

CLOSING BINDER

**Mecklenburg County
Pineville NOAH Affordable Housing Loan
March 28, 2024**

1.	Commitment Letter
2.	Final Settlement Statement
3.	Promissory Note
4.	Loan Agreement
5.	Deed of Trust, Security Agreement and Financing Statement
6.	Assignment of Leases and Rents
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13.	Borrower Incumbency Certificate and Consent (Pineville NOAH LLC)
14.	Certificates of Insurance

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February 8, 2024

Mark Ethridge
Manager
Ascent Housing, LLC
2100 Crescent Avenue, Ste. 200
Charlotte, NC 28207

Commitment Letter

Re: Ascent Pineville

Dear Mr. Ethridge

On January 17, 2024, the Mecklenburg County Board of County Commissioners approved a loan of \$3,000,000 to Pineville NOAH, LLC for the acquisition of Ascent Pineville.

The loan of \$3,000,000 is subject to the following terms and conditions as outlined in this Commitment Letter:

Borrower: Pineville NOAH, LLC

Property Location: Tax Parcel ID # 22119113

Purpose: This loan is for the acquisition of 240 units of affordable multi-family housing located at 8401 Habersham Pointe Circle, Charlotte, NC 28226

Loan Conditions:

1. **Amount:** \$3,000,000
2. **Term and Maturity:** The permanent term of the loan shall be 20 years. The principal balance of the loan shall be due and payable on or before twenty (20) years from the date of the closing of the loan.
3. **Interest Rate:** 1% interest
4. **Collateral:** The loan shall be evidenced by a Promissory Note and shall be secured by a Deed of Trust and Security Agreement constituting a third lien position on the project, a Declaration of restrictions; UCC-1's Financing Statements, and Assignment of Rents.
5. **Pre-Payment:** There shall be no pre-payment penalty for the loan.
6. **Affordability Period:** 20 years

- Review of borrower's audited financial statements and the financial performance of the project.

To verify compliance with property standards and the information submitted on tenants' incomes, rents and other rental requirements during the project's affordability period, the County may conduct annual inspections of units. The owner should keep the following records:

- Document to verify rent and utility allowance calculations
- Documentation that should include the tenant's application, initial income verification, subsequent income re-certification documents and the tenant's lease.

Please countersign to affirm agreement with the terms and conditions offered. The County must receive the executed Commitment Letter within 10 days of the date of this letter. Once this Commitment Letter has been executed and returned, the County will prepare for loan closing.

The undersigned agree(s) to be bound by the terms and conditions herein during the term of this Loan, and further agree (s) that no provision stated herein will be waived without prior written consent of Mecklenburg County.

Borrower:

Pineville NOAH, LLC
A North Carolina limited liability Company

By Its Managing Member:
Ascent Housing, LLC

By: Mark Ethridge
Mark Ethridge, Manager

Mecklenburg County:

By: Dena R. Diorio
Name: Dena R. Diorio
Title: County Manager



Settlement Statement

Settlement Date:

File No: NCS-1202715-CHI2

Officer:

Katharine Van Zuidam/KV

Buyer Charge	Buyer Credit	Description	Seller Charge	Seller Credit
305.00		Policy-Extended ALTA 2021 Lender's to First American Title Insurance Company National Commercial Services		
26,955.00		Policy-Extended ALTA 2021 Owner's to First American Title Insurance Company National Commercial Services		
2,375.00		Endorsements (L) to First American Title Insurance Company National Commercial Services		
2,375.00		Endorsements (O) to First American Title Insurance Company National Commercial Services		
		Documentary Transfer Tax	74,500.00	
1,200.00		Estimated Recording Fees		
		Disbursements Paid		
		Miscellaneous Disbursement		
		Broker Commission to Newmark & Company Real Estate Inc.	207,514.64	
		Legal Fees to Patzik, Frank & Samotny Ltd.	50,000.00	
182,500.00		Origination Fee to Medalist Capital		
1,175.00		Zoning Report to Partner Assessment Corp		
5,800.00		Phase I / PCA to Partner Assessment Corp		
6,200.00		Survey to Blew & Associates, P.A		
500.00		Legal Description to Blew & Associates, P.A		
		Appraisal to CBRE POC-B \$6,500.00		
372,500.00		Acquisition Fee to Ascent Housing, LLC		
156,500.00		Reimbursement of EMD/Pursuit Costs to Ascent Housing, LLC		
442.50		UCC Searches to CogencyGlobal		
18,000.00		Legal Fees to Venn Law Group		
18,734.00		Legal Fees to FisherBroyles		
251,311.44		Insurance to Marsh McLennan Agency		
	13,164,359.05	Cash (X From) (To) Buyer		
		Cash (X To) (From) Seller	20,279,173.23	
38,324,630.31	38,324,630.31	Totals	37,261,518.48	37,261,518.48

PLEASE NOTE: A modification of money-transfer or disbursement instructions can be a red flag for Online Banking Fraud and could be a trap for the unwary. Should we knowingly receive such a modification, in the interest of prudence, we may consider it suspect and call a known and trusted phone number to verify its authenticity and accuracy. Your awareness and cooperation in taking appropriate steps to prevent fraud is greatly appreciated.

PREPARER'S STATEMENT

To the best of my knowledge and belief, the Closing Statement prepared by First American Title Insurance Co., is a true and accurate account of the funds which were received and have been or will be disbursed as a part of the settlement of this transaction.

First American Title Insurance Co.

By: *Katharine Van Zuidam*
 Katie Van Zuidam, Senior Commercial Escrow Officer

Settlement Statement

Settlement Date:

File No: NCS-1202715-CHI2

Officer: Katharine Van Zuidam/KV

BUYER(S):

Pineville NOAH, LLC, a North Carolina limited liability company

By: Buyer/Borrower's signature page to this settlement statement is attached

Name: _____

Title: _____

SELLER(S):

Pineville Apartments, LLC, a Delaware limited liability company

By: Citrus & Pineville Apartment Ventures, LLC, a Delaware limited liability company, its sole member

By: PMC/Citrus & Pineville Investors, LLC, a Delaware limited liability company, its managing member

By: PMC MGR, LLC, an Illinois limited liability company, its manager

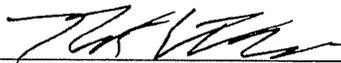
By: Providence Management Company LLC, an Illinois limited liability company, its manager

By: 

Alan Pollack, Manager

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company,
its Manager

By: 
Name: Mark Ethridge
Title: Manager

PROMISSORY NOTE

\$3,000,000.00

CHARLOTTE, NORTH CAROLINA

March 28, 2024

FOR VALUE RECEIVED, PINEVILLE **NOAH, LLC**, a North Carolina limited liability company ("Borrower") hereby promises to pay to the order of **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina, and its successors and assigns ("County") at its principal place of business in Mecklenburg County, North Carolina, or at such other place as the County may in writing designate in lawful money of the United States of America, the principal sum of Three Million and no/100 Dollars (\$3,000,000.00) without interest on the outstanding principal balance during the term hereof, payable as follows:

Payments of accrued interest on the outstanding principal shall commence annually beginning on March 28, 2025; provided, however, that County will not accept any payment in an amount that exceeds seventy-five percent (75%) of then-available Surplus Cash [as such term is defined in that certain Subordination Agreement, of even date herewith, by and between Minnesota Life Insurance Company, a Minnesota corporation ("Senior Lender"), and County (the "Subordination Agreement")]. If not sooner paid, any unpaid accrued interest and the entire outstanding principal amount of the Loan shall be due and payable on March 28, 2044.

This Note is secured by a Deed of Trust, Security Agreement and Financing Statement of even date herewith filed or to be filed in the office of the Register of Deeds for Mecklenburg County, North Carolina ("Deed of Trust").

Loan proceeds shall be disbursed in strict accordance with the terms of the Loan Agreement of even date herewith entered into by and between Borrower and the County ("Loan Agreement").

This Note may be prepaid in whole or in part without premium or penalty. Partial prepayments shall be applied first to any interest due and payable and then to the principal balance. In the event of a default in the payments required herein, or a default under the Deed of Trust or an Event of Default under the Loan Agreement referred to above, the interest rate on any principal sum in default shall be fifteen percent (15%) and the County shall have the right to declare the entire unpaid principal balance and all accrued and unpaid interest immediately due and payable.

A late charge of four percent (4%) of any payment due and not received within fifteen (15) days of its due date shall be payable upon demand.

Borrower shall pay all amounts due under this Note in accordance with its terms without offset or deduction.

Payments on this Note shall be applied first to late charges due hereunder.

All parties to this Note, including Borrower and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to

continue to remain bound for the payment of principal, interest and all other sums due under this Note and the Deed of Trust notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default, the County may employ an attorney to enforce the County's rights and remedies, and Borrower, principal, surety, guarantor and endorsers of this Note hereby agree to pay to the County reasonable attorneys' fees actually incurred, plus all other reasonable expenses incurred by the County in exercising any of the County's rights and remedies upon default. The rights and remedies of the County as provided in this Note and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Deed of Trust or any other funds, property or security held by the County for payment or security, in the sole discretion of the County. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

If any provision of this Note shall be prohibited or held invalid by applicable law, that provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating either the remainder of such provision or the remainder of this Note.

This Note shall be governed by the laws of the State of North Carolina.

This Note is secured by collateral described in the following security instruments: (1) the Deed of Trust encumbering certain real property as more particularly described therein, (2) Assignment of Leases and Rents, and (3) UCC-1 Financing Statements naming Borrower as Debtor and County as Secured Party, filed or to be filed with the North Carolina Secretary of State Office and in the office of the Register of Deeds for Mecklenburg County, North Carolina, covering personal property as more particularly described therein.

The loan evidenced by this Note is a non-recourse loan. The County agrees that in the event of a default in payment of the loan, the County shall look solely to the collateral given as security for the loan for the repayment thereof. Borrower and its members shall have no personal obligation for repayment of the loan other than through the collateral.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Promissory Note (and any schedules) dated as of even date herewith in the original principal amount of approximately \$21,500,000.00, executed by Borrower and payable to the order of Senior Lender (the "Senior Note"), to the extent and in the manner provided in the Subordination Agreement. The Deed of Trust (and any exhibits) securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement (and any exhibits) securing the Senior Note, as more fully set forth in the Subordination Agreement. The rights and remedies of the County and each subsequent holder of this Note under the Deed of Trust (and any exhibits) securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms,

covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement.

Additionally, the indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a promissory note (and any schedules) in the original principal amount of \$1,000,000.00 (the "CHOIF Promissory Note"), to be executed by Borrower and payable to the order of CHARLOTTE HOUSING OPPORTUNITY INVESTMENT FUND LLC, a Delaware limited liability company, or its affiliate ("CHOIF"), to the extent and in the manner provided in that certain Subordination Agreement to be entered into between the City of Charlotte, a municipal corporation ("City"), County, CHOIF and Borrower (the "CHOIF Subordination Agreement"). The Deed of Trust (and any exhibits) securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust (and any exhibits) securing the CHOIF Promissory Note and the terms, covenants and conditions of the loan agreement evidencing the terms of the CHOIF Promissory Note, as more fully set forth in the CHOIF Subordination Agreement. The rights and remedies of the County and each subsequent holder of this Note under the Deed of Trust (and any exhibits) securing this Note are subject to the restrictions and limitations set forth in the CHOIF Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the CHOIF Subordination Agreement.

WITNESS the following signature.

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company

Its: Manager

By: 

Name: Mark Ethridge

Its: Manager

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STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), dated as of March 28, 2024, is made and entered into by and between **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina (the "County"), and **PINEVILLE NOAH, LLC**, a North Carolina limited liability company (the "Borrower").

BACKGROUND AND PURPOSE

A. Borrower owns or intends to acquire a certain parcel or parcels of real estate in the Town of Pineville, Mecklenburg County, North Carolina, more particularly described on Exhibit A attached hereto (the "Property") and related improvements located thereon on which Borrower intends to rehabilitate two hundred forty (240) multi-family residential rental units (each referred to as a "Unit", and collectively as the "Units") and other improvements (collectively with the Units, the "Improvements") in accordance with the site and building plans and specifications (the "Plans") and Borrower's proposal (the "Proposal") submitted to and approved by the County. The Property and the Improvements collectively being referred to as the "Project."

B. Borrower has applied to the County for a loan in the amount of Three Million and no/100 Dollars (\$3,000,000.00) (the "Loan") to be used for the payment of a portion of the cost of acquisition and rehabilitation of the Project and the County has approved the allocation of the Loan to Borrower from local innovative housing funds made available to the County through its Rental Subsidy Program Fund.

C. The Loan shall be disbursed as herein provided to enable Borrower to pay for the acquisition and rehabilitation of the Project.

THEREFORE, in consideration of and subject to the terms and conditions hereinafter set forth, the parties hereto agree as follows:

ARTICLE I
THE LOAN TO BORROWER

1. Loan Amount. The County shall lend to Borrower, and Borrower shall borrow from the County, the sum of Three Million and no/100 Dollars (\$3,000,000.00) (the "Loan").
2. Interest and Repayment. Interest shall accrue on the outstanding principal amount of the Loan at the rate of one percent (1%) per year, non-compounding. Payments of accrued interest on the outstanding principal shall commence annually beginning on March 28, 2025; provided, however, that County will not accept any payment in an amount that exceeds seventy-five percent (75%) of then-available Surplus Cash [as

such term is defined in that certain Subordination Agreement, of even date herewith, by and between Senior Lender (as defined herein), and County (the "Subordination Agreement")]. If not sooner paid, any unpaid accrued interest and the entire outstanding principal amount of the Loan shall be due and payable on March 28, 2044.

3. Loan Documents. The Loan shall be evidenced by a promissory note (the "Note") and shall be secured by the following:
 - (a) A Deed of Trust, Security Agreement and Financing Statement constituting a third lien on the Project (the "Deed of Trust");
 - (b) UCC-1 Financing Statements (the "UCC-1's");
 - (c) Assignment of Leases and Rents (the "Assignment"); and
 - (d) Declaration of Deed Restrictions (the "Declaration").

The Note, Deed of Trust, UCC-1's, Assignment and Declaration shall contain such terms and conditions as are acceptable to the County and together with this Agreement and such other documents as are customarily provided in loan transactions of this type are collectively referred to as the "Loan Documents".

ARTICLE II USE OF LOAN

Borrower agrees that the Loan shall be used only for the hard and soft costs necessary to acquire and execute the rehabilitation of the Project in accordance with the Plans (the "Work") which costs are set forth on Exhibit B attached hereto.

ARTICLE III DISBURSEMENTS

1. Disbursement of the Loan. The County shall disburse the funds from the Loan (the "Funds") as provided in this Article III. The County shall not be obligated to make disbursements of the Loan until all of the conditions stated in Article IV and this Article III hereof, have been satisfied and the County has received the following:
 - (a) Intentionally Deleted;
 - (b) Evidence that no lien or other interest shall have been permitted to attach to the Project superior or subordinate to the interest of the County under the Deed of Trust, except for the following "Permitted Liens":

- (i) Taxes for the current year that are not yet due and payable;
 - (ii) All matters shown on Commitment No. NCS-1202715-CHI2 issued by First American Title Insurance Company as approved by the County including the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement and related loan documents for the benefit of Minnesota Life Insurance Company, a Minnesota corporation (“Senior Lender”), which will have a first-priority lien on the Property;
 - (iii) Other matters approved in writing by the County;
 - (iv) That certain Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents and related loan documents for the benefit of the Charlotte Housing Opportunity Investment Fund LLC or its affiliate (“CHOIF”), which will have a second-priority lien on the Property following the closing of its loan to Borrower, which is expected to occur within ninety (90) days of the date of this Agreement; and
 - (v) That certain Deed of Trust, Security Agreement and Financing Statement and related loan documents from Borrower for the benefit of the City of Charlotte (the “City”), which will have a fourth-priority lien on the Property following the closing of its loan to Borrower, which is also expected to occur within ninety (90) days of the date of this Agreement.
- (c) A standard ALTA mortgagee policy as to the Property from a company or from companies approved by the County (including any reinsurance agreements required by the County), providing coverage for the full principal amount of the Loan and containing only the Permitted Liens approved by the County as superior to the County’s interest and containing all endorsements reasonably required by the County.

2. Intentionally Deleted.
3. Disbursements. The County shall disburse to the designated escrow agent the entirety of the Funds at closing.
4. Documentation. Until final completion of the rehabilitation of the Property pursuant to Borrower’s scope of work, Borrower will provide to the County monthly updates as to the status of the Work in form and content reasonably requested by the County.

ARTICLE IV
CONDITIONS PRECEDENT

The County's obligations under this Agreement shall not become binding until all of the events set out below have occurred. Until all of the events have occurred, the County retains the

absolute right to refuse to be bound by any part of this Agreement, and no expenditure of funds or any other act on the part of Borrower or any other entity shall constitute reliance or consideration sufficient for the County to lose that right.

1. This Agreement is approved and executed on behalf of the County as required by law.
2. Execution and/or delivery to the County of the following items, all in form and substance reasonably satisfactory to the County and the County's counsel:
 - (a) The Note.
 - (b) Deed of Trust as duly recorded in the office of the Register of Deeds of Mecklenburg County.
 - (c) UCC-1's as duly filed in the Office of the North Carolina Secretary of State and as recorded in the Office of the Register of Deeds for Mecklenburg County.
 - (d) Assignment of Leases and Rents as duly recorded in the office of the Register of Deeds of Mecklenburg County.
 - (e) Survey. Two (2) copies of a recent survey of the Property by a registered engineer or land surveyor. Such survey shall show all boundaries of the land with courses and distances indicated, including chord bearings and arc and chord distances for all curves, and shall show dimensions and locations of all existing improvements and of all easements, private drives, roadways, encroachments, utility and transmission lines, and shall show the distances to, and names of the nearest intersecting streets, and other facts in any way affecting the Property, and shall show such other details as the County may request. The Property area must also be included thereon together with a certification as to the location of the Property within any special flood hazard area.
 - (f) Flood Hazards. Evidence as to whether or not the Property is located within an area identified as having "special flood hazards" as such term is used in the federal Flood Disaster Protection Act of 1973. Such evidence can be the certification that is required in connection with the survey required herein.
 - (g) Flood Hazard Insurance. If any part of the Improvements is or is to be located in an area having "special flood hazards", a flood insurance policy naming the County as mortgagee must also be provided.
 - (h) Insurance. Insurance meeting the requirements set forth in this Agreement. Satisfactory evidence of premium payments must be provided.
 - (i) Authority Documents of Borrower.

- (i) Articles of Organization for Borrower, and any amendments thereto, certified by the office of the Secretary of State for the State of North Carolina.
 - (ii) Operating Agreement of Borrower and any amendments thereto.
 - (iii) A Certificate of Existence for Borrower issued by the State of North Carolina.
 - (iv) Certified Resolutions of Borrower authorizing it to enter into the Loan Documents.
 - (v) Such other documentation of Borrower, and its members, as counsel for the County may reasonably request.
- (j) Building Plans and Permits. Intentionally Deleted.
 - (k) Cost of Construction. Intentionally Deleted.
 - (l) Compliance with Laws. Evidence that the Property and the intended uses of the Property are or will be in compliance with all applicable laws, regulations and ordinances. The laws, regulations and ordinances with which the Property must comply include, without limitation, the following: health and environmental protection laws, erosion control ordinances, storm drainage control laws, doing business and/or licensing laws, zoning laws (the evidence submitted as to zoning should include the zoning designation and zoning requirements as to parking, lot size, ingress, egress and building setbacks) and laws regarding access and facilities for disabled persons including but not limited to, the N.C. Persons With Disabilities Protection Act.
 - (m) Debarment Certification. A fully executed Certification Regarding Debarment, Suspension, Proposed Debarment, Ineligibility and Other Responsibility Matters attached hereto as Exhibit E.
 - (n) Title Commitment. A standard ALTA Mortgagee title insurance commitment insuring the lien of the Deed of Trust as a third priority lien encumbering the Project from a company approved by the County containing only the Permitted Liens approved by the County as superior to the County's interest and containing all endorsements reasonably required by the County.
 - (o) Environmental Assessment. Evidence in the form of an environmental assessment of the Property by an engineer or other environmental consultant as to whether or not (i) the Property is located within an area designated as a hazardous waste site by any federal, state or governmental authority, (ii) any materials regulated, controlled or prohibited by any federal, state or local environmental laws (including but not

limited to asbestos) are now located on the Property, and (iii) any prior owner of the Property has handled or disposed of such materials on the Property.

- (p) Declaration. The Declaration attached hereto as Exhibit C has been duly recorded in the office of the Register of Deeds of Mecklenburg County.
- (q) Project Funding. Documentation that all funds necessary to complete the Project which are to be obtained from the other funding sources as shown on Exhibit B have been received by Borrower or an approved disbursing agent or Borrower has received binding commitments from such funding sources, in the combined amount from all funding sources, including the Loan, as shown on Exhibit B.
- (r) Encumbrances. No lien or other interest shall have been permitted to attach to the Project superior or subordinate to the interest of the County under the Deed of Trust, except for the Permitted Liens set forth in Article III, Section 1(b).
- (s) Byrd Anti-Lobbying Certification. A fully executed Byrd Anti-Lobbying Certification attached hereto as Exhibit G.

ARTICLE V

BORROWER'S CERTIFICATIONS, REPRESENTATIONS, AND WARRANTIES

1. Borrower shall use the proceeds of the Loan only for the purposes and in the manner set forth in this Agreement and no other.
2. Borrower shall keep and maintain such books, records and other documents as may reasonably be necessary to reflect and disclose fully and separately the amount and disposition of funds lent pursuant to this Agreement, all receipts and expenditures of Project funds which are supplied or are to be supplied by other sources, and the total costs and expenses of the Project, including, but not limited to all records, receipts and contract documentation for all expenditures of Loan funds.

Borrower shall maintain such books, records and other documents for a period of at least four (4) years after the completion of the Work and shall make the same available for inspection, copying, audit, and examination at all reasonable times from-and-after the date hereof by any duly-authorized representative of the County.

3. Borrower shall permit any duly-authorized representative of the County to have access to the Project, at all reasonable times upon reasonable notice during normal business hours during the term of the Loan, subject to the rights of residential tenants.
4. Borrower shall use diligent efforts to ensure that the Contractor or any subcontractor performing work on the Project obtains and keeps in force all necessary licenses, permits, and franchises necessary for the completion of the Project. Borrower shall pay all taxes, assessments, and other governmental charges imposed upon Borrower

or the Project before the date on which penalties may be charged for late payment.

5. Borrower shall not exclude, on the basis of race, color, religion, sex, national origin or handicap, any person from leasing any of the Units in the Project.
6. Borrower shall use diligent efforts to ensure that its Contractor will, to the greatest extent feasible in connection with the Project, provide opportunities for training and employment to lower income persons residing within the County and that contracts for such work will be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the County. Borrower will endeavor to ensure that all laborers and mechanics employed by contractors or subcontractors on any construction work to be performed in connection with the Project shall be paid wages at rates not less than those prevailing on similar construction in the locality.
7. Borrower shall promptly give written notice to the County upon Borrower's discovery of any material default in any contract or other agreement relating to the Project. If Borrower is the defaulting party, Borrower shall attempt promptly to cure the default. If the material default is by some other party, Borrower shall vigorously pursue, to the fullest extent reasonably possible, all remedies available to Borrower to remove or cure such material default or to seek redress or relief from its effects, and to prevent or mitigate any adverse effects on the Project. Borrower shall keep the County fully informed as to the status of such actions.
8. Borrower shall use its best efforts to not allow any member of the County's governing body, or any employee, agent, consultant or officer of the County who exercises or has exercised any functions or responsibilities with respect to activities operated or administered by the County Manager's office or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, to obtain a personal or financial interest or benefit from the Project or have any interest in any contract, subcontract or agreement with respect to the Project, either for themselves, their Immediate Family, or for those with whom they have business ties, during or for one (1) year after such person's tenure with the County. Borrower shall include, or cause to be included, this provision in all contracts, subcontracts or agreements relating to the construction or operation of the Project. "Immediate Family" shall mean spouse, mother, father, brother, sister or child (whether related as a full blood relative or as a "half" or "step" relative, e.g. a half-brother or stepchild).
9. Charlotte Business INclusion (CBI) Program. Intentionally Deleted.
10. E-Verify Certification. As a condition of any disbursement of Funds under the Loan, Borrower shall (i) comply with the E-Verify requirements set forth in Article 2 of Chapter 64 of the North Carolina General Statutes (the "E-Verify Requirements"), and (ii) cause its Contractor and any subcontractor performing work on the Project to comply with such E-Verify Requirements. Borrower will

indemnify and save harmless the County from all losses, damages, costs and expenses (including reasonable attorneys' fees), obligations, duties, fines, penalties, interest charges and other liabilities (including settlement amounts) incurred on account of any failure by Borrower, its Contractor or any subcontractor performing work on the Project to comply with the E-Verify Requirements.

11. Borrower shall pay and discharge, and shall indemnify, defend and hold the County harmless from any lien or charge upon payments payable under this Agreement by Borrower to the County, and any taxes, assessments, impositions and other charges with respect to the Project (other than Permitted Liens).
12. To the fullest extent permitted by law, Borrower shall at all times indemnify, defend and hold harmless each of the "Indemnitees" (as defined below) from and against all "Charges" (as defined below) paid or incurred as a result of any claims, demands, lawsuits, actions or proceedings (i) arising from Borrower's failure to perform its obligations under this Agreement, or from any act of negligence or willful misconduct by Borrower or any of its agents, employees or subcontractors relating to this Agreement, including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal, tangible or intangible, or (ii) arising from any claim that Borrower or an employee or subcontractor of Borrower is an employee of the County, including but not limited to claims relating to worker's compensation, failure to withhold taxes and the like. For purposes of this Section: (a) the term "Indemnitees" means the County, any federal agency that funds all or part of the Loan, and each of the County's and such federal agency's officers, officials, employees, agents and independent contractors (excluding Borrower); and (b) the term "Charges" means any and all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations, duties, fines, penalties, royalties, interest charges and other liabilities (including settlement amounts). This Section shall exclude any loss caused by gross negligence or willful misconduct of any Indemnitee. Borrower shall insure to reasonable customary standards against the liability hereby assumed.
13. Borrower shall cause the Work to be completed on or before August 1, 2025. If performance of the Work is delayed at any time by an act or neglect of the County, or by changes in the Work, or by abnormal weather conditions, unusual delay in deliveries, unavoidable casualties, or other causes beyond the control of Borrower, then the time for completion of the Project may be extended for such time as may be reasonable.
14. Borrower agrees to execute and/or deliver to the County, concurrently with the execution of the Deed of Trust and upon the request of the County from time to time hereafter, all financing statements and other documents reasonably required to perfect and maintain the security interest created hereby. Borrower hereby irrevocably (as long as the Loan remains unpaid) makes, constitutes and appoints the County as the true and lawful attorney of Borrower to sign the name of Borrower on

or to file without signature any financing statement, continuation of financing statement or similar document required to perfect or continue such security interests.

15. Borrower shall not sell, encumber or otherwise dispose of any of the tangible personalty used in the operation of the Project except to incorporate such into the Improvements or replace such with goods of quality and value at least equal to that replaced.
16. Borrower shall not accept any prepayment of rent or installments of rent for more than two months in advance without the prior written consent of the County; provided however, Borrower may accept security deposits.
17. Borrower shall abstain from and will not permit the commission of waste in or about the Project and shall maintain the Project, or cause the Project to be maintained, in good condition and repair, reasonable wear and tear, casualty and acts of God, excepted.
18. Borrower hereby acknowledges to the County that (i) the identity of Borrower and the expertise available to Borrower were and continue to be material circumstances upon which the County has relied in connection with, and which constitute valuable consideration to the County for, the extending to Borrower of the indebtedness evidenced by the Note and (ii) any change in such identity or expertise could materially impair or jeopardize the security for the payment of the Note granted to the County by the Deed of Trust and Borrower agrees there shall not be any change in the ownership, membership or control of Borrower without the approval of the County, such approval not to be unreasonably withheld.
19. Borrower shall pay or reimburse the County for all reasonable attorneys' fees (calculated as set forth in the Note), costs and expenses incurred by the County in any action, legal proceeding or dispute of any kind which affects the Loan or the Project, including but not limited to, any foreclosure of the Deed of Trust, enforcement of payment of the Note, any condemnation action involving the Project or any action to protect the security hereof. Any such amounts paid by the County shall be due and payable upon demand and shall be secured by the Deed of Trust.
20. Borrower shall provide and maintain insurance as follows:
 - (a) Liability. Borrower covenants to maintain general liability insurance against all claims for bodily injury, death or property damage occurring upon, in or about any part of the Project in amounts of no less than \$1,000,000 combined single limit for each occurrence. The policies must list the County as additional insured.
 - (b) Permanent. At such time as the Units are occupied, an "all-risk" permanent insurance policy must be submitted to the County. The policy must be from a company satisfactory to the County, in an amount of no less than the replacement cost of the Project, must include provisions requiring the insurance company to

provide a minimum 30-day advance written notice to the County of any intended policy cancellation or non-renewal, and must designate the County as an additional insured.

- (c) Rent Loss. Borrower shall, at its own cost, keep the rental value of all buildings now or hereafter comprising a part of the Project insured against loss or damage by fire and such other insurable risks, casualties and hazards as the County may from time to time specify.
- (d) Builder's Risk. Prior to the commencement of any building activities, an "all-risk," non-reporting builder's risk insurance policy must be submitted to the County. This policy must be from a company and in an amount satisfactory to the County and sufficient to avoid the application of any co-insurance provisions, must include provisions requiring the insurance company to provide a minimum 30-day advance written notice to the County of any intended policy cancellation or non-renewal, and must designate the County as an additional insured.
- (e) All policies must be from a company and in an amount satisfactory to the County.
- (f) Delivery of Policies and Renewals. Borrower agrees to deliver to the County, as additional security hereto, certificates of such insurance as is required by the County pursuant to subsections (a), (b), (c), (d) and (e) hereof. Certificates evidencing renewals of such policies shall be so delivered at least ten (10) days before any such insurance shall expire. In the event Borrower fails to maintain insurance as required hereunder, the County has the right to procure such insurance whether or not Borrower's failure to maintain such insurance constitutes an Event of Default (as defined in Article VII) or an event or condition which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default. Any amounts paid by the County for insurance shall be due and payable to the County upon demand and shall be secured by the Deed of Trust.
- (g) Proof of Loss; Claims Settlement. In the event of loss, Borrower shall give prompt notice thereof to the insurance carrier and the County, and the County may make proof of loss if not made promptly by Borrower. The County is hereby authorized, in its sole discretion, to adjust, compromise and collect the proceeds of any insurance claims.
- (h) Use of Proceeds. Borrower hereby assigns the proceeds of any such insurance policies to the County and hereby directs and authorizes each insurance company to make payment for such loss directly to the County. All insurance proceeds shall be applied to the outstanding balance of the Loan or, in the County's sole discretion, to the restoration or repair of the casualty damage. Notwithstanding the foregoing, if the Loan is not in default and if the County, in the County's reasonable judgment, determines that there are sufficient funds available (through insurance proceeds and contributions by Borrower) to restore or repair the property to a condition at least as equal to the condition thereof as existed prior to the casualty damage, the County

shall apply any sums received by it under this Section for the restoration or repair.

- (i) Rights of Senior Lenders. The County's rights under this Section 20 (including, without limitation, the right to make proof of loss, the right to compromise and collect insurance proceeds and the right to receive and/or direct application of insurance proceeds) shall be subject to the rights of any senior lender approved by County.

- 21. Intentionally Deleted.

- 22. The Americans with Disabilities Act of 1990 (28 CFR Part 35) guarantees equal opportunities for persons with disabilities in employment, public accommodations, transportation, State and local government services and telecommunications. No qualified handicapped person shall, on the basis of his/her disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal Financial assistance. Borrower shall not discriminate against any employee, applicant for employment, or student because of race, religion, color, sex, age, disability, or national origin.

- 23. Borrower shall abide by the terms of the Declaration. During the Affordability Period (as defined in the Declaration) and for a period of four (4) years thereafter, Borrower shall maintain full and correct books and records showing in detail the earnings and expenses of the Project and shall permit the County and its representatives to examine said books and records and all supporting vouchers and data at any time and from time to time upon reasonable request by the County. Such statements shall be in such form and forms as are acceptable to the County and certified by a managing member or other authorized representative of Borrower. Borrower agrees to send copies of all funding requests for other funding sources, with supporting documentation, to the County for placement in the County's Loan file. Borrower shall obtain an audit conducted by an independent audit firm annually, or at the County's request in its sole discretion, and furnish a copy of such audit statement to the County within 120 days of the end of Borrower's fiscal year or when otherwise requested. Also, when so requested, Borrower shall submit to the County rent schedules showing occupied Units or spaces classified by size or type, rents per month per unit or space and vacant units or spaces and proposed rents therefrom.

In addition, Borrower shall provide the County with the following record keeping information:

- (a) Household data for all tenants occupying restricted Units including race, sex, age, verified income using W-2 forms or other acceptable income data.

- (b) Copies of leases between Borrower and tenants.

- (c) Copies of all final approvals for all required construction and trade permits for all rental Units.

Further, during the Affordability Period and for a period of four (4) years thereafter all such books, records and other documents shall be available for inspection, copying, audit, and examination at all reasonable times by any duly-authorized representative of the County, of the Secretary of the United States Department of Housing & Urban Development, or of the Comptroller General of the United States.

