placed by or on behalf of Owner that all qualified applicants will receive equal consideration for employment without regard to race, color, religion, sex, age, national origin, or handicap.

1.35 The Owner shall act in conformity with the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" (42 U.S.C. 4201-4655) and 49 CFR part 24 pertaining to the acquisition of real property and relocation assistance for displaced persons. The Owner shall provide all information to the Government necessary to the monitoring of the Owner's marketing strategy to ensure compliance with this section, as if said policy were fully set out herein in writing.

1.36 The Owner shall comply with the conflict of interest provisions in 24 CFR 84.42 regarding written standards governing the performance of its officers, employees, and agents engaged in awarding and administering contracts.

1.37 In accordance with section 2-33 of the Code of Ordinances of the Lexington-Fayette Urban County Government, the Owner shall ensure that projects being assisted with HOME funds pursuant to this agreement shall be made available without regard to actual or perceived sexual orientation, gender identity or marital status of any applicant or prospective tenant. Neither Owner nor any of its agents will inquire about the sexual orientation or gender identity of any applicant or prospective tenant

1.38 The Owner shall comply with the Violence Against Women Act (VAWA) requirements set forth in 24 CFR §5.2005, specifically protections for victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, including but not limited to, providing notification of occupancy rights, constructing lease terms of assistance for victims, and providing emergency transfer plans.

1.39 Source and Uses of Funds:

HOME funds provided to the Owner hereunder shall be used only for eligible project costs in accordance with the HOME regulations at 24 CFR 92.206. The specific Sources and Uses of Funds must be delivered to and approved by the Government prior to the delivering of a mortgage and note.

1.40 Changes in the Project work requested by the Owner, for any reason whatsoever must be submitted in writing, properly itemized and supported by sufficient substantiating data to be evaluated and certified by the Division of Grants and Special Programs. The Government will issue a written authorization for such changes and no such modification shall be made without a written agreement signed by the Owner and the Government.

1.41 Time of Completion

The Owner agrees to deliver mortgage and note in favor of the Government within one year of the date of this Agreement and agrees to complete the development covered by this agreement on or before March 5, 2021, unless the time for completion is extended in writing by the Government. All HOME-assisted units shall be occupied by eligible tenants within six months of completion of development. The Owner shall submit a marketing plan to the Government if it fails to lease units within six months of completion of development. If HOME-assisted units are not occupied by eligible tenants within eighteen months of completion of development, Owners shall repay HOME funds in the amount of \$138,479, less pro-rated amount for occupied units.

Time is of the essence, and it is agreed that if all development work is not completed in the time specified for completion and stated herein that it may result in the Government withdrawing funds which have been made available under this agreement.

1.42 Progress Payments

The Government shall disburse loan proceeds from time to time as the work progresses, as requested by the OWNER, but not more frequently than once a month. At no time will the total number of payments exceed twelve (12). At the Government's request, lien releases shall be submitted with each request for progress payments.

No progress payment shall exceed ninety percent (90%) of the value of work in place, as estimated by an inspection by the Government less the aggregate of previous payments. The remaining ten percent (10%) shall be held by the Government as retainage. At such time as the Government deems appropriate, based on quality of work performed and other pertinent factors, the rate of retainage may be reduced; although, any reduction in retainage, below the ten percent (10%) level, is made solely at the Government's discretion. All remaining retainage held will be included in the final payment to the Owner.

1.43 Acceptance and Final Payment

Upon receipt of notice that the development is ready for final inspection and acceptance, the Government shall promptly make such inspection within five (5) days of receipt of such notice; and when it finds the development acceptable under this agreement and the agreement fully performed, shall authorize the payment to the Owner and/or his Contractor the final progress payment which shall

be the entire balance then due to Owner and/or his Contractor. Before the Owner and/or his Contractor shall be paid in full, however, he shall submit evidence satisfactory to the Government that all payrolls, materials, bills, and other indebtedness connected with the work have been paid and the Owner and/or his Contractor shall provide satisfactory releases of liens or claims for liens by any Contractors, Subcontractors, Laborers and material suppliers.

Prior to final payment, the Owner will provide a satisfactory summary of all project expenses to document that the additional funds expended by the Owner for development equaled or exceeded the amount so specified in the approved Sources and Uses of Funds. Should the Owner's actual and final share of total project expenses be less than the amount specified in the approved Sources and Uses of Funds, then the Owner will repay to the Government, or have HOME funds withheld in an amount sufficient to reduce the Government's HOME Deferred Loan amount to a sum no greater than the amount needed for HOME gap financing.

Prior to final payment, the Owner shall provide post construction appraisal, copies of all Lexington-Fayette Urban County Government Division of Building Inspection reports including Certificate of Occupancy, Final Sources and Uses of Funds, leases, HOME Annual Certification Report, completed tenant-funded utilities form, and final report of contractors/subcontractors employed on the project, with Federal Employer Identification Numbers/Social Security numbers, complete mailing addresses, type of trade/skill, total contract dollar amount, and indication of Disadvantaged Business Enterprise status: women-owned and/or the following race/ethnicity categories: Alaskan Native/American Indian, Asian or Pacific Islander, Black Non-Hispanic, Hispanic, or White/Non-Hispanic. Owner shall also provide written report on all efforts made by its contractor and subcontractors to comply with Section 3.

1.44 Reporting

The Owner agrees to provide any reports and information as required by the Participating Jurisdiction. The Owner shall be responsible for providing the following data: the number of affordable units developed, size of units (number of bedrooms), years of affordability, the number of units meeting Energy Star standards, the number of units made fully accessible under Section 504 accessibility standards, and the number of units occupied by elderly households (either the head or co-head is age 62 or older). The Owner shall also provide an annual report on the number of persons that applied for tenancy but were not served to include race, ethnicity, and single-headed households, both male and female. In addition, an annual report shall also provide the following information about the employees of the Owner's organization: race, ethnicity, national origin, age, gender, and disability. The annual report shall be submitted to the Participating Jurisdiction no later than thirty days after the end of the Participating Jurisdiction's fiscal year. Annual reports shall be submitted throughout the fifteen (15) year period of affordability.

SECTION 2

MISCELLANEOUS

2.01 Interest of Certain Federal and Other Officials

No member of or delegate to the Congress of the United States and no resident commissioner shall be admitted to any share or part of this Agreement or to any benefits to arise from same provided that the foregoing provision of this Section shall not be construed to extend to this agreement if made with a corporation for its general benefit.

No officer, employee or member of the governing body of the Government who exercises any functions or responsibilities in connection with the carrying out of the project to which this Agreement pertains shall have any private interest, direct or indirect, in this Agreement.

2.02 The Owner shall act in conformity with the federal prohibition regarding the employment of, awarding contracts to, or otherwise engaging the services of any contractor, owner, or subcontractor during any period of debarment, suspension or placement of ineligibility status.

2.03 Executive Order 11246

The Owner shall comply with the provisions of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) concerning Equal Employment Opportunity Programs and implementing regulations at 41 CFR Chapter 60.

2.04 The Owner shall comply with the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) Section 3 Clause and implementing regulations at 24 CFR part 135.

The Owner and/or his Contractor agrees to abide by the Section 3 Clause set forth above and will also cause this section to be inserted in any subcontracts entered into with third parties for work covered by this Agreement.

2.05 The Owner agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, insofar as they apply to the performance of the contract.

2.06 The Owner agrees to defend, indemnify, and hold harmless Government from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or that arise or allege to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this agreement by Owner, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the agreement commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall be limited to amounts payable under the Note by Owner, and shall survive the termination of this agreement;

For the purposes of this Indemnity Provision:

1. The word "defend" includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims, at Owner's expense, using attorneys approved in writing by Government, which approval shall not be unreasonably withheld.

2. The word "claims" includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.
3. The word "losses" includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Owner and Government, and damage to, or destruction of, any property, including the property of Government.

2.07 Access to Records

The Secretary and the Inspector General of HUD, the Comptroller General of the United States of America, or the Mayor of the Government, or any of their duly authorized representatives, shall have access to all books, accounts, reports, files, and other papers or property of the Owner and the Owner pertaining to this Loan and related development for the purpose of making surveys, audits, examinations, excerpts, and transcripts.

SECTION 3

DEFAULT

3.01 If within one year from the date of completion of the development of the Project, Owner breaches any of the provisions of Sections 1 and 2 of this Agreement, such shall be considered a default and the full amount of the disbursed amount of the Deferred Payment Loan, plus fifteen percent (15%) of that full amount, shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Deferred Payment Loan or take advantage of any other remedies, Owner shall have a thirty (30) day grace period from receipt of written notice of the fault to cure such default.

3.02 If during the second through the end of the fifteenth year of the Deferred Payment Loan, the Owner breaches any of the provisions of Sections 1 and 2 of this Agreement, such shall be considered a default and the full disbursed amount of the Deferred Payment Loan shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Deferred Payment Loan or take advantage of any other remedies, Owner shall have a thirty (30) day grace period from receipt of written notice of the fault to cure such default.

3.03 Any forbearance by the Government with respect to any of the terms and conditions of this Loan in no way constitutes a waiver of any of the Government's rights or privileges granted hereunder.

3.04 In the event of default by the Owner, the Government may take such measures as may be lawful to it for the recovery of indebtedness and including, but not limited to, foreclosure and sale of the Owner's rights in the Project and/or the assignment and collection of the rents and profits of the Project.

