# Attachment to Affordable Fair Housing Marketing Plan

# THE NCR UNIVERSITY – NCRU

## *"Career Education for Property Management Professionals at National Church Residences"*

### *WHAT IS THE UNIVERSITY?*

National Church Residences understands that property management professionals in today's work place are challenged as never before. Superior skills and knowledge are necessary to keep up with the growing organization and quality education is the key to continued success.

In order to meet these needs, the NCR University (NCRU) has been established to offer career advancement opportunities for all positions in the Housing Division. The NCR University curriculum is designed to promote individual performance development in "core competencies" for each position within the organization.

NCRU will provide a fully integrated approach to learning by offering distance learning courses online and through regional and national classroom seminars. Each course will be fully certified by the company and course credits awarded. Completion of NCRU coursework will affect annual performance review, pay consideration, and company-wide promotion opportunity.

### *NCR UNIVERSITY GOALS:*

- To answer the immediate and future education and development requirements of all NCR employees by developing curriculum that is highly interactive and tied to meet specific community, regional, and company goals.
- To enhance and build upon the collective strengths and knowledge of the regions and the employees.
- To develop educational curriculum and technology that will advance NCR into the future as a leader in the field of employee training and development.

## *WHAT ARE THE BENEFITS OF PARTICIPATION IN THE NCR UNIVERSITY COURSES AND PROGRAMS?*

One of the principal benefits of the NCRU is its unified approach to training and education. Employees who receive training in one part of the country may become qualified for positions that become available elsewhere within the company. Since education and training is consistent throughout the organization, the transition from one location to another is seamless.

NCR employees seek to perform to the highest industry standards of service and strive towards goals that reflect the quality, integrity and professional style upon which the company was founded.

The company is committed to providing employees with the opportunity to grow skills, knowledge and tools necessary to meet those high standards. That is why, regardless of the job level or assignment, every employee will be offered required courses as well as elective courses to define a career development plan that is specific and individual.

The preparation for and participation in these dynamic programs will not only equip employees to meet challenges within the organization but also foster personal and professional growth for the future.

## *WILL ENROLLMENT AND PARTICIPATION IN THE NCRU HELP ME ADVANCE WITHIN THE COMPANY?*

Yes! At NCR, all employees will be considered for job openings and opportunities based on professional development plans and achievement of course credits that are required for each position. Advancement is also predicated on using NCRU skills successful on the job.

NCRU prides itself in having the most qualified, experienced and best-trained professional staff in the field of property management.

NCR's goal is to promote from within whenever the right candidates and job opportunities are available. Everyone is encouraged to be aggressive in seeking out additional responsibility and to get involved. People are NCR's most valuable asset and the success of the company lies in the development and support of the employees.

## *WHO ARE THE INSTRUCTORS FOR THE NCR UNIVERSITY?*

NCRU instructors have many years of professional experience and extensive knowledge of the subject materials. The diversity of knowledge represented in the instructors creates a connection to many different views and strategies for varying market situations.

Instructors representing the *NCR Basics* program have received specialized training and certifications to ensure the understanding of the adult learning process and course content relating to the subject matter. These instructors are called Certified Training Associates, CTAs. They organize and coordinate regional training that supports the NCRU goals and requirements and are typically community employees that have obtained a company designation based on predetermined competencies and corporate certification. Career development plans to obtain a CTA designation are available through NRCU.

All instructors are dedicated to teaching, training, and improving the skills of NCR employees and to establishing education as the foundation for the company's growth.

## WHAT TYPES OF COURSES WILL BE OFFERED ON THE NCR UNIVERSITY?

The NCRU follows a sequential process. The effectiveness and mastery of the *NCR Basics* course contributes to each subsequent level. This type of succession training is designed to assist in practical work applications as well as advanced skill development in such areas as problem solving, team building, and leadership.

All employees are required to attend an orientation course designed to acquaint them with the company's mission and vision. This will also serve to introduce the employee to operational procedure, standards and philosophy.

Upon enrollment, each employee will be given an individual development plan. *NCR Basics* and certain program certifications will be considered required courses and certification a prerequisite to the higher level courses.

The courses outlined in the University Course Catalog and in the NCRU – Online program strive for the highest quality industry education possible. Special attention is given to the activities and practical application segments to enhance and reinforce the course content and promote a transfer from the classroom to the community.

