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 24 day of September, 2004.

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

E Warren
NOTARY PUBLIC
My commission expires: 12/22/07

STATE OF TENNESSEE
COUNTY OF Davidson

Before me, the undersigned, a Notary Public in and for said State, on the 28 day of September, 2004, personally appeared Ed M. Phillips, who is personally well known to me to be the Authorized Agent, of HUD, and the person who executed the foregoing instrument by virtue of the authority vested in him by Section 202 of the Housing Act of 1959 and I having first made known to him the contents thereof, he did acknowledge the signing thereof to be a free and voluntary act and done on behalf of the Secretary of Housing and Urban Development for the uses, purposes and considerations therein set forth.

Witness my hand and official seal this 28 day of September, 2004.

NOTARY PUBLIC
My Commission Expires: Nov. 17, 2007

SCHEDULE 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

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

Capital Advance Program
Use Agreement

For 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

OMB Approval No. 2502-0470 (exp. 01/31/200

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searchin existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding th burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Office Paperwork Reduction Project (2502-0470), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 2041(3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control numbe **Do not send this form to the above address.**

This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD i determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the projec design meets the needs of the residents. The Department will use this information to determine if the projects meet statutory requirements, ensuring th continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assuranc of confidentiality is provided.

This Agreement made the 24th day of September, 20 04, by and between the United States of America, Secretary of Housing and Urban Development (hereinafter called "HUD") and National Church Residences of Memphis, TN, a private nonprofit corporation, organized and existing under and by virtue of the laws of the State of Tennessee (hereinafter called the "Owner"), provides as follows:

Whereas, the Owner and HUD have entered into a Capital Advance Agreement to assist in financing a rental housing project to house elderly persons or persons with disabilities, (hereinafter called "persons"), in accordance with Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act, and the applicable regulations;

Whereas, HUD through the Capital Advance Agreement has provided funding for the Project identified as project number 081-EE033, financed with a Note and Mortgage (Deed of Trust), dated 9/24/04 and covering real property as described in Exhibit "A" attached hereto, which Mortgage was recorded in the Recorder's Office of Shelby County on 9/28/04, as Instrument D4162662, Book _____, Page _____;

Whereas, The Project is subject to a Regulatory Agreement, dated 9/24/04 and recorded on 9/28/04 in the Recorder's Office of Shelby County as document number D4162663 Book _____, Page _____;

Whereas, pursuant to section 202 of the Housing Act of 1959 (elderly projects) or section 811 of the National Affordable Housing Act (disabled projects) and the corresponding regulations, in exchange for HUD's agreement to provide capital advance financing and project rental assistance payments, the Owner has agreed to continue to operate the Project only as rental housing for very-low income elderly or disabled persons for not less than 40 years from October 1, 2005, unless otherwise approved by HUD;

Now Therefore, in consideration of the mutual promises set forth herein and of other valuable consideration, the parties hereby agree as follows:

1. **Definitions.** All terms used in this Agreement have the same meaning as set forth in the definitions in 24 CFR Part 889 or 890.
2. **Term.** This Agreement shall remain in effect for not less than 40 years from October 1, 2005, unless otherwise approved by HUD.
3. **Use Restriction.** The Project shall be used solely as rental housing for very-low income elderly or disabled persons.
4. **Transfer.** HUD has been granted and is possessed of an interest in the above described Project such that the Owner shall remain seized of the title to said property andrefrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof without the release of said covenants by HUD. The Owner has constituted HUD as its attorney-in-fact to transfer the project to another private nonprofit corporation in the event of default under the Capital Advance Agreement or the Regulatory Agreement. The Owner may transfer the Project during the term of this Agreement only with the prior written approval of HUD, and any such grantee shall assume the obligations under this Agreement as a condition of any transfer. In any event, this Agreement shall be binding upon the Owner's successors and assigns.
5. **Release.** The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the Owner of any real or personal property which is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public rights-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying an interest therein, or (4) upon any instrument of release made by the Owner of the Project shall be effective to release such property from the restrictive covenants hereby created.
6. **Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.
7. **Severability.** The invalidity, in whole or in part, of any of the provisions set forth above shall not affect or invalidate any remaining provisions.

form **HUD-90163-CA** (06/2003)
ref. Handbook 4571.4 & 4571.5

In Witness Whereof, HUD and the Owner by its officers thereunto duly authorized has caused these presents to be signed in its nam and its corporate seal to be hereunto affixed and attested this 24 day of September 20 04 .

(Seal)

Attest:

Secretary: Joseph R. Kasberg

Name of Owner: NATIONAL CHURCH RESIDENCES OF MEMPHIS, TN

By: (President) Mark R. Ricketts

United States of America, Secretary of Housing and Urban Development

By:

Title: Authorized Agent

State or TENNESSEE)

County of Davidson) ss:

)

Before me, the undersigned, a Notary Public in and for said State, on this 28 day of September, 20 04, personally appeared Ed M. Phillips, who is personally well known to me to be the Authorized Agent, of HUD, and the person w executed the foregoing instrument by virtue of the authority vested in him by section 202 of the Housing Act of 1959 or section 811 the National Affordable Housing Act, and I having first made known to him the contents thereof, he did acknowledge the signing there to be a free and voluntary act and done on behalf of the Secretary of Housing and Urban Development for the uses, purposes a considerations therein set forth.