3.05 Owner acknowledges that any default on a superior lien or any initiation of a foreclosure based on any lien shall be a default under this Loan Agreement and that the amount immediately due and payable as a result of such a default shall be governed by Section 3.01 and Section 3.02 of this Agreement.

3.06 If an event of default occurs under the terms of any documents executed in connection with this HOME Agreement or any other document executed in connection herewith (collectively, the "Loan Documents"), prior to exercising any right or remedy thereunder, Government shall give Owner and its investment member (the "Investment Member") simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have 30-days (or such longer period of time as may be specified in the Loan Documents) to effect a cure prior to the exercise by Government of any rights or remedies under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to the exercise of any rights or remedies by Lender. If Owner fails to take corrective action or cure such default within a reasonable period of time, Government shall give Owner and the Investment Member written notice of such failure, whereupon the Investment Member may elect to remove and replace the managing member or co-managing member with a substitute managing member or co-managing member, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The Investment Member shall have the right (but not the obligation) to cure any default within any applicable cure period.

Notice of any default issued in connection with this Agreement or the transactions contemplated hereby shall concurrently be sent to PNC LIHTC Fund 70, LLC (the "Investment Member") at 121 S.W. Morrison Street, Suite 1300, Portland, Oregon 97204, attention: Asset Management.

SECTION 4

SURVIVAL OF COVENANTS

4.01 Notwithstanding anything to the contrary contained herein, the covenants and agreements contained in Sections 1 through 3 shall survive the closing.

This instrument, with documents described herein, constitutes the entire agreement between the parties.

[INTENTIONALLY LEFT BLANK. SIGNATURE PAGE TO FOLLOW]

IN TESTIMONY WHEREOF, the parties have hereto caused this Agreement to be executed upon signatures by proper officers and representatives.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied ~~Argenta~~, LLC, a Delaware limited liability company, its Sole Member

By: ~~_____~~
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: ~~_____~~
R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY)

COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the ___ day of _____, 2019, by _____, AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company.

My commission expires: _____

NOTARY PUBLIC, STATE AT LARGE, KY

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: Linda Gorton
Linda Gorton, Mayor

ATTEST:
[Signature]
COUNCIL CLERK

IN TESTIMONY WHEREOF, the parties have hereto caused this Agreement to be executed upon signatures by proper officers and representatives.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: [Signature]
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: [Signature]
R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY
all Nevada
COUNTY OF ~~FAYETTE~~ Washoe

STATE OF NEVADA
COUNTY OF WASHOE
SIGNED AND SWORN TO BEFORE ME
ON March 7, 2019
BY _____

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 7 day of March, 2019, by Charles Ronald O'Neal AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company.

My commission expires: Oct 14, 2019

[Signature]
NOTARY PUBLIC, STATE ~~AT LARGE, KY~~ Nevada



LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: [Signature]
Linda Gorton, Mayor

ATTEST:
[Signature]
COUNCIL CLERK

FIRST AMENDMENT TO HOME AGREEMENT

This FIRST AMENDMENT TO HOME AGREEMENT dated as of May 31, 2019 (this “**First Amendment**”), by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (“**Government**”) through its Division of Grants and Special Programs and **WESTMINSTER KENTUCKY, LLC**, (“**Owner**”), whose mailing address is 1510 Versailles Road, Lexington, Fayette County, Kentucky 40504, amending that certain HOME AGREEMENT dated as of March 5, 2019 (the “**Agreement**”).

WITNESSETH:

WHEREAS, the parties hereto desire to amend the Agreement in certain respects, all in accordance with the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, hereby that the Agreement shall be amended as follows:

1. **1.06.** Section 1.06 of the Agreement is hereby amended and restated in its entirety with the following:

“Upon request, Owner shall provide supporting documentation for all other costs as specified in the Sources and Uses of Funds statement. Government consents to the following loans to the Owner in connection with the Project, and the obligations under this HOME Agreement made to the Owner shall at all times be subordinate in all respects to the obligations under the following loans: (i) a loan from PNC Bank, National Association insured by HUD, in the maximum principal amount of \$7,061,000 (the “**PNC Loan**”); (ii) a loan from the Secretary of Housing and Urban Development, in the maximum principal amount of \$2,073,492 (“**HUD Flexible Subsidy Loan**”), which was assumed by the Owner as reflected in the Amended and Restated Flexible Subsidy Note (“**HUD Flexible Subsidy Note**”); and (iii) a loan from the Lexington-Fayette Urban County Government, through its Office of Affordable Housing, as reflected in the Lexington-Fayette Urban County Government Affordable Housing Fund Loan Agreement, in the maximum principal amount of \$400,000 (“**LAHTF Loan**”), as evidenced by the Lexington-Fayette Urban County Government Affordable Housing Fund Promissory Note in the amount of \$200,000 (“**LAHTF Promissory Note**”) and the Lexington-Fayette Urban County Government Affordable Housing Fund Deferred Promissory Note in the amount of \$200,000 (“**LAHTF Deferred Promissory Note**”). The obligations under this HOME Agreement shall at all times be senior to and superior in all respects to a loan from Presbyterian Housing Corporation, a Kentucky non-profit corporation to the Owner in the maximum principal amount of \$3,028,431 (“**Seller**”

Loan”), as evidenced Surplus by the Cash Note (HUD 92223M) (“**Seller Note**”).

Owner shall provide Government thirty (30) days’ written notice and Government’s written consent is required before an amendment is made to any senior loan or a proposal is submitted or entered into by the Borrower for a deed in lieu of foreclosure.

2. Ratification. Except as amended by this First Amendment, all terms and provisions of the Agreement shall remain in full force and effect. Except as amended hereby, the parties hereto hereby ratify and reaffirm all of the terms and conditions of the Agreement.

3. Severability. If any provision of this First Amendment is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phases, sentences, clauses or sections of this First Amendment shall not effect the remaining portions hereof.

4. Counterparts. This First Amendment may be executed in one or more counterparts, all of which taken together shall constitute one agreement.

[INTENTIONALLY LEFT BLANK. SIGNATURE PAGE TO FOLLOW]

IN TESTIMONY WHEREOF, the parties have hereto caused this Agreement to be executed upon signatures by proper officers and representatives.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: [Signature]
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: _____
R. Strand Kramer Jr., President

~~COMMONWEALTH OF KENTUCKY~~)
Nevada)
~~COUNTY OF FAYETTE~~)
Washoe)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 21st day of May, 2019, by Charles Donald O'Neal AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company.

My commission expires: 2/15/23

[Signature]
NOTARY PUBLIC, STATE AT LARGE, KY



WASHINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: _____
Linda Gorton, Mayor

ATTEST:

COUNCIL CLERK

IN TESTIMONY WHEREOF, the parties have hereto caused this Agreement to be executed upon signatures by proper officers and representatives.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

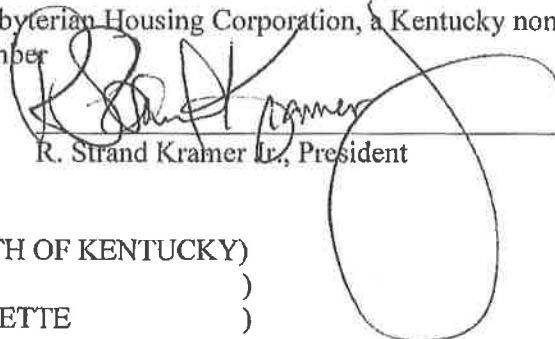
By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: _____
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: 
R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 30th day of May, 2019, by R. Strand Kramer, Jr., AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company.

My commission expires: 7-30-19


NOTARY PUBLIC, STATE AT LARGE, KY

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: _____
Linda Gorton, Mayor

ATTEST:

COUNCIL CLERK

IN TESTIMONY WHEREOF, the parties have hereto caused this Agreement to be executed upon signatures by proper officers and representatives.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: _____
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: _____
R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY)

COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the ___ day of _____, 2019, by _____, AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company.

My commission expires: _____

NOTARY PUBLIC, STATE AT LARGE, KY

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: Linda Gorton
Linda Gorton, Mayor

ALIST

COUNCIL CLERK

SUBORDINATE MORTGAGE

THIS SUBORDINATE MORTGAGE made the 5th day of March, 2019, by and between **WESTMINSTER KENTUCKY, LLC**, whose mailing address is 1510 Versailles Road, Lexington, Fayette County, Kentucky 40504 ("Mortgagor") and the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507 ("Lender") through its Division of Grants and Special Programs.

WITNESSETH:

WHEREAS, the Lender, through its Division of Grants and Special Programs, has provided Mortgagor a loan for the rehabilitation of an apartment complex on the property described herein as part of its HOME Program conducted pursuant to the HOME Investment Partnerships Program of the United States Department of Housing and Urban Development and, the Mortgagor is thereby justly indebted to the Lender for borrowed money in the principal sum of One Hundred Thirty-Eight Thousand Four Hundred Seventy-Nine and 00/100 Dollars (\$138,479.00), to secure the payment of which Mortgagor has executed a promissory Note ("Note") of even date herewith, bearing interest at the rate of zero percent (0%) per annum, wherein the entire indebtedness evidenced by said Note, which if not sooner paid, is due and payable on March 5, 2034.