- 24. Intentionally Deleted.
- 25. Borrower shall cause the Project to be managed by S.L. Nusbaum Realty Co. ("Project Manager"). The management team will consist of at least one full time property management staff person on site. There shall be no change in the Project Manager without the consent of the County which consent shall not be unreasonably withheld or delayed.
- 26. Until such time as the construction of the Project is complete, Borrower shall post on the Property in a location clearly visible to the general public a sign identifying the project, with the Mecklenburg County approved logo, stating that Financial Assistance has been provided by Mecklenburg County.
- 27. NC Prohibition of Contracts with Companies that invest in Iran or Boycott Israel. Borrower certifies that (i) neither Borrower nor any of Borrower's members or managers are identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. §147-86.58 (collectively, the "Treasurer's IDA List"); (ii) neither Borrower nor any of Borrower's members or managers has been designated by the NC State Treasurer pursuant to N.C.G.S. §147-86.81 as a company engaged in the boycott of Israel (such designation being referred to as the "Treasurer's IB List"); and (iii) neither Borrower nor any of Borrower's members or managers will take any action causing it to appear on the Treasurer's IDA List or the Treasurer's IB List during the term of the Loan. In signing this Agreement, Borrower further agrees, as an independent obligation, separate and apart from this Agreement, to reimburse the County for any and all damages, costs and attorneys' fees incurred by the County in connection with any claim that this Agreement or any part thereof is void due to Borrower or any of its members or managers appearing on the Treasurer's IDA List or the Treasurer's IB List at any time before or during the term of the Loan.
- 28. NON-DISCRIMINATION CERTIFICATION. As a condition of entering into this Agreement, Borrower represents and warrants that it will not discriminate on the basis of race, gender, religion, national origin, ethnicity, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors or suppliers, in connection with a County contract or contract solicitation process, nor shall Borrower retaliate against any person or entity for reporting instances of

such discrimination. Borrower shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its subcontracting and supply opportunities on County contracts, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that has occurred or is occurring in the marketplace. Borrower understands and agrees that violation of this provision shall be considered a material breach of this Agreement and may result in contract termination, disqualification of Borrower from participating in County contracts, exercise of the County's rights in the event of default pursuant to this Agreement, and other sanctions.

As a condition of entering into this Agreement, Borrower agrees to: (a) promptly provide to the County in a format specified by the County all information and documentation that may be requested by the County from time to time regarding the solicitation, selection, treatment and payment of subcontractors in connection with this Agreement; and (b) if requested, provide to the County within sixty (60) days after request by the County a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Borrower has used on County contracts or agreements in the past five years, including the total dollar amount paid by Borrower on each subcontract or supply contract. Borrower further agrees to fully cooperate in any investigation conducted by the County pursuant to this provision, to provide any documents relevant to such investigation that are requested by the County, and to be bound by the award of any arbitration conducted pursuant hereto.

Borrower agrees to provide to the County from time to time on the County's request, payment affidavits detailing the amounts paid by Borrower to subcontractors and suppliers in connection with this Agreement within a certain period of time. Such affidavits shall be in the format specified by the County from time to time.

ARTICLE VI
MUTUAL COVENANTS

1. The terms and provisions of the Loan Documents are incorporated into this Agreement by reference.
2. This Agreement shall be binding upon all parties hereto and their heirs, representatives, successors and assigns.
3. No party to this Agreement shall sell, bargain, assign or otherwise transfer any of its rights or obligations hereunder without the written consent of the other party.
4. This Agreement may not be altered or amended except by written agreement of all parties.

5. This Agreement and the Loan Documents constitute the entire agreement among the parties and supersedes all prior oral and written agreements, if any, among the parties with respect to the Loan and the Project.
6. Nothing contained in this Agreement, nor any act of a party hereto relating hereto, shall be construed as creating any benefits on behalf of any other party or to create any relationship between any of the parties hereto of principal and agent, a limited or general partnership, or a joint venture. Borrower will include in all contracts relating to the Project an acknowledgment by the contracting party that this Agreement confers no rights upon the contracting party and creates none of the aforementioned relationships between any of the parties hereto and any other party.
7. Except for the making of the Loan specified in this Agreement, the County shall not be liable for the completion of, or the failure to complete, the Project.
8. The County, in its sole and absolute discretion, may extend the time for the performance of any obligation of Borrower required by the Loan Documents.
9. With regard to the parties' capacity and authority to carry out their respective obligations under this Agreement, the parties acknowledge neither is in violation of its charter or any mortgage, indenture, agreement, instrument, judgment, decree, order, statute, rule, or regulation, and the execution and/or performance of this Agreement will not result in any such violation.
10. Any provisions of the Note or any instrument securing the Note and this Loan Agreement providing for the payment of "attorneys' fees" or "reasonable attorneys' fees" or other words or provisions of similar import, shall mean attorneys' and paralegals' fees incurred based upon the usual and customary hourly rate of the attorneys and paralegals involved for time actually spent by such attorneys and paralegals and without giving effect to any statutory presumption that may then be in effect.
11. Borrower executed the Loan Commitment letter from the County dated February 8, 2024 (the "Commitment Letter"). The Commitment Letter is incorporated herein by reference (and is attached as Exhibit F hereof). In the instance of conflict between the Loan Documents and the Commitment Letter, the Loan Documents shall control.

ARTICLE VII
DEFAULT BY BORROWER

Any one of the following events or occurrences which is not cured or corrected within thirty (30) days after the County has provided written notice to Borrower, unless Borrower is diligently pursuing a cure and then an additional thirty (30) days, shall constitute default or event of default ("Default" or "Event of Default") on the part of such Borrower:

1. Borrower fails to make any payment of principal or interest when due and payable

under the Note.

2. The failure of Borrower to perform, or to cause to be performed, within the time or times specified, any undertakings and agreements set out in this Agreement or in any of the Loan Documents, specifically including the affordability restrictions set forth in the Declaration.
3. Any event or occurrence, whether within or outside of the control of Borrower or with or without fault on the part of Borrower, if such event or occurrence is prohibited by the terms of this Agreement or of any of the Loan Documents.
4. Borrower's bankruptcy, insolvency, assignment for the benefit of creditors or marshalling of assets.
5. Borrower's material misrepresentation to the County of any fact, circumstance or opinion set forth in writing in the security documents or in the application for this Loan which influenced the County to make this Loan, with any such material misrepresentation to be an Event of Default upon discovery by the County, whether the same may or may not have been discoverable as of the date of this Agreement.
6. Borrower's sale, lease (excepting separate leases for individual Units) assignment, or other transfer, or further encumbrance (excepting the granting of utility easements necessary for the operation of the Project), without the prior written consent of the County or as provided herein, of all or any of the real property that serves as security for this Loan; provided, however, Borrower may transfer the same with the approval of the County, which approval will not be unreasonably withheld or delayed.
7. (a) Any representation or warranty submitted to the County concerning the financial condition or credit standing of Borrower or any officer or director thereof proves to be false or misleading in any material respect when made or, in the County's reasonable opinion, there is a threat to its security for the Loan by reason of a material adverse change in the financial condition or credit standing of Borrower; or (b) any failure by Borrower to provide any financial or operating statements or other information required by this Loan Agreement or any other Loan Document.
8. Borrower fails to keep the Project free and clear of all encumbrances, liens, deeds of trust, security interests and subordinate financing, except with regard to (a) the Permitted Liens, (b) any such claims approved by the County in advance; and (c) any such claims being diligently contested by Borrower in good faith as may be approved in writing by the County in its sole discretion or which are discharged, bonded over, stayed or vacated within forty-five (45) days from the date of attachment.
9. A voluntary petition is filed by Borrower seeking the protection of the bankruptcy court under any chapter or section of the Bankruptcy Code, as amended, or of any state or federal court under state insolvency or receivership laws.

10. Borrower has an involuntary petition filed against it under any chapter or section of the Bankruptcy Code, as amended, or under any state insolvency laws and such petition is not dismissed within ninety (90) days of its filing.
11. By the order of a court of competent jurisdiction, a trustee or receiver of the Project or any part thereof or of Borrower shall be appointed and, if such order does not arise out of a voluntary receivership action instituted by Borrower, such order shall not be discharged or dismissed within ninety (90) days.

Senior Lender and/or CHOIF shall have the right, but not the obligation, to cure any Event of Default by Borrower under this Agreement or any default under any of the other Loan Documents, and the County shall accept performance by Senior Lender and/or CHOIF of any obligation of Borrower hereunder as though tendered by Borrower itself, provided such performance has occurred during the applicable cure period, if any, provided to Borrower hereunder with respect to such default or Event of Default.

ARTICLE VIII REMEDIES UPON DEFAULT

In the event of a Default by Borrower:

1. The County's remedies shall include, but not be limited to, the right to suspend or terminate disbursements of Loan proceeds to Borrower, to suspend or terminate this Agreement as it pertains to Borrower, and to declare immediately due and payable the entire outstanding balance of the Loan, without presentment or demand or notice of any kind.
2. The failure of the County to exercise any right or option shall not be considered a waiver of such right or option upon a subsequent default.
3. The County may exercise any right, including foreclosure, it has under any of the Loan Documents.
4. The rights and remedies available to the County shall survive the suspension or termination of this Agreement and the term hereof.
5. The County may use any one, all, or any combination of the available remedies.
6. The County may at any time or from time to time proceed to protect and enforce all rights available to it under this Agreement or rule of law by suit in equity, action at law, or by any other appropriate proceedings. The County is expressly granted the right to seek specific performance of any covenant or agreement contained herein or in any security document, damages, or other relief and to proceed to take any action authorized or permitted under applicable law or regulations, including the recapture of any expended loan proceeds from debtors of Borrower.

ARTICLE IX
NOTICES, DEMANDS, APPROVALS, AND VERIFICATIONS

Any notice, demand, or other communication required or authorized by this Agreement shall be considered given or delivered if it is delivered personally or by a nationally recognized courier to, or dispatched by certified mail, postage prepaid, to:

1. In the case of the County:

Mecklenburg County
600 E. 4th Street
Charlotte, N.C. 28202
Attn: Affordable Housing Initiatives Director

With a copy to:

David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, N.C. North Carolina 28202

2. In the case of Borrower:

Pineville NOAH, LLC
c/o Ascent Housing, LLC
2100 Crescent Avenue, Suite 200
Charlotte, North Carolina 28207
Attn: Mark Ethridge

With a copy to:

Thomas D. Rivers
Venn Law Group
6302 Fairview Road, Suite 850
Charlotte, North Carolina 28210

or to such other persons and such other addresses as a party may designate in a writing delivered to the other parties as provided above.

Except as otherwise required by law or regulation, the County Manager's Office is hereby designated to act on behalf of the County for the purposes of issuing to Borrower all necessary or permitted notices and demands, issuing all necessary or permitted approvals and verifications, and loan extensions of time for the performance of any obligation authorized hereunder.

ARTICLE X
TERMINATION OF AGREEMENT

In the event of termination of this Agreement, Borrower shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Agreement or any other Loan Document. The County may withhold any disbursement to Borrower for the purpose of a set-off until such time as the exact amount of damages due the County from Borrower is determined.

ARTICLE XI
SURVIVAL

The terms of this Agreement shall bind and inure to the respective heirs, executors, administrators, successors and assigns of the parties. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "the Lender" shall include any payee of the Note and any transferee or assignee thereof, whether by operation of law or otherwise.

ARTICLE XII
TIME

Time is of the essence in this Agreement.

ARTICLE XIII
NON-RECOURSE NATURE OF LOAN

Notwithstanding anything to the contrary in the Note, it is understood and agreed that neither Borrower nor any of its partners, members, shareholders or officers shall have any personal obligation to repay the principal and interest due under the Note, and the County agrees to look solely to the property subject to the Deed of Trust and UCC Financing Statements for satisfaction of the indebtedness evidenced hereby, and the County will not seek to procure payments of any portion of the principal or interest or any other sums due under the Note out of any other assets of Borrower or its partners, members, managers, shareholders or officers, or to procure any judgment after foreclosure of the Deed of Trust; provided, however, that nothing herein contained shall be deemed to be a release or impairment of said indebtedness or the security therefore, or be deemed to preclude the County from foreclosing the Deed of Trust or from enforcing any of the County's other rights under the Note, the Deed of Trust, or any other documents given or issued in connection herewith.

In addition, notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the aforesaid limitation on liability shall in no way affect or apply to the continuing liability of Borrower, to the County for:

- (a) fraud or material misrepresentation made in connection with the Loan Documents, including without limitation, any application or proposal submitted to the County requesting funding for the Project, the Note or any instrument governing, securing or pertaining to the payment thereof;

- (b) failure to pay, prior to delinquency, taxes, assessments, charges for labor or materials, or other charges which can create liens on any portion of the Project;
- (c) the misapplication of proceeds of insurance covering any portion of the Project proceeds of the sale or condemnation of any portion of the Project, or rentals received by or on behalf of Borrower subsequent to the date on which the County gives written notice of a default pursuant to any of the Loan Documents;
- (d) the return to the County of all unearned advance rentals or security deposits paid by tenants of the Project and not properly refunded to such tenants;
- (e) the return of or reimbursement for all tangible personalty owned by Borrower taken from the Project by Borrower out of the ordinary course of business and not replaced by items serving the same purpose of equal or greater value than the original value of the personalty so removed;
- (f) the cost of:
 - (i) any removal which Borrower is legally obligated to perform of any chemical, material or substance, exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority and which may or could pose a hazard to the health and safety of the occupants of the Project;
 - (ii) the restoration of the Project to comply with all governmental regulations pertaining to hazardous wastes found in, on or under the Project prior to the cancellation of the Note; and
 - (iii) any indemnity or other agreements wherein Borrower agreed to hold the County harmless from and against any and all losses, liabilities, damages, injuries, costs and expenses of any and every kind arising under any of the Loan Documents as a result of the violation of any hazardous waste law, rule or regulation occurring during or prior to the ownership of Borrower.

ARTICLE XIV
ENVIRONMENTAL ISSUES

Borrower warrants that, (i) to the best of Borrower's knowledge and except as disclosed in environmental reports previously delivered to the County, the Property is free of Hazardous Materials, (ii) neither Borrower, nor to the best of Borrower's knowledge, anyone else connected with the Property has received any notice from any governmental agency, entity or other person with regard to Hazardous Materials on, from or affecting the Property, and (iii) to the best of Borrower's knowledge, there is not now pending or threatened any action, suit, investigation or proceeding against Borrower relating to the Property (or against any other party relating to the Property) seeking to enforce any right or remedy under any of the Environmental Laws.

Borrower covenants and agrees that (i) the Property shall be kept free of Hazardous Materials, (ii) Borrower shall not cause or permit the presence, use, disposal, installation, generation, manufacture, transportation, storage, release or treatment of Hazardous Materials in or on the Property and (iii) Borrower shall at all times comply with and ensure compliance by all other parties with all applicable Environmental Laws relating to or affecting the Property and shall keep the Property free and clear of any liens imposed pursuant to any applicable Environmental Laws. This paragraph and the preceding paragraph shall not apply to the presence, use or storage on the Property of (i) small quantities of Hazardous Materials that are generally recognized to be appropriate to normal residential use and to maintenance of the Property and (ii) Hazardous Materials used during the construction of the Improvements on the Property, so long as in either case such Hazardous Materials are used, stored and dispensed of in accordance with applicable governmental laws, rules, ordinances and regulations.

Borrower shall immediately give the County written notice of any investigation, claim, demand, lawsuit or other action by any party involving the Property and any Hazardous Materials or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Materials affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with all applicable Environmental Laws.

Borrower hereby agrees to indemnify the County and hold the County harmless from and against any and all losses, liabilities, damages and claims of any and every kind whatsoever paid, incurred or suffered by or asserted against the County for, with respect to, or as a direct or indirect result of

- (i) the presence on or release from the Property prior to the cancellation of the Deed of Trust, completed foreclosure or deed in lieu of foreclosure of any Hazardous Material, regardless of whether or not caused by or within the control of Borrower,
- (ii) the violation of any Environmental Laws prior to the cancellation of this Deed of Trust relating to or affecting the Property, whether or not caused by or within the control of Borrower,
- (iii) the failure of Borrower to comply fully with the terms and provisions of this section, or
- (iv) any warranty or representation made by Borrower in this section being false or untrue in any material respect.

For purposes of this Agreement, "Hazardous Material" means petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or any hazardous, toxic or dangerous material defined as such in or for the purpose of the Environmental Laws.

For purposes of this Agreement, “Environmental Laws” mean the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, any “Superfund” or “Superlien” law, or any other federal, state or local law, regulation or decree regulating, relating to or imposing liability or standards of conduct concerning any petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or hazardous, toxic or dangerous material, as may now or at any time hereinafter be in effect.

The obligations and liabilities of Borrower under this section shall survive the foreclosure of the Deed of Trust, the delivery of a deed in lieu of foreclosure, the cancellation of the Note, or the sale or alienation of any part of the Property. Notwithstanding the foregoing, Borrower shall not be responsible for any such claims, losses or liabilities caused by the County or first occurring after the date the County or its designee acquires possession of the Property, whether by foreclosure, deed in lieu of foreclosure or otherwise.

ARTICLE XV
CLAIMS AGAINST COUNTY

The County shall not be in default under this Agreement, or under any other Loan Documents, unless a written notice specifically setting forth the claim of Borrower shall have been given to the County within thirty (30) days after Borrower first had knowledge of, or reasonably should have had knowledge of, the occurrence of the event which Borrower alleges gave rise to such claim and the County does not remedy or cure the default, if any there be, promptly thereafter. If it is determined in any proceedings that the County has improperly failed to grant its consent or approval, where such consent or approval is required by this Agreement or any other Loan Documents, Borrower’s sole remedy shall be to obtain declaratory relief determining such withholding to have been improper, and for itself and its partners, members, managers, shareholders or officers, Borrower hereby waives all claims for damages or set-off against the County resulting from any withholding of consent or approval by the County.

ARTICLE XVI
LOAN PRIORITY

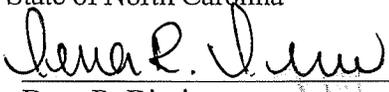
Notwithstanding anything to the contrary in the Loan Documents, it is understood that the County’s Loan shall be a third lien on the Property during its term, subordinate only to the certain loan documents to or for the benefit of (i) Senior Lender, and (ii) CHOIF.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

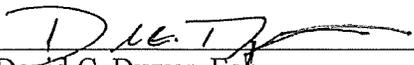
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers the day and year first above written.

COUNTY:

MECKLENBURG COUNTY,
a political subdivision
of the State of North Carolina

By: 
Name: Dena R. Diorio
Title: County Manager

Approved as to Form:


David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
Counsel for Mecklenburg County

[Borrower signature appears on following page]

BORROWER:

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company

Its: Manager

By:  _____

Name: Mark Ethridge

Its: Manager

EXHIBIT A
PROPERTY DESCRIPTION

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY

AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041,

PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

(1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;

(2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;

(3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

EXHIBIT B
SOURCES AND USES OF FUNDS

Sources

Minnesota Life	\$21,500,000
CHOIF	\$1,000,000
Mecklenburg County	\$3,000,000
City of Charlotte	\$500,000-\$1,000,000
Housing Impact Fund II Equity	\$14,150,000-\$14,650,000
Total	\$40,650,000

Uses

Purchase Price	\$37,250,000
Renovation Costs	\$2,500,000
Soft Costs	\$900,000
Total	\$40,650,000

EXHIBIT C

Drawn by and Mail to:
David C. Dwyer, Esq,
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, North Carolina 28202
R. O. D. Box No. 24

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

DECLARATION OF DEED RESTRICTIONS

THIS DECLARATION OF DEED RESTRICTIONS (the "Declaration"), made and entered into as of March 28, 2024, by PINEVILLE NOAH, LLC (the "Borrower") for the benefit of and enforceable by MECKLENBURG COUNTY, a political subdivision of the State of North Carolina (the "County");

WHEREAS, Borrower owns a fee simple interest in a certain tract of real property, more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, County has made a loan to Borrower in the original principal amount of \$3,000,000.00 (the "Loan"); and

WHEREAS, the Loan was made pursuant to County's Rental Subsidy Fund (the "Program") and the guidelines promulgated pursuant thereto from time to time ("Program Guidelines") the provisions of which are incorporated herein by reference; and

WHEREAS, as a condition of making the Loan to Borrower, County has required and Borrower has agreed to restrict its interest in the Property as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby represents, covenants, warrants and agrees:

1. Restrictions. During the term of this Declaration, a total of two hundred forty (240) multi-family residential housing units shall be located on the Property (the "Units"; collectively, such Units, together with the Property, may hereinafter be referred to as the "Project"). One hundred twenty (120) of the Units shall be made available for rent to households with incomes of sixty percent (60%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "60% Units" or each individually a "60% Unit"), and forty-eight (48) of the Units shall be made available for rent by households with incomes of eighty percent (80%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "80% Units" or each individually a "80% Unit"), all as reported from time to time by the Department of Housing and Urban Development ("HUD"), or other reasonably equivalent data in the event such reports are no longer issued and shall be subject to compliance with the Program and the Program Guidelines. The remaining seventy-two (72) Units shall be made available for rent by households with incomes of thirty percent (30%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "30% Units" or each individually a "30% Unit") with a tenant-based Section 8 voucher or other form of rental assistance. Notwithstanding the foregoing, in no event shall these restrictions be effective as to any households occupying Units as of the date hereof. Also, notwithstanding the foregoing, in the event Borrower is unable to rent a 30% Unit to an eligible household with a tenant-based Section 8 voucher or other form of rental assistance, such 30% Unit may be leased to a household with an income of 60% or less of the Charlotte area median income so long as the next available vacant 60% Unit is rented as a 30% Unit.

2. Term. This Declaration shall remain in full force and effect for a period of twenty (20) years from the date hereof (the "Affordability Period"). This Declaration shall be automatically suspended in the event of transfer of title of the Property by foreclosure or by deed in lieu of foreclosure, subject to automatic revival if, at any time during the remainder of the Affordability Period, the Borrower of record prior to the suspension event, or any "related person" (as defined in Regulation Section 1.103-10(e) of the Internal Revenue Code) to Borrower, obtains an ownership or leasehold interest in the Property. It is understood and agreed that the Term of this Declaration may extend beyond the term of the Loan.

3. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein (i) shall be deemed covenants running with the Property and, subject to Section 2, shall pass to and be binding upon Borrower, Borrower's heirs, successors and assigns in title to the Property and all subsequent Borrowers, owners or operators of the Project and (ii) are not merely personal covenants of Borrower. The benefits shall inure to the County during the term of this Declaration. Borrower hereby agrees that any and all requirements of the laws of the State of North Carolina to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the Property and which touch and concern the Property shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, and that an equitable servitude in the form of a negative easement has been created to insure that these restrictions run with the Property. Subject to Section 2, each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion

or portions of the Property are conveyed, all of such covenants, reservations and restrictions shall, subject to Section 2, run to each portion of the Property; provided, however, nothing herein shall be deemed to constitute County's consent for the transfer, sale or conveyance of the Property or any portion thereof.

4. Compliance Monitoring. Borrower agrees to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County to inspect any books and records of Borrower regarding the Property, which pertain to compliance with this Declaration. Borrower shall submit any other information, documents or certifications requested by County, which the County shall deem reasonably necessary to substantiate Borrower's continuing compliance with the Program, if any, and this Declaration.

5. Remedies; Enforceability. Borrower and County acknowledge that the primary purpose for requiring compliance by Borrower with the restrictions provided in this Declaration is to assure compliance of the Property and Borrower with the Program, Program Regulations, if any, and additional County restrictions. AND BY REASON THEREOF, BORROWER IN CONSIDERATION FOR RECEIVING THE LOAN FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE COUNTY SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO OBTAIN SPECIFIC PERFORMANCE BY BORROWER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN ANY COURT OF COMPETENT JURISDICTION. Borrower hereby further specifically acknowledges that County cannot be adequately compensated by monetary damages in the event of default hereunder.

The provisions hereof are imposed upon and made applicable to the Property and, subject to Section 2, shall run with the land and shall be enforceable against Borrower or any other person or entity that has or had an ownership interest in the Property at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach of violation hereof at any later time or times.

6. Amendment. This Declaration shall not be amended or, except as otherwise provided herein, terminated except by a written instrument, executed by the County and Borrower, or their successors or assigns, which amendment or termination shall be duly recorded in the Office of the Register of Deeds for the county in which the Property is located.

7. Severability. If any portion of this Declaration shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

8. Construction. Unless the context clearly requires otherwise, as used in this Declaration words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Declaration and all the terms and

provisions hereof shall be construed to effectuate the purposes set forth and to sustain the validity hereof.

9. Successors and Assigns. This Declaration shall be binding on Borrower, its successors and assigns and shall inure to the benefit of County, its successors and assigns and may be enforced by County or any other persons specifically given enforcement rights herein.

10. Headings. The titles and headings of the sections of this Declaration have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, nor be considered or given any effect in construing this Declaration or any provisions hereof, or in ascertaining intent if any questions or intent shall arise.

11. Governing Law. This Declaration shall be governed by the laws of the State of North Carolina.

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IN WITNESS WHEREOF, Borrower has executed this Declaration by its duly authorized representative, all on the date first above written.

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company
Its: Manager

By: _____
Name: Mark Ethridge
Its: Manager

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that Mark Ethridge, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he is the Manager of Ascent Housing, LLC, the Manager of Pineville NOAH, LLC, and that he, being authorized to do so, executed the foregoing on behalf of said company.

Witness my hand and official stamp or seal this ____ day of _____, 2024.

Notary Public

(Seal-Stamp)

My Commission Expires: _____

EXHIBIT A
LEGAL DESCRIPTION

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY

AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041,

PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

(1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;

(2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;

(3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBERG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

EXHIBIT D

[INTENTIONALLY DELETED]

EXHIBIT E

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER
RESPONSIBILITY MATTERS

The undersigned certifies to the best of its knowledge and belief that neither it nor any of its officers, directors, or managers who will be working under the Agreement, or persons or entities holding a greater than 10% equity interest in it (collectively "Principals"):

1. Are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency in the United States;
2. Have within a three-year period preceding this certification been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust or procurement statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are presently indicted for or otherwise criminally or civilly charged by a government entity, (federal, state or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
4. Have within a three-year period preceding this certification had one or more public transactions (federal, state or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award or in some instances, criminal prosecution.

I hereby certify as stated above:

PINEVILLE NOAH, LLC,

By: Ascent Housing, Its Manager

By: 

Name: Mark Ethridge

Its: Manager

I am unable to certify to one or more the above statements. Attached is my explanation. [Check box if applicable]

(Print Name)

Signature

Title

Date

**EXHIBIT F
COMMITMENT LETTER**

February 8, 2024

Mark Ethridge Manager
Ascent Housing, LLC
2100 Crescent Avenue, Ste. 200
Charlotte, NC 28207

Re: Ascent Pineville Dear Mr. Ethridge

Commitment Letter

On January 17, 2024, the Mecklenburg County Board of County Commissioners approved a loan of \$3,000,000 to Pineville NOAH, LLC for the acquisition of Ascent Pineville.

The loan of \$3,000,000 is subject to the following terms and conditions as outlined in this Commitment Letter:

Borrower: Pineville NOAH, LLC

Property Location: Tax Parcel ID # 22119113

Purpose: This loan is for the acquisition of 240 units of affordable multi-family housing located at 8401 Habersham Pointe Circle, Charlotte, NC 28226

Loan Conditions:

1. **Amount:** \$3,000,000
2. **Term and Maturity:** The permanent term of the loan shall be 20 years. The principal balance of the loan shall be due and payable on or before twenty (20) years from the date of the closing of the loan.
3. **Interest Rate:** 1% interest
4. **Collateral:** The loan shall be evidenced by a Promissory Note and shall be secured by a Deed of Trust and Security Agreement constituting a third lien position on the project, a Declaration of restrictions; UCC-1's Financing Statements, and Assignment of Rents.
5. **Pre-Payment:** There shall be no pre-payment penalty for the loan.

6. **Affordability Period:** 20 years

7. Borrower must submit a written request to the County before any modifications to the Commitment Letter will be considered or approved.

8. Targeted Income for 240 units to be served will be as follows:
 - 72 units for 30% AMI and below households
 - 120 units for 60% AMI and below households
 - 48 units for 80% AMI and below households

Legal Review:

All loan documents will be subject to the review and approval by the Mecklenburg County legal counsel for the following:

1. The organization documents of the Borrower and, if applicable, its managers and/or members.
2. Commitments and loan/grant documents of all other financing sources for the project.
3. Legal opinion from the Borrower's counsel in form and substance satisfactory to the County and its counsel as to the validity of the Borrower, the loan documents, no pending litigation against the Borrower or any of its managers or managers thereof which might have a material effect on the loan documents or the operation of the project herein contemplated.
4. Other items reasonably required by the County or its counsel.

Compliance and Monitoring:

The borrower will be required by the Loan Agreement to submit, at Mecklenburg County's discretion, financial records in a format determined by the County. The borrower must provide the following during the term of the loan:

- Payment as stipulated in the Loan Agreement
- Copy of the annual audit conducted by an independent firm within 120 days of the end of its fiscal year and the discretion of the County's request
- Insurance certificate in which Mecklenburg County is the named insured
- Any material change in governance or management;
- Any other debt or borrowing
- Any change or loss in property and casualty insurance
- Any pending legal action and their assessment of the impact of such action
- The new deed restriction will apply to new tenant leases
- Units available to 30% AMI and below households will be with vouchers or rental subsidies

The County may provide inspections of projects in its loan/grant portfolio during the Affordability Period. The review will include the following:

- Verification of compliance with the loan conditions
- Review (inspection) of property secured by the loan (including photographs)

- Evaluation of tenant files to ensure compliance. The review will include analysis of income, leases, rents, units, etc.
9. Review of borrower's audited financial statements and the financial performance of the project.

To verify compliance with property standards and the information submitted on tenants' incomes, rents and other rental requirements during the project's affordability period, the County may conduct annual inspections of units. The owner should keep the following records:

- 10. Document to verify rent and utility allowance calculations
- 11. Documentation that should include the tenant's application, initial income verification, subsequent income re-certification documents and the tenant's lease.

Please countersign to affirm agreement with the terms and conditions offered. The County must receive the executed Commitment Letter within 10 days of the date of this letter. Once this Commitment Letter has been executed and returned, the County will prepare for loan closing.

The undersigned agree(s) to be bound by the terms and conditions herein during the term of this Loan, and further agree (s) that no provision stated herein will be waived without prior written consent of Mecklenburg County.

Borrower:

Pineville NOAH, LLC
A North Carolina limited liability Company

By Its Managing Member:

Ascent Housing, LLC

Mark Ethridge

By: _____
Mark Ethridge, Manager

Mecklenburg County:

By:
Name:
Title:

EXHIBIT G
BYRD ANTI-LOBBYING CERTIFICATION

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of and Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form—LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)].
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including all subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

PINEVILLE NOAH, LLC (the "Organization") certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Organization understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC, a North Carolina limited liability company
Its: Manager

By: 
Name: Mark Ethridge
Its: Manager

Date: 3 / 28, 2024

Address: 2100 Crescent Avenue, Suite 200, Charlotte, NC 28207

For Registration
Fredrick Smith
Register of Deeds
Mecklenburg County, NC
Electronically Recorded
2024 Apr 01 08:38 AM RE Excise Tax: \$ 0.00
Book: 38723 Page: 578 - 591 Fee: \$ 64.00
Instrument Number: 2024028216



Drawn by and Mail to:

David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, N.C. 28202
R. O. D. Box 24

NCS 1202915 7/11
STATE OF NORTH CAROLINA

DEED OF TRUST, SECURITY AGREEMENT
AND FINANCING STATEMENT

COUNTY OF MECKLENBURG

THIS DEED OF TRUST, SECURITY AGREEMENT and FINANCING STATEMENT ("Deed of Trust"), is made and entered into this 28th day of March, 2024, by **PINEVILLE NOAH, LLC**, a North Carolina limited liability company ("Grantor") with a mailing address of c/o Ascent Housing, LLC, 2100 Crescent Avenue, Suite 200, Charlotte, North Carolina 28207, Attn: Mark Ethridge, to **DAVID C. DWYER** ("Trustee"), with a mailing address of c/o Ruff, Bond, Cobb, Wade & Bethune LLP, 831 E. Morehead Street, Suite 560, Charlotte, North Carolina 28202, for the benefit of **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina ("Beneficiary"), with a mailing address of 600 E. 4th Street, Charlotte, North Carolina 28202, Attn: Affordable Housing Initiatives.

WITNESSETH:

For purposes of securing payment and performance of the Secured Obligations defined and described herein, Grantor has given, granted, bargained, sold and conveyed, and by these presents does give, grant, bargain, sell and convey unto Trustee, its successors and assigns, in trust, the following described property, with right of entry and possession and with power of sale, all estate, right, title and interest which Grantor now has or may later acquire in and to the following property:

- (a) The real property described on Exhibit A attached hereto and incorporated herein by reference together with all existing and future easements and rights affording access to it, and any other rights

and benefits appurtenant to said parcel of land (the "Land");

(b) All buildings and improvements of every kind and description now or hereafter erected or placed on the aforesaid Land (the "Improvements") and all materials intended for construction, reconstruction, alteration and repair of such Improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises hereby conveyed immediately upon the delivery thereof to the aforesaid Land, and all fixtures and articles of personal property now or hereafter owned by the Grantor and attached to or contained in and used in connection with the aforesaid Land and Improvements including, but not limited to, all furniture, furnishings, apparatus, machinery, equipment, and other furnishings and all plumbing, heating, lighting, ventilating, air conditioning equipment, and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner (the "Tangible Personalty") and all proceeds of the Tangible Personalty; and

(c) All books, records, contract rights, development and use rights, building permits, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and all other agreements heretofore or hereafter entered into relating to the ownership, construction, operation, management, leasing or use of the Land or Improvements (the "Intangible Personalty").

