7. That the party of the first part will keep the improvements now existing or hereafter erected on the deeded property insured against loss by fire and such other hazards, casualties, and contingencies, as may be evidenced by standard Fire and Extended Coverage Insurance Policy or Policies, in amounts not less than necessary to comply with applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than 80% of the Insurable Values or not less than the unpaid balance of the Deed of Trust, whichever is the lesser, and in default thereof the party of the third part shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgagee clause with loss payable to the party of the third part, as interest may appear, and shall be deposited with the party of the third part;

   That if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the party of the third part, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises;

8. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to party of the third part, who may apply the same payment of the installments last due under said note, and party of the third part is hereby authorized, in the name of party of the first part, to execute and deliver valid acquittances thereof and to appeal from any such award;

9. That it is lawfully seized and possessed of said real estate in fee simple and has good right to convey same;

10. The party of the first part will pay to the party of the third part on each payment date hereof until the final maturity date, a sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by the Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes, and assessments next due on the premises covered hereby (all as estimated by the party of the third part) less all sums already paid therefore divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, water rates, taxes and special assessments.

11. Any excess funds accumulated under the preceding paragraph remaining after payment of the items therein mentioned shall be credited to subsequent payments of the same nature requiring thereunder; but if any such item shall exceed the estimate therefor the party of the first part shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default thereunder. If the property is sold under foreclosure or is otherwise acquired by the party of the third part after default, any remaining balance of the accumulations under the preceding paragraph shall be credited to the principal of the debt secured hereby as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and

12. To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; that it will not make any structural alterations to the building without the written consent of the party of the third part, to pay to the party of the third part, or deposit in an escrow account acceptable to the party of the third part, as hereinafter provided, until the final maturity date, a sum sufficient to pay all taxes and special assessments that heretofore or hereafter may be lawfully levied, assessed or imposed by any taxing body upon the said land, or upon the party of the first part or party of the third part on account of the ownership thereof to the extent that provision has not been made by the party of the first part for the payment of such taxes and special assessments as hereinafter provided in subparagraph 10;

13. In case of the refusal or neglect of the party of the first part to make such payments or to satisfy any prior lien or encumbrances, or to keep said premises in good repair, the party of the third part may pay such taxes, assessments and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in the party of the third part's discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this Deed of Trust, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the party of the first part, and shall bear interest at the rate specified in the note from the date of advance until paid, and shall be due and payable on demand;

14. It is expressly provided, however (all other provisions of this Deed of Trust to the contrary notwithstanding), that the party of the third part shall not be required nor shall he/she have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the party of the first part shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same, but in the event of a tax contest, the party of the first part shall deposit with the party of the third part an amount estimated by the party of the third part sufficient to satisfy all taxes, penalties, interest, and costs which may reasonably accrue during such contest;

15. That it will not voluntarily create or permit to be created against the property subject to this Deed of Trust any lien or liens inferior or superior to the lien of this Deed of Trust; and further, that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises;

16. That the improvements about to be made upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations, and with the rules of applicable fire rating or inspection organization, bureau, association, or office. In the event the party of the first part shall at any time fail to comply with such rules, regulations, and ordinances which are now or may hereafter become applicable to the premises above described, after due notice and demand by the party of the third part, thereupon the principal sum and all arrears of interest and other charges provided for herein, shall at the option of the party of the third part become due and payable;

17. That the funds to be advanced herein are to be used in the construction of certain improvements on the lands herein described, in accordance with a Capital Advances Agreement between the party of the first part and party of the third part, dated September 28, 2004, which Capital Advance Agreement (except such part or parts thereof as may be inconsistent herewith) is incorporated herein by reference to the same extent and effect as if fully set forth and made a part of this Deed of Trust; and if the construction of the improvements to be made pursuant to said building loan agreement shall not be carried on with reasonable diligence or shall be discontinued at any time for any reason other than strikes or lock-outs, the party of the third part, after due notice to the party of the first part of any subsequent owner, is hereby invested with full and complete authority to enter upon the said premises, employ watchmen to protect such improvements from depredation or injury, and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of said buildings or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the party of the first part, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the party of the third part (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this Deed of Trust and shall be due and payable on demand with interest at the rate specified in the note. The principal sum and other charges provided for herein shall, at the option of the party of the third part or holder of the note secured hereby and this Deed of Trust securing the same, become due and payable on the failure of the party of the first part to keep and perform any of the covenants, conditions and agreements of said Capital Advance Agreement. This covenant shall be terminated upon the completion of the improvements to the satisfaction of the party of the third part and the making of the final advance as provided in said Capital Advance Agreement;