NOW, THEREFORE, in consideration of the premises and to secure to the Lender the payment of the indebtedness evidenced by the Note or so much thereof as may be advanced by the Lender, according to the terms of the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the faithful performance of all covenants, stipulations, and agreements set out herein and in the HOME Agreement of March 5, 2019 ("Agreement"), and the Note, Mortgagor does hereby mortgage, grant, assign and convey to Lender, forever, the following described real property, situated and located in Fayette County, Kentucky, to wit:

See Legal Description in Exhibit A attached hereto and incorporated by reference.

together with all rents, issues and profits therefrom (provided, however, that the Mortgagor shall be entitled to collect and retain the said rents, issues and profits until default hereunder), and all fixtures now or hereafter attached to or used in connection with the premises herein described ("Mortgaged Property").

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, revenues, issues and profits therefrom, unto Lender, 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 Lender 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 (meaning those encumbrances associated with the Additional Indebtedness, as defined in the HOME Agreement of even date herewith by the Mortgagor and Lender); 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 Lender, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of Lender, at Mortgagor's sole expense.

THIS MORTGAGE is given to secure: (a) Payment of the Loan, same being evidenced by a promissory note of even date herewith and any modifications, extensions or renewals thereof, executed and delivered by Mortgagor to Lender, in the principal amount of One Hundred Thirty-Eight Thousand Four Hundred Seventy-Nine and 00/100 Dollars (\$138,479.00) (hereafter the "Note"), 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 March 5, 2034, as more particularly described in the Note; and (b) payment by

Record and Return to:
Title Agency Support, LLC
10800 Timberwood Circle, Suite 11
Louisville, KY 40223

Fayette County Clerk Recording
Related Documents
From CSA
To CSA

17112387

Mortgagor of its obligations to Lender of all sums expended or advanced by Lender pursuant to any provisions and performance of each and every of Lender's and Mortgagor's respective covenants, conditions and agreements contained in this Mortgage, the Note, the HOME Agreement and any other instrument or agreement evidencing, securing or otherwise pertaining to the Loan (hereafter collectively, the "Loan Documents"). (Hereafter all references to the "Loan" where appropriate shall include all advances made and expenses incurred by Lender pursuant to this Mortgage for the protection of the Premises and all other security for the Loan.).

Subordination. The obligations under this HOME Agreement made to the Owner shall at all times be subordinate in all respects to the obligations under the following loans: (i) a loan from the Secretary of Housing and Urban Development, in the amount of \$1,718,413 ("HUD Flexible Subsidy Loan"), which was assumed by the Owner as reflected in the Amended and Restated Flexible Subsidy Note ("HUD Flexible Subsidy Note"); and (ii) a loan from the Lexington-Fayette Urban County Government, through its Office of Affordable Housing, as reflected in the Lexington-Fayette Urban County Government Affordable Housing Fund Loan Agreement, in an amount not to exceed \$400,000 ("LAHTF Loan"), as evidenced by the Lexington-Fayette Urban County Government Affordable Housing Fund Promissory Note in the amount of \$200,000 ("LAHTF Promissory Note") and the Lexington-Fayette Urban County Government Affordable Housing Fund Deferred Promissory Note in the amount of \$200,000 ("LAHTF Deferred Promissory Note"). The obligations under this HOME Agreement shall at all times be senior to and superior in all respects to a loan from Presbyterian Housing Corporation, a Kentucky non-profit corporation to the Owner in the amount of \$3,082,167 ("Seller Loan"), as evidenced Surplus by the Cash Note (HUD 92223M) ("Seller Note").

AND MORTGAGOR HEREBY COVENANTS AND AGREES THAT:

Mortgagor agrees to pay the principal of and interest on the Loan evidenced by the Note and secured hereby, to be paid at the times and in the manner provided in the Note.

Mortgagor will pay or will have paid all taxes, assessments, liens, judgments and other similar charges now or hereafter levied upon the Premises before the same become delinquent, and will promptly deliver to Lender, if requested, receipts of the proper officers therefor; Mortgagor's failure to pay or to have paid any such charges shall at Lender's election constitute a default hereunder. Or, at Lender's sole option in the event of delinquency, Lender 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 Lender 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 per cent (12%).

Mortgagor hereby assigns to Lender 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 Loan Documents, and grants Lender 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 Lender 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 the occurrence and continuance of an Event of Default (as such term is defined in the HOME Agreement). While this is a present assignment, Lender will not exercise its rights hereunder unless and until an Event of Default occurs and is continuing. Mortgagor shall, and hereby agrees that it will, indemnify Lender, 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 Lender, its officers, agents or employees by reason of any actual or alleged undertakings or obligations on Lender'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 Lender's reasonable costs and attorney's fees incurred by reason of any of the foregoing. Provided, that said obligation to indemnify Lender shall not apply to any loss, injury or damage caused by the gross negligence or willful misconduct of Lender, its officers, agents or employees.

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 HOME 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 Lender. 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 Lender, 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 Lender in its reasonable discretion and, the policies and renewals thereof shall be deposited with and held by Lender. All policies of insurance required to be maintained by Mortgagor pursuant to this paragraph 4 shall name as the insured parties Mortgagor and Lender, shall be reasonably satisfactory to Lender 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 Lender or any owner of the Premises, including Ground Lessor, 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.

Copies of all such policies shall be delivered to Lender. In the event of Mortgagor's failure to comply with any of the requirements of this paragraph, same shall at Lender's option constitute a default hereunder. Or, Lender may, in its discretion, upon a default in payment of the premium for any such policy by the Mortgagor and the expiration of any cure period for such default obtain any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by Lender 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 Lender, and Lender may thereupon make proof of claim relative to such loss or damage, if same is not promptly made by Mortgagor. Mortgagor hereby authorizes Lender (should Lender 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 Lender 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 Lender will exercise its rights under this sentence only if an Event of Default occurs and is continuing. All such proceeds of fire and extended coverage insurance, to the full extent of the Loan, are hereby assigned to Lender and shall be payable to Lender if Lender should so elect, and Mortgagor hereby authorizes and directs any affected insurance company to make payment thereof directly to Lender. 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 Lender of any such policies or certificates of insurance, or renewals thereof, shall constitute an assignment to Lender of all unearned premiums thereon as further security for the payment of the Loan. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the Loan, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to Lender.

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 Lender by its duly authorized officer, Lender, and any person authorized by Lender, may enter upon and inspect the Premises at all reasonable times.

Except for the Permitted Encumbrances associated with the Additional Indebtedness, 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, without the prior written consent of Lender by its duly authorized officer, which consent shall not be unreasonably withheld, conditioned or delayed. 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, Lender may pay the same, and any amount so paid by Lender 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.

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 Loan then remaining unpaid, is hereby assigned by Mortgagor to Lender, 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 Lender. To such end, Mortgagor hereby grants to Lender 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 Lender during the occurrence and continuation of any Event of Default may, at the sole option of Lender, be retained and applied, in whole or in part, to the Loan (whether or not then due and payable), in such manner as Lender 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 occurrence and continuation of an Event of Default Lender will release said sums to Mortgagor, to be applied to restoration of the Premises. Lender 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 Loan, same shall constitute an Event of Default.

If Lender 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 Lenders rights hereunder or under any other Loan Document, to protect the Premises as collateral for the Loan, or to recover any portion of the Loan, 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.

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, except residential leases, 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 Lender 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 Loan.

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 Loan if such default is not cured within thirty (30) days of written notice to Mortgagor then, at the sole option of Lender the entire 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), after the expiration of all applicable cure periods, Lender shall have the right but not the obligation to cure any such default of Mortgagor, in such manner and to the extent Lender may deem advisable to protect its interest in the Premises. In the event that Lender should so elect, then any and all sums so expended by Lender relative to effecting any such cure shall become immediately due and owing Lender by Mortgagor, shall be secured hereby and shall bear interest at the rate specified in numerical paragraph (2) hereof until paid.

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. Lender shall have the right to examine said books of record and account at such reasonable times and intervals as Lender may elect.

In the event that Lender (a) grants any extension of time or forbearance for payment of any portion of the Loan; (b) takes, or realizes, other additional security for the payment thereof, (c) waives or does not exercise any right granted herein, under the Note or under any other Loan Document; (d) grants any release, with or without consideration, of all or any part of the security held for the payment of the Loan; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Note; 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 Note, under any covenant of this Mortgage, the Note or other Loan Documents nor preclude Lender 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.

Mortgagor will not hereafter make or permit, without the prior written consent of Lender 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 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, 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 Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, shall be and constitute a default by Mortgagor on this Mortgage and on the Loan.

Upon the occurrence and continuance of an Event of Default, then, and in such event, at Lender'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 Loan shall become due, payable and collectible. Upon the occurrence and continuance of an Event of Default, in addition to any other right of remedy which Lender may now or hereafter have at law or in equity, and not by way of limitation, Lender shall have the right and power to exercise any or all or any combination of the following remedies: (a) to declare the 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 Lender, 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 Lender's name or Mortgagor's name, by whatever means Lender 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 Lender to be necessary, to payment of the Loan. All the foregoing rights and powers are effective and may be enforced by Lender 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 HOME Agreement. 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.

Mortgagor represents and warrants that no hazardous substances are present on the Premises, except in compliance with all applicable state and federal laws and regulations relating thereto (collectively, "Environmental Laws"). 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 except in compliance with all applicable Environmental Laws. 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, except in compliance with all applicable Environmental Laws. 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 a default. The Mortgagor shall indemnify Lender and hold Lender 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 Lender may incur as a result of or in connection with the assertion against Lender 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 Lender and hold Lender harmless shall survive payment of the Loan and Note and shall survive release of this Mortgage and shall extend to the representatives, successors and assigns of Lender.