# NCR UNIVERSITY - COURSE INDEX:

**NEW HIRE ORIENTATION**
*(Required for NCR Basics enrollment)*

Course Topics

- Company History
- NCR Core Values
- Video presentation
- Benefits and Payroll
- Introduction to OSHA
- Introduction to Fair Housing
- Policy and Procedure Guide and Resources
- Development Plan

**NCR BASICS for Leasing and Management**
*(Required for Level One enrollment)*

Course Topics

- NCR Introduction
- Fair Housing
- Marketing your Community
- Curb Appeal and Community Standards
- Developing Telephone Techniques
- The Tailored Tour and Close
- Resident Relations/Customer Service
- Handling Difficult People and Situations
- Systems and Paperwork
- Resident Orientation – The Move-In Process
- Creating a Smooth Transition – The Move-Out Process

**NCR BASICS for Maintenance and Management**

Course Topics

- NCR ORIENTATION
- FAIR HOUSING
- OSHA – Safety in the Workplace
- Hazards Communication/Risk Management
- Preventive Maintenance
- Emergency Procedures
- Curb Appeal and Community Standards
- Market Ready Process
- Systems and Paperwork
- Resident Relations/Customer Service
- Handling Difficult People and Situations

## REQUIRED NCR CERTIFICATION(S)*

- Tax Credit Compliance (Section 42 communities)
  - Understanding the Tax Credit Program
  - Owner and Manager Responsibilities
  - Verification and Certification
  - Recertification
  - Calculating Income and Expenses

- HUD Compliance (202, 202 PRAC and Section 8 communities)
  - Understanding the HUD Based Program
  - Verification and Certification
  - Special Claims and TRACs
  - Secure Connection

- MPW (Microsoft for Windows)

## NCR MANAGEMENT ESSENTIALS- LEVEL ONE

*(Required Credits for Property Manager, Regional Manager, and Higher)*

Course Topics

- Developing and Managing Budgets
- Projecting Income and Expenses
- Understanding Financial Statements
- Purchasing and Contracts
- Advanced Marketing Strategies
- Hiring Right - Interviewing Techniques
- Goal Setting and Establishing Development Plans
- Corrective Counseling

## NCR LEADERSHIP SERIES – LEVEL TWO

*(Required for Regional Manager and Higher)*

- The Leader in Each of Us
- Making Training Stick
- Using Collaboration in the Workplace
- Handling Emotions Under Pressure
- Conflict to Collaboration
- Coaching – Bringing out the Best in Everyone
- Giving Recognition
- Giving Powerful Presentations and Meetings

**Courses offered through instructor lead courses only. Check the NCRU National Calendar for date and location near you. All other courses are also available through the NCR-ONLINE UNIVERSITY.*

Return to: Armst g Allen, PLLC
6060 Poplar Avenue Suite 140
Memphis, TN 38119

(2)

# Capital Advance Program
# Regulatory Agreement

Housing for the Elderly or Handicapped (Nonprofit)
Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act.

**U.S. Department of Housing and Urban Development**
Office of Housing
Federal Housing Commissioner

EXHIBIT
I

This agreement entered into 24th day of September, 2004, between National Church Residences of Memphis, TN whose address is 2335 North Bank Drive, Columbus, OH 432

hereinafter called Mortgagor, and the undersigned Secretary of Housing and Urban development hereinafter called HUD.

In consideration of the making of the capital advance by HUD and the disbursement of any part thereof, and in order to comply with the requirements of the Housing Act of 1959 or National Affordable Housing Act of 1990 and the Regulations adopted by the Secretary pursuant thereto, the Mortgagor agrees for itself, its successors and assigns, and any owner of the mortgaged property, that in connection with the mortgaged property and the project operated thereon and so long as the capital advance is outstanding:

1. The Note and Mortgage bear no interest and repayment is not required so long as the housing remains available for very low-income elderly persons or very low-income persons with disabilities (whichever is applicable).

2. Mortgagor will establish and maintain a special fund to be known as the revenue fund account in a bank which is a member of the Federal Deposit Insurance Corporation, Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund, into which will be deposited all rentals, charges, income and revenue arising from the operation or ownership of the project. The bank in which this account is established shall provide collateral acceptable to HUD to equal the maximum amount in the account at any one time when such amount exceeds $100,000. If the bank will not provide appropriate collateral in such instances, the Mortgagor will be required to establish accounts in two or more banks so that the total amount on deposit at any time does not exceed $100,000 in any one bank. Expenditures shall be made from the revenue fund account only in accordance with the operating budget submitted to and approved by HUD.