18. That the party of the third part shall have the right to inspect the mortgaged premises at any reasonable time.

19. That so long as the Deed of Trust and Note secured hereby are outstanding, it will not (a) rent dwelling accommodations in the mortgaged premises in excess of the rates approved by the party of the third part or for periods of less than one month or in excess of three years, (b) rent the premises as an entirety, (c) rent the premises or any part thereof to any person for the purpose of subleasing, (d) rent the premises or permit its use for hotel or transient purposes, (e) require of any tenant as a condition of occupancy life-lease contracts, fees or other payments over and above those for rents, utilities, and collateral services.

20. **NOW, THEREFORE**, if the party of the first part shall well and truly perform all terms and conditions of this Deed of Trust, and of the note secured hereby, then this conveyance shall be null and void and shall be released or satisfied at the cost and request of the party of the first part. In the event of default in making any payment provided for herein or in the note secured hereby, and if such default is not made good for a period of thirty (30) days after the due date thereof, or if the party of the first part shall fail to perform any covenant or agreement in this instrument, then all sums owing by the party of the first part to the party of the third part under this Deed of Trust or under the note secured hereby, shall immediately become due and payable, at the option of the party of the third part, and the party of the second part is hereby empowered and authorized, after first advertising for 21 days by 3 weekly notices, giving notice of the time, place and terms of sale, in some newspaper published in the County of Shelby, State of Tennessee, to sell the property at public outcry at such time between the hours of ten (10) in the forenoon and four (4) in the afternoon as shown in said advertisement of sale, to the highest and best bidder for cash, in bar of all equities of redemption, statutory rights of redemption, homestead, dower, and all of the rights or exemptions of every kind, all of which are hereby expressly waived. The parties in interest hereby waive the necessity of the party of the second part making oath, filing inventory, or giving bond as security for the execution of this trust, as required by the laws of Tennessee. Upon such sale, the party of the second part is hereby authorized to execute and deliver a deed of conveyance in fee of said property to the purchaser thereof, and to place the purchaser in quiet and peaceful possession of the property. The party of the first part agrees that in case of any sale under this Deed of Trust it will at once surrender possession of the property, and will from that moment become and be a tenant at will of the purchaser, and be removable by process, such as forcible and unlawful detainer, hereby agreeing to pay to the purchaser the reasonable rental value of the property after such sale;

21. The proceeds of any sale under this Deed of Trust shall be applied by the party of the second part as follows: First, to pay the costs and expenses of executing this trust any and all sums expended on account of costs of litigation, attorney's fees, ground rents, taxes, insurance premiums, or any advances made or expenses incurred on account of the property sold, with interest thereon; second, to retain as compensation, a commission of one per centrum (1%) on the gross amount of the sale; third, to pay off the debt secured hereby, including accrued interest thereon, as well as any other sums owing to the party of the third part by the party of the first part, pursuant to this instrument; and last, to pay the balance, if any, to the party of the first part upon delivery and surrender to the purchaser of possession of the property sold, less the expense, if any, of obtaining possession;

22. If the party of the third part shall for any reason desire to replace the party of the second part, or any successor trustee hereunder, or if party of the second part should die or be unable to refuse to act, the party of the third part shall have the right to remove the said Trustee and appoint his successor by an instrument in writing, which shall be duly registered in the Register's Office of Shelby County, State of Tennessee; and the new Trustee shall thereupon become successor in title of the said property, and such title shall become vested in him in trust for the purposes and uses of these presents, with all the powers, duties and obligations herein conferred on the party of the second part in the same manner and to the same effect as though he were named herein as Trustee;

23. Party of the first part covenants and agrees that so long as this Deed of Trust and the said note secured hereby are to held under the provisions of the National Housing Act, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, age, sex, national origin, familial status or handicap, unless permitted by the Housing Act of 1959 or the National Affordable Housing Act and HUD Regulations promulgated therender.

24. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto. The words "Party of the Third Part" as used herein shall be deemed to include any lawful holder of the note secured hereby.

IN WITNESS WHEREOF the party of the first part has caused these presents to be signed in its name by its and its corporate seal to be affixed the day and year first above written.

NATIONAL CHURCH RESIDENCES OF MEMPHIS, TN

Attest: Joseph R. Kasberg, Secretary

By Mark R. Ricketts, President

STATE OF OHIO
COUNTY OF FRANKLIN

Before me, the undersigned, a Notary Public, of the State and County aforesaid, personally appeared Mark R. Ricketts, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the President of National Church Residences of Memphis, TN, the within named bargainor, a corporation, and that he as such President, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

WITNESS my hand, at office, this 24th day of September, 2004.

NOTARY PUBLIC

My Commission Expires

NOTARIAL SEAL STATE OF OHIO

ERICA E. WARREN
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES DECEMBER 22, 2007

EXHIBIT A

BEING THE NATIONAL CHURCH RESIDENCES OF MEMPHIS, TN. PROPERTY AS RECORDED IN INSTRUMENT NUMBER 04085555 IN THE REGISTER'S OFFICE OF SHELBY COUNTY, TENNESSEE AND BEING THE FINAL PLAN–PHASE 2 OF PLUM TREE DEVELOPMENT AS SHOWN IN PLAT BOOK 213 AT PAGE 45 OF SAID REGISTER'S OFFICE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE CENTERLINE INTERSECTION OF FOX HUNT DRIVE AND NEWBERRY AVENUE; THENCE WITH THE CENTERLINE OF NEWBERRY AVENUE S89°40'59"E A DISTANCE OF 208.04 FEET TO A POINT; THENCE, AT A RIGHT ANGLE WITH THE CENTERLINE OF SAID NEWBERRY AVENUE, S0°21'40"E A DISTANCE OF 25.00 FEET TO A FOUND IRON PIN ON THE NORTH RIGHT–OF–WAY LINE OF NEWBERRY AVENUE (50' R.O.W.) TO THE THE POINT OF BEGINNING, SAID POINT BEING THE NORTHEAST CORNER OF LOT 206, SECTION "B" OF FOX MEADOWS GARDENS SUBDIVISION (PLAT BOOK 46, PAGE 59); THENCE WITH THE SOUTH RIGHT–OF–WAY LINE OF SAID NEWBERRY AVENUE N89°38'20"E A DISTANCE OF 413.57 FEET TO AN IRON PIN SET IN THE WEST LINE OF THE SAMALA, LLC PROPERTY (INSTRUMENT NUMBER KE–2853); THENCE WITH SAID WEST LINE OF SAID SAMALA, LLC PROPERTY S0°42'50"E A DISTANCE OF 502.61 FEET TO A SET IRON PIN AT THE NORTHEAST CORNER OF PHASE ONE OF PLUM TREE DEVELOPMENT (PLAT BOOK 87, PAGE 30); THENCE ALONG THE NORTH LINE OF SAID PHASE ONE OF THE PLUM TREE DEVELOPMENT S89°54'10"W A DISTANCE OF 413.59 FEET TO A SET IRON PIN AT THE NORTHWEST CORNER OF SAID PHASE ONE OF THE PLUM TREE DEVELOPMENT, SAID POINT BEING IN THE EAST LINE OF SAID LOT 206, SECTION "B" OF FOX MEADOWS GARDENS SUBDIVISION; THENCE WITH SAID EAST LINE N0°42'50"E A DISTANCE OF 500.70 FEET TO THE POINT OF BEGINNING.