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 "Lender" shall include the legal representatives, successors and assigns of Lender; 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 Loan, or if this Mortgage is invalid or unenforceable as to any part of the Premises, the unsecured or partially unsecured portion of the Loan shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Loan; and all payments made on the Loan, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Loan which is not secured or fully secured by this Mortgage.

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.

No delay or omission on the part of Lender in exercising any right or remedy hereunder or under any other Loan Documents shall operate as a waiver of such right or remedy or any other right or remedy. A waiver by Lender 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

Loan Documents are cumulative, and Lender may resort to any other right or remedy or any combination thereof available under the other 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 Lender unless same shall be in writing by its duly authorized officer; any such waiver shall be construed strictly according to its terms.

In the event any existing lender discontinues the collection of funds to pay annual premiums for insurance and taxes and immediately upon the delivery of a written request, but subject to the terms of the Permitted Encumbrances, Mortgagor will pay or will have paid to Lender for the term of this Mortgage, on the same dates as payments of principal and/or interest are required to be made by Mortgagor, an amount equal to one-twelfth (1/12) of the annual premiums for insurance as may be required by Lender relative to the Premises, and one-twelfth (1/12) of the annual taxes and assessments assessed against the Premises. Lender shall hold all such sums so received for, and shall apply same to, payment of such taxes, assessments and insurance. Mortgagor shall receive no interest on any such sums received and held by Lender for the benefit of Mortgagor.

In the event of any inconsistency, in the terms and provisions of this Mortgage or any other Loan Document as to the rights and remedies of Lender, or in the event of any such inconsistency as between or among any two (2) or more Loan Documents, then in any such event Lender shall have the right at its sole option to elect which of such provisions shall govern.

If Mortgagor shall pay to Lender all sums due Lender under the Note and the interest thereon, in the manner and at the times mentioned in the Note, or otherwise in connection with the Loan, and Mortgagor shall pay Lender any and all other sums due from Mortgagor to Lender under this Mortgage and shall fully keep and perform the terms, covenants, conditions and agreements under this Mortgage or otherwise due Lender relative to the Loan, then this Mortgage and the estate granted thereby shall cease and be void, and this Mortgage shall thereupon be released by Lender 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 loan made for the purpose of erecting, improving or adding to a building.

Notwithstanding any provision in any of the Loan Documents to the contrary, Lender acknowledges and agrees that (a) the Premises is or will be subject to a Land Use Restriction Agreement (as defined below), (b) the recordation of the Land Use Restriction Agreement against the Premises is permitted under the terms of the Loan Documents and (c) this Mortgage, and the terms and provision thereof, shall be subordinate to the Land Use Restriction Agreement, regardless of the order of recording of either document. "Land Use Restriction Agreement" means the extended low-income housing commitment, regulatory agreement or restrictive covenants executed or to be executed by Mortgagor setting forth certain terms and conditions under which the Premises is to be operated and which shall meet the requirements of Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended, and the requirements of the HOME Investment Partnerships Program at 24 CFR Part 92.252.

In addition to any other cure provisions contained in any of the Loan Documents, the investor members of the Mortgagor (the "Investor Member") shall have the right, but not the obligation, to cure all defaults under any of the Loan Documents pursuant to Section 3 of the HOME Agreement. Lender shall simultaneously send a copy of all notices of any default to the Investor Member at PNC LIHTC Fund 70, LLC (the "Investment Member") at 121 S.W. Morrison Street, Suite 1300, Portland, Oregon 97204, attention: Asset Management.

Notwithstanding Lender's right to invoke any remedies under the Agreement, the Note, or this Mortgage ("Lender's Loan Documents"). The Lender agrees as follows:

1. Lender shall, upon serving Mortgagor with any notice of default pursuant to Lender's Loan Documents, simultaneously serve a copy of such notice upon Senior Lender. Such notice shall outline in detail the default(s) under the Lender's Loan Documents. Senior Lender shall thereupon have 60 days after service of such notice upon it to remedy or cause to be

remedied the defaults complained of, and at the instigation of Senior Lender as if the same had been done by Mortgagor.

2. Lender will not proceed to enforce any of its rights and remedies under the Lender's Loan Documents, including without limitation the right to accelerate the indebtedness under the Mortgage Note or initiate foreclosure proceedings to enforce the lien of this Security Instrument until it has given Senior Lender at least 60 days prior written notice as set forth above.

It is expressly understood that a default on the Senior Mortgage or any initiation of a foreclosure based on any lien shall be a default under this Mortgage and the principal amount shall immediately become due and payable and Lender shall be entitled to recover the cost of collection, including reasonable attorney fees.

The Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Mortgage including any provisions requiring the payment of money.

Notwithstanding the foregoing, the Mortgagor shall have no personal liability under this Mortgage, the Note, or any other Loan Document for the payment of the indebtedness evidenced by the Note and the performance of any other obligations of the Mortgagor under the Loan Documents (collectively, the "Indebtedness") and the Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be the Lender's exercise of its rights and remedies under the Loan Documents with respect to the Mortgaged Property.

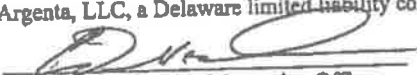
PROVIDED, HOWEVER, that if Mortgagor shall pay the Mortgage Note according to the terms thereof and perform all of the covenants, conditions, stipulations, and agreements set out in the same or herein contained, then this Mortgage shall be void, and the Lender shall, at Mortgagor's cost and request, release the same.

IN TESTIMONY WHEREOF, witness the signature of Mortgagor.

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company


By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: 
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

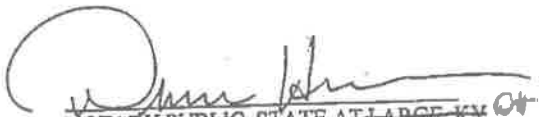
By: 
R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE Washoe)

STATE OF NEVADA
COUNTY OF WASHOE
SIGNED AND SWORN TO BEFORE ME
ON March 7, 2019
BY _____

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 7 day of March, 2019, by Charles Ronald O'Neal AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability limited partnership.

My commission expires: Oct 14, 2019


NOTARY PUBLIC, STATE AT-LARGE, KY or
Nevada

PREPARED BY:

~~Melissa Moore Murphy
Attorney Senior
Lexington-Fayette Urban County Government
Department of Law
200 East Main Street
Lexington, Kentucky 40507
(606) 268-3500~~



remedied the defaults complained of, and at the instigation of Senior Lender as if the same had been done by Mortgagor.

- 2. Lender will not proceed to enforce any of its rights and remedies under the Lender's Loan Documents, including without limitation the right to accelerate the indebtedness under the Mortgage Note or initiate foreclosure proceedings to enforce the lien of this Security Instrument until it has given Senior Lender at least 60 days prior written notice as set forth above.

It is expressly understood that a default on the Senior Mortgage or any initiation of a foreclosure based on any lien shall be a default under this Mortgage and the principal amount shall immediately become due and payable and Lender shall be entitled to recover the cost of collection, including reasonable attorney fees.

The Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Mortgage including any provisions requiring the payment of money.

Notwithstanding the foregoing, the Mortgagor shall have no personal liability under this Mortgage, the Note, or any other Loan Document for the payment of the indebtedness evidenced by the Note and the performance of any other obligations of the Mortgagor under the Loan Documents (collectively, the "Indebtedness") and the Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be the Lender's exercise of its rights and remedies under the Loan Documents with respect to the Mortgaged Property.

PROVIDED, HOWEVER, that if Mortgagor shall pay the Mortgage Note according to the terms thereof and perform all of the covenants, conditions, stipulations, and agreements set out in the same or herein contained, then this Mortgage shall be void, and the Lender shall, at Mortgagor's cost and request, release the same.

IN TESTIMONY WHEREOF, witness the signature of Mortgagor.

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: R. Strand Kramer Jr., President

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 13th day of March, 2019, by R. Strand Kramer, Jr., AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability limited partnership.

My commission expires: 7-30-19

Ruth A. Wells
NOTARY PUBLIC, STATE AT LARGE, KY

PREPARED BY:

~~_____~~
Melissa Moore Murphy
Attorney Senior
Lexington-Fayette Urban County Government
Department of Law
200 East Main Street
Lexington, Kentucky 40507
(606) 258-3500