3. Not later than 30 days prior to the beginning of each fiscal year, the Mortgagor shall submit an operating budget for that fiscal year to HUD. The budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amounts required for insurance and all other expenses incident to the operation of the project; and shall show the expected revenue to pay such expenses, including reserve fund deposits. The expenses incurred and disbursements shall not exceed the reasonable and necessary amount thereof, and the Mortgagor will not expend any amount or incur any obligations in excess of the amounts approved in the annual operating budget except upon written certification by the Mortgagor to HUD that such expenses were unanticipated and are necessary and provided further, that nothing in this section shall limit the amount which the Mortgagor may expend from funds obtained from some other source than project revenues or other funds required of the Mortgagor pursuant to this Agreement or the Capital Advance Agreement.

4. As security for the Capital Advance for the required payments under this Agreement into the reserve fund for replacements, and for all other obligations of the Mortgagor under this Agreement, the Mortgagor hereby assigns, pledges and mortgages to HUD all its rights to the income and charges of whatever sort which it may receive or be entitled to receive from the operation of the mortgaged property, subject, however, to any assignment of rents or project income in the Mortgage referred to herein. Until a default occurs under this Agreement, however, permission is granted to Mortgagor to collect and retain under the provisions of this Agreement such rents, income, operating surplus and charges, but upon default this permission is terminated, as to all rents, income, operating surplus and charges due or collected thereafter.

5. (a) Mortgagor will establish and maintain a reserve fund for replacements in a separate account in a bank which is insured by the Federal Deposit Insurance Corporation, Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund. Concurrently with the effective commencement of rental assistance payments under the Project Rental Assistance Contract, the Mortgagor will deposit an amount equal to $ per month unless a different date or amount is approved in writing by HUD. * $1,112.50

   Such fund, whether in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America shall at all times be subject to the control of HUD. Disbursements from such fund, whether for the purpose of effecting replacement of structural elements and mechanical equipment of the project for any other purpose, may be made only after the consent in writing of HUD. In the event of a default in the terms of the mortgage, HUD may demand the full or partial application of the balance in such fund to be amount due on the mortgage debt.

   (b) Mortgagor will deposit the minimum capital investment with an escrow agent acceptable to HUD purusant to Regulations.

   (c) Within 60 days after the end of each fiscal year, any residual receipts realized from the operation of the mortgaged property shall be deposited in a separate

residual receipts account. Residual receipts shall be under the control of HUD and shall be disbursed only at the discretion of HUD for such purpose as it may determine to be necessary or appropriate.

6. The real property covered by the Mortgage and this Agreement is described in Schedule A attached hereto.

7. Mortgagor shall not without the written approval of the Secretary;

   (a) Transfer, dispose of or encumber any of the mortgaged property. Any such transfer shall be only to a person or persons or corporation satisfactory to and approved by HUD, who shall, by legal and valid instrument in writing, to be recorded or filed in the same recording office in which conveyances of the property covered by the Mortgage are required to be filed or recorded, duly assume all obligations under this Agreement and under the Note and Mortgage;

   (b) Assign, transfer, dispose of, or encumber any personal property, including rents or charges, and shall not disburse or pay out any funds except as provided herein and in the Capital Advance Agreement.

   (c) Remodel, reconstruct, add to, or demolish any part of the mortgaged property or subtract from any real or personal property of the project;

   (d) Pay any compensation or make any distribution of income or other assets to any of its officers, directors or stockholders;

   (e) Enter into any contract or contracts for supervisory or managerial services;

   (f) Require as a condition of occupancy or leasing of any unit or residential space in the project, any consideration or deposit other than a security deposit in an amount equal to one month's total tenant payment or $50, whichever is greater. The family is expected to pay the security deposit from its own resources and other available public or private resources. The Mortgagor may collect the security deposit on an installment basis.

   The security deposits must be placed in a segregated interest-bearing account. A record shall be maintained of the amount in this account that is attributable to each family in residence in the project. Annually for all families, and when computing the amount available for disbursement, the Mortgagor shall allocate to the family's balance, the interest accrued on the balance during the year. Unless prohibited by State or local law, theMortgagor may deduct for the family, from the accrued interest for the year, the administrative cost of computing the allocation to the family's balance. The amount of the administrative cost adjustment shall not exceed the accrued interest allocated to the family's balance for the year. The amount of the segregated, interest-bearing account maintained by the Mortgagor must at all times equal the total amount collected from the families then in occupancy plus any accrued interest and less allowable administrative cost adjustments.