The Land, Improvements, Tangible Personalty and Intangible Personalty are hereinafter collectively referred to as the "Property." All the Tangible Personalty which comprise a part of the Property shall, as far as permitted by law, be deemed to be affixed to the aforesaid Land and conveyed therewith. As to the balance of the Tangible Personalty and Intangible Personalty, this Deed of Trust shall be considered to be a security agreement, which creates a security interest in such items for the benefit of the Beneficiary. In that regard, the Grantor grants to the Beneficiary all of the rights and remedies of a secured party under the North Carolina Uniform Commercial Code. Additionally, this Deed of Trust constitutes a construction mortgage under North Carolina General Statutes Section 25-9-334.

TO HAVE AND TO HOLD said Property with all privileges and appurtenances thereunto belonging, to the said Trustee, his successors and assigns forever, upon the trusts, terms, and conditions, and for the uses hereinafter set forth.

This Deed of Trust is made for the purpose of securing the following obligations (the "Secured Obligations"): (i) payment of all indebtedness and obligations at any time owing under that certain Promissory Note in the original principal amount of Three Million and no/100 Dollars (\$3,000,000.00) of even date herewith from Grantor to Beneficiary, with a maturity date of March 28, 2044, and any and all extensions, renewals, modifications, amendments, substitutions and replacements thereof and therefor, in whole or in part (the "Note"), (ii) payment and performance of all obligations of Grantor under that certain Loan Agreement of even date herewith between Grantor and Beneficiary (the "Loan Agreement"), (iii) payment and performance of all obligations of Grantor under this Deed of Trust and any other Loan Documents (as defined in the Loan Agreement) which are executed by Grantor, and (iv) payment and performance of all future advances and other obligations that Grantor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as a principal, surety or guarantor) for the benefit of Beneficiary.

The maximum principal amount of the Secured Obligations, including present and future advances and obligations, that may be secured by this Deed of Trust at any one time is an amount up to Six Million and no/100 Dollars (\$6,000,000.00). The current principal amount of the Secured Obligations outstanding which are secured by this Deed of Trust as of the date hereof is \$3,000,000.00. The period within which any and all future advances and obligations may be incurred is set forth in the Loan Documents, but in no event shall such period exceed thirty (30) years from the effective date of this Deed of Trust. Any additional amounts advanced by Beneficiary pursuant to the provisions of this Deed of Trust shall be deemed necessary expenditures for the protection of the security. Each future advance need not be evidenced by a written instrument or notation signed by Grantor or any other person evidencing or stipulating that such advance is secured by this Deed of Trust. All future obligations shall be considered to be made pursuant to the requirements of North Carolina General Statutes Sections 45-67, et. seq., or any amendments thereto.

If the Grantor shall pay the Note secured hereby in accordance with its terms, and any renewals or extensions thereof, in whole or in part, and shall comply with all of the covenants, terms, and conditions of this Deed of Trust, the Note, the Loan Agreement and any other Loan Documents, which terms and conditions are incorporated herein by reference, then this conveyance shall be null and void and shall be canceled of record.

As an inducement to Beneficiary to make the loan evidenced by the Note and the Loan Agreement, Grantor has contemporaneously herewith executed and delivered to Beneficiary an Assignment of Leases and Rents with respect to the Property. The terms thereof are incorporated herein by reference, with the parties acknowledging that the assignment contained therein is a present and absolute assignment and not a collateral assignment of Grantor's interest in the Leases and Rents described therein.

The parties acknowledge that some of the Property and some or all of the Rents (as defined in the Assignment of Leases and Rents) may be determined under applicable law to be personal property or fixtures. To the extent that any portion of the Property or the Rents may be personal property, Grantor as debtor hereby grants Beneficiary as secured party a security interest in all such portion of the Property and in the Rents, including without limitation, any and all property of similar type or kind hereafter located on or at the Property, to secure payment and performance of the Secured Obligations. This provision is not in derogation of the absolute assignment of the Leases and Rents contained in such Assignment of Leases and Rents and incorporated herein by reference above. This Deed of Trust constitutes a security agreement under the Uniform Commercial Code as in effect in the State of North Carolina (the "Code"), covering all such personal property, fixtures, and Rents. Grantor shall execute one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's security interest in any Property or Rents. Grantor expressly authorizes Beneficiary to file all necessary financing statements and renewals and amendments thereof pursuant to the Code in form satisfactory to Beneficiary and will pay the cost of filing the same in all public offices wherever filing is deemed by the Beneficiary to be necessary or desirable. This Deed of Trust constitutes a financing statement filed as a fixture filing under Sections 9-501 and 9-502 of the Code, as amended or recodified from time to time, covering any of the Property which now is or later may become fixtures attached to the Land or the Improvements. The mailing addresses of Grantor, as debtor under the Code, and Beneficiary, as secured party under the Code, are as set forth in the opening paragraph of this Deed of Trust.

And the said Grantor does hereby covenant and agree with the Trustee as follows:

1. **INSURANCE.** Grantor shall keep all Improvements on the Property, now or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies, and for such amounts not less than that amount necessary to pay the sum(s) secured by this Deed of Trust and any superior liens and as may be satisfactory to the Beneficiary and as required pursuant to the terms of the Loan Agreement. Grantor shall purchase such insurance, pay all premiums therefore, and shall deliver to Beneficiary such policies or copies of such policies, along with evidence of premium payment, as long as the Note secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay the premiums therefore, or deliver said policies along with evidence of payment of premiums thereon, then Beneficiary, at its option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the Note secured by this Deed of Trust, and shall be due and payable by Grantor to Beneficiary, upon demand.

2. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments, and charges as may be lawfully levied against the Property prior to delinquency. In the event that Grantor fails to so pay all taxes, assessments, and charges as herein required, then Beneficiary, at its option, may pay the same and the amounts so paid shall be added to the Note secured by this Deed of Trust, and shall be due and payable by Grantor to Beneficiary, upon demand. Provided, however, that so long as no distraint, foreclosure sale or other levy upon or transfer with respect to the Property or any part thereof shall have been effected or threatened, Grantor shall not be required to pay any such taxes, assessments and charges by reason of this section if the amount, applicability or validity thereof is currently being contested by Grantor in good faith by appropriate legal proceedings and Grantor shall have set aside on its books reserves reasonably deemed by Beneficiary to be adequate with respect thereto.

3. **PARTIAL RELEASE.** Grantor shall not be entitled to the partial release of any of the Property unless a specific provision providing therefor is included in this Deed of Trust. In the event a partial release provision is included in this Deed of Trust, Grantor must strictly comply with the terms thereof. Notwithstanding anything herein contained, Grantor shall not be entitled to any release of Property unless Grantor is not in default and is in full compliance with all of the terms and provisions of the Note, this Deed of Trust, and any other instrument that may be securing said Note.

4. **WASTE/REMOVAL OF IMPROVEMENTS.** The Grantor covenants that it will keep the Property herein conveyed in good order, repair and condition, reasonable wear and tear excepted, and that Grantor will not commit or permit any waste. Grantor shall not demolish or remove any Improvements from the Land without Beneficiary's prior written consent. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth in this Deed of Trust, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

5. **WARRANTIES.** Grantor represents and warrants that (i) it is seized of good and marketable fee simple interest in the Land, (ii) it is the owner of the Improvements (and any fixtures) and has rights to any appurtenant easements, (iii) it has the right to grant, assign, transfer or convey (as the case may be) all of the Land and Improvements, (iv) title to such Land and Improvements is free and clear of all encumbrances, easements or encroachments, except for the Permitted Liens (as defined in the Loan Agreement), and (v) it will warrant and defend the title to such Land and Improvements, except for the

Permitted Liens (as defined in the Loan Agreement), against the lawful claims of all persons whomsoever. As to the balance of the Property, the Grantor represents and warrants that it has title to such Property, that it has the right to convey such Property and that it will warrant and defend such Property against the claims of all persons or parties.

6. **SUBSTITUTION OF TRUSTEE.** Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee or any successor Trustee shall die, become incapable of acting, renounce his trust, or for other reason become unacceptable to the holder of the Note, then the holder of the Note may appoint, in writing, a Substitute Trustee to take the place of the Trustee; and upon the probate and registration of the same, the Substitute Trustee thus appointed shall succeed to all the rights, powers, and duties of the Trustee.

7. **CIVIL ACTION.** In the event that the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action, and the reasonable attorney's fees of the Trustee in such action shall be paid by Beneficiary and charged to the Note and secured by this Deed of Trust.

Any provisions of the Note or any instrument securing the Note and the Loan Agreement providing for the payment of "attorneys' fees" or "reasonable attorneys' fees" or other words or provisions of similar import, shall mean attorneys' and paralegals' fees incurred based upon the usual and customary hourly rate of the attorneys and paralegals involved for time actually spent by such attorneys and paralegals and without giving effect to any statutory presumption that may then be in effect.

8. **PRIOR LIENS.** Default, after the expiration of any applicable notice and cure period, under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

9. **GREATER ESTATE.** In the event that Grantor is the owner of a leasehold estate with respect to any portion of the Property and, prior to the satisfaction of the indebtedness and the cancellation of this Deed of Trust of record, Grantor obtains a fee estate in such portion of the Property, then, such fee estate shall automatically, and without further action of any kind on the part of Grantor, be and become subject to the security lien of this Deed of Trust.

10. **RIGHT TO ENTER.** Beneficiary and its agents and representatives may enter upon the Property at all reasonable times to attend to Beneficiary's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of the Loan Documents.

11. **COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS.** Grantor shall promptly comply in all material respects with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Beneficiary in writing prior to doing so and so long as, in Beneficiary's sole opinion, Beneficiary's interests in the Property are not jeopardized. Beneficiary may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Beneficiary, to protect Beneficiary's interest.

12. **BENEFICIARY'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Beneficiary's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Loan Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Loan Documents, Beneficiary on Grantor's behalf may (but shall not be obligated to) take any action that Beneficiary deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Beneficiary for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Beneficiary to the date of repayment by Grantor. All such expenses will become a part of the Secured Obligations and, at Beneficiary's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Beneficiary may be entitled upon Default.

13. **ACCELERATION; REMEDIES.** Subject to Senior Lender's right to cure as set forth in Article VII of the Loan Agreement, upon Grantor's breach of any covenant or agreement of Grantor in this Deed of Trust, the Note, or in the Loan Agreement hereinbefore referred to, including the covenants to pay when due any sums secured by this Deed of Trust, and if the breach is not cured on or before the expiration of any applicable cure periods, or if all or any part of the Property or any legal or equitable interest therein is voluntarily or involuntarily sold, conveyed in trust, encumbered or otherwise transferred by any means, instrument or device whatsoever (including, but not limited to, any deed, lease, mortgage, deed of trust, assignment, option or contract) Beneficiary shall be entitled to invoke any and all of the rights and remedies described below, in the Loan Agreement and all other rights and remedies available to Beneficiary at law or in equity. All of such rights and remedies shall be cumulative and the exercise of any one or more of them shall not constitute an election of remedies:

- (a) Beneficiary, at its option, may declare any or all of the Secured Obligations to be immediately due and payable without further demand.
- (b) Beneficiary shall, as a matter of right, without notice and without giving bond to Grantor or anyone claiming by, under or through Grantor, and without regard for the solvency or insolvency of Grantor or the then value of the Property, to the extent permitted by applicable law, be entitled to have a receiver appointed for all or any part of the Property and the Rents, and the proceeds, issues and profits thereof, with the rights and powers referenced below and such other rights and powers as the court making such appointment shall confer, and Grantor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Such receiver shall have all powers which are necessary or usual in such cases for the protection, possession, control, management and operation of the Property, and such rights and powers as Beneficiary would have, upon entering and taking possession of the Property under Section (c) below.

- (c) Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing all of Grantor's or the then owner's books and records; entering into, enforcing, modifying or canceling leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Grantor; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Grantor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Grantor hereby irrevocably constitutes and appoints Beneficiary as Grantor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Grantor's name on any instruments.
- (d) Beneficiary may cure any breach or default of Grantor, and if it chooses to do so in connection with any such cure, Beneficiary may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary to be conclusive as between the parties to this Deed of Trust; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary. Beneficiary may take any of the actions permitted under this Section (d) either with or without giving notice to any person. Any amounts expended by Beneficiary under this Section (d) shall be secured by this Deed of Trust.
- (e) Beneficiary may exercise any or all of the remedies granted to a secured party under the Code.
- (f) The Trustee is hereby granted a power of sale and may sell the Property, or such part or parts thereof or interests therein as Beneficiary may select after first having given such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of courts as then may be required by law and then having given such notice and advertised the time and place of such sale in such manner as then may be provided by law, and upon such sale and any resale and upon compliance with the law then relating to foreclosure proceedings, to convey title to the purchaser.

If Beneficiary invokes the power of sale, and if it is determined in a hearing held in accordance with applicable law that Trustee can proceed to sale, Trustee shall take such action regarding notice of sale and shall give such notices to Grantor and to other persons as applicable law may require. After the lapse of such

time as may be required by applicable law and after the publication of the notice of sale, Trustee, without demand on Grantor, shall sell the within-described property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Beneficiary or Beneficiary's designee may purchase the property at any sale.

Trustee shall deliver to the purchaser a Trustee's Deed conveying the property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's Deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including but not limited to Trustee's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

If a foreclosure proceeding is commenced by Trustee but terminated prior to its completion, the Trustee's fees will be reasonable but not more than one percent (1%) of the Secured Obligations if the termination occurs prior to the first public auction sale and not more than two percent (2%) of the Secured Obligations if the termination occurs after the first public auction sale. The Trustee shall also be reimbursed for only those costs actually incurred.

14. **NONRECOURSE.** The loan evidenced by the Note is a non-recourse loan. The Beneficiary agrees that in the event of a default in payment of the loan, the Beneficiary shall look solely to the Property described in this Deed of Trust for the repayment thereof. The Grantor and its members shall have no personal obligation for repayment of the loan other than through the Property described herein.

15. **WAIVER OF STATUTORY RIGHTS.** To the extent permitted by law, Grantor hereby agrees that it shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, but hereby waives the benefit of such laws. Grantor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Grantor hereby waives any and all rights of redemption from sale under the power of sale contained herein or any order or decree of foreclosure of this Deed of Trust on its behalf and on behalf of each and every person, except decree or judgment creditors of Grantor, acquiring any interest in or title to the Property subsequent to the date of this Deed of Trust.

16. **BINDING ON SUCCESSORS AND ASSIGNS.** This Deed of Trust and all provisions hereof shall be binding upon Grantor and all persons claiming under or through Grantor and shall inure to the benefit of Beneficiary and its successors and assigns.

17. **CAPTIONS.** The captions and headings of various paragraphs of this Deed of Trust are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18. **SEVERABILITY.** If all or any portion of any provision of this Deed of Trust shall be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability

shall not affect any other provision hereof or thereof, and such provision shall be limited and construed as if such invalid, illegal or unenforceable provision or portion thereof was not contained herein.

19. EFFECT OF EXTENSIONS OF TIME AND AMENDMENTS. If the payment of the Secured Obligations or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Property, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Beneficiary, notwithstanding such extension, variation or release. Nothing in this Section shall be construed as waiving any provision contained herein or in the Loan Documents which provides, among other things, that it shall constitute an event of default if the Property be sold, conveyed, or encumbered.

20. APPLICABLE LAW. This Deed of Trust shall be governed by and construed under the internal laws of the State of North Carolina.

21. DUE ON SALE CLAUSE. The assignment, sale, conveyance, pledge, transfer or encumbrance of the Property, or any interest therein, or the transfer of an interest in Grantor other than as otherwise permitted in the Loan Agreement, without prior written consent of Beneficiary, shall constitute an event of default.

22. MODIFICATIONS. This Deed of Trust may not be changed or terminated except in writing signed by Grantor and Beneficiary. The provisions of this Deed of Trust shall extend and be applicable to all renewals, amendments, extensions, consolidations, and modifications of the other Loan Documents, and any and all references herein to the Loan Documents shall be deemed to include any such renewals, amendments, extensions, consolidations or modifications thereof.

23. SUBORDINATION. This Deed of Trust is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement securing the Senior Note (as defined in the Note), as more fully set forth in the Subordination Agreement (as defined in the Note). The rights and remedies of the County and each subsequent holder of this Deed of Trust are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Deed of Trust shall be deemed, by virtue of such holder's acquisition of the Deed of Trust, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender (as defined in the Subordination Agreement) under the Subordination Agreement.

Additionally, this Deed of Trust is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust securing the CHOIF Promissory Note (as defined in the Note) and the terms, covenants and conditions of the loan agreement evidencing the terms of the CHOIF Promissory Note, as more fully set forth in the CHOIF Subordination Agreement (as defined in the Note). The rights and remedies of the County and each subsequent holder of this Deed of Trust are subject to the restrictions and limitations set forth in the CHOIF Subordination Agreement. Each subsequent holder of this Deed of Trust shall be deemed, by virtue of such holder's acquisition of the Deed of Trust, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender (as defined in the CHOIF Subordination Agreement) under the CHOIF Subordination Agreement.

[signatures appear on following page]

IN WITNESS WHEREOF, the Grantor has executed this Deed of Trust under seal as of the day and year first above written.

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company

Its: Manager

By: [Signature]

Name: Mark Ethridge

Its: Manager

STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

I, Rasheda Williams, a Notary Public of the County and State aforesaid, certify that Mark Ethridge, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he is the Manager of Ascent Housing, LLC, the Manager of Pineville NOAH, LLC, and that he, being authorized to do so, executed the foregoing on behalf of said company.

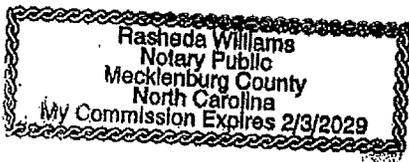
Witness my hand and official stamp or seal this 20 day of March, 2024.

[Signature]

Notary Public

(Seal-Stamp)

My Commission Expires: 2.3.29



**EXHIBIT A
LEGAL DESCRIPTION**

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;

(2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;

(3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

6

For Registration
Fredrick Smith
Register of Deeds
Mecklenburg County, NC
Electronically Recorded
2024 Apr 01 01:02 PM RE Excise Tax: \$ 0.00
Book: 38726 Page: 555 - 563 Fee: \$ 26.00
Instrument Number: 2024028751

Fredrick Smith

Drawn by and mail to:

David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, N.C. 28202
R. O. D. Box No. 24

NCS 1202715 9/1/11
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

**ASSIGNMENT OF LEASES AND
RENTS**

THIS ASSIGNMENT OF LEASES AND RENTS ("Assignment") is made this 28th day of March, 2024, by and between **PINEVILLE NOAH, LLC**, a North Carolina limited liability company, ("Assignor") in favor of **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina ("Assignee").

RECITALS

A. Assignor is the owner of a fee simple interest in certain land and improvements constructed thereon (or to be constructed thereon) and personal property located thereon (or to be located thereon) and used in connection therewith (collectively, such land, the improvements and personal property are referred to as the "Premises"), such land being more particularly described in Exhibit A attached and made a part hereof.

B. Assignee is the beneficiary and holder of a Deed of Trust, Security Agreement and Financing Statement (the "Deed of Trust"), recorded or to be filed for record in the Office of the Register of Deeds for Mecklenburg County, North Carolina, encumbering the Premises and securing the Assignor's Promissory Note (the "Note") dated as of an even date, in the principal amount of \$3,000,000.00.

C. Assignor and Assignee have entered into a Loan Agreement (the "Loan Agreement") dated as of an even date herewith, and certain related documents executed in connection with the Loan Agreement and in connection with the loan evidenced by the said Note (the "Loan") and secured by the Deed of Trust (the Loan Agreement, the Note, the Deed of Trust and all other documents executed in connection therewith may be referred to collectively as the "Loan Documents").

D. Assignee, as a condition to granting the loan secured by said Deed of Trust and evidenced by the other Loan Documents, has required the execution of this assignment of the rentals, leases, income, issues and profits of the Premises encumbered by said Deed of Trust by Assignor.

NOW, THEREFORE, in order further to secure the payment of the indebtedness secured by the Deed of Trust and as an essential and integral part of the security therefore, and in consideration of the making of the Loan, and in further consideration of the sum of One Dollar (\$1.00) paid by Assignee to Assignor, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby immediately and absolutely sell, assign, transfer, and set over unto Assignee, its successors and assigns, the rights, interests and privileges that Assignor as lessor has and may have in any and all leases now existing or hereafter made and affecting the aforesaid Premises (collectively, the "Leases") as said Leases may have been, or may from time to time be hereafter, modified, extended and renewed, with all rents, issues, income and profits due and becoming due therefrom (collectively, the "Rents"), and the acceptance of this Assignment and the collection of Rents or the payments under the Leases shall not constitute a waiver of any rights of Assignee, under the terms of the Loan Documents.

1. Application of Rents by Assignor. So long as there shall exist no default of Assignor in the payment of any indebtedness secured hereby or in the observance and performance of any other obligation, term, covenant or condition or warranty contained herein or in the Loan Documents (an "Event of Default"), Assignor shall have the right under a license granted hereby (but limited as provided in the following section) to collect upon, but not more than two (2) months prior to accrual, all of the Rents and profits arising from or out of the Leases or any renewals or extensions thereof, or from or out of the Premises or any part thereof, and Assignor shall receive such Rents, and hereby agrees to apply same, first to the payment of taxes and assessments upon the Premises before penalty or interest are due thereon, secondly to the cost of such insurance and of such maintenance and repairs as are required by the terms of the Deed of Trust and Loan Agreement, and thirdly, to the payment of interest and principal becoming due on the Loan, before using any part of the same for any other purposes; provided, however, at any time while any debt senior to the Loan is secured by the Premises (each, a "Senior Loan"), Assignor shall apply any and all Rents received to the repayment of such Senior Loan (even if such application is contrary to the terms of this Section 1) pursuant to the written request of the holder of such Senior Loan.

2. Collection of Rents by the Assignee. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of an Event of Default, to terminate the aforesaid license granted to the Assignor to collect the Rents, income, issues and profits, and to enter upon the Premises, and to collect, in the name of Assignor or in its own name, as Assignee, the Rents accrued but unpaid and in arrears at the date of the Event of Default as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the Event of Default; and to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of the Rents, and will, upon request by the Assignee, execute a written notice to each tenant directing the tenant to pay Rent to the Assignee.

3. The Assignee's Entry Upon Premises. Upon such entry, the Assignee shall be authorized, but not obligated, to take over and assume the control, care, management, operation, repair and maintenance of the Premises and to perform such other acts as the Assignee in its discretion may deem proper, and to expend such sums out of the income of the Premises as may be needful in connection therewith, in the same manner and to the same extent as the Assignor theretofore might do (including the right to effect new Leases, to cancel or surrender existing Leases, to evict tenants, to bring or defend any suits in connection with the possession of any portion of the Premises in its own name or the Assignor's name, to alter or to amend the terms of existing Leases, to renew existing Leases, and to make

concessions to the tenants). The Assignor hereby releases all claims against the Assignee arising out of such management, operation, repair and maintenance, except claims arising from the gross negligence or willful misconduct of the Assignee.

4. Indemnification of Assignee. The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under any of the Leases unless and until Assignee acquires title to the Premises, and the Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any liability arising from any of the Leases or from this Assignment except for claims arising from the gross negligence or willful misconduct of Assignee or those arising from events first occurring after Assignee acquires title to the Premises, and this Assignment shall not place responsibility for the conduct, care, management, or repair of the Premises upon the Assignee or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

5. Representations of Assignor. The Assignor covenants and represents that (i) it has full right and title to assign to the Assignee the Leases and the Rents, income and profits due or to become due thereunder; (ii) except for the assignments listed on Exhibit B attached hereto and incorporated herein by reference, no prior assignment of any interest thereof has been made, except as has been approved in writing by the Assignee, if any; and (iii) without the prior written consent of the Assignee, it will not hereafter cancel, surrender or terminate any of the Leases or substantially change, alter, or modify the same, or require or accept prepayment of more than two months' rent, or allow premature termination of any Lease, or execute any other assignment of the Assignor's interest in the Leases and Rents. Nothing in this paragraph shall preclude the Assignor from canceling any Lease in connection with the eviction of a tenant for breach of the Lease or other good cause.

6. Application of Rent by Assignee. Assignee shall, after payment of such charges and expenses as Assignee may, in its sole discretion, elect to pay, including reasonable compensation to such managing agent as it may select and employ, and after the accumulation of a reserve to meet taxes, assessments, water rents and fire and liability insurance and maintenance and replacement expenses in requisite amounts, credit the net amount of income received by it from the Premises by virtue of this assignment, to any amount due and owing to it by Assignor under the terms of the Loan Documents, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of Assignee. Assignee shall not be accountable for more moneys than it actually receives from the Premises, nor shall it be liable for failure to collect Rents. Assignee shall make reasonable effort to collect Rents, reserving, however, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent Rents shall be prosecuted.

7. Notice. All notices which are required or permitted to be given or served hereunder shall be deemed to have been sufficiently given if in writing and sent by certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To Assignor:
Pineville NOAH, LLC
c/o Ascent Housing, LLC
2100 Crescent Avenue, Suite 200
Charlotte, North Carolina 28207
Attn: Mark Ethridge

With copies to:
Thomas D. Rivers
Venn Law Group
6302 Fairview Road, Suite 580
Charlotte, North Carolina 28210

To Assignee:
Mecklenburg County
600 E. 4th Street
Charlotte, N.C. 28202
Attn: Affordable Housing Initiatives

With a copy to:
David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, N.C. 28202

or to such other address within the continental United States of America as may be from time to time designated by the parties. Each notice or communication shall be deemed to have been given on the date of personal delivery or the date of mailing, as the case may be.

8. Binding Effect. The provisions of this instrument shall be binding upon Assignor and its successors and assigns, and upon Assignee and its successors or assigns. The word "Assignor" shall be construed to mean any subsequent owner of the Premises or any portion thereof.

9. Governing Law. This document shall be governed by, and construed in accordance with, the laws of the State of North Carolina and the United States.

10. Mortgagee in Possession. It is not the intention of the parties hereto that an entry by Assignee upon the Premises under the terms of this instrument shall constitute Assignee as a "mortgagee in possession" in contemplation of law, except at the option of Assignee.

11. Default. Violation of any of the covenants, representations, and provisions contained herein by Assignor shall be a default under the terms of the Note, Loan Agreement and Deed of Trust executed in connection herewith.

12. Cancellation. This Assignment shall remain in full force and effect as long as the indebtedness to Assignee secured by the Deed of Trust remains unpaid in whole or in part. A full and complete cancellation of record of the Deed of Trust shall operate as a full and complete release of all Assignee's rights and interest hereunder, and that after the Deed of Trust has been cancelled this Assignment shall be void and of no further effect.

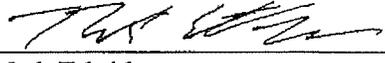
[signatures appear on following page]

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and sealed this the day and year first above written.

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company

Its: Manager

By: 

Name: Mark Ethridge

Its: Manager

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

I, Rasheda Williams a Notary Public of the County and State aforesaid, certify that Mark Ethridge, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he is the Manager of Ascent Housing, LLC, the Manager of Pineville NOAH, LLC, and that he, being authorized to do so, executed the foregoing on behalf of said company.

Witness my hand and official stamp or seal this 20 day of March, 2024.


Notary Public

(Seal-Stamp)

My Commission Expires: 2.3.29

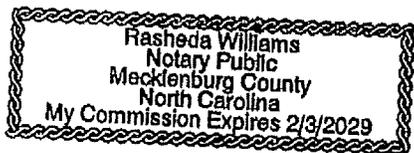


Exhibit A
Legal Description

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE

SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;
- (2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;
- (3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

Exhibit B
Assignment of Leases

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement from Borrower for the benefit of Minnesota Life Insurance Company, a Minnesota corporation, of even date herewith (First lien priority).

Assignment of Leases and Rents from Borrower for the benefit of Minnesota Life Insurance Company, a Minnesota corporation, of even date herewith (First lien priority).

Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents from Borrower for the benefit of Charlotte Housing Opportunity Investment Fund LLC or its affiliate (to be executed; will have second lien priority).

Assignment of Leases and Rents from Borrower for the benefit of the City of Charlotte (to be executed; will have fourth lien priority).

7

For Registration
Fredrick Smith
Register of Deeds
Mecklenburg County, NC
Electronically Recorded
2024 Apr 01 08:38 AM RE Excise Tax: \$ 0.00
Book: 38723 Page: 503 - 510 Fee: \$ 26.00
Instrument Number: 2024028213

Fredrick Smith

Drawn by and Mail to:

David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune LLP
831 E. Morehead Street, Suite 560
Charlotte, North Carolina 28202
R. O. D. Box No. 24

NCS 1202715 311
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

DECLARATION OF DEED RESTRICTIONS

THIS DECLARATION OF DEED RESTRICTIONS (the "Declaration"), made and entered into as of March 28, 2024, by **PINEVILLE NOAH, LLC** (the "Borrower") for the benefit of and enforceable by **MECKLENBURG COUNTY**, a political subdivision of the State of North Carolina (the "County").

WHEREAS, Borrower owns a fee simple interest in a certain tract of real property, more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, County has made a loan to Borrower in the original principal amount of \$3,000,000.00 (the "Loan"); and

WHEREAS, the Loan was made pursuant to County's Rental Subsidy Fund (the "Program") and the guidelines promulgated pursuant thereto from time to time ("Program Guidelines") the provisions of which are incorporated herein by reference; and

WHEREAS, as a condition of making the Loan to Borrower, County has required and Borrower has agreed to restrict its interest in the Property as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby represents, covenants, warrants and agrees:

1. Restrictions. During the term of this Declaration, a total of two hundred forty (240) multi-family residential housing units shall be located on the Property (the "Units"; collectively, such Units, together with the Property, may hereinafter be referred to as the "Project"). One hundred twenty (120) of the Units shall be made available for rent to households with incomes of sixty percent (60%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "60% Units" or each individually a "60% Unit"), and forty-eight (48) of the Units shall be made available for rent by households with incomes of eighty percent (80%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "80% Units" or each individually a "80% Unit"), all as reported from time to time by the Department of Housing and Urban Development ("HUD"), or other reasonably equivalent data in the event such reports are no longer issued and shall be subject to compliance with the Program and the Program Guidelines. The remaining seventy-two (72) Units shall be made available for rent by households with incomes of thirty percent (30%) or less of the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area median income (the "30% Units" or each individually a "30% Unit") with a tenant-based Section 8 voucher or other form of rental assistance. Notwithstanding the foregoing, in no event shall these restrictions be effective as to any households occupying Units as of the date hereof. Also, notwithstanding the foregoing, in the event Borrower is unable to rent a 30% Unit to an eligible household with a tenant-based Section 8 voucher or other form of rental assistance, such 30% Unit may be leased to a household with an income of 60% or less of the Charlotte area median income so long as the next available vacant 60% Unit is rented as a 30% Unit.

2. Term. This Declaration shall remain in full force and effect for a period of twenty (20) years from the date hereof (the "Affordability Period"). This Declaration shall be automatically suspended in the event of transfer of title of the Property by foreclosure or by deed in lieu of foreclosure, subject to automatic revival if, at any time during the remainder of the Affordability Period, the Borrower of record prior to the suspension event, or any "related person" (as defined in Regulation Section 1.103-10(e) of the Internal Revenue Code) to Borrower, obtains an ownership or leasehold interest in the Property. It is understood and agreed that the Term of this Declaration may extend beyond the term of the Loan.

3. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein (i) shall be deemed covenants running with the Property and, subject to Section 2, shall pass to and be binding upon Borrower, Borrower's heirs, successors and assigns in title to the Property and all subsequent Borrowers, owners or operators of the Project and (ii) are not merely personal covenants of Borrower. The benefits shall inure to the County during the term of this Declaration. Borrower hereby agrees that any and all requirements of the laws of the State of North Carolina to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the Property and which touch and concern the Property shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, and that an equitable servitude in the form of a negative easement has been created to insure that these restrictions run with the Property. Subject to Section 2, each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and

restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Property are conveyed, all of such covenants, reservations and restrictions shall, subject to Section 2, run to each portion of the Property; provided, however, nothing herein shall be deemed to constitute County's consent for the transfer, sale or conveyance of the Property or any portion thereof.

4. Compliance Monitoring. Borrower agrees to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County to inspect any books and records of Borrower regarding the Property, which pertain to compliance with this Declaration. Borrower shall submit any other information, documents or certifications requested by County, which the County shall deem reasonably necessary to substantiate Borrower's continuing compliance with the Program, if any, and this Declaration.

5. Remedies; Enforceability. Borrower and County acknowledge that the primary purpose for requiring compliance by Borrower with the restrictions provided in this Declaration is to assure compliance of the Property and Borrower with the Program, Program Regulations, if any, and additional County restrictions. AND BY REASON THEREOF, BORROWER IN CONSIDERATION FOR RECEIVING THE LOAN FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE COUNTY SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO OBTAIN SPECIFIC PERFORMANCE BY BORROWER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN ANY COURT OF COMPETENT JURISDICTION. Borrower hereby further specifically acknowledges that County cannot be adequately compensated by monetary damages in the event of default hereunder.

The provisions hereof are imposed upon and made applicable to the Property and, subject to Section 2, shall run with the land and shall be enforceable against Borrower or any other person or entity that has or had an ownership interest in the Property at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach of violation hereof at any later time or times.

6. Amendment. This Declaration shall not be amended or, except as otherwise provided herein, terminated except by a written instrument, executed by the County and Borrower, or their successors or assigns, which amendment or termination shall be duly recorded in the Office of the Register of Deeds for the county in which the Property is located.

7. Severability. If any portion of this Declaration shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

8. Construction. Unless the context clearly requires otherwise, as used in this Declaration words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the

plural number, and vice versa, when appropriate. This Declaration and all the terms and provisions hereof shall be construed to effectuate the purposes set forth and to sustain the validity hereof.