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND SITUATED ON THE SOUTH SIDE OF THE VERSAILLES PIKE, IN LEXINGTON, FAYETTE COUNTY, KENTUCKY, AND MORE FULLY DESCRIBED AND BOUNDED AS FOLLOWS, TO-WIT:
BEGINNING AT A POINT IN THE SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, SAID POINT BEING A CORNER TO GLENN HADDOX; THENCE WITH SAID SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, S 82 DEGREES 37 MINUTES W 115.43 FEET TO A CORNER WITH ERHART; THENCE WITH ERHART FOR TWO CALLS, S 03 DEGREES 42 MINUTES W 287.01 FEET AND S 89 DEGREES 38 MINUTES W 149.6 FEET TO THE POINT IN THE LINE OF ALENDER; THENCE WITH ALENDER FOR TWO CALLS, S 00 DEGREES 10 MINUTES E 136.5 FEET AND S 83 DEGREES 43 MINUTES W 46.7 FEET TO A POINT IN THE LINE OF JEFFERS; THENCE WITH JEFFERS S 04 DEGREES 33 MINUTES E 590.68 FEET TO A POINT; THENCE LEAVING THE LINE OF JEFFERS S 88 DEGREES 30 MINUTES E 360.48 FEET TO A POINT IN THE LINE OF ADDIE STACKHOUSE; THENCE WITH STACKHOUSE AND CONTINUING WITH THE FAYETTE COUNTY (DETENTION HOME) N 07 DEGREES 36 MINUTES E 674 FEET TO A POINT; THENCE AGAIN WITH THE FAYETTE COUNTY (DETENTION HOME) FOR TWO CALLS, N 84 DEGREES 10 MINUTE E 14 FEET AND N 07 DEGREES 14 MINUTES W 14 FEET TO A POINT IN THE LINE OF GLENN HADDOX; THENCE WITH HADDOX FOR TWO CALLS, S 82 DEGREES 37 MINUTES W 138 FEET AND N 06 DEGREES 42 MINUTES W 379 FEET TO THE BEGINNING AND CONTAINING 8.00 ACRES, AS SHOWN BY PLAT DATED JULY 22, 1969 PREPARED BY CECIL C. HARP ENGINEERS AND APPROVED BY THE LEXINGTON-FAYETTE COUNTY PLANNING COMMISSION, WHICH PLAT IS ATTACHED TO A CERTAIN MORTGAGE DATED AUGUST 20, 1969 AND IS OF RECORD IN THE FAYETTE COUNTY COURT CLERK'S OFFICE IN MORTGAGE BOOK 852, PAGE 215; TOGETHER WITH APPURTENANT EASEMENTS FOR A SANITARY SEWER AS SHOWN ON SAID BUILDING SITE RECORD PLAT AND AS GRANTED BY DEED OF EASEMENT DATED AUGUST 21, 1969 OF RECORD IN DEED BOOK 970, PAGE 143 IN THE AFORESAID OFFICE.

~~BEING THE SAME PROPERTY CONVEYED TO PRESBYTERIAN HOUSING CORPORATION, A NON-PROFIT CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF KENTUCKY, BY WARRANTY DEED DATED JUNE 29, 1971 OF RECORD IN DEED BOOK 1020, PAGE 592 IN THE OFFICE OF THE CLERK OF FAYETTE COUNTY, KENTUCKY.~~

TAX DATA:
TRACT 1 - PARCEL ID NO. 04016950
ASSESSMENT \$2,683,500.00 EXEMPT

*Being the same property
conveyed to Westminster
Kentucky LLC, by Deed
dated March 1, 2019 and
recorded in Deed Book 3654,
Pg 616.*

MORTGAGE BOOK 9280 PAGE 186

**I, Donald W Blevins Jr, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**



By: MELISSA STELTER ,dc

201903200064

March 20, 2019 10:41:50 AM

Fees \$47.00 Tax \$.00

Total Paid \$47.00

THIS IS THE LAST PAGE OF THE DOCUMENT

14 Pages

173 - 186

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
MORTGAGE MODIFICATION AGREEMENT**

This Agreement, made and entered into this 31st day of May 2019 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 (hereinafter referred to as "LFUCG"), and **WESTMINSTER KENTUCKY, LLC**, a Kentucky limited liability company, whose principal address is c/o Allied Affordable Housing, LLC, 409 Santa Monica Blvd., Suite E, Santa Monica, California 90401 (hereinafter referred to as "Mortgagor").

WITNESSETH

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

WHEREAS, on March 5, 2019, the parties entered into a Mortgage (hereinafter referred to as the "Original Mortgage"), securing a Mortgage Loan and Deferred Loan;

WHEREAS, the Original Mortgage was recorded on March 20, 2019 in Mortgage Book 9280 Page 173, in the records of the Fayette County Clerk's Office, Lexington, Fayette County, Kentucky, said Original Mortgage covering a certain real estate located in Fayette County, Kentucky (more particularly described in Exhibit A);

WHEREAS, LFUCG and the Mortgagor mutually desire to amend said Original Mortgage;

NOW THEREFORE, in consideration of the mutual promises and agreements exchanged the parties agree to amend said Mortgage as follows:

1. Page 2, Paragraph 2 of the Mortgage shall be replaced with the following:

Subordination. The obligations under this HOME Agreement made to the Owner shall at all times be subordinate in all respects to the obligations under the following loans: (i) a loan from PNC Bank, National Association insured by HUD, in the maximum principal amount of \$7,061,000 (the "PNC Loan"); (ii) a loan from the Secretary of Housing and Urban Development, in the maximum principal amount of \$2,073,492 ("HUD Flexible Subsidy Loan"), which was assumed by the Owner as reflected in the Amended and Restated Flexible Subsidy Note ("HUD Flexible Subsidy Note"); and (iii) a loan from the Lexington-Fayette Urban County Government, through its Office of Affordable Housing, as reflected in the Lexington-Fayette Urban County Government Affordable Housing Fund Loan Agreement, in the maximum principal amount of \$400,000 ("LAHTF Loan"), as evidenced by the Lexington-Fayette Urban County Government Affordable Housing Fund Promissory Note in the amount of \$200,000 ("LAHTF Promissory Note") and the Lexington-

Fayette Urban County Government Affordable Housing Fund Deferred Promissory Note in the amount of \$200,000 ("LAHTF Deferred Promissory Note"). The obligations under this HOME Agreement shall at all times be senior to and superior in all respects to a loan from Presbyterian Housing Corporation, a Kentucky non-profit corporation to the Owner in the maximum principal amount of \$3,028,431 ("Seller Loan"), as evidenced Surplus by the Cash Note (HUD 92223M) ("Seller Note").

- 2. This Mortgage shall cover real estate situated in the State of Kentucky, Fayette County, and as more fully and completely described in Exhibit A.
- 3. All other terms and conditions of the Original Mortgage, except as modified herein, shall remain in full force and effect.

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.

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: [Signature]
Charles O'Neal, Chief Executive Officer

STATE OF NV)
COUNTY OF Washoe)

Subscribed, sworn to and acknowledged before me this 24 day of May 2019, by Charles Donald O'Neal as CEO on behalf of Westminster Kentucky, LLC.

My commission expires: 2/15/23




[Signature]
NOTARY PUBLIC

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

By: 
LINDA GORTON, MAYOR

ATTEST: 
Clerk, Urban County Council

THIS INSTRUMENT PREPARED BY:


Melissa Moore Murphy, Esq.
Attorney Senior
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

**EXHIBIT A
LEGAL DESCRIPTION**

ALL THAT TRACT OR PARCEL OF LAND SITUATED ON THE SOUTH SIDE OF THE VERSAILLES PIKE, IN LEXINGTON, FAYETTE COUNTY, KENTUCKY, AND MORE FULLY DESCRIBED AND BOUNDED AS FOLLOWS, TO-WIT: BEGINNING AT A POINT IN THE SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, SAID POINT BEING A CORNER TO GLENN HADDOX; THENCE WITH SAID SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, S 82 DEGREES 37 MINUTES W 115.43 FEET TO A CORNER WITH ERHART; THENCE WITH ERHART FOR TWO CALLS, S 03 DEGREES 42 MINUTES W 287.01 FEET AND S 89 DEGREES 38 MINUTES W 149.6 FEET TO THE POINT IN THE LINE OF ALENDER; THENCE WITH ALENDER FOR TWO CALLS, S 00 DEGREES 10 MINUTES E 136.5 FEET AND S 83 DEGREES 43 MINUTES W 46.7 FEET TO A POINT IN THE LINE OF JEFFERS; THENCE WITH JEFFERS S 04 DEGREES 33 MINUTES E 590.68 FEET TO A POINT; THENCE LEAVING THE LINE OF JEFFERS S 88 DEGREES 30 MINUTES E 360.48 FEET TO A POINT IN THE LINE OF ADDIE STACKHOUSE; THENCE WITH STACKHOUSE AND CONTINUING WITH THE FAYETTE COUNTY (DETENTION HOME) N 07 DEGREES 36 MINUTES E 674 FEET TO A POINT; THENCE AGAIN WITH THE FAYETTE COUNTY (DETENTION HOME) FOR TWO CALLS, N 84 DEGREES 10 MINUTE E 14 FEET AND N 07 DEGREES 14 MINUTES W 14 FEET TO A POINT IN THE LINE OF GLENN HADDOX; THENCE WITH HADDOX FOR TWO CALLS, S 82 DEGREES 37 MINUTES W 138 FEET AND N 06 DEGREES 42 MINUTES W 379 FEET TO THE BEGINNING AND CONTAINING 8.00 ACRES, AS SHOWN BY PLAT DATED JULY 22, 1969 PREPARED BY CECIL C. HARP ENGINEERS AND APPROVED BY THE LEXINGTON-FAYETTE COUNTY PLANNING COMMISSION, WHICH PLAT IS ATTACHED TO A CERTAIN MORTGAGE DATED AUGUST 20, 1969 AND IS OF RECORD IN THE FAYETTE COUNTY COURT CLERK'S OFFICE IN MORTGAGE BOOK 852, PAGE 215; TOGETHER WITH APPURTENANT EASEMENTS FOR A SANITARY SEWER AS SHOWN ON SAID BUILDING SITE RECORD PLAT AND AS GRANTED BY DEED OF EASEMENT DATED AUGUST 21, 1969 OF RECORD IN DEED BOOK 970, PAGE 143 IN THE AFORESAID OFFICE.

BEING THE SAME PROPERTY CONVEYED TO WESTMINSTER KENTUCKY, LLC, A KENTUCKY LIMITED LIABILITY COMPANY, BY SPECIAL WARRANTY DEED DATED MARCH 1, 2019, OF RECORD IN DEED BOOK 3654, PAGE 616 IN THE OFFICE OF THE CLERK OF FAYETTE COUNTY, KENTUCKY.