   The Mortgagor must comply with any applicable State and local laws concerning interest payments on security deposits.

   The Mortgagor, subject to State and local law, may use the family's security deposit balance as reimbursement for any unpaid family contribution or other amount which the family owes under the lease in accordance with the Regulations.

   (g) Permit the use of the dwelling accommodations of the project for any purpose except the use which was originally intended, or permit commercial use greater than that originally approved by HUD.

   (h) Amend its articles of incorporation or by-laws other than as permited under the terms of the articles of incorporation approved by HUD.

8. Mortgagor shall maintain the mortgaged premises, accommodations and the grounds and equipment appurtenant thereto, in good and substantial repair and condition; **provided that**, in the event all or any of the buildings covered by the Mortgage shall be destroyed or damaged by fire or other casualty, the money derived from any insurance on the property shall be applied in accordance with the terms of the Mortgage.

9. Mortgagor shall not file any petition in bankruptcy or insolvency, or for a receiver, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors; or permit an adjudication in bankruptcy, or insolvency, the taking possession of the mortgaged property or any part thereof by a receiver, or the seizure and sale of the mortgaged property or any part thereof under judicial process or purusant to any power of sale and fail to have such adverse actions set aside within 45 days.

10. Mortgagor shall from funds other than project income immediately satisfy or release any mechanic's lien, or any other lien which attaches to the mortgaged property or any personal prop-erty used in the operation of the project, and shall dismiss or have dismissed or vacated any receivership, or petition in bank-ruptcy or assignment for benefit of creditors, creditors bill or insolvency proceeding involving the project or the mortgaged property.

11. (a) If the Mortgagor has or comes to have any nonproject funds, all income and other funds of the mortgaged project shall be segregated from any such funds of the Mortgagor and segregated from any funds of any other corporations or persons. Income and other funds pledged to the mortgaged project shall be expended only for the purposes of the project.

    (b) Mortgagor shall provide for the management of the project satisfactory to HUD. Any management contract entered into by the Mortgagor involving the project shall contain a provision that it shall be subject to termination, without penalty and with or without cause, upon written request by HUD addressed to the Mortgagor and the management agent. Upon receipt of such request the Mortgagor shall immediately move to terminate

the contract within a period of not more than 60 days and shall make arrangements satisfactory to HUD for continuing proper management of the project.

(c) Neither Mortgagor nor its agents shall make any payments for services, supplies or materials unless such services are actually rendered for the project or such supplies or materials are delivered to the project and are reasonably necessary for its operation. Payments for such services or materials shall not exceed the amount ordinarily paid for such services, supplies or materials in the area where the services are rendered or the supplies or materials furnished.

(d) The mortgaged property, equipment, buildings, plans, offices, devices, books, apparatus, contracts, records, documents, and all other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and subject to examination and inspection at any reasonable time by HUD and its duly authorized agents. Mortgagor and its successors, assigns or its agents shall retain copies of all written contracts or other instruments which affect the mortgaged property, all or any of which may be subject to inspection and examination by HUD or its duly authorized agents.

(e) The books and accounts of the operations of the mortgaged property and of the project shall be kept in accordance with the requirements of HUD.

(f) Within 60 days following the end of each fiscal year HUD shall be furnished with a complete annual financial report based upon an examination of the books and records of Mortgagor prepared in accordance with the requirements of HUD, certified to be an officer of the Mortgagor and, when required by HUD, prepared and certified by a Certified Public Accountant, or other person accepted to HUD.

(g) At the request of HUD, its agents, employees, or attorneys, the Mortgagor shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operation, and condition of the property and the status of the Mortgage and any other information with respect to the Mortgagor or the mortgaged property and of the project which may be requested.

(h) All receipts of the project shall be deposited in the name of the project in a bank, whose deposits are insured by the FDIC, Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund. Such funds shall be withdrawn only in accordance with the provisions of this Agreement for expenses of the project. Any person receiving funds of the project shall immediately deposit such funds in the project bank account and failing so to do in violation of this Agreement shall hold such funds in trust. Any person receiving property of the project in violation of this Agreement shall immediately deliver such property to the project and failing so to do shall hold such property in trust.