9. Successors and Assigns. This Declaration shall be binding on Borrower, its successors and assigns and shall inure to the benefit of County, its successors and assigns and may be enforced by County or any other persons specifically given enforcement rights herein.

10. Headings. The titles and headings of the sections of this Declaration have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, nor be considered or given any effect in construing this Declaration or any provisions hereof, or in ascertaining intent if any questions or intent shall arise.

11. Governing Law. This Declaration shall be governed by the laws of the State of North Carolina.

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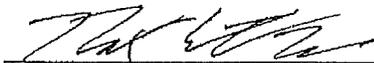
IN WITNESS WHEREOF, Borrower has executed this Declaration by its duly authorized representative, all on the date first above written.

BORROWER:

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company

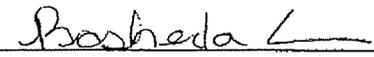
Its: Manager

By: 
Name: Mark Ethridge
Its: Manager

STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

I, Rasheda Williams, a Notary Public of the County and State aforesaid, certify that Mark Ethridge, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he is the Manager of Ascent Housing, LLC, the Manager of Pineville NOAH, LLC, and that he, being authorized to do so, executed the foregoing on behalf of said company.

Witness my hand and official stamp or seal this 20 day of March, 2024.


Notary Public

(Seal-Stamp)

My Commission Expires: 2.3.29

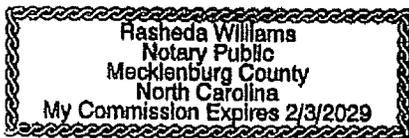


EXHIBIT A
LEGAL DESCRIPTION

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF

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THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS
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CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;
- (2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;
- (3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

8

For Registration
Fredrick Smith
Register of Deeds
Mecklenburg County, NC
Electronically Recorded
2024 Apr 01 01:02 PM RE Excise Tax: \$ 0.00
Book: 38726 Page: 535 - 554 Fee: \$ 46.00
Instrument Number: 2024028750

Fredrick Smith

NCS 1202415 8/11 SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared without examination of title by:

FisherBroyles, LLP
6000 Fairview Road, Suite 1200
Charlotte, NC 28210
Attn: Deborah L. Fletcher

After recording return to:

FisherBroyles, LLP
8150 N. Central Expressway, Suite 1000
Dallas, TX 75206
Attn: Jennifer Fargo

MNL Loan Number: 002954

Property Name: Ascent Pineville Apartments

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into as of March 28, 2024, by and between (i) MINNESOTA LIFE INSURANCE COMPANY, a Minnesota corporation ("Senior Lender"), (ii) MECKLENBURG COUNTY, a political subdivision of the State of North Carolina ("Subordinate Lender"), and (iii) PINEVILLE NOAH, LLC, a North Carolina limited liability company ("Borrower").

RECITALS

A. Borrower is the owner of certain land located in Mecklenburg County, North Carolina, described in Exhibit A ("Land"). The Land is improved with a multifamily rental housing project ("Improvements").

Subordination Agreement - County
Ascent Pineville Apartments, Charlotte, NC
Loan submitted electronically by "First American Title Insurance Company - NCS Chicago"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Mecklenburg County Register of Deeds.

- B. Senior Lender has made or is making a loan to Borrower in the original principal amount of \$21,500,000.00 (the "Senior Loan") upon the terms and conditions of the hereinafter defined Senior Note and secured by, inter alia, a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement dated as of the date hereof (the "Senior Security Instrument"), and encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Security Instrument as the "Premises."
- C. Pursuant to a Loan Agreement dated as of the date hereof between Subordinate Lender and Borrower (the "Subordinate Loan Agreement"), Subordinate Lender has made or is making a loan to Borrower in the original principal amount of \$3,000,000.00 (the "Subordinate Loan"). The Subordinate Loan is or will be secured by a Deed of Trust, Security Agreement and Financing Statement dated as of the date hereof (the "Subordinate Mortgage") encumbering all or a portion of the Premises.
- D. The Senior Security Instrument is recorded in the Mecklenburg County Registry (the "Recording Office") at Book 38723, Page 578-591. The Subordinate Mortgage will be recorded in the Recording Office following the recording of the Senior Security Instrument.
- E. The execution and delivery of this Agreement is a condition of Senior Lender's making of the Senior Loan.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Agreement have the meanings given such terms in the Senior Security Instrument. The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings:

"**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.

"**Borrower**" means all persons or entities identified as "Borrower" in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Premises after the date of this Agreement; provided that the term "Borrower" will not include Senior Lender if Senior Lender acquires title to the Premises.

"**Casualty**" means the occurrence of damage to or loss of all or any portion of the Premises by fire or other casualty.

"**Enforcement Action**" means any of the following actions taken by or at the direction of Subordinate Lender: 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 Premises, 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 exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Premises.

"Enforcement Action Notice" means a Notice given from Subordinate Lender to Senior Lender following one or more Subordinate Loan Default(s) and the expiration of any applicable notice or cure periods, setting forth in reasonable detail the Subordinate Loan Default(s) and the Enforcement Actions proposed to be taken by Subordinate Lender.

"Lien" means any lien, encumbrance, estate, or other interest recorded against or secured by the Premises.

"Loss Proceeds" means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any condemnation or Casualty.

"Notice" means all notices, requests, demands, consents, approvals or other communication pursuant to this Agreement provided in accordance with the provisions of Section 10.

"Regulatory Agreement" means the Declaration of Restrictions between Borrower and Subordinate Lender dated as of the date hereof and to be recorded in the Recording Office of Mecklenburg County, North Carolina.

"Senior Indebtedness" means the "Indebtedness" as defined in the Senior Security Instrument.

"Senior Lender" means the "Lender" as defined in the Senior Security Instrument. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity will automatically become Senior Lender.

"Senior Loan Documents" means the "Loan Documents" as defined in the Senior Security Instrument, as such documents may be amended in writing from time to time.

"Senior Loan Default" means any act, failure to act, event, condition, or occurrence that constitutes, or that with the giving of Notice or the passage of time, or both, would constitute, an "Event of Default" as defined in the Senior Security Instrument.

"Senior Note" means the promissory note or other evidence of the Senior Indebtedness and any replacement of the Senior Note.

"Subordinate Indebtedness" means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Lender pursuant to, the Subordinate Loan Documents.

"Subordinate Lender" means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

“**Subordinate Loan Documents**” means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement, the Regulatory Agreement, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as such documents may be amended.

“**Subordinate Loan Default**” means any act, failure to act, event, condition, or occurrence that allows (but for any contrary provision of this Agreement) Subordinate Lender to take an Enforcement Action.

“**Subordinate Note**” means the promissory note or other evidence of the Subordinate Indebtedness and any replacement of the Subordinate Note.

“**Surplus Cash**” means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all the following:

- (a) All sums due or currently required to be paid under the Senior Loan Documents, including any reserves.
- (b) All reasonable operating expenses of the Premises, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses, and audit expenses (excluding any developer fees payable with respect to the Premises).

2. Subordinate Lender’s Representations and Warranties.

- (a) Subordinate Lender represents and warrants that each of the following is true as of the date of this Agreement:
 - (i) Subordinate Lender is now the owner and holder of the Subordinate Loan Documents.
 - (ii) No Subordinate Loan Default has occurred and is continuing.
 - (iii) The current unpaid principal balance of the Subordinate Indebtedness is \$3,000,000.00.
 - (iv) No scheduled payments under the Subordinate Note have been prepaid.
- (b) Without Senior Lender’s prior written consent, Subordinate Lender will not do any of the following:
 - (i) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.
 - (ii) Take any action that has the effect of increasing the Subordinate Indebtedness, except to cure a Senior Loan Default as contemplated under Section 5(a) of this Agreement.
 - (iii) Accept any prepayment of the Subordinate Indebtedness.

3. **Terms of Subordination.**

- (a) Agreement to Subordinate. The Subordinate Indebtedness is and at all times will continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness. Each of the Subordinate Loan Documents is and at all times will remain subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.
- (b) Subordination of Subrogation Rights. If Subordinate Lender, by indemnification, subrogation, or otherwise, acquires any Lien on any of the Premises, then that Lien will be fully subject and subordinate to the receipt by Senior Lender of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.
- (c) Payments Before Senior Loan Default. Until the occurrence of a Senior Loan Default, Subordinate Lender will be entitled to retain for its own account all payments of the principal of and interest on the Subordinate Indebtedness pursuant to the Subordinate Loan Documents; provided that Subordinate Lender expressly agrees that it will not accept any such payment that is made more than 10 days in advance of its due date and provided further that, except for payment in full of the Subordinate Indebtedness upon the maturity date set forth in the Subordinate Note, Subordinate Lender will not accept any payment in an amount that exceeds 75% of then available Surplus Cash.
- (d) Payments After Senior Loan Default or Bankruptcy.
 - (i) Immediately upon Subordinate Lender's receipt of Notice or actual knowledge of a Senior Loan Default, Subordinate Lender will not accept any payments of the Subordinate Indebtedness, and the provisions of Section 3(d) of this Agreement will apply.
 - (ii) If Subordinate Lender receives any of the following, whether voluntarily or by action of law, after a Senior Loan Default of which Subordinate Lender has actual knowledge (or is deemed to have actual knowledge as provided in Section 4(c)) or has been given Notice, such will be received and held in trust for Senior Lender:
 - (A) Any payment, property, or asset of any kind or in any form in connection with the Subordinate Indebtedness.
 - (B) Any proceeds from any Enforcement Action.
 - (C) Any payment, property, or asset in or in connection with any Bankruptcy Proceeding.
 - (iii) Subordinate Lender will promptly remit to Senior Lender, in kind and properly endorsed as necessary, all such payments, properties, and assets described in Section 3(d)(ii). Senior Lender will apply any payment, asset, or property so received from Subordinate Lender to the Senior Indebtedness in such order,

amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender determines in its sole and absolute discretion.

- (e) Bankruptcy. Without Senior Lender's prior written consent, Subordinate Lender will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Lender will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan.

4. Default Under Subordinate Loan Documents.

(a) Notice of Subordinate Loan Default and Cure Rights.

- (i) Subordinate Lender will deliver to Senior Lender a copy of each Notice delivered by Subordinate Lender pursuant to the Subordinate Loan Documents within 5 Business Days of sending such Notice to Borrower. As between Subordinate Lender and Borrower, neither giving nor failing to give a Notice to Senior Lender pursuant to this Section 4(a) will affect the validity of any Notice given by Subordinate Lender to Borrower.
- (ii) For a period of 90 days following delivery to Senior Lender of an Enforcement Action Notice, Senior Lender will have the right, but not the obligation, to cure any Subordinate Loan Default. However, if such Subordinate Loan Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Lender has commenced and is diligently pursuing such cure to completion, Senior Lender will have such additional period of time as may be required to cure such Subordinate Loan Default or until such time, if ever, as Senior Lender takes either of the following actions:
 - (A) Discontinues its pursuit of any cure.
 - (B) Delivers to Subordinate Lender Senior Lender's written consent to the Enforcement Action described in the Enforcement Action Notice.
- (iii) Senior Lender will not be subrogated to the rights of Subordinate Lender under the Subordinate Loan Documents as a result of Senior Lender having cured any Subordinate Loan Default.
- (iv) Subordinate Lender acknowledges that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Subordinate Loan Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Security Instrument.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.

- (i) In the event of a Subordinate Loan Default, Subordinate Lender will not commence any Enforcement Action until 90 days after Subordinate Lender has delivered to Senior Lender an Enforcement Action Notice. During such 90-day period or such longer period as provided in Section 4(a), Subordinate Lender will be entitled to

seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Regulatory Agreement, subject to Senior Lender's right to cure a Subordinate Loan Default set forth in Section 4(a).

- (ii) Subordinate Lender may not commence any other Enforcement Action (i.e., other than as expressly permitted in the second sentence of Section 4(b)(i) above), including any foreclosure action under the Subordinate Loan Documents, until the earlier of:
 - (A) The expiration of such 90-day period or such longer period as provided in Section 4(a).
 - (B) The delivery by Senior Lender to Subordinate Lender of Senior Lender's written consent to such Enforcement Action by Subordinate Lender.
 - (iii) Subordinate Lender acknowledges that Senior Lender may grant or refuse consent to Subordinate Lender's Enforcement Action in Senior Lender's sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 4(a) and, subject to Senior Lender's right to cure set forth in Section 4(a), Subordinate Lender may commence any Enforcement Action.
 - (iv) Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Lender. No action or failure to act on the part of Senior Lender in the event of a Subordinate Loan Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.
- (c) Cross Default. Subordinate Lender acknowledges that a Subordinate Loan Default constitutes a Senior Loan Default. Accordingly, upon the occurrence of a Subordinate Loan Default, Subordinate Lender will be deemed to have actual knowledge of a Senior Loan Default. If Subordinate Lender notifies Senior Lender in writing that any Subordinate Loan Default of which Senior Lender has received Notice has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Premises pursuant to its rights under the Senior Loan Documents, any Senior Loan Default under the Senior Loan Documents arising solely from such Subordinate Loan Default will be deemed cured, and the Senior Loan will be reinstated.

5. Default Under Senior Loan Documents.

- (a) Notice of Senior Loan Default and Cure Rights.
 - (i) Senior Lender will deliver to Subordinate Lender a copy of any Notice sent by Senior Lender to Borrower of a Senior Loan Default within 5 Business Days of sending such Notice to Borrower. Senior Lender's failure to send Notice to Subordinate Lender will not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents.

- (ii) Subordinate Lender will have the right, but not the obligation, to cure any monetary Senior Loan Default within 30 days following Subordinate Lender's receipt (or deemed receipt pursuant to Section 10 below) of such Notice. During such 30-day period Senior Lender will be entitled to continue to pursue its remedies under the Senior Loan Documents.
 - (iii) Subordinate Lender may, within 90 days after Subordinate Lender's receipt (or deemed receipt pursuant to Section 10 below) of the Notice, cure a non-monetary Senior Loan Default if during such 90-day period Subordinate Lender keeps current all payments required under the Senior Loan Documents. If such a non-monetary Senior Loan Default creates an unacceptable level of risk relative to the Premises, or to Senior Lender's secured position relative to the Premises, as determined by Senior Lender in its sole discretion, then during such 90-day period Senior Lender may exercise all available rights and remedies to protect and preserve the Premises and the Rents, revenues, and other proceeds from the Premises.
 - (iv) All amounts paid by Subordinate Lender to Senior Lender to cure a Senior Loan Default will be deemed to have been advanced by Subordinate Lender pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(a) to the contrary, Subordinate Lender's right to cure any Senior Loan Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.
- (b) Release of Premises.
- (i) Subordinate Lender consents to and authorizes any future release by Senior Lender of all or any portion of the Premises from the lien, operation, and effect of the Senior Loan Documents. Subordinate Lender waives to the fullest extent permitted by law, all equitable or other rights it may have in connection with the release of all or any portion of the Premises, including any right to require Senior Lender to do any of the following:
 - (A) To conduct a separate sale of any portion of the Premises.
 - (B) To exhaust its remedies against all or any portion of the Premises or any combination of portions of the Premises or any other collateral for the Senior Indebtedness.
 - (C) To proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Premises or combination of portions of the Premises or any other collateral, before proceeding against all or such portions or combination of portions of the Premises as Senior Lender determines.
 - (ii) Subordinate Lender consents to and authorizes, at Senior Lender's option, the sale, either separately or together, of all or any portion of the Premises. Subordinate Lender acknowledges that without Notice to Subordinate Lender and without

affecting any of the provisions of this Agreement, Senior Lender may do any of the following:

- (A) Extend the time for or waive any payment or performance under the Senior Loan Documents.
 - (B) Modify or amend in any respect any provision of the Senior Loan Documents, subject to the limitations set forth in Section 7(d) below.
 - (C) Modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.
- (c) Termination Upon Foreclosure. The lien of the Subordinate Loan Documents will automatically terminate upon the acquisition by Senior Lender or by a third-party purchaser of title to the Premises pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Security Instrument.

6. **Conflicts.** If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control. Borrower acknowledges that the terms and provisions of this Agreement will not, and will not be deemed, to do any of the following:

- (a) Extend Borrower's time to cure any Senior Loan Default or Subordinate Loan Default.
- (b) Give Borrower the right to receive notice of any Senior Loan Default or Subordinate Loan Default, other than that, if any, provided, respectively under the Senior Loan Documents of the Subordinate Loan Documents.
- (c) Create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

7. **Rights and Obligations of Subordinate Lender Under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.**

- (a) Insurance.
 - (i) All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Lender. All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles, and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Lender.
 - (ii) Nothing in this Section 7(a) will preclude Subordinate Lender from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Premises, provided such action does not affect the priority of payment of Loss

Proceeds, or that Subordinate Lender be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Premises.

(b) Condemnation or Casualty.

In the event of a Condemnation or a Casualty, the following provisions will apply:

- (i) Subordinate Lender's rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a condemnation or a Casualty, will be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents, and Subordinate Lender will be bound by any settlement or adjustment of a claim resulting from a condemnation or a Casualty made by Senior Lender.
- (ii) All Loss Proceeds will be applied either to payment of the costs and expenses of restoration of the Premises or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Lender in its sole discretion; provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of Casualty proceeds. In the event of any disagreement between Senior Lender and Subordinate Lender over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, will prevail.
- (iii) If Senior Lender holds Loss Proceeds, or monitors the disbursement of Loss Proceeds, Subordinate Lender will not do so. Nothing contained in this Agreement will be deemed to require Senior Lender to act for or on behalf of Subordinate Lender in connection with any restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Lender, and all or any Loss Proceeds may be commingled with any funds of Senior Lender.
- (iv) If Senior Lender elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Lender will be paid to Subordinate Lender unless another party has asserted a claim to the remaining Loss Proceeds.

- (c) Modification of Subordinate Loan Documents. Subordinate Lender 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 Senior Lender's prior written consent, 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. If Subordinate Lender either (i) amends the Subordinate Loan Documents in the manner set forth above or (ii) assigns the Subordinate Loan without Senior Lender's consent, then in either case any such amendment or assignment will be void ab initio and of no effect whatsoever.

- (d) Modification of Senior Loan Documents. Senior Lender may amend, waive, postpone, extend, renew, replace, reduce, or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Lender, and without affecting any of the provisions of this Agreement. Notwithstanding the foregoing, without prior written notice to Subordinate Lender Senior Lender may not modify any provision of the Senior Loan Documents that increases the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Senior Lender to protect the security or lien priority of Senior Lender under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.
 - (e) Commercial or Retail Leases. If requested, Subordinate Lender will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Lender has granted attornment and non-disturbance, on the same terms and conditions given by Senior Lender.
 - (f) Consent Rights. Whenever the Subordinate Loan Documents give Subordinate Lender approval or consent rights with respect to any matter, and a right of approval or consent for the same or substantially the same matter is also granted to Senior Lender pursuant to the Senior Loan Documents or otherwise, Senior Lender's approval or consent or failure to approve or consent will be binding on Subordinate Lender. None of the other provisions of Section 7 are intended to be in any way in limitation of the provisions of this Section 7(f).
 - (g) Escrows. Except as provided in this Section 7(g), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Lender will not collect any escrows for any cost or expense related to the Premises or for any portion of the Subordinate Indebtedness. However, if Senior Lender is not collecting escrow payments for one or more Impositions, Subordinate Lender may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Lender will be held in trust by Subordinate Lender to be applied only to the payment of such Impositions.
 - (h) Certification. Within 10 business days after its receipt of a written request by Senior Lender, Subordinate Lender will furnish Senior Lender with a statement, duly acknowledged and certified, setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Lender may request.
8. **Refinancing.** Subordinate Lender agrees that its agreement to subordinate under this Agreement will extend to any new mortgage debt from Senior Lender or any of its affiliates (any such new mortgage debt, a "**Senior Lender Replacement Loan**") that is for the purpose of refinancing all or any part of the Senior Indebtedness (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation transaction). All terms and covenants of this Agreement will inure to the benefit of any holder of any such Senior Lender Replacement Loan, and all references to the Senior Loan Documents and Senior Lender will mean, respectively, the refinance loan documents and the holder of such Senior Lender Replacement Loan.

9. **Governmental Powers.** Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Lender of its governmental powers (including police, regulatory, and taxing powers) with respect to Borrower or the Premises to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

10. **Notices.**

- (a) Any Notice required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) 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 will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

Notices intended for Senior Lender will be addressed to:

Minnesota Life Insurance Company
c/o Securian Asset Management, Inc
400 Robert Street North
St. Paul, Minnesota 55101-2098
Attn: Mortgage Servicing Department

Notices intended for Subordinate Lender will be addressed to:

Mecklenburg County
600 E. 4th Street
Charlotte, North Carolina 28202
Attn: Affordable Housing Initiatives Director

- (b) Any party, by Notice given pursuant to this Section 10, may 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 will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section 10.

11. **Miscellaneous Provisions.**

- (a) Assignments/Successors. This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise. This Agreement may be assigned at any time by Senior Lender to any subsequent holder of the Senior Note.

- (b) No Partnership or Joint Venture. Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Lender as a joint venturer or partner of Subordinate Lender.
- (c) Further Assurances. Upon Notice from Senior Lender, Subordinate Lender will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Lender to further evidence or implement the provisions and intent of this Agreement.
- (d) Amendment. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.
- (e) Governing Law. This Agreement will be governed by the laws of the State in which the Land is located.
- (f) Severable Provisions. If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (g) Term. The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events:
 - (i) The payment of all the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Lender.
 - (ii) The payment of all the Subordinate Indebtedness other than by reason of payments that Subordinate Lender is obligated to remit to Senior Lender pursuant to this Agreement.
 - (iii) The acquisition by Senior Lender or by a third-party purchaser of title to the Premises pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Security Instrument.
 - (iv) With the prior written consent of Senior Lender, without limiting the provisions of Section 4(b)(iv), the acquisition by Subordinate Lender of title to the Premises subject to the Senior Security Instrument pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.
- (h) Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

- (i) Entire Agreement. This Agreement represents the entire understanding and agreement between the parties regarding the matters addressed in this Agreement and will supersede and cancel any prior agreements regarding such matters.
- (j) Authority. Each person executing this Agreement on behalf of a party to this Agreement represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.
- (k) No Waiver. No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (l) Remedies. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

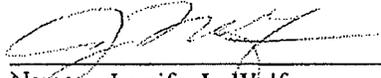
IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages follow]

Signature Page to Subordination Agreement - County

SENIOR LENDER:

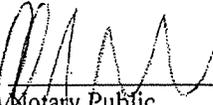
MINNESOTA LIFE INSURANCE COMPANY,
a Minnesota corporation

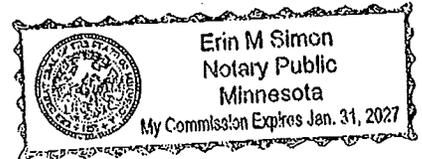
By:  (SEAL)
Name: Jennifer L. Wolf
Title: Second Vice President

ACKNOWLEDGMENT

STATE OF MINNESOTA)
) SS:
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 22nd day of March 2024 by Jennifer L. Wolf, Second Vice President of Minnesota Life Insurance Company, a Minnesota corporation, on behalf of said corporation.


Notary Public
(SEAL)



Printed Name: Erin M. Simon
My Commission Expires: Jan. 31, 2027

Signature Page to Subordination Agreement - County

SUBORDINATE LENDER:

MECKLENBURG COUNTY,
a political subdivision of the State of North Carolina

By: *Dena R. Diorio* (SEAL)
Dena R. Diorio, County Manager

Approved as to form:

David C. Dwyer
David C. Dwyer, Esq.
Ruff, Bond, Cobb, Wade & Bethune, L.L.P.
Counsel for Mecklenburg County

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

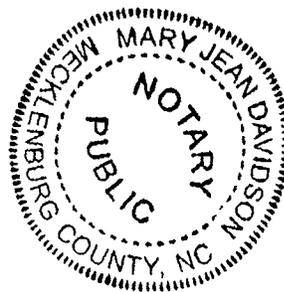
I, Mary Jean Davidson (Name of officer taking acknowledgment), a Notary Public, certify that Dena R. Diorio personally came before me this day and acknowledged that she is County Manager of Mecklenburg County, a political subdivision of the State of North Carolina, and that by authority duly given and that she, being authorized to do so, executed the foregoing on behalf of such political subdivision.

Witness my hand and official seal, this the 20th day of March 2024.

Mary Jean Davidson (SEAL)
Notary Public

Printed Name: Mary Jean Davidson

My Commission Expires: March 30, 2027



Signature Page to Subordination Agreement - County

BORROWER:

PINEVILLE NOAH, LLC,
a North Carolina limited liability company

By: Ascent Housing, LLC,
a North Carolina limited liability company,
its Manager

By:  (SEAL)
Mark Ethridge, Manager

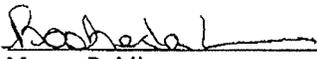
STATE OF North Carolina)

) ss.

COUNTY OF Mecklenburg)

The foregoing instrument was acknowledged before me this 20 day of March 2024 by Mark Ethridge, the Manager of Ascent Housing, LLC, a North Carolina limited liability company, on behalf of said limited liability company in its capacity as Manager of Pineville Noah, LLC, a North Carolina limited liability company, on behalf of said limited liability company

Witness my hand and official seal, this the 20 day of March 2024.

 (SEAL)
Notary Public

Printed Name: Rasheda Williams

My Commission Expires: 2.3.29

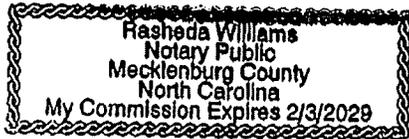


EXHIBIT A
LEGAL DESCRIPTION

Lying and being situate in Mecklenburg County, North Carolina, and being more particularly described as follows:

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

Exhibit A
Page A-1

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY; AND BEING

Exhibit A

Page A-2

WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;
- (2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;
- (3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

Exhibit A

Page A-3

9

For Registration
Fredrick Smith
Register of Deeds
Mecklenburg County, NC

Electronically Recorded

2024 Apr 01 01:02 PM

RE Excise Tax: \$ 0.00

Book: 38726

Page: 564 - 568

Fee: \$ 45.00

Instrument Number:

2024028752

Fredrick Smith

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Ruff, Bond, Cobb, Wade & Bethune LLP (DCD) 831 E. Morehead Street, Suite 560 Charlotte, N.C. 28202
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME PINEVILLE NOAH, LLC	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2100 Crescent Avenue, Suite 200	CITY Charlotte	STATE NC	POSTAL CODE 28207	COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Mecklenburg County, a political subdivision of the State of North Carolina	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME			ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 600 E. 4th Street, Attn: Affordable Housing In	CITY Charlotte	STATE NC	POSTAL CODE 28202	COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A attached hereto.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

59.10016

FILING OF Submitted electronically by "First American Title Insurance Company - NCS Chicago"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Mecklenburg County Register of Deeds.

UCC FINANCING STATEMENT ADDENDUM
 FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME
 Pineville NOAH, LLC

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
 See Exhibit A attached hereto.

17. MISCELLANEOUS:

Exhibit A

All of Grantor's fee simple interest or rights in and to the real property described below, together with all existing and future easements and rights affording access to it, and any other rights and benefits appurtenant to said parcel of land (the "*Land*"):

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC

C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

(1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;

(2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;

(3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

Together with all buildings and improvements of every kind and description now or hereafter erected or placed on the aforesaid Land (the "*Improvements*") and all materials intended for construction, reconstruction, alteration and repair of such Improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises hereby conveyed immediately upon the delivery thereof to the aforesaid Land, and all fixtures and articles of personal property now or hereafter owned by the Debtor and attached to or contained in and used in connection with the aforesaid Land and Improvements including, but not limited to, all furniture, furnishings, apparatus, machinery, equipment, and other furnishings and all plumbing, heating, lighting, ventilating, air conditioning equipment, and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner (the "*Tangible Personalty*") and all proceeds of the Tangible Personalty; and

All books, records, contract rights, development and use rights, building permits, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and all other agreements heretofore or hereafter entered into relating to the ownership, construction, operation, management, leasing or use of the Land or Improvements (the "*Intangible Personalty*").

10

File Number: 20240039569A
 Date Filed: 4/1/2024 10:00:00 AM
 Elaine F. Marshall
 NC Secretary of State

UCC FINANCING STATEMENT
 FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)

B. E-MAIL CONTACT AT SUBMITTER (optional) C52

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Ruff, Bond, Cobb; Wade & Bethune LLP (DCD)
 831 E. Morehead Street, Suite 560
 Charlotte, N.C. 28202

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION



THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of Item 1 blank, check here and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad).

1a. ORGANIZATION'S NAME
 PINEVILLE NOAH, LLC

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 2100 Crescent Avenue, Suite 200 Charlotte NC 28207 USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of Item 2 blank, check here and provide the Individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad).

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE OF ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
 Mecklenburg County, a political subdivision of the State of North Carolina

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 600 E. 4th Street, Attn: Affordable Housing In Charlotte NC 28202 USA

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A attached hereto.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transacting Utility

6b. Check only if applicable and check only one box: Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessor Consignor/Consignor Seller/Buyer Bailor/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
 69.10016

Exhibit A

All of Grantor's fee simple interest or rights in and to the real property described below, together with all existing and future easements and rights affording access to it, and any other rights and benefits appurtenant to said parcel of land (the "*Land*"):

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- (1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
- (2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY; AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC

C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;
- (2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;
- (3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FBET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBERG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

Together with all buildings and improvements of every kind and description now or hereafter erected or placed on the aforesaid Land (the "Improvements") and all materials intended for construction, reconstruction, alteration and repair of such Improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises hereby conveyed immediately upon the delivery thereof to the aforesaid Land, and all fixtures and articles of personal property now or hereafter owned by the Debtor and attached to or contained in and used in connection with the aforesaid Land and Improvements including, but not limited to, all furniture, furnishings, apparatus, machinery, equipment, and other furnishings and all plumbing, heating, lighting, ventilating, air conditioning equipment, and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner (the "Tangible Personalty") and all proceeds of the Tangible Personalty; and

All books, records, contract rights, development and use rights, building permits, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and all other agreements heretofore or hereafter entered into relating to the ownership, construction, operation, management, leasing or use of the Land or Improvements (the "Intangible Personalty").

11



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:

Issuing Agent: First American Title Insurance Company National Commercial Services
Issuing Office: 200 West Madison Street, Suite 800, Chicago, IL 60606
Issuing Office's ALTA® Registry ID: 0000939
Loan ID Number:
Issuing Office File Number: NCS-1202715-CHI2
Property Address: 8401 Habersham Pointe Circle, 8407 Habersham Pointe Circle, 8411 Habersham Pointe Circle, 8415 Habersham Pointe Circle, 10500 Kettering Drive, 10506 Kettering Drive, 10516 Kettering Drive, 10518 Kettering Drive, 10601 Kettering Drive, 10605 Kettering Drive, 10609 Kettering Drive, and 10615 Kettering Drive, Charlotte, NC 28226, Charlotte, NC 28226

SCHEDULE A

Name and Address of Title Insurance Company:
First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707
Policy Number: 1202715 LP2
Amount of Insurance: \$3,000,000.00 Premium: \$ _____
Date of Policy: Date of Recording of the Deed at Time of Recording

1. The Insured is:

Mecklenburg County, a political subdivision of the State of North Carolina, and each successor and/or assign that is defined as an Insured in the Conditions.
2. The estate or interest in the Land encumbered by the Insured Mortgage is:

Fee Simple as to Tract 1 and Easement Estate as to Tracts 2 and 3
3. The Title encumbered by the Insured Mortgage is vested in:

Pineville NOAH, LLC, a North Carolina limited liability company
4. The Insured Mortgage and its assignments, if any, are described as follows:

Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Agreement
Grantor/Trustor: Pineville NOAH, LLC, a North Carolina limited liability company
Trustee: David C. Dwyer
Grantee/Beneficiary: Mecklenburg County, a political subdivision of the State of North Carolina

Original Amount: \$3,000,000.00
Dated: _____, 2024
Recorded: _____, 2024
Recording No.: _____



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

5. The Land is described as follows:

TRACT 1:

BEGINNING AT AN EXISTING IRON PIN LOCATED AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE (VARIABLE WIDTH RIGHT OF WAY), WHICH PIN ALSO MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO LOFTIN W. CARTER, ET AL. BY DEED RECORDED IN BOOK 4683, PAGE 801 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY, SAID IRON PIN BEING THE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING WITH THE NORTHERLY BOUNDARY OF THE SAID CARTER PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 76-04-17 WEST 36.20 FEET TO A MANHOLE; THENCE 2.) SOUTH 80-11-15 WEST 101.19 FEET TO AN EXISTING IRON PIN THAT MARKS THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY NORTH 59-56-50 WEST 374.46 FEET TO AN EXISTING IRON PIN IN THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3705, PAGE 56 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY NORTH 68-54-52 WEST 399.72 FEET TO AN EXISTING IRON PIN ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LORRICK ENTERPRISES BY DEED RECORDED IN DEED BOOK 2863, PAGE 14 OF SAID REGISTRY; THENCE WITH THE EASTERLY BOUNDARY OF SAID LORRICK ENTERPRISES PROPERTY NORTH 21-03-20 EAST 652.27 FEET TO AN EXISTING IRON PIN ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO FIRST CAROLINA INVESTORS OF MECKLENBURG, INC., BY DEED RECORDED IN BOOK 4206, PAGE 118 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID FIRST CAROLINA INVESTORS OF MECKLENBURG, INC. PROPERTY SOUTH 66-41-12 EAST 561.95 FEET TO A CONCRETE MONUMENT AT THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO WINDRIDGE OXFORD ASSOCIATES BY DEED RECORDED IN BOOK 4738, PAGE 357 OF SAID REGISTRY; THENCE WITH THE SOUTHERLY BOUNDARY OF SAID WINDRIDGE OXFORD ASSOCIATES PROPERTY SOUTH 66-41-12 EAST 543.37 FEET TO AN EXISTING IRON PIN AT THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO LEO J. BARRY ET AL. BY DEED RECORDED IN BOOK 6339, PAGE 299 OF SAID REGISTRY; THENCE WITH THE WESTERLY BOUNDARY OF THE SAID BARRY PROPERTY SOUTH 18-53-30 WEST 438.08 FEET TO AN EXISTING IRON PIN AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE EXEC. CENTER LTD. BY DEED RECORDED IN BOOK 4947, PAGE 480 OF SAID REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE EXEC. CENTER LTD. PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 82-49-19 WEST 44.28 FEET TO A MANHOLE; THENCE 2.) SOUTH 75-57-19 WEST 178.55 FEET TO AN IRON PIN ON THE EASTERLY MARGIN OF KETTERING DRIVE; THENCE 3.) SOUTH 77-11-28 WEST 60.00' TO THE POINT OF BEGINNING, CONTAINING 15.939 ACRES (MORE OR LESS) ALL AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996.