TAX DATA:
PARCEL ID NO. 04016950
ASSESSMENT \$2,683,500.00 EXEMPT

MORTGAGE NOTE

\$138,479.00

Lexington, KY

FOR VALUE RECEIVED, the undersigned, **WESTMINSTER KENTUCKY, LLC**, whose mailing address is 1510 Versailles Road, Lexington, Kentucky 40504 ("Borrower"), does hereby promise and agree to pay to the order of the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507, its successors or assigns ("Government"), through its Division of Grants and Special Programs, the principal sum of One Hundred Thirty-Eight Thousand Four Hundred Seventy-Nine and 00/100 Dollars (\$138,479.00) in lawful money of the United States, with interest at the rate of zero percent (0%) per annum, from March 5, 2019, until March 5, 2034, the date upon which the unpaid principal balance and all accrued but unpaid interest shall be due and payable.

LOAN CONDITIONS:

1. This Note evidences a Loan by the Government to the Borrower for the exclusive purpose of rehabilitating residential rental property containing 132 dwelling unit(s) located at 1510 Versailles Road, Lexington, Kentucky 40504 ("Project") in the manner set out in the HOME Agreement of March 5, 2019, by and between Borrower and the Government ("Agreement") and the monies so provided shall be used solely for such purpose.
2. No principal or interest payments will be required during the term of the indebtedness prior to March 5, 2034 as long as the Borrower complies with all terms and conditions of this Note, the Mortgage of even date herewith, and the Agreement (collectively, the "Loan Documents") between the Borrower and the Government. The Mortgage and the Agreement are incorporated herein by reference and made a part hereof.
3. This Note is a draw note for construction purposes and disbursements of principal hereunder shall be made to Borrower upon its delivery of invoices, or other evidence satisfactory to the Government, related to construction costs of the apartment buildings at 1510 Versailles Road, Lexington, Kentucky 40504 (the "Project") and supporting the amount requested.
4. If within one year from the date of completion of the construction of the Project, said date established as the date of the final progress payment to Borrower, Borrower breaches any of the provisions of this Note or the Agreement or the Mortgage, such shall be considered a default and the full disbursed amount of the Loan, plus fifteen per cent (15%) of that full amount, shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Loan or take advantage of any other remedies, Borrower shall have a thirty (30) day grace period from receipt of written notice of default to cure such default.
5. If during the second through fifteenth year of the Loan the Borrower breaches any of the provisions of this Note or the Agreement or the Mortgage, such shall be considered a default and the fully disbursed amount of the Loan shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Loan or take advantage of any other remedies, Borrower shall have a thirty (30) day grace period from receipt of written notice of default to cure such default.
6. Any default on a superior lien encumbering the Project or any initiation of a foreclosure based on any lien encumbering the Project shall be a default under this Note and the Agreement and the Mortgage and the amount as set out hereinabove shall be immediately due and payable; provided, before the Government may accelerate any amount due under the Loan or take advantage of any other remedies, Borrower shall have a thirty (30) day grace period from receipt of written notice of default to cure such default.
7. The Loan evidenced by this Note may be assumed by an individual or entity capable and able to enter into enforceable contracts, agreements or other loan documents as may be required to ensure compliance with the requirements and intent of the HOME Program upon the prior written consent of the Government, which consent shall not be unreasonably withheld or delayed.

8. This Note shall be the joint and several obligation of all makers, co-makers, endorsers, sureties and guarantors and shall be binding upon them and their successors, heirs or assigns and each waives demand, presentment and protest and notice of dishonor, and agree in case of any default to pay all costs of collection, including reasonable attorney fees and legal expenses.

9. Except as otherwise provided in this Paragraph, Borrower shall have no personal liability under this Note or any of the other the Loan Documents for the repayment of the amount due and owing hereunder (the "Indebtedness") or for the performance of any other obligations of Borrower under the Loan Documents, and the Government's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be the Government's exercise of its rights and remedies with respect to the Mortgaged Property (as such term is defined in the Mortgage of even date herewith (the "Mortgage")) and any other collateral held by the Government as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair the Government's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

Borrower shall be personally liable to the Government for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by the Government as a result of:

(1) failure of Borrower to pay to Lender upon demand after default under any of the Loan Documents, which, with the passage of time of the giving of notice or both shall constitute a default (an "Event of Default"), all rents to which the Government is entitled under the Mortgage and the amount of all security deposits collected by Borrower from tenants then in residence;

(2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Mortgage;

(3) fraud or written material misrepresentation by Borrower, Key Principal or any officer, director, partner, member or employee of Borrower in connection with the application for or creation of the Indebtedness or any request for any action or consent by the Government;

(5) failure to apply rents, first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of any agreement with the Government executed in connection with the Loan) and then to debt service amounts, except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to rents that are distributed in any calendar year if Borrower has paid all operating expenses and debt service amounts for that calendar year; or

Borrower shall become personally liable to the Government for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default:

(1) Borrower's acquisition of any property (or operation of any business not permitted by the Mortgage);

(2) a transfer that is an Event of Default under the Mortgage; or

(3) the occurrence of a Bankruptcy Event (but only if the Bankruptcy Event occurs with the consent, encouragement or active participation of Borrower, Key Principal or any Borrower Affiliate). As used herein, "Bankruptcy Event" shall mean (a) a voluntary insolvency or bankruptcy proceeding or (b) an involuntary insolvency or bankruptcy proceeding which is (i) commenced by the Borrower, the Key Principal or any person or entity controlling or under common control with such parties (the "Borrowing Group") or (ii) in which any member of the Borrowing Group objects to a motion by the Government for relief from any stay or injunction from the foreclosure of the Mortgage or any other remedial action permitted under the Note, the Mortgage or any of the other Loan Documents

To the extent that Borrower has personal liability under this Paragraph, the Government may exercise its rights against Borrower personally without regard to whether the Government has

exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to the Government under this Note, the Mortgage, any other Loan Document or applicable law. For purposes of this Paragraph, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Mortgage prior to the occurrence of an Event of Default, or (2) Borrower was unable to apply as required or permitted by the Mortgage because of a bankruptcy, receivership, or similar judicial proceeding.

10. The indebtedness evidenced by this Note is secured by a Mortgage of even date herewith in favor of the Government on the aforescribed real property and Project executed by Westminster Kentucky, LLC, which will be recorded in the Office of the Fayette County Clerk Book and reference is made to said instrument for rights as to acceleration of the indebtedness evidenced by this Note.

IN WITNESS WHEREOF, the parties have executed this Note on the day and year first above written.

BORROWER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

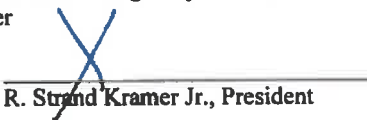
By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: 
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: 
R. Strand Kramer Jr., President

DUE DATE: March 5, 2034

PROPERTY ADDRESS: 1510 Versailles Road, Lexington, Kentucky 40504

exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to the Government under this Note, the Mortgage, any other Loan Document or applicable law. For purposes of this Paragraph, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Mortgage prior to the occurrence of an Event of Default, or (2) Borrower was unable to apply as required or permitted by the Mortgage because of a bankruptcy, receivership, or similar judicial proceeding.

10. The indebtedness evidenced by this Note is secured by a Mortgage of even date herewith in favor of the Government on the aforescribed real property and Project executed by Westminster Kentucky, LLC, which will be recorded in the Office of the Fayette County Clerk Book and reference is made to said instrument for rights as to acceleration of the indebtedness evidenced by this Note.

IN WITNESS WHEREOF, the parties have executed this Note on the day and year first above written.

BORROWER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: ~~Allied Argenta, LLC, a Delaware limited liability company, its Sole Member~~

By: ~~_____~~
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: 
R. Strand Kramer Jr., President

DUE DATE: March 5, 2034

PROPERTY ADDRESS: 1510 Versailles Road, Lexington, Kentucky 40504

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS is made this Fifth day of March, 2019, by and between WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company, 1510 Versailles Road, Lexington, Fayette County, Kentucky 40504 ("Declarant/Owner"), owner of certain real property in Lexington, Fayette County and the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507 ("Government").