Witness my hand and official seal this 28 day of September, 20 04.
(Seal)

[signature] (Notary Public)
My commission expires Nov. 27, 20 04.

State or OHIO)

County of FRANKLIN) ss: a Notary Public in and for said county and Stat

)

On this 24th day of September, 20 04, before me residing therein/duly commissioned an sworn, personally appeared Joseph R. Kasberg, ~~a Notary Public in and for said county and Stat~~ proved to me on the basis of satisfactory evidence to be the Secretary of National Church Residences of Memphis, IN, th executed the within instrument and acknowledged to me that as such Secretary executed th same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above writter
(Seal)

[signature] (Notary Public)
My commission expires 12/22, 20 07.

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

State or OHIO)

County of FRANKLIN) ss: a Notary Publi in and for sai county and Sta

)

On this 24th day of September, 20 04, before me residing therein,/duly commissioned and sworn, personally appeared Mark R. Ricketts, ~~a Notary Public in and for said county and State~~, proved to me on the basis of satisfactory evidence to be the President of National Church Residences of Memphis, T that executed the within instrument and acknowledged to me that as such President executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.
(Seal)

[signature] (Notary Public)
My commission expires 12/22, 20 07.

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

form HUD-90163-CA (06/2003)
ref. Handbook 4571.4 & 4571.5

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:

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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.

04162664

09/28/2004 - 11:53 AM

4 PGS : R - MISCELLANEOUS	
CHRIS 262078-4162664	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	20.00
DP FEE	2.00
REGISTER S FEE	0.00
WALK THRU FEE	0.00
TOTAL AMOUNT	22.00

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

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.

05178262

10/31/2005 - 07:14 AM

4 PGS : R - WARRANTY DEED

DEBBIES 355898-5178262

VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	20.00
DP FEE	2.00
REGISTER'S FEE	0.00
WALK THRU FEE	0.00
TOTAL AMOUNT	22.00

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

EXHIBIT
J

CORRECTION

WARRANTY DEED

THIS INDENTURE, made and entered into on this 14th day of May, 2004, by and between LMR, L.P., a limited partnership (formerly LMR, Ltd.), party of the first part, and NATIONAL CHURCH RESIDENCES OF MEMPHIS, TN, party of the second part.

WITNESSETH: That for and in consideration of Ten Dollars ($10.00) cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said party of the first part has bargained and sold and does hereby bargain, sell, convey and confirm unto the said party of the second part the following described real estate, situated and being in the County of Shelby, State of Tennessee, to-wit:

Part of a parcel of land situated in the Second Civil District of Shelby County, Tennessee, being more particularly described as follows: BEGINNING at a point in the center line of Winchester Road at the intersection of the east line of Section B, Fox Meadows Gardens, produced; thence east along the center line of Winchester Road 413.59 feet to a point; thence north along the west line of the Jennie Walker property 685.00 feet to a point in the center line of Newberry Street projected; thence west along the centerline of Newberry Street projected and parallel to Winchester Road 413.59 feet to a point; thence south along said east line 685.00 feet to the point of beginning.

LESS AND EXCEPT that property conveyed to the City of Memphis by Warranty Deed of record as Instrument No. R5 8911, in the Register's Office of Shelby County, Tennessee

Being the same property conveyed to party of the first part herein by Warranty Deed of record as Instrument No. P2 4202, in the Register's Office of Shelby County, Tennessee.

The property herein conveyed is subject to the following: 2004 Shelby County taxes and 2004 City of Memphis taxes, not yet due and payable, which second party agrees to pay; Subdivision restrictions, building lines and easements of record in Plat Book 84, page 26, Plat Book 87, Page 30 and Plat Book 82, Page 55, and easements of record in Instrument No. T3 1664, Z4 4808 and S8 6312, in said Register's Office.

TO HAVE AND TO HOLD the aforesaid real estate, together with all the appurtenances and hereditaments thereunto belonging or in any wise appertaining unto the said party of the second part, his heirs, successors and assigns in fee simple forever.

The said party of the first part does hereby covenant with the said party of the second part that it is lawfully seized in fee of the aforedescribed real estate; that it has a good right to sell and convey the same; that the same is unencumbered, except as set out hereinabove; and that the title and quiet possession thereto it will warrant and forever defend against the lawful claims of all persons.

The word "party" as used herein shall mean "parties" if it refers to more than one person or entity, and pronouns shall be construed according to their proper gender and number according to the context hereof.

WITNESS the signature of the party of the first part the day and year first above written.

THIS CORRECTION WARRANTY DEED IS BEING RECORDED TO CORRECT THE LEGAL DESCRIPTION OF THE PROPERTY CONVEYED HEREIN.

SEE EXHIBIT A ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF FOR CORRECTED LEGAL DESCRIPTION OF PROPERTY.

LMR, L.P., a limited partnership

By: _____

NEIL E. RINGEL, GENERAL PARTNER