AND AS ALSO DESCRIBED AS FOLLOWS:

ALL THAT PARCEL OF LAND, SITUATED IN THE COUNTY OF MECKLENBURG, STATE OF NORTH CAROLINA, PER DEED BOOK 30777 AT PAGE 439 AS SHOWN ON A BOUNDARY AND LOCATION SURVEY OF HABERSHAM POINTE PREPARED BY CONCORD ENGINEERING AND SURVEYING, INC., DATED OCTOBER 30, 1996, AND BEING DESCRIBED AS FOLLOWS:

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Form 50158037 (8-22-22)

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

BEGINNING AT A FOUND 1" OPEN PIPE AT THE NORTHWESTERLY TERMINUS OF KETTERING DRIVE, ALSO BEING THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO BLESSINGS PROPERTIES LLC BY DEED RECORDED IN BOOK 34362, PAGE 956 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY; THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID BLESSINGS PROPERTIES LLC PROPERTY THE FOLLOWING TWO (2) COURSES AND DISTANCES:

(1) S73°37'33"W A DISTANCE OF 36.20 FEET TO A POINT IN A SEWER MANHOLE LID;
(2) THENCE S77°44'56"W A DISTANCE OF 101.19 FEET, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 9.98 FEET, TO THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO MONTCLAIR, A LIMITED PARTNERSHIP BY DEED RECORDED IN BOOK 4418, PAGE 59 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 5/8" REBAR THAT BEARS N10°41'15"E A DISTANCE OF 0.92 FEET FROM SAID POINT;

THENCE WITH THE NORTHERLY BOUNDARY OF THE SAID MONTCLAIR PROPERTY N62°23'09"W A DISTANCE OF 374.46 FEET TO A FOUND 1" OPEN PIPE AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO PINEVILLE CHURCH OF THE NAZARENE BY DEED RECORDED IN BOOK 3757, PAGE 56 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID PINEVILLE CHURCH OF THE NAZARENE PROPERTY N71°21'11"W A DISTANCE OF 399.72 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" ON THE EASTERLY BOUNDARY OF THE PROPERTY CONVEYED TO LTD PARK CEDAR ASSOCIATES BY DEED RECORDED IN DEED BOOK 5152, PAGE 889 OF SAID REGISTRY;

THENCE WITH THE EASTERLY BOUNDARY OF SAID LTD PARK CEDAR ASSOCIATES PROPERTY AND PROPERTY CONVEYED TO MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL BY DEED RECORDED IN BOOK 34941, PAGE 429 N18°37'01"E A DISTANCE OF 652.27 FEET TO A FOUND 1" OPEN PIPE WITH NAIL AT THE EASTERLY CORNER OF SAID MCCLAIN INVESTMENTS OF SOUTH CHARLOTTE LLC, ET. AL PROPERTY AND ON THE SOUTHERLY BOUNDARY OF THE PROPERTY CONVEYED TO PS NC I LP BY DEED RECORDED IN BOOK 27919, PAGE 287 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF THE SAID PS NC I LP PROPERTY S69°07'31"E A DISTANCE OF 561.95 FEET TO A 6" X 6" CONCRETE MONUMENT WITH TACK AT THE WESTERLY CORNER OF THE PROPERTY CONVEYED TO ELEMENTS PROPERTY HOLDINGS LLC, ET. AL BY DEED RECORDED IN BOOK 30671, PAGE 207 OF SAID REGISTRY;

THENCE WITH THE SOUTHERLY BOUNDARY OF SAID ELEMENTS PROPERTY HOLDINGS LLC, ET. AL PROPERTY S69°07'31"E A DISTANCE OF 543.37 FEET TO THE NORTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL BY DEED RECORDED IN BOOK 21660, PAGE 730 OF SAID REGISTRY: AND BEING WITNESSED FROM A FOUND 1" OPEN PIPE THAT BEARS S02°35'35"E A DISTANCE OF 0.53 FEET FROM SAID POINT;

THENCE WITH THE WESTERLY BOUNDARY OF THE SAID CENTRO HERITAGE SPE 4 LLC C/O RYAN LLC, ET. AL PROPERTY S16°27'11"W A DISTANCE OF 438.08 FEET TO A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT THE NORTHEASTERLY CORNER OF THE PROPERTY CONVEYED TO 0617 KETTERING LLC BY DEED RECORDED IN BOOK 35041, PAGE 949 OF SAID REGISTRY;

THENCE WITH THE NORTHERLY BOUNDARY OF SAID 0617 KETTERING LLC PROPERTY THE FOLLOWING THREE (3) COURSES AND DISTANCES:

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Form 50158037 (8-22-22)

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

- (1) S80°23'00"W A DISTANCE OF 44.28 FEET TO A POINT;
- (2) THENCE S73°31'00"W, PASSING A SET 5/8" CAPPED REBAR INSCRIBED "GOODWIN NC L-5463" AT A DISTANCE OF 5.00 FEET, AND CONTINUING ALONG SAID LINE FOR A TOTAL DISTANCE OF 178.55 FEET TO A FOUND 5/8" REBAR ON THE EASTERLY MARGIN OF KETTERING DRIVE;
- (3) THENCE S74°45'09"W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING THEREIN 694,302 SQUARE FEET OR 15.939 ACRES MORE OR LESS

TRACT 2:

TOGETHER WITH AN EASEMENT APPURTENANT TO THE ABOVE-DESCRIBED PROPERTY FOR THE ERECTION AND MAINTENANCE OF A SIGN, UNDER THE TERMS OF AN EASEMENT AGREEMENT, RECORDED IN BOOK 4924 AT PAGE 525 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

TRACT 3:

TOGETHER WITH ANY EASEMENTS FOR THE BENEFITS OF TRACTS 1 AND 2 AS CREATED BY, AND ANY INTERESTS IN REAL ESTATE CONTAINED OR CONVEYED IN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK CEDAR COMMERCE CENTER RECORDED IN BOOK 4593 AT PAGE 451, AS AFFECTED BY CONSENT AFFIDAVIT RECORDED IN BOOK 4989 AT PAGE 50 IN THE MECKLENBURG COUNTY PUBLIC REGISTRY.

FOR INFORMATIONAL PURPOSES ONLY:

TAX PARCEL NO. 22119113

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

File No. NCS-1202715-CHI2

SCHEDULE B

Policy Number: 1202715 LP2

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

1. This item has been intentionally deleted.
2. This item has been intentionally deleted.
3. General real estate taxes and assessments for the year 2024 and subsequent years, not yet due and payable
4. This item has been intentionally deleted.
5. This item has been intentionally deleted.
6. Any mineral or mineral rights leased, granted or retained by current or prior owners.
7. Terms, provisions, covenants, conditions, easements and restrictions as provided in Declaration of Covenants and Restrictions for Park Cedar Commerce Center, recorded in Book 4593, Page 451, as affected in Book 4989, Page 50, Mecklenburg County Registry, as approximately shown on the ALTA/NSPS Land Title Survey prepared by Tyler Reid Goodwin for Blew & Associates dated 01/10/2023, last revised _____, and designated Job No. 23-8407 (the "Survey").
8. This item has been intentionally deleted.
9. Easement to McAlpine Telephone Company recorded in Book 824, Page 39, Mecklenburg County Registry.
10. Easement to Duke Power recorded in Book 938, Page 336, Mecklenburg County Registry.

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

11. Easement to Duke Power recorded in Book 938, Page 346, Mecklenburg County Registry.
12. Easement to Duke Power recorded in Book 1366, Page 362, Mecklenburg County Registry.
13. Easement to Southern Bell Telephone & Telegraph Company recorded in Book 5221, Page 236, Mecklenburg County Registry.
14. This item has been intentionally deleted.
15. This item has been intentionally deleted.
16. Right of Way Agreement by and between Westminster Company and City of Charlotte, recorded in Book 4405, Page 992, Mecklenburg County Registry, and approximately shown on the Survey, as approximately shown on the Survey.
17. This item has been intentionally deleted.
18. Terms, provisions, covenants, conditions, easements and restrictions as provided in that Easement to U.S. Shelter Corporation, a Delaware Corporation recorded in Book 4924, Page 525, Mecklenburg County Registry, as approximately shown on the Survey.
19. Sewer Easement to Lorick Enterprises, Inc. recorded in Book 4530, Page 853, Mecklenburg County Registry, and as approximately shown on the Survey.
20. Rights of tenants in possession, as residential tenants only, pursuant to written, but unrecorded, unexpired leases in effect as of the Date of Policy, as such tenants are set forth on the certified rent roll as disclosed to the Title Company.
21. This item has been intentionally deleted.
22. This item has been intentionally deleted.
23. This item has been intentionally deleted.
24. This item has been intentionally deleted.
25. This item has been intentionally deleted.
26. This item has been intentionally deleted.
27. Memorandum of Agreement by and between Pineville Apartments, LLC and Time Warner Cable Enterprises LLC, recorded in Book 38607, Page 967, Mecklenburg County Registry.
28. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Agreement from Pineville NOAH, LLC, a North Carolina limited liability company, as Trustor,

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

Minnesota Life Insurance Company, a Minnesota corporation, as Beneficiary, and First American Title Insurance Company, a Nebraska corporation, as Trustee, dated _____, 2024, and recorded _____, 2024, as Instrument No. _____.

- 29. Assignment of Leases and Rents from Pineville NOAH, LLC, a North Carolina limited liability company, as Assignor, and Minnesota Life Insurance Company, a Minnesota corporation, as Assignee, dated _____, 2024, and recorded _____, 2024, as Instrument No. _____.
- 30. Subordination Agreement from Pineville NOAH, LLC, a North Carolina limited liability company, as Borrower, Minnesota Life Insurance Company, a Minnesota corporation, as Senior Lender, and Mecklenberg County, a political subdivision of North Carolina, as Subordinate Lender dated _____, 2024, and recorded _____, 2024, as Instrument No. _____.

**First American****Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)**

File No. NCS-1202715-CHI2

PART II

Policy Number: 1202715 LP2

Covered Risk 10 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:

1. Assignment of Leases and Rents from Pineville NOAH, LLC, a North Carolina limited liability company, as Assignor, and Mecklenburg County, a political subdivision of the State of North Carolina, as Assignee, dated _____, 2024, and recorded _____, 2024, as Instrument No. _____.
2. Declaration of Deed Restrictions by Pineville NOAH, LLC, a North Carolina limited liability company, and Mecklenburg County, a political subdivision of the State of North Carolina, dated _____, 2024, and recorded _____, 2024, as Instrument No. _____.
3. UCC Financing Statement from Pineville NOAH, LLC, as Debtor, and Mecklenburg County, as Secured Party, recorded _____, 2024, as Instrument No. _____.

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First American

Endorsement 3.1
Zoning-Completed Structure
2021 v. 01.00 (07-01-2021)

ALTA 3.1 ZONING-COMPLETED STRUCTURE ENDORSEMENT

This endorsement is issued as part of
Policy Number 1202715 LP2

issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

File No.: NCS-1202715-CHI2

1. For purposes of this endorsement, "Zoning Ordinance" means a zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
 - a. According to the Zoning Ordinance, the Land is not classified Zone R-MF Multi-Family Density Residential;;
 - b. The following use or uses are not allowed under that classification: Multi-family residential;;
 - c. There is no liability under Section 2.b. if the use or uses are not allowed as the result of any lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 2.c. does not modify or limit the coverage provided in Covered Risk 5.
3. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a State or federal court having jurisdiction either prohibiting the use of the Land, with any existing structure, as specified in Section 2.b. or requiring the removal or alteration of the structure because, at the Date of Policy, the Zoning Ordinance has been violated with respect to any of the following matters:
 - a. The area, width, or depth of the Land as a building site for the structure;
 - b. The floor space area of the structure;
 - c. A setback of the structure from the property lines of the Land;
 - d. The height of the structure; or
 - e. The number of parking spaces.
4. There is no liability under this endorsement based on:
 - a. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
 - b. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

First American Title Insurance Company

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Form 50-097300 (12-17-21)

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First American

**PLANNED UNIT DEVELOPMENT - ASSESSMENTS PRIORITY
ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words "restrictive covenants" do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. The priority of any lien for charges and assessments in favor of any association of owners that are provided for in any document at Date of Policy and referred to in Schedule B over the lien of any Insured Mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

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Form 50-11385 (1-19-18)	Page 11 of 43	ALTA 5-06 Planned Unit Development - Assessments Priority (6-17-06) (Rev. 10-16-08, 2-3-10) Technical Corrections 12-1-16, 12-1-17
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First American

Endorsement 6
Variable Rate Mortgage
2021 v. 01.00 (07-01-2021)

ALTA 6 VARIABLE RATE MORTGAGE ENDORSEMENT

This endorsement is issued as part of
Policy Number 1202715 LP2
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

File No.: NCS-1202715-CHI2

1. As used in this endorsement, "Changes in the Rate of Interest" mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. the invalidity or unenforceability of the lien of the Insured Mortgage resulting from Changes in the Rate of Interest.
 - b. the loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, which loss of priority results from Changes in the Rate of Interest.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, based upon usury law or Consumer Protection Law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Form 50-097900 (12-17-21)

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First American

**COMMERCIAL ENVIRONMENTAL
PROTECTION LIEN ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

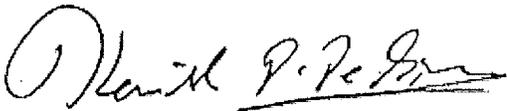
File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

FIRST AMERICAN TITLE INSURANCE COMPANY

By: 
Kenneth D. DeGiorgio, President

By: 
Lisa W. Cornehl, Secretary



First American

**RESTRICTIONS, ENCROACHMENTS,
MINERALS - LOAN POLICY ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy,
 - b. "Improvement" means an improvement, including any lawn, shrubbery, or trees, affixed to either the Land or adjoining land at Date of Policy that by law constitutes real property.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation of a Covenant that:
 - i. divests, subordinates, or extinguishes the lien of the Insured Mortgage,
 - ii. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage,or
 - iii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness;
 - b. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - c. Enforced removal of an Improvement located on the Land as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
 - d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. The Company insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy, unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.;
 - b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or

- c. Damage to an Improvement located on the Land, at Date of Policy:
 - i. that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - ii. resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Section 3.d, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.
 - d. contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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**First American****ACCESS AND ENTRY
ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the Land does not abut and have both actual vehicular and pedestrian access to and from KETTERING DRIVE (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***



First American

**ACCESS AND ENTRY
ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the Land does not abut and have both actual vehicular and pedestrian access to and from PARK CEDAR DRIVE (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***



First American

UTILITY ACCESS ENDORSEMENT

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the lack of a right of access to the following utilities or services: **[CHECK ALL THAT APPLY]**

- Water service
- Natural gas service
- Telephone service
- Electrical power service
- Sanitary sewer
- Storm water drainage
-
-
-

either over, under or upon rights-of-way or easements for the benefit of the Land because of:

- (1) a gap or gore between the boundaries of the Land and the rights-of-way or easements;
- (2) a gap between the boundaries of the rights-of-way or easements; or
- (3) termination by a grantor, or its successor, of the rights-of-way or easements.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

**First American****SINGLE TAX PARCEL AND ID ENDORSEMENT****Issued by*****First American Title Insurance Company***

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of:

1. the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel for real estate taxes; or
2. any portion of the Land not being assessed for real estate taxes under tax identification number: 22119113

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

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Form 50-025000 (7-31-19)	Page 19 of 43	ALTA 18.3-06 Single Tax Parcel and ID Endorsement (12-1-18)
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First American

LOCATION ENDORSEMENT

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the failure of a
Apartment Complex

known as 8401 Habersham Pointe Circle, 8407 Habersham Pointe Circle, 8411 Habersham Pointe Circle,
8415 Habersham Pointe Circle, 10500 Kettering Drive, 10506 Kettering Drive, 10516 Kettering Drive,
10518 Kettering Drive, 10601 Kettering Drive, 10605 Kettering Drive, 10609 Kettering Drive, and 10615
Kettering Drive. Charlotte, NC 28226

to be located on the Land at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

**First American****DOING BUSINESS ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the invalidity or unenforceability of the lien of the Insured Mortgage on the ground that making the loan secured by the Insured Mortgage constituted a violation of the "doing-business" laws of the State where the Land is located because of the failure of the Insured to qualify to do business under those laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***



First American

SAME AS SURVEY ENDORSEMENT

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey made by Tyler Reid Goodwin of Blew & Associates dated 01/10/2023, last revised _____, 2024, and designated Job No. 23-8407.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

Form 50-10059 (7-1-14)	Page 22 of 43	ALTA 25-06 Same as Survey (10-16-08) CLTA 116.1-06 (10-16-08)
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**First American**

Endorsement 26
Subdivision
2021 v. 01.00 (07-01-2021)

ALTA 26 SUBDIVISION ENDORSEMENT

This endorsement is issued as part of
Policy Number 1202715 LP2
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to constitute a lawfully created parcel according to the State subdivision statutes and the subdivision ordinances of the county or municipality of the State applicable to the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Form 50-099500 (12-17-21)

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First American

Endorsement 27
Usury
2021 v. 01.00 (07-01-2021)

ALTA 27 USURY ENDORSEMENT

**This endorsement is issued as part of
Policy Number 1202715 LP2
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY**

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured by reason of the invalidity or unenforceability of the lien of the Insured Mortgage as security for the Indebtedness because the loan secured by the Insured Mortgage violates the usury law of the State where the Land is located.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Form 50-099600 (12-17-21)

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First American

**EASEMENT - DAMAGE OR ENFORCED
REMOVAL ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

The Company insures against loss or damage sustained by the Insured if the exercise of the granted or reserved rights to use or maintain the easement(s) referred to in Exception(s) 8, 9, 10, 11, 12, 13 and 27 of Schedule B results in:

- (1) damage to an existing building located on the Land, or
- (2) enforced removal or alteration of an existing building located on the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

Form 50-10588 (7-1-14)	Page 25 of 43	ALTA 28-06 Easement - Damage or Enforced Removal (Rev. 2-3-10) CLTA 103.1-06 (Rev. 2-3-10)
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First American

**Endorsement 28.1
Encroachments-Boundaries and Easements
2021 v. 01.00 (07-01-2021)**

ALTA 28.1 ENCROACHMENTS-BOUNDARIES AND EASEMENTS ENDORSEMENT

**This endorsement is issued as part of
Policy Number 1202715 LP2
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY**

File No.: NCS-1202715-CHI2

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only, "Improvement" means an existing building, located on either the Land or adjoining land at the Date of Policy and that by law constitutes real property.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. An encroachment of any Improvement located on the Land onto adjoining land or onto that portion of the Land subject to an easement, unless an exception in Schedule B of the policy identifies the encroachment;
 - b. An encroachment of any Improvement located on adjoining land onto the Land at the Date of Policy, unless an exception in Schedule B of the policy identifies the encroachment;
 - c. Enforced removal of any Improvement located on the Land as a result of an encroachment by the Improvement onto any portion of the Land subject to any easement, in the event that the owners of the easement shall, for the purpose of exercising the right of use or maintenance of the easement, compel removal or relocation of the encroaching Improvement; or
 - d. Enforced removal of any Improvement located on the Land that encroaches onto adjoining land.
4. Sections 3.c. and 3.d. of this endorsement do not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the following Exceptions, if any, listed in Schedule B:
None

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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First American

**MINERALS AND OTHER SUBSURFACE
SUBSTANCES - IMPROVEMENTS ENDORSEMENT**

Issued by

First American Title Insurance Company

Attached to Policy No.: 1202715 LP2

File No.: NCS-1202715-CHI2

1. The insurance provided by this endorsement is subject to the exclusion in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the Policy.
2. For purposes of this endorsement only, "Improvement" means a building, structure located on the surface of the Land, and any paved road, walkway, parking area, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
3. The Company insures against loss or damage sustained by the Insured by reason of the enforced removal or alteration of any Improvement, resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence;
 - b. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances; or
 - c. the exercise of the rights described in (NONE).*

*Instructional note: identify the interest excepted from the description of the Land in Schedule A or excepted in Schedule B that you intend to exclude from this coverage.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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Form 50-10827 (7-1-14)	Page 27 of 43	ALTA 35.1-06 Minerals and Other Subsurface Substances - Improvements (4-2-12) Technical Corrections 8-1-16
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First American

**Endorsement
Deletion of Arbitration Condition – Loan Policy
(07-01-2014) For use with ALTA 2021 Loan Policy**

DELETION OF ARBITRATION CONDITION – LOAN POLICY ENDORSEMENT

PRO FORMA

PRO FORMA

**This endorsement is issued as part of
Policy Number 1202715 LP2
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY**

File No.: NCS-1202715-CHI2

The Policy is hereby amended by deleting Paragraph 18 from the Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: ***PROFORMA***

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Form 50-127800 (6-2-22)

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PRO FORMA

PRO FORMA



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

ALTA LOAN POLICY OF TITLE INSURANCE
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.

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Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.
8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. Covered Risk 9 includes, but is not limited to, insurance against loss caused by:
 - a. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - b. the failure of a person or Entity to have authorized a transfer or conveyance;
 - c. the Insured Mortgage not being properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - d. a failure to perform those acts necessary to create an Insured Mortgage by electronic means authorized by law;
 - e. a document having been executed under a falsified, expired, or otherwise invalid power of attorney;
 - f. the Insured Mortgage not having been properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - g. a defective judicial or administrative proceeding; or
 - h. invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an electronic signature by a person that executed the Insured Mortgage because the electronic signature on the Insured Mortgage was not valid under applicable electronic transactions law.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance on the Title as security for the following components of the Indebtedness:
 - a. the amount of the principal disbursed as of the Date of Policy;
 - b. the interest on the obligation secured by the Insured Mortgage;
 - c. the reasonable expense of foreclosure;

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Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

- d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest in the Title; and
 - e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title to protect the priority of the lien of the Insured Mortgage:
 - i. real estate taxes and assessments imposed by a governmental taxing authority; and
 - ii. regular, periodic assessments by a property owners' association.
- 11.** The lack of priority of the lien of the Insured Mortgage upon the Title:
- a. as security for each advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for service, labor, material, or equipment arising from construction of an improvement or work related to the Land when the improvement or work is:
 - i. contracted for or commenced on or before the Date of Policy; or
 - ii. contracted for, commenced, or continued after the Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on the Date of Policy to advance; and
 - b. over the lien of any assessments for street improvements under construction or completed at the Date of Policy.
- 12.** The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
- 13.** The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, or the effect of a court order providing an alternative remedy:
- a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the Uniform Voidable Transactions Act; or
 - b. because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
 - i. to timely record the Insured Mortgage in the Public Records after execution and delivery of the Insured Mortgage to the Insured; or
 - ii. of the recording of the Insured Mortgage in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 14.** Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

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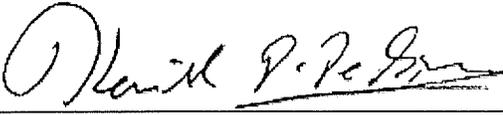
First American

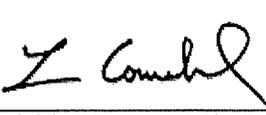
Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: 
Kenneth D. DeGiorgio, President

By: 
Lisa W. Cornehl, Secretary



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 b. any governmental forfeiture, police, regulatory, or national security power.
 c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 13.b.
7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

- 8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
- 9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.



First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

CONDITIONS

1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.c.; decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in Schedule A.
- e. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- f. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
 - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
 - iii. asserts a right to enforce a PACA-PSA Trust.
- g. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- h. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- i. "Indebtedness": Any obligation secured by the Insured Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
 - i. the sum of:
 - (a). principal disbursed as of the Date of Policy;
 - (b). principal disbursed subsequent to the Date of Policy;
 - (c). the construction loan advances made subsequent to the Date of Policy for the purpose of financing, in whole or in part, the construction of an improvement to the Land or related to the Land that the Insured was and continues to be obligated to advance at the Date of Policy and at the date of the advance;
 - (d). interest on the loan;
 - (e). prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
 - (f). expenses of foreclosure and any other costs of enforcement;
 - (g). advances for insurance premiums;
 - (h). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
 - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
 - (2). regular, periodic assessments by a property owners' association; and
 - (i). advances to prevent deterioration of improvements before the Insured's

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First American

Loan Policy of Title Insurance
North Carolina - 2021 v. 01.00 (07-01-2021)

- acquisition of the Title, but
- ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- j. "Insured":
- i. (a). The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
- (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
- (2). owns the Title after acquiring the Indebtedness;
- (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;
- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
- (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.j.i.(a). and 1.j.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.j.i.(c)., 1.j.i.(d)., 1.j.i.(e)., and 1.j.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- k. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- l. "Insured Mortgage": The Mortgage described in Item 4 of Schedule A.
- m. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- n. "Land": The land described in Item 5 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- o. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- p. "Obligor": A person or entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- q. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- r. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- s. "State": The state or commonwealth of the United States within whose exterior boundaries the

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- Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- t. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
 - u. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title, a lender on the Title, or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured:

- a. after the Insured's acquisition of the Title, so long as the Insured retains an estate or interest in the Land; and
- b. after the Insured's conveyance of the Title, so long as the Insured:
 - i. retains an estate or interest in the Land;
 - ii. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
 - iii. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title or the lien of the Insured Mortgage as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The

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Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*
- i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
 - ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
- i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to

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- the time of payment and that the Company is obligated to pay; or
- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
 - i. the Amount of Insurance;
 - ii. the Indebtedness;
 - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
 - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
 - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:
 - i. the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
- d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
 - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 - ii. cures the lack of a right of access to and from the Land;
 - iii. cures the claim of Unmarketable Title; or
 - iv. establishes the lien of the Insured Mortgage,
 all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a

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- final, non appealable determination adverse to the Title or to the lien of the Insured Mortgage.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
 - d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
 - e. The Company is not liable for the content of the Transaction Identification Data, if any.
- 10. REDUCTION OR TERMINATION OF INSURANCE**
- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Amount of Insurance afforded under this policy, except to the extent that the payment reduces the Indebtedness.
 - b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Amount of Insurance.
 - c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company, except as provided in Condition 2.
- 11. PAYMENT OF LOSS**
- When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.
- 12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**
- a. *Company's Right to Recover*
 - i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
 - ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
 - b. *Company's Subrogation Rights against Obligors*
The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.
 - c. *Insured's Rights and Limitations*
 - i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Insured Mortgage.
 - ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment

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by the Insured Claimant of the Company's subrogation right.

13. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement,
 - ii. extend the Date of Policy,
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. increase the Amount of Insurance.

14. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

15. CHOICE OF LAW AND CHOICE OF FORUM

- a. *Choice of Law*
The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.
The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Insured Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.
- b. *Choice of Forum*
Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

16. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: **First American Title Insurance Company, Attn: Claims National Intake Center, 5 First American Way, Santa Ana, California 92707. Phone: 888 632 1642.**

17. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.

18. ARBITRATION

- a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding

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arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.

- b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under any circumstance.
- c. *If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18.*
- d. The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any State or federal court having jurisdiction.

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NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

12

INCUMBENCY CERTIFICATE

(Pineville NOAH, LLC)

This Incumbency Certificate (this "Certificate") is executed as of March 28, 2024, by the undersigned with respect to Pineville NOAH, LLC, a North Carolina limited liability company (the "Borrower"), in connection with (i) that certain loan (the "Senior Loan") in the principal amount of \$21,500,000.00 from Minnesota Life Insurance Company, a Minnesota corporation, its successors and assigns (the "Senior Lender"), to the Borrower; (ii) that certain loan (the "CHOIF Loan") in the principal amount of \$1,000,000.00 from Charlotte Housing Opportunity Investment Fund LLC, a Delaware limited liability company, its successors and assigns (the "CHOIF Lender"), to the Borrower; (iii) that certain loan (the "County Loan") in the principal amount of \$3,000,000.00 from Mecklenburg County, a political subdivision of the State of North Carolina, its successors and assigns (the "County Lender"), to the Borrower; and (iv) that certain loan (the "City Loan") in the principal amount of \$500,000.00 or \$1,000,000.00 from the City of Charlotte, a North Carolina municipal corporation, its successors and assigns (the "City Lender"), to the Borrower. The Senior Loan, the CHOIF Loan, the County Loan and the City Loan are each referred to herein as a "Loan" and collectively, the "Loans". The Senior Lender, the CHOIF Lender, the County Lender and the City Lender are each referred to herein as a "Lender" and collectively, the "Lenders".

The undersigned hereby certifies to the Lenders, their successors and/or assigns, that he is the duly appointed, qualified and acting manager of Ascent Housing, LLC, a North Carolina limited liability company, which is the sole manager of the Borrower, and that, as such, he is familiar with the facts herein certified and is duly authorized to certify the same and to execute and deliver this Certificate on behalf of the Borrower, and does hereby certify in his capacity as manager, as follows:

1. Attached hereto as Exhibit A is a true and complete copy of the filed Articles of Organization of the Borrower in effect as of the date hereof (the "Borrower Articles"). Such Borrower Articles have not been amended, modified, rescinded or changed in any respect since their date of adoption, are in full force and effect on and as of the date hereof and no action for any amendment to such Articles or for dissolution of the Borrower is pending.

2. Attached hereto as Exhibit B is a true and complete copy of the Operating Agreement of the Borrower as in effect as of the date hereof (the "Operating Agreement"). Such Operating Agreement has not been amended, modified, rescinded or changed in any respect since its date of execution, and is in full force and effect on and as of the date hereof.

3. Attached hereto as Exhibit C is a true and correct copy of the Written Consent of the Members to Action Without a Meeting (the "Written Consent") authorizing and approving all matters in connection with the Loans. Such Written Consent has not in any way been amended, modified, rescinded or changed in any respect since its adoption to and including the date hereof and is now in full force and effect on and as of the date hereof.

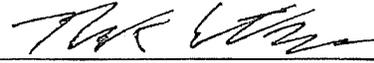
4. Attached hereto as Exhibit D is a certified copy of a North Carolina Certificate of Existence for the Borrower.

5. The following persons or entities are duly appointed, qualified and acting managers and/or officers of the Borrower:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Ascent Housing, LLC	Manager	 Mark Ethridge, Manager

[SIGNATURE INCLUDED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, I have executed this Incumbency Certificate as of the date first set forth above.



Mark Ethridge, Manager of Ascent Housing, LLC

EXHIBIT A

ARTICLES OF ORGANIZATION OF BORROWER

[See Attached Pages]



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

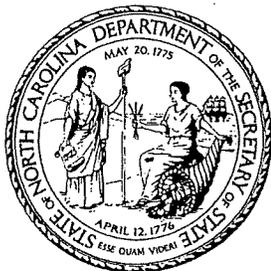
I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF ORGANIZATION

OF

PINEVILLE NOAH, LLC

the original of which was filed in this office on the 10th day of January, 2024.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 11th day of March, 2024.

Elaine F. Marshall

Secretary of State

State of North Carolina
Department of the Secretary of State

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: Pineville NOAH, LLC
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both by checking all applicable boxes.) Note: This document must be signed by all persons listed.

Name	Business Address	Capacity
<u>Mark Ethridge</u>	<u>2100 Crescent Avenue, Suite 200, Charlotte, NC 28207</u>	<input type="checkbox"/> Member <input checked="" type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member <input type="checkbox"/> Organizer
_____	_____	<input type="checkbox"/> Member <input type="checkbox"/> Organizer

3. The name of the initial registered agent is: Mark Ethridge

4. The street address and county of the initial registered agent office of the limited liability company is:

Number and Street 2100 Crescent Avenue, Suite 200
City Charlotte State: NC Zip Code: 28207 County: Mecklenburg

5. The mailing address, if different from the street address, of the initial registered agent office is:

Number and Street _____
City _____ State: NC Zip Code: _____ County: _____

6. Principal office information: (Select either a or b.)

a. The limited liability company has a principal office.

The principal office telephone number: 704.651.2742

The street address and county of the principal office of the limited liability company is:

Number and Street: 2100 Crescent Avenue, Suite 200
City: Charlotte State: NC Zip Code: 28207 County: Mecklenburg

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. (Optional): Listing of Company Officials (See instructions on the importance of listing the company officials in the creation document.

Name	Title	Business Address
Ascent Housing, LLC	Manager	2100 Crescent Avenue, Suite 200, Charlotte, NC 28207

9. (Optional): Please provide a business e-mail address: _____
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

10. These articles will be effective upon filing, unless a future date is specified:

This is the 10 day of January, 2024.