WITNESSETH:

WHEREAS, the Declarant/Owner is the owner of certain real property known and designated as 1510 Versailles Road, Lexington (Fayette County) Kentucky and more particularly described in Exhibit A which is attached hereto and incorporated herein by reference ("site"); and

WHEREAS, the Government, through its HOME Program, works to increase the supply of affordable, standard residential rental units to low and very low income households by providing loans to property owners; and

WHEREAS, said Government, through its HOME Program, has loaned funds in the amount of \$138,479.00 to Declarant/Owner for the rehabilitation of a 132-unit apartment complex for low-income households;

WHEREAS, Government and Declarant/Owner have agreed that nine units are HOME-assisted and that only these nine (9) units are subject to the herein described affordability restrictions;

WHEREAS, said Government program is being conducted pursuant to the HOME Investment Partnerships Program of the United States Department of Housing and Urban Development ("HUD") which requires, as a condition of receipt of funds thereunder, that Restrictive Covenants, running with the land in conformance with the eligibility and affordability provisions of the program, be declared and filed of record as to each property developed with program funds; and

WHEREAS, the Declarant/Owner has borrowed the sum of \$138,479.00 pursuant to the Government's HOME Program and HUD's HOME Investment Partnerships Program for the rehabilitation of 132 affordable rental units on the herein described site, and in consideration of such loan intends to establish covenants, conditions and restrictions running with the land to comply with the requirements of the HOME program;

WHEREAS, the Government holds a mortgage lien interest in the site and is required by HUD regulations relating to the HOME Investment Partnerships Program to require the establishment of covenants, conditions and restrictions running with the land and to enforce such covenants, conditions and restrictions;

NOW, THEREFORE, the Declarant/Owner, for its assigns, subsequent purchasers, lessees and successors in interest hereby declares that the site is and shall be held transferred, sold, conveyed and occupied, subject to the conditions, restrictions and reservations hereinafter set out, which are hereby established and declared to be covenants running with the land:

1. RESTRICTED USES:

(a) The site shall be maintained solely as residential property. Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest agree that the nine (9) HOME-assisted units shall be rented to low income and very low households. Low income households are those households with gross incomes at or below sixty percent (60%) of the median income for the community. Very low income households are those households with adjusted gross incomes at or below fifty percent (50%) of the median income for the community. During the duration of these covenants, a minimum of six of the HOME-assisted units shall be rented to very low income households except as provided elsewhere herein.

(b) Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall charge rents no higher than low HOME and high HOME rents as established from time to time by HUD pursuant to any regulations promulgated by HUD or the Government. The rents so charged must include utility costs. The maximum allowable HOME rent must be reduced by a utility allowance approved by Government if tenant is required to pay separately for utilities. Utility allowances approved by Government may vary as periodic adjustments are made. Should HUD revise these or other rent guidelines set out herein so as to permit Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest to adjust the rent charged, Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest must obtain the prior approval of the Government and provide tenants with no less than thirty (30) days written notice before adjustments are implemented.

(c) The family size and the gross income for all tenants must be determined at the time of initial occupancy and annually for the duration of these covenants. Declarant/Owner and its

Fayette County Clerk Recording
Related Documents
From 054,057
To 063

Record and Return to:
Title Agency Support, LLC
10800 Timberwood Circle, Suite 11
Louisville, KY 40223

17112380

assigns, subsequent purchasers, lessees and successors in interest shall obtain and verify income and family size information from each tenant upon initial rent up and annually during the duration of these covenants. Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall provide information on family size, gross income and rent charged for all tenants to the Government within sixty (60) days after the initial rent up and the annual review date.

Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall obtain any necessary releases from tenant to allow Government to independently verify the information provided.

(d) The Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall, on an annual basis, for the duration of these covenants, review the income, family size and exclusions of all tenants and determine if any are over-income. An over-income tenant is a household with a gross income exceeding eighty percent (80%) of the median for the community. Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall not evict over-income tenants based on income. Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall increase the rent of the site to not less than thirty percent (30%) of the households adjusted gross income, except tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42. Units vacated by an over-income tenant must be rented to an income-eligible tenant for the duration of these covenants.

(e) Should the adjusted gross income of a very low income tenant renting a unit at the low HOME rate increase to greater than fifty percent (50%) of the median for the community but less than eighty percent (80%) of the median for the community during the term of the tenancy and for the duration of these covenants, the Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest may increase the rent for such tenant up to the high HOME rate for the duration of the tenancy. Declarant/Owner and its assigns, subsequent purchasers, lessees and successors in interest shall not evict such a tenant on the basis of the increase of the adjusted gross income. The next vacancy shall be rented to a very low income tenant whose income is at or below fifty percent (50%) of the area median income at a rent no higher than the established low HOME rent.

(f) No sale of the site shall be completed without giving notice to the Government in writing at least ten (10) days prior to the closing.

2. DURATION

The covenants and restrictions herein established shall be a covenant running with the land and shall be effective from the date of project completion, established as the date the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report showing that nine (9) units assisted by this loan have been rented to low-income and very low-income households, for a period of fifteen (15) years and shall be binding upon the Declarant/Owner, its assigns, subsequent purchasers, lessees and successors in interest and all parties and persons claiming under them during the term hereof.

It is intended and agreed that the Government and its successors and assigns and the United States of America shall be deemed a beneficiary of the covenant provided, both for and in their or its own right and also for the purpose of protecting the interest of the community and other parties, public or private, in whose favor or for whose benefits such agreements or covenants have been provided. Said covenant shall run in favor of the Government and the United States for the duration of these covenants. The Government and the United States shall have the right, in the event of any breach of any such covenant, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, or to collect the full amount of any disbursement made to Declarant/Owner, to which it or any other beneficiaries of such agreement or covenant may be entitled.

3. PURCHASER AT FORECLOSURE:

During the term hereof, should any mortgage or deed of trust be foreclosed on the site, then the title acquired by such foreclosure, and the person or persons who thereby and thereafter become the owner or owners of such property, shall be subject to and bound by all the restrictions, conditions and covenants set forth in this instrument. In the event of foreclosure by, acceptance of deed-in-lieu of foreclosure by, or assignment any Superior Mortgage(s) to the U.S. Department of Housing and Urban Development (HUD) all restrictions relating to affordable housing programs provided for in this Deed and Declaration of Restrictive Covenants or provided

for in any other document related to this transaction shall automatically and permanently terminate and shall have no further force to or effect on subsequent owners or purchasers of the Property.

4. **FUTURE DEEDS:**

Declarant/Owner, its assigns, subsequent purchasers, lessees and successors in interest agree that all of the covenants, conditions and restrictions contained in this deed shall be inserted in full in all future deeds of the site during the term hereof.

5. **SEVERABILITY OF PROVISIONS:**

Invalidation of any one of these provisions by judgment or Court order shall not affect any other provisions which shall remain in effect.

IN WITNESS WHEREOF, Declarant/Owner, and Government have executed this Deed and Declaration of Restrictive Covenants effective as of the day and year first above written.

OWNER:

WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability company

By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta/LLC, a Delaware limited liability company, its Sole Member

By: ~~Charles O'Neal, Chief Executive Officer~~

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: ~~R. Strand Kramer Jr., President~~

State of Kentucky)
)SCT
County of Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the ___ day of _____, 2019, by _____, AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability limited partnership.

My Commission Expires: _____

NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

BY: Linda Gorton
LINDA GORTON, MAYOR

State of Kentucky)
)SCT
County of Fayette)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this the 5th day of March, 2019, by Linda Gorton, as Mayor of the Lexington-Fayette Urban County Government.

My Commission Expires: April 28, 2022

Stacey Granville #599641
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY



Prepared by:

Melissa Moore Murphy
Melissa Moore Murphy
Attorney Senior
Lexington-Fayette Urban County Government
Department of Law
200 East Main Street
11th Floor
Lexington, Kentucky 40507

for in any other document related to this transaction shall automatically and permanently terminate and shall have no further force to or effect on subsequent owners or purchasers of the Property.

4. **FUTURE DEEDS:**

Declarant/Owner, its assigns, subsequent purchasers, lessees and successors in interest agree that all of the covenants, conditions and restrictions contained in this deed shall be inserted in full in all future deeds of the site during the term hereof.

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By: Allied Westminster, LLC, a Kentucky limited liability company, its Managing Member

By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: [Signature]
Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

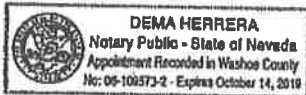
By: [Signature]
R. Strand Kramer Jr., President

~~State of Kentucky~~ ^{State of Nevada}
~~County of Fayette~~ ^{Washoe SCT}

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 7 day of March, 2019, by Charles Ronald O'Neal, AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability limited partnership.

My Commission Expires: Oct 14 2019

[Signature]
NOTARY PUBLIC, STATE-AT-LARGE, KENTUCKY ~~ON~~
Nevada



LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: [Signature]
LINDA GORTON, MAYOR

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OWNER:

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By: Allied Argenta, LLC, a Delaware limited liability company, its Sole Member

By: Charles O'Neal, Chief Executive Officer

By: WMV, LLC, a Kentucky limited liability company, its Managing Member

By: Presbyterian Housing Corporation, a Kentucky non-profit corporation, its Sole Member

By: R. Strand Kramer Jr., President

State of Kentucky)
)SCT
County of Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this the 12th day of March, 2019, by R. Strand Kramer Jr. AS SPECIFIED, by and on behalf of WESTMINSTER KENTUCKY, LLC, a Kentucky limited liability limited partnership.