(i) Mortgagor shall at all times, if required by the laws ( the jurisdiction, maintain in full force and effect license to operate the project from the State and/or oth licening authority. Mortgagor shall lease any portion ( the project only on terms approved by HUD.

(j) Mortgagor shall not collect from tenants or occupants o prospective tenants or occupants of the project an admission fee, founder's fee, life-care fee, or simila payment pursuant to any agreement, oral or writter whereby the Mortgagor agrees to furnish accommoda tions or services in the project to persons making suc payments.

(k) No officer, director, trustee, member, stockholder no authorized representative of the Mortgagor except fo management by sponsor or non-profit affiliate, shal have any financial interest in any contractural arrange ment entered into by the Mortgagor in connection wit rendition of services, the provision of goods or supplies management of the project, procurement of the site o other matters whatsoever.

12. (a) If project is funded under Section 202 of the Housin Act of 1959, as amended, Mortgagor will limit publi occupancy of the project to elderly families and indi viduals as defined in Section 202 of the Housing Act o 1959, and applicable HUD Regulations. If project i funded under Section 811 of the National Affordabl Housing Act of 1990, Mortgagor will limit publi occupancy of the project to persons with disabilities a defined in Section 811 of the National Affordable Housing Act of 1990, and applicable HUD Regulations. The criteria governing eligibility of tenants for admission t Section 202 or Section 811 units and the conditions o continued occupancy shall be in accordance with the Project Rental Assistance Contract.

(b) Except as provided in (d) below Mortgagor will make its dwelling accommodations and services available to eligible occupants at charges established in accordance with a schedule to be approved in writing by HUD. Such accommodations shall not be rented for a period less than 30 days. Commercial facilities, if any, shall be rented only in accordance with a schedule of charges fixed by the Mortgagor and approved in writing by HUD. Subleasing of dwelling accommodations or commercial facilities shall be permitted only upon the terms and conditions approved by HUD in writing.

(c) Upon prior written approval by the Secretary, Mortgagor may charge to and receive from any tenant such amounts as from time to time may be mutually agreed upon between the tenant and the Mortgagor for any facilities and/or services which may be furnished by the Mortgagor or others to such tenant upon request, in addition to the facilities and services included in the approved Project Rental Assistance Contract.

(d) Nothing contained in this Agreement shall be construed to relieve the Mortgagor of any obligations under the Project Rental Assistance Contract.

13. Mortgagor will comply with the provisions of any Federal, State or local law prohibiting discrimination in housing on the grounds of race, color, creed, age, sex, handicap, familial status or national origin, including Title VI of the Civil Rights Act of 1964 (42U.S.C.2000d-1), the Fair Housing Act (42U.S.C.3601), Section 504 of the Rehabilitation Act of 1973(29U.S.C.794), Age Discrimination Act of 1975(42U.S.C.6101) Executive Orders 11063 and 11246, Section 3 of the Housing and Urban Development Act of 1968, and the affirmative fair housing marketing requirements at 24CFR part 200, subpart M.

14. No litigation seeking the recovery of a sum in excess of $5,000 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of $5,000 be settled or compromised by the Mortgagor unless prior written consent thereto has been obtained from HUD. Such consent may be subject to such terms and conditions as HUD may prescribe.

15. Upon a violation of any of the above provisions of this Agreement by Mortgagor, HUD may give written notice, thereof, to Mortgagor, by registered or certified mail, addressed to the address stated in this Agreement, or such other address as may subsequently, upon appropriate written notice thereof to HUD, be designated by the Mortgagor as its legal business address. If such violation is not corrected to the satisfaction of HUD within 30 days after the date such notice is mailed or within such further time as HUD determines is necessary to correct the violation, without further notice HUD may declare a Default under this Agreement effective on the date of such declaration of default and such default HUD may:

    (a) Take possession of the project, bring any action necessary to enforce any rights of the Mortgagor growing out of the project operation, and operate the project in accordance with the terms of this Agreement until such time as HUD in its discretion determines that the Mortgagor is again in a position to operate the project in accordance with the terms of this Agreement and incompliance with the requirements of the Note and Mortgage, or require Power of Attorney from Mortgagor to effectuate transfer of the project to a HUD approved nonprofit corporation.