Pineville NOAH, LLC

Mark Ethridge

Digitally signed by Mark Ethridge
Date: 2024.01.10 11:54:33 -0500

Signature

Mark Ethridge, Organizer

Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Signature

Type and Print Name and Title

Type and Print Name and Title

NOTE:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

EXHIBIT B

OPERATING AGREEMENT OF BORROWER

[See Attached Pages]

OPERATING AGREEMENT

OF

PINEVILLE NOAH, LLC

A NORTH CAROLINA LIMITED LIABILITY COMPANY

THE UNITS (AND THE OWNERSHIP INTERESTS REPRESENTED THEREBY) ISSUED IN ACCORDANCE WITH, AND REPRESENTED BY THIS OPERATING AGREEMENT, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, THE NORTH CAROLINA SECURITIES ACT OR SIMILAR LAWS OR ACTS OF OTHER STATES IN RELIANCE UPON EXEMPTIONS UNDER THOSE ACTS. THE UNITS AND OWNERSHIP INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THIS AGREEMENT, AS WELL AS UNDER (A) THE SECURITIES ACT OF 1933 AND (B) APPLICABLE STATE SECURITIES LAWS, EACH PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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**OPERATING AGREEMENT
OF
PINEVILLE NOAH, LLC**

THIS OPERATING AGREEMENT (this “**Agreement**”) of Pineville NOAH, LLC, a North Carolina limited liability company (the “**Company**”), is made and entered into, effective as of March 28, 2024 (the “**Effective Date**”), by and among the Company, the Members executing this Agreement on the date hereof, and all other Persons who shall in the future become Members or Economic Interest Owners in accordance with the provisions hereof.

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I
DEFINITIONS**

1.1 **Definitions.** Capitalized words and phrases used in this Agreement have the meanings set forth on **Schedule 1** hereto, unless defined elsewhere herein.

**ARTICLE II
ORGANIZATIONAL MATTERS**

2.1 **Formation; Initial Member; Operating Agreement.** The Company was formed effective as of January 10, 2024, when the Articles of Organization of the Company, executed by Mark Ethridge as an organizer (the “**Organizer**”), were filed by the Secretary of State of North Carolina in accordance with the Act. On January 10, 2024, the Organizer identified Housing Impact Fund II, LLC, a North Carolina limited liability company, and Ascent Housing, LLC, a North Carolina limited liability company, as the initial Members of the Company by written consent. This Agreement shall be the operating agreement of the Company (within the meaning of the Act) and shall be binding on the Company, the undersigned Members and all other Persons who, in the future, become Members or Economic Interest Owners. The Members agree to operate the Company in accordance with the terms and conditions of this Agreement and the provisions of the Act.

2.2 **Company Purpose.** The purpose of the Company is to, directly or indirectly through one or more Subsidiaries, (a) purchase certain real property located at 8401 Habersham Pointe Circle, Charlotte, Mecklenburg County, North Carolina 28226, and as more particularly described on Exhibit A attached hereto (the “**Property**”) and the 240 multi-family residential apartment units and other improvements thereon (the “**Project**”), (b) own, hold, maintain, finance, refinance, lease, renovate, repair, market and sell the Project, and (c) do all other things necessary, advisable or appropriate in connection with, or incidental to, the foregoing.

2.3 **Name.** The name of the Company is “Pineville NOAH, LLC”. The name of the Company may be changed from time to time, subject to the Approval of a Majority-in-Interest of the Class A Members, provided that appropriate amendments to the Articles, as well as necessary filings under the Act, are duly made, and written notice thereof is provided to all of the Members.

2.4 **Term.** The term of the Company shall be from the date of its formation until the Company is dissolved in accordance with this Agreement and the Act.

2.5 *Registered Agent; Registered Office; Offices.* The initial registered agent of the Company is Mark Ethridge. The initial registered office of the Company is located at 2100 Crescent Avenue, Suite 200, Charlotte, North Carolina 28207. The initial principal office of the Company is located at 2100 Crescent Avenue, Suite 200, Charlotte, North Carolina 28207. The Company may change its registered agent, registered office and principal office from time to time, subject to the Approval of a Majority-in-Interest of the Class A Members, provided that appropriate amendments to the Articles, if any, as well as necessary filings under the Act, are duly made, and written notice thereof is provided to all of the Members. The Company may establish and close other offices and places of business from time to time, subject to the Approval of a Majority-in-Interest of the Class A Members.

2.6 *Title to Company Assets.* The Company Assets shall be owned by the Company as an entity, and no Member or Economic Interest Owner shall have any ownership interest in the Company Assets in that Member's or Economic Interest Owner's individual name or right. The Company shall hold the Company Assets in the name of the Company and not in the name of any Member or Economic Interest Owner. Each Member's or Economic Interest Owner's Interest shall be personal property for all purposes, subject to the terms of this Agreement.

2.7 *Costs and Expenses.* The Company shall pay or reimburse all reasonable and necessary costs and expenses arising from the formation, organization, operation and administration of the Company and the Project, including all legal and accounting fees.

ARTICLE III CAPITAL CONTRIBUTIONS AND LOANS

3.1 *Member Information.* The name, address, Capital Contributions and number and class of Units of each Member and Economic Interest Owner are set forth on **Schedule 2** hereto. In the event of any change permitted under this Agreement with respect to the information stated on **Schedule 2**, the Manager shall promptly (a) cause **Schedule 2** to be amended to reflect such change and (b) provide a copy of the revised **Schedule 2** to each of the Members and Economic Interest Owners. The failure of the Manager to cause **Schedule 2** to be amended or to provide a revised copy of **Schedule 2** to the Members and Economic Interest Owners shall not prevent the effectiveness of, or otherwise affect the underlying adjustments that would be reflected in, such an amendment. The Ascent Member is a Member of the Company, but will not have any voting or governance rights with respect to the Company except in its role as the Manager of the Company as provided in this Agreement, nor will the Ascent Member have any obligation to make any Capital Contributions to the Company or to guarantee any indebtedness of the Company. The Members confirm their intention that the Membership Interest held by the Ascent Member shall be deemed a "profits interest" within the meaning of Revenue Procedure 93-27. The Ascent Member is neither a Class A Member nor a Class B Member of the Company.

3.2 *Initial Capital Contributions.*

(a) The initial Capital Contributions of the Members are set forth on **Schedule 2** hereto, which, in the case of the HIF Member, shall include all pursuit costs and earnest money deposits previously funded by or on behalf of the HIF Member with respect to the Property or the Project. Upon making its initial Capital Contribution to the Company, a Class A Member shall be credited with (i) the number of Class A Units set forth opposite such Class A Member's name on Schedule 2 and (ii) the amount of such Capital Contribution in the computation of such Class A Member's Capital Account balance. The initial Capital Account balances of the Class A Members after making their initial Capital Contributions shall be the amount of their initial Capital Contributions as set forth on **Schedule 2** hereto.

(b) As a material inducement for the Members to make their initial Capital Contributions and enter into this Agreement, effective as of the date hereof, the Ascent Member also is assigning and transferring to the Company and shall cause all of its Affiliates to assign and transfer to the Company, all of its and their interest in the Property and the Project, including all of the Due Diligence Materials in their possession or under their control, in each case, for no Units or other consideration and without receiving any Capital Account credit for such assignments. To the extent required by the Ascent Letter Agreement, the Company or the HIF Member has reimbursed the Ascent Member for out-of-pocket pursuit costs and earnest money deposits previously funded by or on behalf of the Ascent Member with respect to the Property or the Project incurred in accordance with the Ascent Letter Agreement.

3.3 *Additional Funding From Members; Class B Members.*

(a) If a Majority-in-Interest of the Class A Members reasonably determines at any time (or from time to time), after having explored in good faith (and to the extent the circumstances reasonably permit) the availability of additional subordinated debt financing for the Company on commercially acceptable terms, that the Company needs additional funds from the Members (in addition to the initial Capital Contributions described in Section 3.2) for cost overruns, budget short falls, capital expenditures or otherwise, the Manager shall give written notice of such determination to the Class A Members (a “**Funding Notice**”). Each Funding Notice shall state (i) the aggregate amount of additional funds needed by the Company from the Class A Members at such time (the “**Additional Funding Amount**”), (ii) the purpose or purposes for which such funds are to be used, (iii) each Class A Member’s pro rata share (based on the number of Class A Units held by such Class A Member relative to the number of Class A Units held by all of the Class A Members) of the Additional Funding Amount, (iv) the schedule for payment of the Additional Funding Amount to the Company, and (v) other reasonable terms and conditions with respect to such additional funding as determined by the Class A Members to be appropriate.

(b) Each Class A Member shall have the right, but not the obligation, to participate in any additional funding of the Company under this Section 3.3. If each Class A Member elects to provide additional funding, such additional funding shall be provided on a pro rata basis in proportion to each Class A Member’s respective Class A Units, by complying with the terms and conditions of the applicable Funding Notice. If less than all of the Class A Members elect to provide additional funding, such additional funding shall be provided in amounts agreed upon by the Manager and the funding Class A Members.

(c) Any funds provided by a Class A Member pursuant to this Section 3.3 shall be treated as additional Capital Contributions in exchange for which Class A Units will be issued in accordance with the Funding Notice. If a Class A Member does not provide funding pursuant to a Funding Notice, then such Member’s Interest in the Company may be diluted if other Class A Members do so in accordance with the terms of the Funding Notice.

(d) At any time and from time to time, a Majority-in-Interest of the Class A Members may cause the Company to issue Class B Units to one or more Persons who are affordable housing related charities or non-profits and to admit such Persons as Class B Members; provided, that such Persons execute and deliver to the Company such documents and agreements evidencing their joinder as a party to this Agreement as the Manager and a Majority-in-Interest of the Class A Members may reasonably require. Class B Members will not be required to make any Capital Contributions to the Company and will not have any voting or governance rights with respect to the Company except as expressly provided in this Agreement.

3.4 *Withholding of Income Taxes; Adjustment Liability.* If the Company is required to withhold and remit any federal, state, foreign or local income taxes levied on all or part of a Member's or Economic Interest Owner's allocable share of net income and gains, such withholding by the Company shall be treated as a Distribution to the Member or Economic Interest Owner for whom such withholding is made and shall proportionately reduce the amount of Distributions to be paid directly to such Member or Economic Interest Owner. For purposes of this Section 3.4, any payment made by the Company with respect to a composite state tax return in respect of a Member or Economic Interest Owner shall be treated as a withholding payment on account of such Member or Economic Interest Owner. If the Members determine that the Company lacks sufficient funds to make Distributions in an aggregate amount that would allow for any such withholding, the Member or Economic Interest Owner for whom such withholding is to be made shall make Capital Contributions of immediately available funds in the amount needed by the Company after said Distributions have been made to satisfy such withholding liability within ten (10) days after being so notified by the Company. Any Member or Economic Interest Owner making such Capital Contribution shall not be credited with any Units or amounts in the computation of its Capital Account balance with respect thereto, and the withholding payment by the Company, to the extent satisfied by such Capital Contribution, shall not reduce the Distributions to be paid to the Member or Economic Interest Owner. Should a Member or Economic Interest Owner fail to timely make a Capital Contribution required under this Section 3.4, such Member or Economic Interest Owner shall be in default and shall indemnify and hold the Company and the other Members and Economic Interest Owners harmless for any costs, penalties, payments or damages incurred by the Company or the other Members or Economic Interest Owners as a result of such failure, and such Member or Economic Interest Owner shall pay the Company interest with respect to any disbursements by the Company as a result of such Member or Economic Interest Owner failing to timely make the Capital Contributions or cash payments required under this Section 3.4 at the rate of fifteen percent (15%) per annum, compounded monthly. The Company shall have the authority to apply any Distributions to which such defaulting Member or Economic Interest Owner would otherwise be entitled towards the satisfaction of the liabilities to the Company incurred by such Member or Economic Interest Owner under this Section 3.4.

3.5 *Capital Accounts.* There shall be established on the books and records of the Company a separate Capital Account for each Member and Economic Interest Owner. The Capital Account of each Member and Economic Interest Owner shall be determined and maintained in the manner provided in section 1.704-1(b)(2)(iv) of the Regulations.

3.6 *Interest on Capital Contributions and Return of Capital.* Except as otherwise expressly provided or contemplated herein, no Member or Economic Interest Owner (a) shall be paid interest on any Capital Contributions, (b) shall be repaid all or any part of any Capital Contributions or (c) shall have the right to receive, as a Distribution or return of capital, any Company Assets other than cash or cash equivalents. In furtherance of the foregoing, no Member or Economic Interest Owner shall be entitled to any Distribution under any provision of the Act, upon the resignation, withdrawal or dissociation of such Member or Economic Interest Owner from the Company.

3.7 *Guaranties.* If a lender for the Project requires customary nonrecourse carveout guarantees or environmental or other indemnities from the Members or their Affiliates other than the Company, HIF Member shall provide such guaranties and indemnities (each, a "**Guaranty**") and neither any other Member nor any Affiliates of any Member shall be required to provide any other guaranties or indemnities. If HIF Member (a "**Guarantor**") is required to pay any sum or otherwise incurs any loss, liability, damage or expense (including reasonable attorneys' fees) with respect to any such Guaranty, then (a) such Guarantor shall be fully subrogated to the rights of the creditor with respect thereto to the extent permitted under the applicable loan documents, (b) the Company shall be obligated to indemnify and repay such amount (together with reasonable attorneys' fees and other collection costs) to such Guarantor upon demand, (c) such obligations owed to such Guarantor shall continue to be secured to the extent set forth in the documents

evidencing the guaranteed obligations, (d) the outstanding principal amount of such reimbursement obligation shall bear interest at the rate then applicable under the documents evidencing the guaranteed obligation, (e) the Manager shall indemnify such Guarantor for such amount in the event the circumstances for which such amount is paid are a result of any act or omission of the Manager or its Affiliates, (f) no Distributions, reimbursable expenses, repayment of Priority Loans or other amounts shall be paid by the Company to any Manager, Member, Economic Interest Owner or their respective Affiliates until such obligations owed to such Guarantor have been fully satisfied, and (g) all such Distributions, reimbursable expenses or other obligations owed to any Manager, Member, Economic Interest Owner or their respective Affiliates shall be subordinated in right of payment to the obligations owed to such Guarantor pursuant to this Section 3.7. In the event there are multiple Guarantors with respect to a Guaranty, each such paying Guarantor shall have rights of contribution against all co-Guarantors such that each Guarantor shall pay that portion of the total payments made by all co-Guarantors to any Company lender equal to such Guarantor's relative direct or indirect ownership interest in the Company among all such paying and contributing co-Guarantors.

ARTICLE IV DISTRIBUTIONS

4.1 **Net Cash Flow.** 100% of Net Cash Flow will be Distributed within 45 days after the end of each calendar quarter of the Company to the Class A Members on a pro rata basis in proportion to their respective Class A Units.

4.2 **Capital Transaction Proceeds.** Capital Transaction Proceeds will be Distributed as soon as reasonably practical following the receipt thereof by the Company as follows:

(a) First, 100% to the Class A Members on a pro rata basis in proportion to the respective amounts that each of the Class A Members needs to receive in order for the aggregate Distributions under this Section 4.2 and Section 4.1 to provide each Class A Member with an eight percent (8%) IRR with respect to its respective Aggregate Capital Contributions; and

(b) Thereafter, (i) twenty percent (20%) to the Ascent Member (for the avoidance of doubt, subject to Section 6.2), (ii) twenty percent (20%) to the Class A Members on a pro rata basis in proportion to their respective Class A Units and (iii) sixty percent (60%) to the Class B Members on a pro rata basis in proportion to their respective Class B Units; provided, however, that if no Class B Units have been issued at the time that Capital Transaction Proceeds are to be Distributed under Section 4.2(b)(iii), then such remaining sixty percent (60%) of the Capital Transaction Proceeds shall be Distributed to the Class A Members on a pro rata basis in proportion to their respective Class A Units.

4.3 **Non-Cash Distributions.** Members and Economic Interest Owners shall have no right or power to demand the receipt of any assets of the Company other than money. A Supermajority-in-Interest of the Class A Members may cause the Company to Distribute property other than money as all or part of a Distribution, if such non-cash Distributions are made based on the net fair market value of the assets to be Distributed (as determined by a Supermajority-in-Interest of the Class A Members) and such non-cash Distributions, for each asset (or group of assets that are entirely fungible), conform with the principles of Section 4.2.

4.4 **Offset.** Notwithstanding anything contained in this Article IV to the contrary, the Company may offset against any Distributions or other amounts payable to a Member or Economic Interest Owner (whether in such capacity or in its capacity as the Manager or to any of its designees hereunder) hereunder any obligation owed by such Person to the Company and the amount of any damage, liability, loss, cost or

expense (including reasonable attorney's fees) incurred by the Company as a result of such Person's breach of any of the terms of this Agreement, including any representations and warranties of such Person herein. Any determination to offset against a Distribution payable to a Member or Economic Interest Owner (whether in such capacity or in its capacity as the Manager or to any of its designees hereunder) shall be made by a Supermajority-in-Interest of the Class A Members (excluding any Person with respect to whom such offset is being made).

4.5 *Limited Tax Distributions.* Notwithstanding anything contained in this Article IV to the contrary, the Manager, subject to the approval of a Majority-in-Interest of the Class A Members (not to be unreasonably withheld), may cause the Company to make Distributions of Capital Transaction Proceeds to the Ascent Member in an amount equal to the excess of (a) the cumulative amount of the federal and state income taxes the Ascent Member has paid, owes or is estimated to owe, if any, as a result of the Company receiving insurance, condemnation or eminent domain proceeds (taking into account taxable income and losses for prior Fiscal Years), over (b) the cumulative amount of Capital Transaction Proceeds that have been Distributed to the Ascent Member. Any Distribution made to the Ascent Member under this Section 4.5 shall constitute an advance of, and shall be charged against, Distributions to be made to the Ascent Member or its successor under Section 4.2(b)(i).

ARTICLE V

ALLOCATION OF NET INCOME AND NET LOSSES

5.1 *Net Income and Net Losses.*

(a) *Net Income and Net Losses Generally.* Net Income and Net Losses and items thereof (other than Capital Event Net Income and Capital Event Net Losses and items thereof attributable to a Capital Event) for a Fiscal Year or other period shall, subject to **Schedule 3** hereto, generally be allocated among the Members and Economic Interest Owners in proportion to, and until each such Member's and Economic Interest Owner's Capital Account balance (determined after taking into account all Distributions other than Capital Transaction Proceeds and all allocations for the current Fiscal Year, except for the allocations pursuant to this Section 5.1(a)) is increased or reduced to, an amount equal to the Member's or Economic Interest Owner's respective Target Capital Account Amount. As used in this Section 5.1(a), a Member's or Economic Interest Owner's "**Target Capital Account Amount**" equals the amount of Distributions such Member or Economic Interest Owner would receive pursuant to Section 4.2, if the Company first Distributed its Net Cash Flow for such Fiscal Year or other period (including any Reserves previously taken into account in determining Net Cash Flow) pursuant to Section 4.1 and then each of the Company Assets were disposed of for an amount equal to the Book Value of each such asset as set forth in the records of the Company, and the proceeds of such disposition and all other cash of the Company remaining after satisfaction of all Company liabilities were distributed among the Members and Economic Interest Owners pursuant to Section 4.2, less the sum of (a) such Member's or Economic Interest Owner's share of Partnership Minimum Gain and such Member's or Economic Interest Owner's partner minimum gain (as determined according to section 1.704-2(i) of the Regulations) and (b) the amount, if any, which such Member or Economic Interest Owner is obligated to contribute to the capital of the Company as of the last day of such Fiscal Year. Notwithstanding the foregoing, no Net Income or Net Losses shall be allocated under this Section 5.1(a) to any holder of a profits interest except to the extent such holder participates in a Distribution of Net Cash Flow.

(b) *Capital Event Net Income and Capital Event Net Losses.* Capital Event Net Income and Capital Event Net Losses (and items thereof), for a Fiscal Year or other period shall, subject to **Schedule 3** hereto, generally be allocated among the Members and Economic Interest Owners

in proportion to, and until each such Member's and Economic Interest Owner's Capital Account balance (determined after taking into account all Distributions and all allocations for the current Fiscal Year, except for the allocations pursuant to this Section 5.1(b)) is increased or reduced to, an amount equal to the Member's or Economic Interest Owner's respective Target Capital Account Amount. As used in this Section 5.1(b), a Member's or Economic Interest Owner's "**Target Capital Account Amount**" equals the amount of Distributions such Member or Economic Interest Owner would receive pursuant to Section 4.2, if each of the Company Assets were disposed of for an amount equal to the Book Value of each such asset as set forth in the records of the Company, and the proceeds of such disposition and all other cash of the Company remaining after satisfaction of all Company liabilities were distributed among the Members and Economic Interest Owners pursuant to Section 4.2, less the sum of (a) such Member's or Economic Interest Owner's share of Partnership Minimum Gain and such Member's or Economic Interest Owner's partner minimum gain (as determined according to section 1.704-2(i) of the Regulations) and (b) the amount, if any, which such Member or Economic Interest Owner is obligated to contribute to the capital of the Company as of the last day of such Fiscal Year.

(c) **Order of Allocations.** In any Fiscal Year or other period in which there is no Capital Event Net Income or Capital Event Net Losses, allocations shall be made under Section 5.1(a) to the exclusion of Section 5.1(b). In any Fiscal Year or other period in which there is Capital Event Net Income or Capital Event Net Losses, Net Income and Net Losses and items thereof (other than Capital Event Net Income and Capital Event Net Losses and items thereof attributable to a Capital Event) shall first be allocated pursuant to Section 5.1(a), and thereafter Capital Event Net Income and Capital Event Net Losses (and items thereof) shall be made pursuant to Section 5.1(b).

ARTICLE VI MANAGEMENT; RIGHTS OF MEMBERS

6.1 **Management.** Except as otherwise provided for herein, the business affairs of the Company shall be managed by a "manager" (within the meaning of the Act) of the Company (the "**Manager**"), who may but need not be a Member. Except as otherwise provided for herein, the Manager shall have the authority and be responsible to do all things and to prepare and make such filings and reports and otherwise to cause the Company, each Subsidiary, the Property and the Project to comply with the laws, rules, regulations and orders of applicable governmental authorities and to comply with the provisions of any debt financings of the Company, any Subsidiary, the Property and the Project, among other things. The Members hereby appoint Ascent Member as the initial Manager.

6.2 Rights and Duties of Manager; Removal.

(a) In furtherance of, and not limitation of, the authority and duties imposed upon the Manager set forth in Section 6.1 and elsewhere in this Agreement, the Manager shall have the duty and authority to oversee the property manager of the Project, monitor the financial performance of the Company, maintain the Project's compliance with Affordability Covenants, manage service providers of the Project, including those engaged to rehabilitate the Project, manage the day-to-day business and affairs of the Company and implement decisions of the Members, in each case subject to the terms of this Agreement, including the Approval of the Class A Members to the extent required by this Agreement. The Manager shall take such steps as are necessary or appropriate to maintain and enhance the value, safety and profitability of the Project and the proper operation, renovation and maintenance thereof, subject to and in accordance with the Budgets and the terms of this Agreement. In carrying out its duties and responsibilities, the Manager shall exercise reasonable care, including the degree of care and skill expected of experienced operators of comparable projects in Mecklenburg County, North Carolina. The Manager shall keep the Class

A Members promptly and reasonably informed regarding all material matters relating to the Company and the Project (and such other specific matters as the Class A Members may reasonably request from time to time). Without limiting the foregoing, the Manager shall promptly and reasonably inform the Class A Members with respect to any major or significant matters, including any offers to purchase all or any material portion of the Property or the Project, any Majority Decisions and any Supermajority Decisions. The Manager will devote the resources and spend the time necessary to implement the Budgets in a diligent and timely manner. The Manager shall, at all times, exercise good faith and shall promote and protect the best interests of the Company.

(b) At any time following the occurrence of a Cause Event with respect to, or the Bankruptcy, dissolution, liquidation, winding up or termination of, the Manager, in addition to any other rights and remedies available to the Company at law or equity, a Majority-in-Interest of the Class A Members may remove the Manager and designate any other Person as a replacement Manager; provided, however, that if such Cause Event exists solely due to the occurrence of a Key Person Event caused by the death or disability of Mark Ethridge, the Ascent Member may not be removed as the Manager until the second anniversary of the occurrence of such Cause Event.

(c) If a Member serving as the Manager is removed as the Manager of the Company pursuant to this Section 6.2, then such removal shall not affect such Member's Interest or its rights as a Member under this Agreement; provided, however, subject to Section 6.2(d), that a Majority-in-Interest of the Class A Members may cause all or any portion of the remaining Carried Interest Distributions payable to Ascent Member to be paid to any Person that replaces Ascent Member as the Manager of the Company or to be reallocated for distribution to the Class A Members (on a pro rata basis in accordance with their respective Class A Units). Furthermore, from and after the date of such removal pursuant to this Section 6.2, no additional Asset Management Fees, Construction Management Fees or other fees shall be payable to the Manager (including Ascent Member) or its Affiliates (or designees) with respect to the Project. If a Member is replaced as the Manager, such Member agrees to execute an amendment to this Agreement (including any amendment to Sections 4.1 or 4.2 or **Schedule 2**) and any additional documentation reasonably required to reflect the remedies pursued against such Member in accordance with this Section 6.2; provided, however, that any amendment to Section 4.1 or 4.2 or **Schedule 2** shall be deemed effective immediately upon the exercise of such remedies without any further action of the Members.

(d) Notwithstanding the first proviso in Section 6.2(c), in the event the Ascent Member is removed as the Manager of the Company solely due to the occurrence of a Key Person Event, the following limitations on the Class A Members' right to cause all of the remaining Carried Interest Distribution to be paid to a replacement Manager or reallocated to the Class A Members shall apply:

(i) If such removal occurs after the 5th anniversary of the closing of the acquisition of the Property, only 55% of the remaining Carried Interest Distributions may be paid to a replacement Manager or be reallocated for distribution to the Class A Members and the Ascent Member shall retain the right to receive 45% of the remaining Carried Interest Distributions.

(ii) If such removal occurs after the 10th anniversary of the closing of the acquisition of the Property, only 40% of the remaining Carried Interest Distributions may be paid to a replacement Manager or be reallocated for distribution to the Class A Members and the Ascent Member shall retain the right to receive 60% of the remaining Carried Interest Distributions.

(iii) If such removal occurs after the 15th anniversary of the closing of the acquisition of the Property, only 25% of the remaining Carried Interest Distributions may be paid to a replacement Manager or be reallocated for distribution to the Class A Members and the Ascent Member shall retain the right to receive 75% of the remaining Carried Interest Distributions.

Notwithstanding the foregoing, if Mark Ethridge serves as an officer, limited liability company manager, general partner or director of the replacement Manager, the limitations set forth in this Section 6.2(d) shall not apply and the remaining Carried Interest Distributions may be paid and reallocated as described in the first proviso in Section 6.2(c).

6.3 *Voting and Actions of Members.*

(a) Except as otherwise specifically provided in this Agreement or required by the Act or other applicable law, the Class A Members shall be the only Members with the right to Approve any matter with respect to the Company or its operations or business, and all other Members hereby cede and otherwise relinquish all Approval rights that they might otherwise have with respect thereto.

(b) Except as otherwise specifically provided in this Agreement or required by the Act or other applicable law, any Approval required to be given by the Members collectively or any other determination or decision to be made by the Members collectively hereunder shall require the Approval of a Majority-in-Interest of the Class A Members. Any Approval of a matter to be given by the Members may be given by the Class A Members (a) at a meeting of the Members, at which the Class A Members required to Approve such matter are either present or participating by conference telephone, and for which the Person calling such meeting provided written notice of such meeting (which notice may be given by e-mail or other electronic means of communication) to all Class A Members at least two (2) Business Days prior to the date of such meeting (which notice may be waived in writing or by attendance at such meeting), or (b) without a meeting by written consent given by the Class A Members required to Approve such matter, which written consent by any Class A Member may be given in the form of e-mail or other electronic means of communication from such Class A Member with or without a manual signature, a copy of which written consent shall be sent to all Class A Members.

6.4 *Majority Decisions.* Notwithstanding any contrary provision contained herein, all decisions relating to any of the matters set forth in this Section 6.4 (each, a "**Majority Decision**" and, collectively, the "**Majority Decisions**") shall require the approval of a Majority-in-Interest of the Class A Members. Accordingly, neither the Manager, any Member nor any other Person shall have the authority, right or power to make any commitment or engage in any undertaking on behalf of the Company or any Subsidiary with respect to a Majority Decision unless and until the same has been Approved by a Majority-in-Interest of the Class A Members. The following shall constitute Majority Decisions:

(a) The sale, exchange or other disposition of all or any material portion of the Project, other than the execution of leases or the grants of easements or rights-of-way in the ordinary course of business, or the granting a mortgage or security interest in or otherwise encumbering all or any portion of the Project, other than equipment financing that is entered into on commercially reasonable terms and conditions in the ordinary course of business, that is not material to the Project and that is secured only by the financed equipment

(b) Incurring, guarantying, prepaying, in whole or in part, refinancing, renewing, modifying or extending any indebtedness for borrowed money on behalf of the Company, any

Subsidiary or the Project, except for trade payables in the ordinary course of business consistent with the applicable Budget;

(c) Adopting any Budget or amending or modifying any Budget;

(d) Other than payments of Non-Discretionary Expenses, making or incurring any expenditure (i) that is not provided for by a category in the applicable Budget, or (ii) that would cause aggregate expenditures for the applicable Budget to exceed one hundred three percent (103%) of or to be more than \$30,000 greater than the aggregate expenditures set forth in the applicable Budget;

(e) Removing, replacing or appointing the Manager;

(f) Entering into, amending, modifying, waiving any rights with respect to or terminating (i) any agreement with a property manager, leasing agent or broker with respect to the management, leasing, sale or refinancing of the Project, (ii) any agreement that has a value or potential cost to the Company or any Subsidiary in excess of \$10,000, including the Purchase Agreement, or (iii) any agreement that is not terminable unilaterally by the Company or any Subsidiary on notice of 90 days or less;

(g) Engaging a Member, the Manager or an Affiliate thereof to provide products or services to the Company, any Subsidiary or the Project as set forth in Section 6.10;

(h) Exercising any rights with respect to, any agreement, transaction or other arrangement between the Company or a Subsidiary, on the one hand, and a Member or an Affiliate thereof, on the other hand, including instituting, prosecuting or settling any claims, litigation or other proceeding between the Company or a Subsidiary, on the one hand, and a Member or an Affiliate thereof, on the other hand;

(i) Issuing a Funding Notice;

(j) Making a Distribution or establishing, modifying or releasing any Reserves;

(k) Instituting, prosecuting or settling any claims, litigation or other proceeding involving the Company or any Subsidiary (other than such matters that arise the ordinary course of business and are brought by or against tenants of the Project and have a value of less than \$10,000);

(l) Taking any action that would cause the Voluntary Bankruptcy of the Company or any Subsidiary or making an assignment for the benefit of creditors of all or substantially all of the assets of the Company or any Subsidiary; and

(m) Agreeing to do any of the things described in (a) through (l) of this Section 6.4.

Notwithstanding anything contained in this Agreement to the contrary, a Majority-in-Interest of the Class A Members may propose and Approve any Majority Decision. All such proposals shall be delivered in writing to the Manager and all of the Class A Members and shall include materials and information reasonably sufficient and complete to analyze and make the Majority Decision. If a Class A Member does not notify the proposing Class A Member in writing of its Approval or disapproval of the Majority Decision within five (5) Business Days following the date of the written request, such Class A Member shall be deemed to have disapproved the Majority Decision. For the avoidance of doubt, the Approval of the

Manager is not required to Approve a Majority Decision. In the event a Majority-in-Interest of the Class A Members Approve a Majority Decision that was not proposed or Approved by the Manager, the Manager shall cause the Company to act in accordance with such Majority Decision, or the Class A Members constituting a Majority-in-Interest of the Class A Members may (or may cause a representative thereof to) act on behalf of and bind the Company to implement such Majority Decision.

6.5 *Supermajority Decisions.* Notwithstanding any contrary provision contained herein, all decisions relating to any of the matters set forth in this Section 6.5 (each, a “**Supermajority Decision**” and, collectively, the “**Supermajority Decisions**”) shall require the approval of a Supermajority-in-Interest of the Class A Members. Accordingly, neither the Manager, any Member nor any other Person shall have the authority, right or power to make any commitment or engage in any undertaking on behalf of the Company with respect to a Supermajority Decision unless and until the same has been Approved by a Supermajority-in-Interest of the Class A Members. The following shall constitute Supermajority Decisions:

- (a) (i) the merger, conversion, reorganization, combination, recapitalization or any other change in the entity status or classification of the Company, (ii) any election to treat the Company as anything other than a partnership for income tax purposes and (iii) any election to treat any wholly owned Subsidiary as anything other than a disregarded entity for income tax purposes or any other Subsidiary as anything other than a partnership for income tax purposes;
- (b) The issuance or sale of (or contracting for the issuance or sale of) additional Interests (or Units) in the Company (other than Units issued pursuant to Sections 3.2 or 3.3) or the admission of any additional Members to the Company (other than as provided in Section 3.3);
- (c) The redemption or repurchase of all or any portion of the Interest of a Member or an Economic Interest Owner in the Company;
- (d) Make a Distribution to the Members of property other than money;
- (e) The issuance or sale of (or contracting for the issuance or sale of) ownership interests in any Subsidiary;
- (f) The redemption or repurchase of all or any portion of an ownership interest in any Subsidiary;
- (g) Approving the Transfer of (or creation or suffering to exist any Encumbrance against) all or any portion of a Member’s or Economic Interest Owner’s Interest, except to the extent expressly permitted under Article VIII;
- (h) Engaging a Member, the Manager or an Affiliate thereof to provide products or services to the Company, any Subsidiary or the Project other than as set forth in Section 6.10;
- (i) Dissolving, liquidating, winding up or terminating the Company (or the business or affairs thereof) or forming, dissolving, liquidating, winding up or terminating any Subsidiary (or the business or affairs thereof);
- (j) Amending or modifying the Articles or this Agreement or entering into, amending or modifying the certificate of formation, articles or organization, limited liability company agreement, operating agreement or other formation or organizational documents of any Subsidiary;

(k) Amending or modifying deed restrictions that apply to the Property and relate to the affordability of the Project to tenants of the Property to set aside less than 25% of the units of the Project for tenants earning at or below 30% of the area median income (“**Affordability Covenants**”); and

(l) Agreeing to do any of the things described in (a) through (k) of this Section 6.5.