My Commission Expires: 7-30-19

Ruth H. Webb
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: Linda Gorton
LINDA GORTON, MAYOR

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND SITUATED ON THE SOUTH SIDE OF THE VERSAILLES PIKE, IN LEXINGTON, FAYETTE COUNTY, KENTUCKY, AND MORE FULLY DESCRIBED AND BOUNDED AS FOLLOWS, TO-WIT:
BEGINNING AT A POINT IN THE SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, SAID POINT BEING A CORNER TO GLENN HADDOX; THENCE WITH SAID SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, S 82 DEGREES 37 MINUTES W 115.43 FEET TO A CORNER WITH ERHART; THENCE WITH ERHART FOR TWO CALLS, S 03 DEGREES 42 MINUTES W 287.01 FEET AND S 89 DEGREES 38 MINUTES W 149.6 FEET TO THE POINT IN THE LINE OF ALENDER; THENCE WITH ALENDER FOR TWO CALLS, S 00 DEGREES 10 MINUTES E 136.5 FEET AND S 83 DEGREES 43 MINUTES W 46.7 FEET TO A POINT IN THE LINE OF JEFFERS; THENCE WITH JEFFERS S 04 DEGREES 33 MINUTES E 590.68 FEET TO A POINT; THENCE LEAVING THE LINE OF JEFFERS S 88 DEGREES 30 MINUTES E 360.48 FEET TO A POINT IN THE LINE OF ADDIE STACKHOUSE; THENCE WITH STACKHOUSE AND CONTINUING WITH THE FAYETTE COUNTY (DETENTION HOME) N 07 DEGREES 36 MINUTES E 674 FEET TO A POINT; THENCE AGAIN WITH THE FAYETTE COUNTY (DETENTION HOME) FOR TWO CALLS, N 84 DEGREES 10 MINUTE E 14 FEET AND N 07 DEGREES 14 MINUTES W 14 FEET TO A POINT IN THE LINE OF GLENN HADDOX; THENCE WITH HADDOX FOR TWO CALLS, S 82 DEGREES 37 MINUTES W 138 FEET AND N 06 DEGREES 42 MINUTES W 379 FEET TO THE BEGINNING AND CONTAINING 8.00 ACRES, AS SHOWN BY PLAT DATED JULY 22, 1969 PREPARED BY CECIL C. HARP ENGINEERS AND APPROVED BY THE LEXINGTON-FAYETTE COUNTY PLANNING COMMISSION, WHICH PLAT IS ATTACHED TO A CERTAIN MORTGAGE DATED AUGUST 20, 1969 AND IS OF RECORD IN THE FAYETTE COUNTY COURT CLERK'S OFFICE IN MORTGAGE BOOK 852, PAGE 215; TOGETHER WITH APPURTENANT EASEMENTS FOR A SANITARY SEWER AS SHOWN ON SAID BUILDING SITE RECORD PLAT AND AS GRANTED BY DEED OF EASEMENT DATED AUGUST 21, 1969 OF RECORD IN DEED BOOK 970, PAGE 143 IN THE AFORESAID OFFICE.

~~BEING THE SAME PROPERTY CONVEYED TO PRESBYTERIAN HOUSING CORPORATION, A NON-PROFIT CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF KENTUCKY, BY WARRANTY DEED DATED JUNE 29, 1971 OF RECORD IN DEED BOOK 1020, PAGE 592 IN THE OFFICE OF THE CLERK OF FAYETTE COUNTY, KENTUCKY.~~

TAX DATA:
TRACT 1 - PARCEL ID NO. 04016950
ASSESSMENT \$2,683,500.00 EXEMPT

Being the same property conveyed to Westminster Kentucky, LLC, by Deed dated March 1, 2019 and recorded in Deed Book 3654, Pg 616.

5.3 HUD Rider To Restrictive Covenants

** Use as a Rider if the Restrictive Covenants are being entered into at closing; use as an Amendment if the Restrictive Covenants have already been entered into.*

This RIDER TO RESTRICTIVE COVENANTS is made as of March 5, 2019, by WESTMINSTER KENTUCKY, LLC ("Borrower") and LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (LFUCG) ("Agency").

WHEREAS, Borrower has obtained financing from LFUCG ("Lender") for the benefit of the project known as Westminster Village Apartments ("Project"), which loan is secured by a mortgage note ("Security Instrument") dated as of March 5, 2019, and recorded in the Office of the Fayette County Clerk of Fayette County, Kentucky ("Records") on 3/20/19 as Document Number * _____, and is insured by the United States Department of Housing and Urban Development ("HUD"); * Mortgage Book 9280, Page 34,

WHEREAS, Borrower has received HOME funds from the Agency, which Agency is requiring certain restrictions be recorded against the Project; and

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means LFUCG, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD

Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate,

(e) Borrower and the Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Agency's reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity. or
- iv. A HUD-approved collateral assignment of any HAP contract.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

BORROWER:

AGENCY:

By:

~~_____~~
Name: Chief Executive Officer
Title: Charles O'Neal

By:

Linda Gorton
Linda Gorton
Mayor

STATE OF KENTUCKY
COUNTY OF FAYETTE

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of _____ for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[seal]

Notary Public

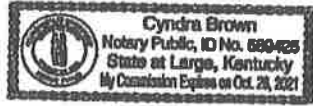
STATE OF _____

COUNTY OF FAYETTE

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 5th day of March 2019, Linda Barton, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of _____ for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Cyndra Brown ID# 589425
Notary Public



Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate,

(e) Borrower and the Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Agency's reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity. or
- iv. A HUD-approved collateral assignment of any HAP contract.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

BORROWER:

By:



Name: Chief Executive Officer
Title: Charles O'Neal

AGENCY:

By:


Linda Gorton
Mayor

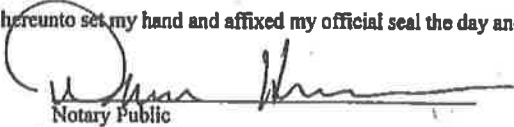
~~STATE OF KENTUCKY~~
STATE OF Nevada
COUNTY OF ~~FAYETTE~~ Washoe

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 7th day, March, 2019, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of _____ for the purposes therein set forth.

COO
Sworn

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.




Notary Public

STATE OF Nevada

Exhibit A - Legal Description

ALL THAT TRACT OR PARCEL OF LAND SITUATED ON THE SOUTH SIDE OF THE VERSAILLES PIKE, IN LEXINGTON, FAYETTE COUNTY, KENTUCKY, AND MORE FULLY DESCRIBED AND BOUNDED AS FOLLOWS, TO-WIT:
BEGINNING AT A POINT IN THE SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, SAID POINT BEING A CORNER TO GLENN HADDOX; THENCE WITH SAID SOUTH RIGHT OF WAY LINE OF THE VERSAILLES PIKE, S 82 DEGREES 37 MINUTES W 115.43 FEET TO A CORNER WITH ERHART; THENCE WITH ERHART FOR TWO CALLS, S 03 DEGREES 42 MINUTES W 287.01 FEET AND S 89 DEGREES 38 MINUTES W 149.6 FEET TO THE POINT IN THE LINE OF ALENDER; THENCE WITH ALENDER FOR TWO CALLS, S 00 DEGREES 10 MINUTES E 136.5 FEET AND S 83 DEGREES 43 MINUTES W 46.7 FEET TO A POINT IN THE LINE OF JEFFERS; THENCE WITH JEFFERS S 04 DEGREES 33 MINUTES E 590.68 FEET TO A POINT; THENCE LEAVING THE LINE OF JEFFERS S 88 DEGREES 30 MINUTES E 360.48 FEET TO A POINT IN THE LINE OF ADDIE STACKHOUSE; THENCE WITH STACKHOUSE AND CONTINUING WITH THE FAYETTE COUNTY (DETENTION HOME) N 07 DEGREES 36 MINUTES E 674 FEET TO A POINT; THENCE AGAIN WITH THE FAYETTE COUNTY (DETENTION HOME) FOR TWO CALLS, N 84 DEGREES 10 MINUTE E 14 FEET AND N 07 DEGREES 14 MINUTES W 14 FEET TO A POINT IN THE LINE OF GLENN HADDOX; THENCE WITH HADDOX FOR TWO CALLS, S 82 DEGREES 37 MINUTES W 138 FEET AND N 06 DEGREES 42 MINUTES W 379 FEET TO THE BEGINNING AND CONTAINING 8.00 ACRES, AS SHOWN BY PLAT DATED JULY 22, 1969 PREPARED BY CECIL C. HARP ENGINEERS AND APPROVED BY THE LEXINGTON-FAYETTE COUNTY PLANNING COMMISSION, WHICH PLAT IS ATTACHED TO A CERTAIN MORTGAGE, DATED AUGUST 20, 1969 AND IS OF RECORD IN THE FAYETTE COUNTY COURT CLERK'S OFFICE IN MORTGAGE BOOK 852, PAGE 215; TOGETHER WITH APPURTENANT EASEMENTS FOR A SANITARY SEWER AS SHOWN ON SAID BUILDING SITE RECORD PLAT AND AS GRANTED BY DEED OF EASEMENT DATED AUGUST 21, 1969 OF RECORD IN DEED BOOK 970, PAGE 143 IN THE AFORESAID OFFICE.

~~BEING THE SAME PROPERTY CONVEYED TO PRESBYTERIAN HOUSING CORPORATION, A NON-PROFIT CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF KENTUCKY, BY WARRANTY DEED DATED JUNE 20, 1971 OF RECORD IN DEED BOOK 1020, PAGE 592 IN THE OFFICE OF THE CLERK OF FAYETTE COUNTY, KENTUCKY.~~

TAX DATA:
TRACT 1 - PARCEL ID NO. 04016950
ASSESSMENT \$2,683,500.00 EXEMPT

Being the same property
conveyed to Westminster
Kentucky LLC, by
Deed dated March 1, 2019
Recorded in Deed Book
3654, Pg 616,

DEED BOOK 3654 PAGE 709

**I, Donald W Blevins Jr, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**



By: MELISSA STELTER ,dc

201903200063

March 20, 2019 10:39:19 AM

Fees	\$40.00	Tax	\$0.00
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Total Paid	\$40.00
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13 Pages

697 - 709

MORTGAGE BOOK 9343 PAGE 368

**I, Donald W Blevins Jr, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**



By: SHEA BROWN ,dc

201906190304

June 19, 2019

15:19:05 PM

Fees	\$283.00	Tax	\$.00
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Total Paid	\$283.00
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94 Pages

275 - 368