CONTAINING 207,468 SQUARE FEET, OR 4.76 ACRES, WITHIN THESE BOUNDS.

Tom Leatherwood

Shelby County Register

As evidenced by the instrument number shown below, this document has been recorded as a permanent record in the archives of the Office of the Shelby County Register.

04162663

09/28/2004 - 11:53 AM

7 PGS : R - MISCELLANEOUS

CHRIS 262078-4162663

VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	35.00
DP FEE	2.00
REGISTER'S FEE	0.00
WALK THRU FEE	0.00
TOTAL AMOUNT	37.00

TOM LEATHERWOOD

REGISTER OF DEEDS SHELBY COUNTY TENNESSEE

160 N. Main St., Suite 519 ~ Memphis, Tennessee 38103 ~ (901) 545-4366
http://register.shelby.tn.us

Newberry Heights
Additional Information for Shelby County

1. The name of the project is Newberry Heights.
2. The street address is 5819 Newberry Ave., Memphis, Shelby County, Tennessee 38115-3541.
3. The tax parcel number is 0934000000224C.
4. The project contains 50 total units, which include 49 rental units and 1 manager's unit.
5. The building's use is low income senior housing.
6. The building and land are owned by National Church Residences of Memphis, TN.
7. The building is complete. The Certificate of Occupancy was issued on April 11, 2007. A copy is attached.
8. The Project is operated under a Project Rental Assistance Contract with HUD, a HUD Regulatory Agreement and a HUD Use Agreement, copies of which are included.
9. A copy of the deed is attached showing the grantee as National Church Residences of Memphis, TN.
10. This project was built under the HUD 202 program as new construction. It was built for low-income senior housing and has had no other use from completion through this date, and will remain restricted by the terms of the 202 Use Agreement for a period of 40 years from October 1, 2005.
11. The current Board of Directors includes Donald Russell, Stephen Rish, Eleanor Alvarez, Paul Bloomfield, Anne Carter, Cynthia Gerst, Lea Blackburn. The officers are Mark Ricketts, President, and Joseph Kasberg, Vice President, Secretary, Treasurer.

EXHIBIT
F

Memphis and Shelby County
Office of Construction Code Enforcement

6465 MULLINS STATION MEMPHIS, TENNESSEE 38134

Certificate of Occupancy

Permit No.**B0926738**

THE PREMISE KNOWN AS
5819 NEWBERRY AV MEMP

IS HEREBY APPROVED FOR USE AND OCCUPANCY AS
NATIONAL CHURCH RESIDENCES

AND IS GOVERNED BY THE REGULATIONS SET FORTH AND KNOWN AS THE MEMPHIS AND SHELBY COUNTY ZONING ORDINANCE RESOLUTION AND MEMPHIS AND SHELBY COUNTY BUILDING CODES

ZONING **O-G(PD)** *FIRE DISTRICT* **O** N

TYPE CONSTRUCTION **51**

MAXIMUM ALLOWABLE FLOOR LOAD **40**

SPECIAL STIPULATIONS AND CONDITIONS
Cond: CON0005318
PD82-022

TENANT /OCCUPANT: **NATIONAL CHURCH RESIDENCES**

OWNER: **NATIONAL CHURCH RESIDENCE**

CONTRACTOR: **BRADLEY CONSTRUCTION CO INC (B000) BC**

ARCHITECT: **SGB ARCH LLP**

THIS CERTIFICATE SHALL BE POSTED IN A CONSPICUOUS LOCATION.

MEMPHIS AND SHELBY COUNTY OFFICE
OF CONSTRUCTION CODE ENFORCEMENT
6465 MULLINS STATION ROAD
MEMPHIS, TN 38134

BUILDING OFFICIAL

ISSUED BY **VNORFLE 04/11/2007**

NATIONAL CHURCH RESIDENCES
5819 NEWBERRY AVENUE
MEMPHIS TENNESSEE 38104

EXHIBIT
G