Notwithstanding anything contained in this Agreement to the contrary, a Supermajority-in-Interest of the Class A Members may propose and Approve a Supermajority Decision. All such proposals shall be delivered in writing to the Manager and all of the Class A Members and shall include materials and information reasonably sufficient and complete to analyze and make the Supermajority Decision. If a Class A Member does not notify the proposing Class A Member in writing of its Approval or disapproval of the Supermajority Decision within five (5) Business Days following the date of the written request, such Class A Member shall be deemed to have disapproved the Supermajority Decision. For the avoidance of doubt, the Approval of the Manager is not required to Approve a Supermajority Decision. In the event a Supermajority-in-Interest of the Class A Members Approve a Supermajority Decision that was not proposed or Approved by the Manager, the Manager shall cause the Company to act in accordance with such Supermajority Decision, or the Class A Members constituting a Supermajority-in-Interest of the Class A Members may (or may cause a representative thereof to) act on behalf of and bind the Company to implement such Supermajority Decision.

6.6 *Budgets.*

(a) The Class A Members hereby approve the initial capital improvements and operating budget for the next twelve (12) months attached hereto as Exhibit B (the “**Initial Budget**”).

(b) At least thirty (30) days prior to the start of each subsequent Fiscal Year, the Manager shall submit to the Class A Members for Approval a proposed operating budget (an “**Operating Budget**”) for such Fiscal Year.

(c) If a Majority-in-Interest of the Class A Members in good faith request any proposed revisions to any proposed Operating Budget, then the Class A Members and the Manager shall cooperate with each other to resolve any questions with respect to such proposed revisions. If the Class A Members fail to Approve an Operating Budget for any Fiscal Year prior to the commencement thereof, the Manager shall continue to manage, maintain and operate the activities for which such Operating Budget was proposed in accordance with the approved Operating Budget for the previous Fiscal Year until a new Operating Budget is Approved by the Class A Members; provided, however, (i) that Non-Discretionary Expenses shall be deemed increased as required to reflect the actual expenses for the new Fiscal Year, (ii) other expenses shall be deemed increased to 103% of the budgeted amounts for the prior Fiscal Year, and (iii) capital expenditures from the previous Fiscal Year’s Operating Budget shall be deemed excluded, even if such capital expenditures have not yet been incurred.

6.7 *Waiver of Fiduciary Duties, Etc.*

(a) Except as expressly set forth in this Agreement or required by the Act, no Member (acting in such capacity or in its capacity as the Partnership Representative) shall have any fiduciary or other duty to the Company, any other Member or any other Person that is a party to or is otherwise bound by this Agreement, other than the implied contractual covenant of good faith and fair dealing.

(b) Except as expressly set forth in this Agreement or required by the Act, each Member (acting in such capacity or in its capacity as the Partnership Representative), in performing its obligations under this Agreement, shall be entitled to act or omit to act at the direction of any Member(s), considering only such factors, including the separate interests of any Member(s) (which interests may differ from, and be given priority over, the interests of the Company or any other Member), as such Member chooses to consider, and any action or failure to act of such Member, taken or omitted in good faith reliance on this Section 6.7 shall not constitute a breach of any duty (including any fiduciary duty, all of which are expressly disclaimed (subject to the implied contractual covenant of good faith and fair dealing)) on the part of such Member to the Company or any other Member.

6.8 *Limitations on Other Ventures and Business Pursuits.* Each Member understands that the other Members, the Manager and their respective Affiliates may be interested, directly or indirectly, in various other businesses and undertakings not included in the Company. Each Member hereby acknowledges and agrees that (a) each other Member, the Manager and their respective Affiliates shall have the right to have such other interests and activities and to receive and enjoy profits or compensation therefrom, including business interests, activities and investments that may be in conflict or competition with the business of the Company; (b) each Member, the Manager and their respective Affiliates may engage in or possess an interest in any other business or venture of any kind, independently or with others, without any obligation to offer any interest in such activities to the Company, and the pursuit of such activities, whether or not competitive with the Company, shall not be deemed wrongful or improper; and (c) neither the Company nor any other Member shall have any right to any such activities or any interest therein or in the income or profits derived therefrom and each Member hereby waives any rights it might otherwise have to share or participate in such other interests or activities of any other Member, the Manager and their respective Affiliates. For the avoidance of doubt, nothing in this Section 6.8 shall, or be deemed to, supersede any terms or conditions of the Ascent Letter Agreement, and the terms of the Ascent Letter Agreement shall supersede any conflicting terms of this Section 6.8.

6.9 *Limitations on Liability and Capital Contributions.* Except as otherwise expressly provided in this Agreement or required by applicable law, no Member or Economic Interest Owner, as such, shall be bound by, or be personally liable for, the liabilities or obligations of the Company or the other Members or Economic Interest Owners, or be required to lend any funds to (or provide any guarantees on behalf of) the Company, without the prior written consent of such Member or Economic Interest Owner. No Member or Economic Interest Owner shall have any obligation to make Capital Contributions to the capital of the Company except Capital Contributions that are expressly required pursuant to this Agreement. Under applicable law, however, a Member or Economic Interest Owner may, under the circumstances set forth in Section 57D-4-06(b) of the Act, be required to reimburse a Member or any other company official held liable under Section 57D-4-06(a) of the Act, for Distributions such Member or Economic Interest Owner received knowing that such Distributions were made in violation of Section 57D-4-05 of the Act.

6.10 *Fees.*

(a) The Company or its Subsidiaries will pay to Ascent Member (or an Affiliate thereof designated by Ascent Member) a one-time acquisition fee upon the closing of the acquisition of the Project in an aggregate amount equal to 1.0% of the purchase price of the Project.

(b) As consideration for bookkeeping, record-keeping and other administrative services provided to the Company and its Subsidiaries with respect to the Project, the Company or its Subsidiaries will pay to the Manager an asset management fee in an aggregate amount equal to 1.0% of the gross revenues collected from tenants of the Project (the "Asset Management Fee"). The Asset Management Fee will be paid pursuant to and in accordance with the terms and

conditions of the Asset Management Agreement and subject to the terms and conditions of this Agreement.

(c) In exchange for any construction management services provided to the Company or its Subsidiaries by the Manager (or an Affiliate thereof) with respect to the Project, the Company or its Subsidiaries will pay to the Manager (or an Affiliate thereof designated by the Manager) a construction management fee in an aggregate amount equal to a percentage of the budgeted hard costs and expenses of any capital projects undertaken by the Company or its Subsidiaries with respect to the Project in accordance with this Agreement, which percentage shall be (i) 5.0% for capital projects capitalized and budgeted for at closing of the acquisition of the Project and to be undertaken within the first 12 months following acquisition and (ii) 2.5% for all other capital projects (a "**Construction Management Fee**"). The Construction Management Fee will be paid pursuant to and in accordance with the terms and conditions of the Asset Management Agreement and subject to the terms and conditions of this Agreement.

(d) Except as expressly provided in this Agreement or any additional agreements expressly approved in writing in accordance with this Agreement, neither the Manager nor any Member or its respective Affiliates will be entitled to receive any fees or other compensation from the Company or any Subsidiary for services rendered to the Company or its Subsidiaries, including brokerage fees on the sale or lease of the Property. Any such fees or other compensation received by any Member or its respective Affiliates shall be property of the Company and shall be promptly turned over to the Company.

(e) Any and all fees payable to any Member or its respective Affiliates under this Agreement are hereby, and shall continue to be, subject and subordinate in priority and payment to the lien of the mortgage under any financing requiring such subordination and to all interest and all other sums due or to become due under such mortgage and the notes secured thereby or any other indebtedness of the Company requiring such subordination.

6.11 *Subsidiaries.* All of the provisions of this Agreement regarding the management and governance of the Company shall apply to the management and governance of any and each Subsidiary, if any, whether any such Subsidiary is managed or controlled directly or indirectly by the Company, as member, manager or otherwise. Any action to be taken by any Subsidiary shall for all purposes hereof be construed as an action taken by the Company and shall be subject to the same rights and limitations granted and imposed on the Manager and the Members under this Agreement, subject to any additional rights and limitations granted or imposed in the governing documents of such Subsidiary. Any and all references herein to the Company or any Manager or Member causing or directing any action shall be deemed to refer to the Company causing (or such Manager or Member causing the Company to cause), in its capacity as member or manager of such Subsidiary, such action to be taken for and on behalf of such Subsidiary. The Manager shall perform, with no additional compensation, the same or substantially identical services for each such Subsidiary as the Manager performs for the Company, subject to the terms, conditions, limitations and restrictions set forth in this Agreement. The Manager agrees to perform such duties, and in such circumstances and with regard to such duties, the Manager shall be subject to the same standards of conduct and shall have the same duties and obligations in performing or such services on behalf of each such Subsidiary as are set forth in this Agreement. Without limiting the generality of the foregoing (and notwithstanding anything contained herein to the contrary), any action or decision to be taken or made by or on behalf of a Subsidiary that, if taken or made by or on behalf of the Company would require the direction or approval of one or more of the Manager or any Member under this Agreement, will require the direction or approval of the same. The Members agree that the Manager shall ensure (and the Manager hereby acknowledges and agrees) that the organizational documents of any Subsidiary organized after the date hereof will include any special purpose entity provisions required by any lender to any such Subsidiary.

6.12 *Waiver in Connection with Removal.* In the event Ascent Member resigns or is removed as the Manager of the Company, Ascent Member, on behalf of itself, its beneficial owners and its and their respective Affiliates, hereby waives any and all rights any of them may have under any restrictive covenant, whether contained in any organizational document, employment agreement or other contract, that would prevent or prohibit any then-current or former beneficial owner or Affiliate of Ascent Member, and any Affiliate of any such beneficial owner or Affiliate of Ascent Member, from becoming, directly or indirectly, a replacement Manager of the Company (“**Existing Restrictive Covenants**”), and they hereby expressly agree that after such resignation or removal any then-current or former beneficial owner or Affiliate of Ascent Member, and any Affiliate of any such beneficial owner or Affiliate of Ascent Member, may directly or indirectly invest in the Company, serve as a replacement Manager or officer of the Company or serve in any other capacity (including as construction manager or property manager) with respect to the Property or the Project. The waiver and agreements contained in this Section 6.12 shall be deemed to be made each time the Existing Restrictive Covenants would prevent the transactions contemplated by this Section 6.12.

ARTICLE VII BOOKS AND RECORDS

7.1 *Books; Accounting Methods.* The Manager shall cause the Company to maintain, at its principal place of business, books of account for the Company, representing a complete and accurate record of the assets, liabilities, operations, transactions and financial condition of the Company. The Manager shall utilize accounting methods Approved by the Class A Members that fairly present the financial condition of the Company in accordance with the income tax method of accounting. Accounting methods adopted by the Class A Members shall be consistently applied.

7.2 *Annual Reports.* As soon as practicable following the end of each Fiscal Year (but no later than one hundred twenty (120) days following the close of such Fiscal Year), and at the time Distributions are made pursuant to Section 10.2(b) following the occurrence of a Dissolution Event, the Manager shall cause to be prepared and furnished to each Member, the consolidated financial statements of the Company and its Subsidiaries for such Fiscal Year, along with summary reports on the Project. Such financial statements shall include balance sheets of the Company and its Subsidiaries as of the end of such Fiscal Year, statements of income and loss of the Company and its Subsidiaries for such Fiscal Year and statements of changes in capital for such Fiscal Year, all prepared in accordance with the Company’s method of accounting, and, if so determined by the Class A Members or required by the secured lenders to the Company or the Project, audited by a firm of independent certified public accountants.

7.3 *Other Reports.*

(a) Within forty-five (45) days after the end of each calendar quarter, the Manager shall furnish to each Class A Member reports containing unaudited consolidated financial statements of the Company and its Subsidiaries for the preceding calendar quarter, including a balance sheet, and income statement and a statement showing each Member’s Capital Account, including net income and loss allocations and any distribution of capital, as of the end of such period and all changes thereto during such period and year-to-date since the end of the prior Fiscal Year.

(b) Within forty-five (45) days after the end of June 30 and December 31, the Manager shall furnish to each Class A Member semi-annual management reports on the Company’s and its Subsidiaries’ operations, including a summary report on the Project;

(c) Within forty-five (45) days after the end of each calendar quarter, the Manager shall furnish to each Class A Member (i) a report updating the Class A Members on the support

services being provided to residents of the Project and (ii) during the rehabilitation of the Project until the Project is placed in service, a report on the status of the Project, including (A) a comparison of the initial rehabilitation budget for the Project and actual costs and (B) the status of all permits required in connection with the construction, ownership, operation, use and occupancy of the Project;

(d) The Manager shall furnish to the Class A Members all certificates and reports provided to the Company's and its Subsidiaries' secured lenders with respect to the Project.

7.4 *Audits; Right of Inspection.* No formal independent audit of the books of account of the Company shall be required to be undertaken at the expense of the Company, unless determined otherwise by the Members or required by the secured lenders to the Company or the Project. Each Class A Member or an authorized representative thereof (a) shall have access to, and may inspect and photocopy at the principal place of business of the Company, books and records of the Company and (b) may conduct audits of those books and records. The costs and expenses of such activities shall be borne by the Member utilizing such access or performing such audit (including reimbursement to the Company of any costs and expenses incurred by the Company in conjunction with the same, which shall include the Company's reasonable attorneys' fees).

7.5 *Tax Returns and Information.* The Manager shall cause all tax and information returns for the Company to be prepared, such tax and information returns to be subject to the prior written approval of the Partnership Representative, and timely filed (including extensions) with the appropriate authorities. As soon as practicable following the end of each Fiscal Year (but no later than one hundred twenty (120) days following the close of such Fiscal Year), and at the time Distributions are made pursuant to Section 10.2(b) following the occurrence of a Dissolution Event, the Manager shall cause to be prepared, subject to the prior written approval of the Partnership Representative, and furnished to each Member, such Member's Schedule K-1 (Internal Revenue Service Form 1065) or an equivalent report indicating such Member's share of all items of income or gain, expense, loss or other deduction and tax credit of the Company for such Fiscal Year, as well as the status of its Capital Account as of the end of such Fiscal Year, and such additional information as it reasonably may request to enable it to complete its tax returns or to fulfill any other reporting requirements prior to the due date for such returns (after giving effect to all available extensions of time with respect to filing such tax returns).

ARTICLE VIII

TRANSFERS OF INTERESTS; WITHDRAWAL

8.1 *Transfers of Interests.*

(a) Except to the extent otherwise provided in Section 6.2 or this Article VIII, no Member or Economic Interest Owner shall Transfer (or create or suffer to exist any Encumbrance against) all or any portion of that Member's or Economic Interest Owner's Interest, except with the advance Approval of a Supermajority-in-Interest of the Class A Members. Such Approval may specify the rights and obligations the transferee shall have, including whether the proposed transferee is to be admitted as a Substituted Member or an Economic Interest Owner; provided, however, that if the Approval does not specify otherwise, the transferee shall be an Economic Interest Owner and shall not be admitted as a Member. The grant or denial of a Member's Approval for a proposed Transfer or Encumbrance may be made in the Member's sole and absolute discretion.

(b) Each Member or Economic Interest Owner agrees, if required pursuant to one or more debt financings, authorized in accordance with this Agreement, under which the Company

is a borrower, to pledge its Interests to the lenders with respect to such debt financings, and such pledge shall not be subject to the terms and conditions of this Article VIII; provided, that, all Members and Economic Interest Owners shall have the same pledge requirements pursuant to such debt financings.

(c) A Substituted Member shall have all the rights and powers, and shall be subject to all the restrictions and liabilities, of the Transferring Member, relative to such Transferred Interest.

(d) Any Transferring Member or Economic Interest Owner who Transfers all of such Person's Interest shall cease to be a Member or Economic Interest Owner; provided, however, that such Transfer, without more, shall not release the Transferring Member or Economic Interest Owner from any liability with respect to the Transferred Interest or any other obligation that such Transferring Member or Economic Interest Owner may have to the Company.

8.2 *Unauthorized Transfers.* Any purported Transfer or Encumbrance of the Interest of any Member or Economic Interest Owner that does not comply with the conditions set forth in this Article VIII (an "**Unauthorized Transfer**") shall be null and void and of no force or effect whatsoever; provided, however, that if the Company is required to recognize an Unauthorized Transfer (or if the Members elect to recognize such Unauthorized Transfer for the limited purposes provided in this Section 8.2) pursuant to (a) a judicial decree or other court order under the Act or other applicable law (including any Bankruptcy Law) or (b) a separation, divorce, equitable distribution or community property agreement relating to the division or partition of property between spouses, then the Person to whom such Interest is Transferred shall have only the rights of an Economic Interest Owner with respect to the Transferred Interest. Any Distributions with respect to such Transferred Interest may be applied (without limiting any other legal or equitable rights of the Company) towards the satisfaction of any debts, obligations or liabilities for damages that the transferor or transferee of such Interest may have to the Company.

8.3 *Rights of Economic Interest Owners.* Except as expressly provided herein or required by the Act, an Economic Interest Owner (a) shall have no right to vote or otherwise participate in Company matters (including having no right to Approve the matters set forth in Article VI or Section 12.15), (b) shall take no part in the management of the Company's businesses or transact any business on behalf of the Company, (c) shall have no right to any notices provided hereunder, (d) shall have no power to sign on behalf of, or to bind, the Company, (e) shall have no right to any information or accounting of the affairs of the Company, (f) shall not be entitled to inspect the books or records of the Company, (g) shall have no rights to enforce the provisions of Articles V or VI hereof and (h) shall not have any other rights of a Member under the Act or this Agreement other than those expressly provided in this Agreement. Except as provided in the preceding sentence, the provisions of Articles I, II, III, IV, V, VII, VIII, IX, XI and XII (other than Sections 12.15 and 12.18) hereof shall apply to Economic Interest Owners to the same extent as to Members, and all references to Members shall be interpreted so as to apply to all Interest owners (*i.e.*, including Economic Interest Owners), to the extent the context so permits. Notwithstanding the foregoing, however, all Approvals, or determinations by the Members shall be made by the Members only, and any Units held by Economic Interest Owners shall be excluded from the calculation of any necessary Approval (including any calculation of a Majority-in-Interest or Supermajority-in-Interest) of any Members.

8.4 *Withdrawal of Members.* Except as provided herein, a Member shall have no right to dissociate, withdraw as a Member or withdraw such Member's capital from the Company. In furtherance of the foregoing, no Member shall be entitled to any Distribution under the Act upon the dissociation or withdrawal of such Member from the Company or otherwise. This Section 8.4 is intended to apply in lieu of any withdrawal rights a Member might otherwise have under the Act. If, contrary to such prohibition, a Member purports to withdraw as a Member in a manner not otherwise authorized herein, then such withdrawn Member (or successor-in-interest, as the case may be) shall have only the rights of an Economic

Interest Owner.

8.5 *Drag Sale.*

(a) At any time, subject to Section 6.5, a Majority-in-Interest of the Class A Members (the “**Dragging Member**”) shall have the right to effect a sale of all of the Interests in the Company pursuant to a bona fide arm’s length written offer from any Person that sets forth the material terms and conditions thereof (a “**Drag Sale**”). The Manager and each remaining Member and Economic Interest Owner shall (i) Approve and raise no objections against any Drag Sale or the process pursuant to which the Drag Sale is arranged; (ii) waive any dissenters’ or appraisal rights and all other rights with respect to the Drag Sale under the Act; (iii) waive any potential claim, including any claim for breach of fiduciary duty, which it may have against the Company, any Member or any Affiliate of the foregoing to the extent arising out of or relating to the Drag Sale; and (iv) agree to sell, and shall sell, all of such Person’s Interest on the terms and conditions of the Drag Sale. The Manager and each Member and Economic Interest Owner shall take all reasonably necessary and desirable actions in connection with the consummation of any Drag Sale, including the execution of such agreements and instruments and other actions reasonably necessary to (A) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Drag Sale subject to Section 8.5(b)(ii) and (iii) and (B) effectuate the allocation and Distribution of the aggregate consideration upon the Drag Sale as set forth in 8.5(b)(i). The closing of such Drag Sale shall be held in accordance with the provisions of Section 8.5(c).

(b) The obligations of the Members and Economic Interest Owners pursuant to this Section 8.5 are subject to the satisfaction of the following conditions:

(i) upon the consummation of the Drag Sale, each of the Members and Economic Interest Owners shall receive the same proportion of the aggregate consideration (and shall be responsible for the same proportion of any amounts placed in escrow) and the same form of such aggregate consideration from such Drag Sale that such Person would have received if such aggregate consideration had been Distributed by the Company in the manner provided in Section 4.2;

(ii) in no event shall the Members or Economic Interest Owners be required to make any representations or warranties relating to the Members or Economic Interest Owners in connection with the Drag Sale (other than representations and warranties concerning such Person’s valid ownership of such Person’s Interest, free of all liens and encumbrances (other than those arising under applicable securities laws) and such Person’s authority, power and right to enter into and consummate such Drag Sale without violating any other agreement); provided, that, each Member and Economic Interest Owner may be made liable for and will agree to bear indemnity obligations relating to its representations and warranties and the representations and warranties made by or relating to the Company, so long as such Person shall not be liable for more than such Person’s pro rata share (based on such Person’s relative share of the Drag Sale proceeds) of any indemnification liability and such liability shall not exceed the total purchase price received by such Person for such Person’s Interest (unless such Person otherwise agrees);

(iii) if the Dragging Member is given an option as to the form of consideration to be received, each Member and Economic Interest Owner will be given the same option; and

(iv) no Member or Economic Interest Owner shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Drag Sale (excluding modest expenditures for postage, copies, etc.) and no Member or Economic Interest Owner shall be obligated to pay more than such Person's pro rata share (based on such Person's relative share of the Drag Sale proceeds) of reasonable expenses incurred in connection with a consummated Drag Sale to the extent such expenses are incurred for the benefit of all Members and Economic Interest Owners and are not otherwise paid by the Company or the acquiring party (costs incurred by or on behalf of a Member or Economic Interest Owner for its sole benefit will not be considered costs of the transaction hereunder).

(c) The closing of any Drag Sale shall be held at such time and place as the Dragging Member shall reasonably specify. The Dragging Member shall give each other Member and Economic Interest Owner at least five (5) Business Days' notice of the time and place of such closing. At such closing, each other Member and Economic Interest Owner shall deliver such documents and instruments as shall be necessary to sell their Interests in such transaction, and such Interests shall be free and clear of any liens, claims or encumbrances (other than restrictions imposed pursuant to this Agreement and applicable federal and state securities laws).

ARTICLE IX MARKETING RIGHT

9.1 *Initiation of Marketing Right.* At any time, and from time to time, subject to Section 6.5, a Majority-in-Interest of the Class A Members (the "**Marketing Member**") shall have the right to cause the Company to sell (or to cause any Subsidiary to sell) all or part of the Project (whether as a sale of the Project itself, a sale of the interests in any Subsidiary that holds the Project or a sale of the Company Assets) pursuant to this Section 9.1 without the consent of the Manager or any other Member. The Marketing Member may exercise such right by delivering a notice to the other Members that indicates the Marketing Member's desire to have the Company attempt to sell the Project (as "**Marketing Notice**"). A Marketing Notice shall not be required to specify any proposed price or other terms of the proposed sale.

9.2 *Effecting the Marketing Right.* Notwithstanding anything to the contrary in this Agreement, the Marketing Member shall have the sole and exclusive right to market and sell the Project and may cause the Company (and any Subsidiary) to execute and deliver such brokerage agreements, term sheets, letters of intent, purchase and sale agreements, deeds, assignments and other agreements as the Marketing Member may deem necessary or desirable in connection therewith. With respect to any portion of the Project for which the Marketing Member has issued a Marketing Notice in accordance with this Article IX, the Marketing Member may (a) at the Company's (or Subsidiary's) expense, engage a broker to market the Project for sale, (b) cause the Company (or Subsidiary) to accept or reject any and all purchase offers, (c) cause some or all of the Project to be sold on such terms and conditions as are acceptable to the Marketing Member, and (d) terminate any and all marketing and sale efforts. Notwithstanding the foregoing, without the prior written consent of a Supermajority-in-Interest of the Class A Members, (i) the Marketing Member shall not cause the Company (or Subsidiary) to engage any broker that is an Affiliate of the Marketing Member; (ii) the buyer of the Project shall not be an Affiliate of the Marketing Member; and (iii) any net proceeds of such sale shall be payable in cash (or through a combination of cash and the assumption of a loan encumbering the Project).

9.3 *Cooperation.* The Manager, Members and Economic Interest Owners agree to cooperate, and to cause any Affiliate of such Person to cooperate, with the Marketing Member in such manner as the Marketing Member may reasonably request to facilitate the marketing and sale of the Project in accordance with this Article IX, including by making available to the Marketing Member and any broker engaged by the Marketing Member the books and records of the Company and the Project and by arranging for

showings of the Project to interested purchasers and their representatives, arranging for inspections and studies of the Project, and obtaining title commitments, environmental and construction reports, market studies or other materials to facilitate the marketing and sale of the Project, all promptly upon request by the Marketing Member. The Manager, Members and Economic Interest Owners shall provide to the other, upon request, copies of all proposals received from any brokers or prospective buyers and shall keep the other reasonably informed of all material developments relating to the potential sale of the Project.

ARTICLE X
DISSOLUTION AND WINDING UP

10.1 **Dissolution Events.** The Company shall dissolve and commence winding up upon the first to occur of any of the following (each a “**Dissolution Event**”):

- (a) The sale or other Transfer of all or substantially all of the Company Assets (other than cash and cash equivalents) in accordance with the terms set forth herein;
- (b) The Approval of a Supermajority-in-Interest of the Class A Members; or
- (c) Upon the occurrence of any of the events listed in Section 57D-6-01 of the Act.

Dissolution of the Company pursuant to this Section 10.1 shall be effective on the date such Dissolution Event occurs, but the Company shall not terminate until the Company Assets have been Distributed as provided herein. The Company shall not dissolve due to the death, retirement, resignation, expulsion, Bankruptcy or dissolution of the Manager or a Member.

10.2 **Winding Up.** Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Members. Under such circumstances, the Manager shall not take any action that is inconsistent with, or not necessary or advisable for, the winding up of the Company’s affairs. Subject to the other terms and conditions of this Agreement, the Manager shall be responsible for overseeing the winding up and liquidation of the Company and, in connection therewith, shall take full account of the Company’s liabilities and assets, cause the Company Assets to be liquidated as promptly as is consistent with obtaining the fair value thereof and cause the proceeds therefrom, to the extent sufficient therefor, to be applied in the following order and priority:

- (a) First, to the payment of all of the Company’s debts and liabilities owed to the creditors of the Company (including any Members who are creditors) in the order of priority provided by contract or law, with the Manager making reasonable provision for their payment or satisfaction (which may include the setting up of such Reserves as the Manager may deem reasonably necessary with Approval of a Majority-in-Interest of the Class A Members for the payment of any obligations or contingent liabilities of the Company). The Manager may hold such Reserves for such period that the Manager reasonably deems advisable for the payment of such obligations and liabilities as they become due and, at the expiration of such period, the balance of such Reserves, if any, shall be Distributed as provided in Section 10.2(b); and
- (b) The balance, if any, to the Members and Economic Interest Owners in the order and priority set forth in Section 4.2 hereof.

The costs and expenses relating to the winding up of the Company shall be borne by the Company. Unless otherwise Approved by the Class A Members, no Member shall receive compensation for any services performed pursuant to this Section 10.2.

10.3 *Final Accountings.* Upon both the dissolution and termination of the Company, a proper accounting shall be made by the Company from the date of the last previous accounting to the date of the dissolution or termination, as the case may be. The Manager shall make any required filings with regulatory bodies relating to the dissolution and termination.

10.4 *No Capital Account Deficit Balance Restoration Obligation.* In no event shall any Member or Economic Interest Owner be liable with respect to, or be required to contribute capital to restore, a negative or deficit balance in such Member's or Economic Interest Owner's Capital Account upon the dissolution or liquidation of the Company (or at any other time), except to the extent such Member or Economic Interest Owner expressly agrees thereto in a writing to the Company.

ARTICLE XI REPRESENTATIONS AND WARRANTIES

11.1 *Representations and Warranties of the Members (other than Ascent Member).* Each Member (other than Ascent Member) hereby represents and warrants to the Company that:

(a) Such Member has the limited liability company power and is authorized to enter into this Agreement and perform its obligations hereunder.

(b) Neither the execution, delivery or performance of this Agreement by such Member breaches, invalidates, cancels, makes inoperative or interferes with, or results in the acceleration or maturity of, or requires any consent or authorization that has not been obtained under, any contract, agreement, lease, easement, right or interest, law or regulation, to which such Member is subject.

(c) Such Member is financially able to bear all the risks of holding the Interest being acquired by such Member for an indefinite period of time.

(d) Such Member has such knowledge and experience in financial and business matters to be able to evaluate the merits and risks of the acquisition of such Interest and of making an informed investment decision with respect thereto.

(e) Such Member's acquisition of its Interest is being made for such Member's own account, for investment and not with a view to the sale or distribution thereof.

(f) Such Member acknowledges that the Interest purchased by such Member has not been registered under the Securities Act of 1933, as amended, or any state or other federal securities laws, and, in addition to the other restrictions contained herein, any Transfer or Encumbrance thereof (or offer to Transfer or Encumber) may require appropriate registration or the availability of an exemption from such registration under said laws and the regulations issued thereunder and, therefore, such Member is aware that the financial risks of such investment must be borne for an indefinite period of time.

11.2 *Representations and Warranties by Ascent Member.* Ascent Member hereby represents and warrants to the Class A Members and the Company that:

(a) Ascent Member has the limited liability company power and is authorized to enter into this Agreement and perform its obligations hereunder.

(b) Neither the execution, delivery or performance of this Agreement by Ascent

Member breaches, invalidates, cancels, makes inoperative or interferes with, or results in the acceleration or maturity of, or requires any consent or authorization that has not been obtained under, any contract, agreement, lease, easement, right or interest, law or regulation, to which Ascent Member is subject.

(c) Ascent Member is financially able to bear all the risks of holding the Interest being acquired by Ascent Member for an indefinite period of time.

(d) Ascent Member has such knowledge and experience in financial and business matters to be able to evaluate the merits and risks of the acquisition of such Interest and of making an informed investment decision with respect thereto.

(e) Ascent Member's acquisition of its Interest is being made for Ascent Member's own account, for investment and not with a view to the sale or distribution thereof.

(f) Ascent Member acknowledges that the Interest purchased by Ascent Member has not been registered under the Securities Act of 1933, as amended, or any state or other federal securities laws, and, in addition to the other restrictions contained herein, any Transfer or Encumbrance thereof (or offer to Transfer or Encumber) may require appropriate registration or the availability of an exemption from such registration under said laws and the regulations issued thereunder and, therefore, Ascent Member is aware that the financial risks of such investment must be borne for an indefinite period of time.

(g) Except as set forth on Exhibit C attached hereto, no broker, agent or finder has been engaged by Ascent Member or any of its Affiliates in connection with any of the transactions contemplated by this Agreement or the Purchase Agreement.

(h) Other than the fees described in Section 6.10, neither Ascent Member nor any Affiliate of Ascent Member is receiving any portion of any fee, commission or other amount payable to any broker, contractor, leasing agent, property manager or other service provider to the Project.

(i) Ascent Member has not received written notice of any existing, and, to the actual knowledge of Ascent Member, there is no threatened, legal action of any kind involving Ascent Member, the Company, any Subsidiary, the Property or the Project which, if determined adversely to Ascent Member, the Company, any Subsidiary, the Property or the Project, would have a material adverse effect on Ascent Member, the Company, any Subsidiary, the Property or the Project or which would materially and adversely interfere with the ability of Ascent Member, the Company or any Subsidiary to acquire, renovate and operate the Project in accordance with the Initial Budget.

(j) There are no condemnation, zoning, environmental or other land use regulation proceedings that Ascent Member has received written notice of that have been instituted or that, to the actual knowledge of Ascent Member, are planned to be instituted, that could reasonably be expected to materially and adversely affect the development, use, occupancy, operation or value of the Property or the Project.

(k) Except as set forth in the reports listed on Exhibit C attached hereto, neither Ascent Member's nor any of Ascent Member's Affiliates has received any written notice or has other actual knowledge of any change contemplated in any laws, regulations or restrictions materially affecting the Property or the Project, or any judicial or administrative action, or any action by

adjacent landowners with respect to the Property or the Project, and neither Ascent Member's nor any of Ascent Member's Affiliates has received any written notice or has other actual knowledge of any other fact, circumstance or condition, financial or otherwise (other than generally applicable market conditions), which would prevent, limit, impede or render more costly the Property or the Project or the renovation, use, operation, leasing, marketing and sale of the Property or the Project in accordance with the Initial Budget in any material respect.

(l) To the actual knowledge of Ascent Member, Ascent Member has delivered to the Class A Members full, true and correct copies of all of the Due Diligence Materials, the Purchase Agreement and all amendments, supplements, waivers, extensions and other modifications thereto which such Due Diligence Materials concurrently herewith will be assigned (to the extent assignable) to the Company; provided, that Ascent Member does not make any representations or warranties about the accuracy or correctness of the information contained within the Due Diligence Materials to the extent prepared by a Person other than Ascent Member, or regarding the right of the Company to rely on such materials.