    (b) Collect all rents and charges in connection with the operation of the project and use such collections to pay the Mortgagor's obligations under this Agreement and under the Note and Mortgage, and the necessary expenses of preserving the property and operating the project.

    (c) Declare the whole of said indebtedness immediately due and payable and then proceed with the foreclosure of the mortgage.

    (d) Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the property in accordance with the terms of this Agreement, or for such other relief as may be appropriate, since the injury t HUD arising from a default under any of the terms o this Agreement would be irreparable and the amount o damage would be difficult to ascertain.

    (e) Require the Mortgagor to transfer all of its right title an interest in the project and to all project assets to private nonprofit corporation designated by HUD and for this prupose the Mortgagor hereby constitutes an appoints HUD its true and lawful attorney-in-fact, wit full power of substitution in the premises, to transfer th project and all project assets to the private nonprofi corporation designated by HUD, if the Mortgagor fail or refuses to make such a transfer as required by HUD

16. (a) Mortgagor has executed the Project Rental Assistanc Contract. The terms of the Project Rental Assistanc Contract, when executed, shall be incorporated by reference into this Regulatory Agreement.

    (b) A violation of the Project Rental Assistance Contrac may be construed to constitute a default hereunder in th sole discretion of HUD.

    (c) In the event said Project Rental Assistance Contrac expires or terminates before the expiration or termination of this Agreement, the provisions of this paragraph and any other reference to said Contract, and to assisted units contained herein shall be self-cancelling and shall no longer be effective as of the date of the expiration or termination of the Project Rental Assistance Contract.

17. As used in this Agreement the term:

    (a) "Default" means a default declared by HUD when a violation of this Agreement is not corrected to its satisfaction within the time allowed by this Agreement or such further time as may be allowed by HUD after written notice;

    (b) "Distribution" means any withdrawal or taking of cash or other assets of the project other than for payment of reasonable expenses incident to its construction, operation and maintenance;

    (c) "Mortgage" includes "Deed of Trust", "Chattel Mortgage" Declaration of Covenants" and any other security for the Note identified herein;

    (d) "Mortgaged Property" includes property, real, personal, or mixed, covered by the mortgage or mortgages securing the note held by HUD;

    (e) "Mortgagee" refers to the holder of the mortgage identified herein, its successors and assigns;

    (f) "Project" includes the mortgaged property and all its other assets or whatsoever situate, used in or owned by the business conducted on said mortgaged property;

    (g) "Residual Receipts" means any cash remaining after;

        (1) The Payment of;

            (i) All amounts required to be deposited in the reserve fund for replacements;

(ii) All obligations of the project other than the mortgage held by HUD unless funds for payment are set aside or deferment of payment has been approved by HUD; and

(2) The segregation of;

(i) An amount equal to the aggregate of all special funds required to be maintained by the project;

(ii) All tenant security deposits held.

(h) "Assisted Units" refer to units assisted pursuant to Project Rental Assistance Contract.

(i) "Assistance Contract" refers to a Project Rental Assistance Contract between the Mortgagor and HUD under Section 202 of the Housing Act of 1959 or between the Mortgagor and HUD under Section 811(d)(2) of the National Affordable Housing Act of 1990.

18. HUD shall not be liable for any of its actions hereunder except for arbitrary and capricious conduct.

19. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns, and all owners of the mortgaged property, so long as the Mortgage is outstanding.

20. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

21. Mortgagor warrants that it has not, and will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions hereto, and that, in any event the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict therewith.

22. Mortgagor does not assume personal liability for payments due under the Note and mortgage or for payments to the reserve for replacement fund. However, defaults or other failures to follow program requirements may result in limited denial of participation or debarment from HUD or other Federal programs.

23. Mortgagor shall have available necessary equipment or devices and make reasonable accommodations to meet the needs of persons with visual and/or hearing impairments in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and 24 CFR Part 8.

| United States of America<br>Secretary of Housing and Urban Development (Signature)<br>Ed M Phillips | | Owner(Signature)<br>NATIONAL CHURCH RESIDENCES OF MEMPHIS, TN | |
|---|---|---|---|
| By (Name)<br>ED M PHILLIPS | | By (Name)<br>Mark R. Ricketts | |
| Official Title<br>Authorized Agent | Date<br>September 28<br>2004 | Official Title<br>President | Date<br>September 24,<br>2004 |