(m) To the actual knowledge of Ascent Member, except for the purchaser under the Purchase Agreement, no Person has been granted or is entitled to a right of first refusal, right of first offer, option or other right to purchase or acquire the Property or the Project or any portion thereof or interest therein.

(n) To the actual knowledge of Ascent Member, except as disclosed in the Due Diligence Materials provided to the Class A Members: (i) any improvements at the Property or the Project that are in existence as of the Effective Date have been constructed, and any planned improvements at the Property or the Project as contemplated in the Initial Budget, to the extent designed, have been designed, in compliance with applicable legal requirements, and there has been no claim of violation of any such legal requirements; (ii) all water, sewer, gas, electric, telephone and drainage facilities, and all other utilities required by law or for the normal renovation, use and operation of the Project for their intended purposes have been or will be connected pursuant to valid permits, provide adequate service to the Project and permit compliance with all requirements of law and are (or will be) available to the Project directly from abutting public ways or pursuant to recorded easements; and (iii) there are no proposed or contemplated building moratoria or other orders, injunctions or actions which could detrimentally affect the Company's right to renovate and operate the Project.

(o) To the actual knowledge of Ascent Member, there are no unpaid special assessments filed, pending or proposed against the Property or the Project or any portion thereof including, without limitation, any street improvement or special district assessments, except as set forth on Exhibit C attached hereto.

(p) To the actual knowledge of Ascent Member, except as set forth in the reports listed on Exhibit C attached hereto, there has been no discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste or other contamination on the Property or the Project at any time by anyone, and except for fuels and other materials customarily used in the ordinary course of construction and operation of the improvements located on the Property or the Project, there has never been any manufacture, storage or handling of any hazardous waste at the Property or the Project. For purposes of this paragraph, "hazardous waste" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives, flammable materials; radioactive materials; polychlorinated biphenyls and compounds containing them; lead and lead-based paint; microbial matter, infectious substances, asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground

storage tanks, whether empty or containing any substance; any substance the presence of which on the Property or the Project is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" within the meaning of any environmental law. The term "microbial matter" means the presence of fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, but not limited to, mold, mildew and viruses, whether or not such microbial matter is living. To the actual knowledge of Ascent Member: (j) all remedial work, if any, performed at the Property or the Project relating to the removal of hazardous waste has been performed in accordance with all applicable laws; and (ii) there are no underground fuel storage tanks located at the Property or the Project.

(q) To the actual knowledge of Ascent Member, the Project forms an independent unit which does not rely on any facilities (other than those of public utility companies and those within recorded easements benefitting the Project) located on any property other than the Property (i) to fulfill any zoning, building code or other municipal or governmental requirement, (ii) for furnishing essential building systems or utilities, including without limitation, electrical, plumbing, mechanical or heating, ventilating and air conditioning systems, or (iii) to fulfill the requirements of any contract or requirement affecting any of the Property or the Project.

(r) The Purchase Agreement is in full force and effect, and, to Ascent Member's actual knowledge, there is no breach or default by the Company, as purchaser, or by the seller under the Purchase Agreement. On the date hereof and on the closing date, the Company is, and will be, the sole holder of all right, title and interest to the interest as "Purchaser" under the Purchase Agreement (including all deposits made by purchaser thereunder).

11.3 *Survival.* All representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and any and all performances hereunder. All representations and warranties shall be effective regardless of any investigation made or which could have been made by the party benefiting from such representations and warranties, so long as such benefitting party did not have actual knowledge of the inaccuracy of any such representation or warranty.

ARTICLE XII MISCELLANEOUS

12.1 *Notices.* Any notice, payment, demand or communication (collectively a "notice") required or permitted to be given by this Agreement or applicable law shall be in writing and sent by e-mail or other electronic means of communication, with or without a manual signature, first class mail, overnight courier or hand delivery. Charges for any notice hereunder shall be prepaid and addressed as follows (or to such other address as such Person may from time to time specify by notice to the Members and the Manager):

(a) If to the Company or the Manager, to the address of the Company's principal place of business; and

(b) If to a Member, to the address set forth on **Schedule 2** hereto, unless the Company has been notified in the manner provided in this Section by a Member of a change in such Member's address for receiving notices hereunder, in which case to the address most recently designated by such Member in the manner provided in this Section.

Any notice given in accordance with this Section shall be deemed to have been given and received

for all purposes as of (i) on the date of actual receipt if delivered personally to the recipient; (ii) three Business Days after mailing by first class mail, postage prepaid; (iii) one Business Day after the date of transmission by e-mail, or (iv) one Business Day after deposit with a reputable overnight courier service.

12.2 *Tax Matters.*

(a) HIF Member shall be the “partnership representative” as such term is defined in Section 6223(a) of Code as applicable under the “Bipartisan Budget Act of 2015” (the “**Post-TEFRA Audit Rules**”). Collectively, in its capacity as the “Partnership Representative” and the “partnership representative” as applicable, HIF Member may be referred to herein as the “**Partnership Representative**” and it shall serve as such with all powers granted to a Partnership Representative under the Code and this Agreement. The Partnership Representative shall have the sole authority to enter into any settlement with any taxing authority (Federal, state or local), or extend the statute of limitations, on behalf of the Company or the Members, in its reasonable discretion and without the approval of the other Members, except as may otherwise be expressly provided in this Agreement. The Partnership Representative shall have the sole authority to make (or cause to be made) all elections, requests or other decisions for the Company or the Members permitted under the Post-TEFRA Audit Rules (as and if applicable), which the Partnership Representative may make or not make in its reasonable discretion. The Partnership Representative shall be the spokesman of the Company in the course of any audit. Each Member shall give prompt notice to the Partnership Representative of any and all notices it receives from the Internal Revenue Service, or any relevant state or local taxing authority, concerning the Company, including any notice of audit, any notice of action with respect to a revenue agent’s report, any notice of a 30-day appeal letter and any notice of a deficiency in tax concerning the Company’s Federal income tax return, or any relevant state or local income tax return. The Partnership Representative shall furnish each Member with written status reports (which may be by e-mail) providing a reasonable level of detail regarding any negotiation between any taxing authority (Federal, state or local) and the Company. The Partnership Representative shall receive no additional compensation from the Company for its services in the capacity as Partnership Representative, but all expenses incurred by the Partnership Representative (including professional fees for such accountants, attorneys and agents as the Partnership Representative in its discretion determines are necessary to or useful in the performance of its duties in that capacity) shall be borne by the Company. The Partnership Representative shall be entitled to exculpation and indemnification with respect to any action it takes or fails to take as Partnership Representative to the extent provided under Article 12.

(b) The Partnership Representative and the Manager agrees that they (i) will not cause or permit the Company to elect (A) to be excluded from the provisions of Subchapter K of the Code or (B) to be treated as a corporation for U.S. federal income tax purposes; (ii) will cause the Company to make any election reasonably determined to be necessary or appropriate in order to ensure the treatment of the Company as a partnership for U.S. federal income tax purposes; (iii) will cause the Company to file any required tax returns in a manner consistent with its treatment as a partnership for U.S. federal income tax purposes; and (iv) has not taken, and will not take, any action that would be inconsistent with the treatment of the Company as a partnership for such purposes.

(c) The Partnership Representative may, in its discretion, make any tax election permitted under the Code or under state, local or foreign tax law including an election under Section 754 of the Code and an election under Section 709 of the Code. At the request of any Member or at its own election, the Partnership Representative may, but shall not be required to, make an election under Section 754 of the Code to adjust the basis of the Company property in

connection with Transfers of Company interests and distributions of property. If an election under Section 754 is made at the request of any Member, the Partnership Representative at its option may require such Member or its successor to bear the direct costs (for example, any additional accounting costs) that result from making such election, and such Member or any successor that becomes a party to this Agreement agrees to bear such costs. Similarly, if any Member makes an election pursuant to Section 732(d) of the Code, such Member agrees, at the request of the Partnership Representative, that it will bear the additional costs to the Company of any required accounting and reporting expenses resulting from such election.

(d) The Partnership Representative may cause the Company to make an election pursuant to Sections 6221(b) and/or 6226(a)(1) of the Code, provided that the Company is eligible to make such election. Each Member will provide to the Partnership Representative such information (or, if applicable, certify as to filing of initial or amended tax returns) as is reasonably requested by the Partnership Representative to enable the Partnership Representative: (a) to make an election pursuant to Sections 6221(b) and/or 6226(a)(1) of the Code, if such election is available; (b) to reduce under Sections 6225 or 6226 of the Code any Company-level assessment; and (c) to determine apportionment of responsibility of such a Company-level assessment among the Members (which apportionment will be determined by the Partnership Representative in good faith taking into account the Members' individual tax circumstances, and based on the recommendations of the external certified public accountants preparing the Company's tax returns or otherwise advising the Company concerning the same). Each Member to whom liability for a Company-level assessment is so apportioned will be obligated to pay the amount so apportioned to the Company so that such amount can be provided to the auditing tax authority, to the end that the Company and the other Members will be indemnified and saved harmless from the same. The benefit of such indemnity will extend to Members admitted following the period which is the subject of the audit, and each Member will continue to be obligated for any liability so apportioned to such Member following withdrawal as a Member or the termination of the Company.

(e) Without the prior written consent of the Partnership Representative, which consent may be given or withheld in its sole discretion, no Member shall take a position on such Person's tax returns with respect to any matter that is or could reasonably be viewed as inconsistent with the position(s) taken with respect to such matter by the Company on its own tax returns, including on such Member's Schedule K-1.

12.3 *No Third Party Beneficiaries.* This Agreement is made solely and specifically among and for the benefit of the parties hereto and their respective successors and assigns, and no other Person, unless express provision is made herein to the contrary (such as for indemnified parties under Section 12.19), shall have any rights, interests or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

12.4 *References to this Agreement; Headings; Scope.* Unless otherwise indicated, "Articles," "Sections," "Subsections," and "Clauses" mean and refer to the Articles, Sections, Subsections, and Clauses of this Agreement. Words such as "herein," "hereby," "hereinafter," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires. All headings in this Agreement are for convenience of reference only and are not intended to define or limit the scope or intent of this Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior understandings and agreements with respect thereto. All exhibits, schedules, instruments and other documents referred to herein, as the same may be amended from time to time, are by this reference made a part hereof as though fully set forth herein.

12.5 **Construction.** Common nouns and pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person, Persons or other reference in the context requires. Every covenant, term and provision of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any reference to the Act, Code or other statutes, laws, regulations (including the Regulations), forms or schedules shall include any amendments, modifications or replacements thereof. Whenever used herein, "or" shall include both the conjunctive and disjunctive, "any" shall mean "one or more," and "including" shall mean "including without limitation." Unless the context indicates otherwise, "member" or "members" and "limited liability company" or "limited liability companies" shall be substituted in and for references to "partner" or "partners" and "partnership" or "partnerships," respectively, in the Code, Regulations and any pronouncements by the Internal Revenue Service.

12.6 **Construction Relative to Economic Interest Owners.** To the limited extent provided in Section 8.3, reference herein to Members shall be deemed to refer to all Interest owners (*i.e.*, extended to include Economic Interest Owners). For example, for purposes of allocations under Article IV and Distributions under Articles III and IX, the references to Interests shall include all Interests Transferred to Economic Interest Owners so that an Economic Interest Owner's entitlement to allocations and Distributions correspond to the allocations and Distributions that a Member would receive with respect to the Interest Transferred to the Economic Interest Owner. In connection with any vote or Approval by the Members or group thereof, any Units or Interests held by Economic Interest Owners shall be ignored in computing the minimum vote required in order to constitute the requisite Approval or consent. Nothing in this Section shall be construed to enlarge the rights of Economic Interest Owners beyond those provided in Section 8.3.

12.7 **Severability.** Every provision of this Agreement is intended to be severable. If any provision hereof is invalid or unenforceable for any reason whatsoever, this Agreement shall be construed and enforced as if such invalid or unenforceable provision were not a part of this Agreement; and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the invalid or unenforceable provision or by its severance from this Agreement. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be substituted automatically, as part of this Agreement, a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

12.8 **Further Action.** Each Member, upon the request of the Members, agrees to perform all further acts and execute, acknowledge and deliver any instruments or documents, and to perform such additional acts as may be reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement.

12.9 **Governing Law.** The validity, construction and interpretation of this Agreement shall be governed by the laws of the State of North Carolina, without regard to its or any other jurisdiction's conflicts of laws provisions; provided, however, that the foregoing shall not be construed so as to restrict in any manner the ability of the Company or the Members to enforce any judgment obtained in any court of competent jurisdiction.

12.10 **Jurisdiction.** To the maximum extent permitted by law, each party to this Agreement hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement or any agreements or transactions contemplated hereby may be brought in the courts of the State of North Carolina or of the United States District Court for the Western District of North Carolina (with appeal rights as to any decision rendered by such courts to the applicable appellate courts) and hereby expressly submits to the personal jurisdiction and the venue of such courts for the purposes thereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. To the maximum extent

permitted by law, each party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address set forth under or in accordance with Section 12.1 hereof, such service to become effective ten (10) days after such mailing.

12.11 *Cumulative Remedies.* Each right, power and remedy of a party hereto provided herein (or which exists at law or in equity) shall be cumulative and in addition to every other right, power or remedy such party may have.

12.12 *Counterpart Execution.* This Agreement may be executed in any number of counterparts, with the same effect as if the parties had signed the same document. For purposes of this Agreement, (a) a telegram, telex, electronic mail, cablegram, or similar transmission by a Person; (b) or a photographic, photostatic, facsimile, electronic or similar reproduction of a writing signed by a Person; or (c) any other method of communication permitted by applicable law shall be regarded as signed by that Person.

12.13 *Specific Performance.* Each Member agrees that the Company and the other Members would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the Company and each Member may be entitled, at law or in equity, the Company and each Member shall be entitled to injunctive relief to prevent or remedy breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof.

12.14 *No Implied Waiver.* The parties hereto shall have the right at all times to enforce the provisions of this Agreement in strict accordance with the terms hereof, and no waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver, unless otherwise provided in writing.

12.15 *Amendments.*

(a) Except as expressly provided otherwise in this Agreement, this Agreement may not be amended, except with the Approval of a Supermajority-in-Interest of the Class A Members; provided, however, that any amendment that would reasonably be expected to have a material and disproportionate adverse effect on any Class A Members (as compared to the other Class A Members) will require the prior written consent of such Class A Members.

(b) Notwithstanding anything herein to the contrary, except as expressly permitted in Section 6.2(c) and Section 6.2(d), in no event shall any of this Section 12.15 or Sections 4.2(b) - (i), 6.1, 6.2, 6.6, 6.8, 6.10 or 10.2 of this Agreement (in each case, including the definitions used therein with respect to their application to the foregoing Sections) be amended in a manner that has a material and disproportionate adverse effect on the Ascent Member without the written consent of the Ascent Member; provided, however, that for the avoidance of doubt, no amendment to Section 4.2(b) shall require the foregoing written consent if such amendment provides for only the inclusion of one or more new distribution tiers for a new class of equity in the Company and does not modify the relative order, priority, thresholds or other terms of the provisions Section 4.2(b) as they relate to each other immediately prior to such amendment.

(c) Notwithstanding anything herein to the contrary, in no event shall any of (i) this Section 12.15 or Section 6.5 of this Agreement (in each case, including the definitions used therein with respect to their application to the foregoing Sections) be amended without the Approval of a Supermajority-in-Interest of the Class A Members or (ii) Sections 4.1 or 4.2 (in each case,

including the definitions used therein with respect to their application to the foregoing Sections) be amended in a manner that has an adverse effect on the Class A Members without the Approval of a Supermajority-in-Interest of the Class A Members; provided, however, that no amendment to Sections 4.1 or 4.2 shall require such Approval if such amendment provides for only the inclusion of one or more new distribution tiers for a new class of equity in the Company that has been offered to the Members pursuant to and in accordance with Section 3.3 of this Agreement and does not modify the relative order, priority, thresholds or other terms of (x) the provisions of Section 4.1 or (y) the provisions of Sections 4.2(a) through (b) as they relate to each other immediately prior to such amendment;

(d) Notwithstanding anything herein to the contrary, no Approval of any Members shall be required for any update (i) to **Schedule 2** in accordance with this Agreement or (ii) to reflect any administrative, ministerial or conforming changes reasonably necessary to reflect the authorization or issuance of additional Units or, subject to Section 12.15(a), the creation, authorization or issuance of initial or additional Units of any other class in accordance with this Agreement.

12.16 *Waiver of Action for Partition.* Each of the Members hereby irrevocably waives any right that such Member may have to maintain any action for partition with respect to any Company Assets. Furthermore, the Company shall not file a certificate of division, adopt a plan of division, amend any of its organizational documents in order to divide the Company or take, permit or consent to any other actions in order to divide the Company into two or more Persons pursuant to a plan of division such as contemplated under the Delaware Limited Liability Company Act or any other similar requirement of law in any jurisdiction.

12.17 *No Company Seal.* The Company shall not have a seal, and no agreement, instrument or other document executed on behalf of the Company that would otherwise be valid and binding on the Company shall be invalid or non-binding on the Company solely because no seal is affixed thereto.

12.18 *Exculpation and Indemnification.*

(a) Subject to the limitations set forth below, each Member, the Manager, the Partnership Representative, each officer and each company official, and any Affiliate of the foregoing, shall be released and exculpated from, and shall be indemnified and held harmless by the Company against, all liability, loss, damage, penalty, action, claim, judgment, settlement, cost and expense of any kind or nature whatsoever (including all reasonable attorneys' fees, costs and expenses of defense, appeal and settlement of any proceedings instituted against any such indemnified party and all costs of investigation in connection therewith) that in any way relate to, or arise out of, or are alleged to relate to or arise out of, any action, inaction or omission on the part of the Company or such indemnified party acting on behalf of the Company or any Subsidiary within such indemnified party's scope of authority.

(b) Notwithstanding the foregoing, the provisions of Section 12.18(a) shall not eliminate or limit the liability of, or provide indemnity to, an indemnified party for or in connection with (i) a material breach of this Agreement by the indemnified party, (ii) acts or omissions constituting fraud, willful misconduct or gross negligence of the indemnified party or (iii) as to the Manager, any Cause Event. The right to indemnification conferred in this Section 12.18 shall not be exclusive of any other right that an indemnified party may have or hereafter acquire under law or equity, provision of this Agreement or otherwise.

(c) Expenses incurred by an indemnified party in defense or settlement of any claim that appears to be subject to a right of indemnification under Section 12.18(a) may be advanced by the Company prior to the final disposition thereof; provided, however, that prior to such advancement, the indemnified party shall have agreed in a writing (determined to be sufficient by the Members to protect the interests of the Company) to repay such advancement to the extent that it shall be determined by a court of competent jurisdiction or an arbitrator that such indemnified party is not entitled to be indemnified hereunder.

(d) Except as provided in Section 12.18(e), the satisfaction of the obligations of the Company under this Section 12.18(a) shall be from, and limited to, Company Assets, and the Members shall not have any liability on account thereof.

(e) To the extent commercially reasonable, the Members may cause the Company to purchase and maintain insurance providing coverage against any liability that may be asserted against or expense that may be incurred by the Company, the Members or any indemnified party in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(f) In addition to, and not in limitation of, the Manager's obligations under Section 3.7, the Manager shall indemnify and hold harmless solely from its assets, the Company, each Member (other than the Manager, if applicable), the Partnership Representative, each officer and each company official, and any Affiliate of the foregoing, from all liability, loss, damage, penalty, action, claim, judgment, settlement, cost and expense of any kind or nature whatsoever (including all reasonable attorneys' fees, costs and expenses of defense, appeal and settlement of any proceedings instituted against any such indemnified parties and all costs of investigation in connection therewith) that in any way relate to or arise out of the Manager's material breach of this Agreement or acts or omissions constituting fraud, willful misconduct or gross negligence.

(g) Notwithstanding the foregoing provisions, for so long as the Loan (as defined below) is outstanding, any indemnification obligation set forth herein shall be fully subject and subordinated to any obligations of the Company under the Loan and, to the fullest extent permitted by law, such indemnification obligation shall not constitute a claim against the Company in the event the Company's cash flow in excess of amounts necessary to pay the obligations of the Company under the Loan is insufficient to pay such indemnification obligations.

12.19 Confidential Information. Each Member and the Manager agrees and covenants to maintain the confidentiality of information that is non-public information regarding the Company, the Project and their respective affairs, including, without limitation, financial statements, tax returns, reports and other information provided pursuant to this Agreement and this Agreement and any other related agreements, with such information to be kept confidential in the same manner and in accordance with such procedures and policies as such Person applies generally to non-public information received by it in the ordinary course of its business and investment activities generally; and, accordingly, each such Person agrees that any such non-public information relating to the Company, the Project and their respective affairs shall be used solely in respect of such Person's participation as an investor in or the Manager of the Company and shall not be disclosed to any other parties or used for any other purposes, except (a) as otherwise required by law or governmental or regulatory agencies (including tax authorities and any investigation or audit by a regulatory agency), any self-regulating body, or by litigation in which such Person is a named party, or (b) to employees, directors, members, managers, representatives, advisors and/or other professionals working with or for such Person, and if such Person is itself a fund or other flow-through entity, as necessary to satisfy its reporting obligations to its separate investors, in each case on a "need-to-know" basis and provided, that such Person making any such disclosure also shall undertake to

inform such other Persons as to the confidential nature of the information being disclosed and obtain from such other Persons a commitment to maintain the confidentiality of such information. Each Member and the Manager agrees to cooperate with such procedures and restrictions as may be developed by a Supermajority-in-Interest of the Class A Members from time to time in connection with the disclosure of non-public information concerning the Company, the Project and their respective affairs, as determined by such Class A Members to be reasonably necessary and advisable to maintain and promote compliance with legal and other regulatory matters applicable to the Company and its Members, including securities laws and regulations. The obligations and undertakings of each Member and the Manager under this 12.19 shall be continuing and shall expire upon the second anniversary of the termination of the Company.

12.20 *Time of the Essence.* Time is of the essence with respect to each and every term and provision of this Agreement.

12.21 *Corporate Transparency Act.* In furtherance and not in limitation of the Manager's obligations under this Agreement, the Manager shall have the authority and be responsible to do all things and to prepare and make such filings and reports and otherwise to cause the Company or any Person in which the Company, whether directly or indirectly, holds an interest to comply with the Corporate Transparency Act (31 U.S.C. § 5336), enacted as part of the National Defense Authorization Act for Fiscal Year 2021, as amended, and the rules and regulations promulgated thereunder and any successor act, rule or regulation as well as any and all federal, state and local acts, rules and regulations which address the same or similar subject matter whether now existing or hereafter in effect (the "CTA"). Each Member and Economic Interest Owner (each, an "**Interest Holder**") covenants and agrees to promptly, but within not more than ten (10) business days following the date of any request from the Manager, provide in writing to the Company any information that the Manager reasonably deems necessary or advisable to obtain from such Interest Holder in order for the Company, or any Person in which the Company, whether directly or indirectly, holds an interest to comply with the CTA, including, but not limited to: (a) such Interest Holder's true and correct information required to report such Interest Holder as a beneficial owner pursuant to the CTA or the true and correct FinCEN Identifier assigned to them by FinCEN (the "**Beneficial Ownership Information**"); (b) the Beneficial Ownership Information for any natural person who from time to time, directly or indirectly, owns or controls any ownership interest (as defined in the CTA) in the Company through such Interest Holder (each an "**Indirect Owner**"); and (c) such information or documents as may be necessary in order for the Company, or any Person in which the Company holds an interest, to determine whether such Interest Holder or any Indirect Owner of such Interest Holder has substantial control (as defined in the CTA) over the Company, or any Person in which the Company holds an interest (collectively, "**Substantial Control Information**"). Each Interest Holder further covenants and agrees to notify the Manager within ten (10) business days of any change or inaccuracy in or to any Beneficial Ownership Information of such Interest Holder or any Indirect Owner of such Interest Holder most recently provided to the Company. Further, each Interest Holder shall notify the Manager within ten (10) business days of any amendment, modification, supplement, or other change in or to any Substantial Control Information previously provided by such Interest Holder to the Company. The Interest Holders acknowledge and agree that neither (i) the exchange of Beneficial Ownership Information or Substantial Control Information, including any updates thereto; (ii) the Company's reporting of such information to FinCEN in accordance with the CTA; (iii) nor any other reasonable steps taken by the Manager or the Company to ensure compliance with the CTA shall be deemed to be a breach of any confidentiality obligation among the parties to this Agreement. Each Interest Holder acknowledges and consents to the disclosure to FinCEN of the Beneficial Ownership Information, the Substantial Control Information, and any other information, in each case with respect to such Interest Holder or any Indirect Owners of such Interest Holder that the Company or Manager determines in its reasonable discretion is required to be disclosed under the CTA.

ARTICLE XIII
SINGLE PURPOSE ENTITY PROVISIONS

13.1 *Single Purpose Entity Provisions.* In connection with the Company borrowing a certain loan in the original principal amount of \$21,500,000.00 (the “**Loan**”) from Minnesota Life Insurance Company, a Minnesota corporation (together with its successors and/or assigns, the “**Lender**”), this Agreement is being executed at the request of the Lender and constitutes a material requirement of the Loan without which the Lender would be unwilling to make the Loan. Until all indebtedness under the Loan is paid in full, the Company shall be subject to the terms and provisions set forth in Exhibit E attached hereto and incorporated herein by reference (the “**Single Purpose Entity Provisions**”). The provisions of this Section 13.1 and the Single Purpose Entity Provisions shall govern over any conflicting provision to the contrary for so long as the Loan is outstanding.

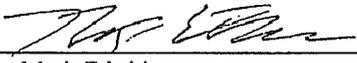
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IN WITNESS WHEREOF, the Members, the Manager and the Company have entered into this Agreement effective as of the date first above written.

THE COMPANY:

PINEVILLE NOAH, LLC

By: Ascent Housing, LLC, its Manager

By: 
Name: Mark Ethridge
Title: Manager

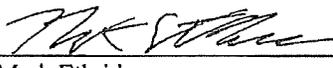
INITIAL MANAGER:

ASCENT HOUSING, LLC

By: 
Name: Mark Ethridge
Title: Manager

MEMBERS:

ASCENT HOUSING, LLC

By: 
Name: Mark Ethridge
Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC, its Manager

By: _____
Name: Nelson Schwab III
Title: Manager

IN WITNESS WHEREOF, the Members, the Manager and the Company have entered into this Agreement effective as of the date first above written.

THE COMPANY:

PINEVILLE NOAH, LLC

By: Ascent Housing, LLC, its Manager

By: _____

Name: Mark Ethridge

Title: Manager

INITIAL MANAGER:

ASCENT HOUSING, LLC

By: _____

Name: Mark Ethridge

Title: Manager

MEMBERS:

ASCENT HOUSING, LLC

By: _____

Name: Mark Ethridge

Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC, its Manager

By:  _____

Name: Nelson Schwab III.

Title: Manager

SCHEDULE 1

DEFINITIONS

“*Act*” means the North Carolina Limited Liability Company Act, as amended.

“*Additional Funding Amount*” is defined in Section 3.3(a).

“*Affiliate*” of a specified Person means any other Person who directly or indirectly controls, is controlled by, or is under common control with such specified Person. For this purpose, “control” of a Person means possession, directly or indirectly (through one or more intermediaries), of the power to direct or cause the direction of management and policies of such Person through ownership of voting securities (or other ownership interests), contract, voting trusts or otherwise.

“*Affordability Covenants*” is defined in Section 6.5.

“*Aggregate*” means the applicable Capital Contributions, allocations or Distributions, as the case may be, made for the referenced Fiscal Year (or other applicable period) and all prior Fiscal Years (or other applicable periods).

“*Agreement*” means this Operating Agreement, as amended from time to time.

“*Approval*” means, with respect to a Member, either (i) the written consent of such Person or (ii) the affirmative vote of that Person at a meeting to do that for which the Approval of such Person is given. “*Approve*” means giving Approval for any such action. To be Approved by, or receive the Approval of, the Members requires the requisite level of Approval of the Members provided in Article VI of this Agreement or elsewhere in this Agreement.

“*Articles*” means the Articles of Organization of the Company as filed with the North Carolina Secretary of State, as amended from time to time.

“*Ascent Letter Agreement*” means that certain Letter Agreement (Re: Naturally Occurring Affordable Housing Multi-Family Platform), dated as of January 25, 2023, by and between the HIF Member and Ascent Member.

“*Ascent Member*” means Ascent Housing, LLC, a North Carolina limited liability company, or any Substituted Member thereof admitted in accordance with this Agreement.

“*Asset Management Agreement*” means that certain Asset Management Agreement entered into by and between the Company and the Manager (or an Affiliate thereof) on the Effective Date.

“*Asset Management Fee*” is defined in Section 6.10.

“*Bankruptcy*” means, with respect to any Person, a “Voluntary Bankruptcy” or an “Involuntary Bankruptcy.” A “*Voluntary Bankruptcy*” means, with respect to any Person, the (a) institution (or consenting to the institution) of proceedings or filing an answer or other pleading to be adjudicated bankrupt or insolvent or seeking for such Person any liquidation, winding up, dissolution, reorganization, rearrangement, adjustment, protection, composition or other similar relief of such Person or such Person’s debts under any Bankruptcy Law; or (b) seeking, consenting to, or acquiescing in any entry of an order for relief or the appointment of a receiver, trustee, liquidator, custodian or other similar official for such Person or all or any substantial part of such Person’s property under any Bankruptcy Law. An “*Involuntary*

“Bankruptcy” means, with respect to any Person, without the consent of such Person, (i) the entering of an order for relief or approving a petition or other pleading for relief or reorganization or any other petition or other pleading seeking any liquidation, winding up, dissolution, reorganization, rearrangement, adjustment, composition or other similar relief against such Person under any Bankruptcy Law; (ii) the filing of any such petition or other pleading against such Person which petition is not dismissed within 60 days of such filing; or (iii) without the consent or acquiescence of such Person, the entering of an order appointing a receiver, trustee, liquidator, custodian or other similar official for such Person or of all or any substantial part of such Person’s property, which order is not dismissed within 60 days of the date it is entered.

“Bankruptcy Law” means any law relating to bankruptcy, insolvency, reorganization, liquidation or other relief of debtors, including Title 11 of the United States Code, as amended.

“Book Value” is defined in Section 1.3 of Schedule 3 hereto.

“Budget” means the Initial Budget or any Operating Budget.

“Business Day” means any day other than Saturday, Sunday or any other day on which national banking associations in the State of North Carolina generally are closed for commercial banking business.

“Capital Account” is the account maintained for each Member or Economic Interest Owner, as described in Section 2.1 of Schedule 3 hereto.

“Capital Contributions” means, with respect to a Member or Economic Interest Owner, the amount of money and the Book Value (as determined by the Members or as otherwise provided in this Agreement) of property other than money contributed from time to time by such Member or Economic Interest Owner to the capital of the Company in respect of such Member’s or Economic Interest Owner’s Interest, net of the amount of (a) any liabilities of the Member or Economic Interest Owner that, in connection with such contribution, the Company is considered to assume under the last sentence of Regulations section 1.704-1 (b)(2)(iv)(c) and, without duplication, (b) any liabilities secured by the contributed property to which the Company is considered to take the property subject under section 752 of the Code.

“Capital Event” means (a) the direct or indirect sale, exchange, transfer, assignment or other disposition by the Company or a Subsidiary of all or substantially all of the Property or the Project, including disposition of all or substantially all of the interests in an entity that owns the Property or the Project (other than to the Company or another Subsidiary), master leases and ground leases for all or substantially all of the Property or the Project, but excluding leases for space in the Property or the Project, (b) any secured or unsecured financing by the Company or a Subsidiary, or any refinancing of any indebtedness of the Company or a Subsidiary or any other indebtedness secured by the Property or the Project, other than trade debt and equipment financing in the normal course of business, (c) the condemnation or deed in lieu of condemnation of the Property or the Project or any portion thereof, or (d) any casualty with respect to the Property or the Project or any portion thereof.

“Capital Transaction Proceeds” means all cash proceeds (including, without limitation, insurance proceeds, recoveries, damages, and awards) received by the Company or any Subsidiary attributable to any Capital Event (and any Reserves therefrom that are subsequently released), plus cash interest payments received with respect to such proceeds, decreased by the sum of (i) the amount of such proceeds applied by the Company or such Subsidiary to pay any debt encumbering the Property or the Project; (ii) the amount of such proceeds received by the Company or such Subsidiary after the Company or such Subsidiary has paid for restoration and repair of the Property or the Project if the Capital Event giving rise to such proceeds is a taking by eminent domain or condemnation or damage or destruction for which insurance proceeds are received; (iii) any incidental or ancillary expenses, costs or liabilities incurred by the Company or such

Subsidiary in effecting or obtaining any such Capital Event or the proceeds thereof (including, without limitation, attorneys' and accountants' fees, court costs, recording fees, transfer taxes and fees, appraisal costs, brokerage fees, and the like), all of which expenses, costs, and liabilities shall be paid from the gross amount of such cash proceeds to the extent thereof; (iv) the amount thereof applied to fund Reserves which in the case of proceeds from refinancing senior mortgage debt of the Project, shall include a reasonable amount of capital reserves based on a capital needs assessment conducted by a third party engaged by the Company; and (v) the payment of such other debt of the Company or such subsidiary as the Class A Members shall approve. Any determination of whether any Company or subsidiary receipts or other amounts available for Distribution are Capital Transaction Proceeds shall require the approval of the Class A Members, acting reasonably and in good faith.

"Carried Interest Distributions" means the Distributions payable to the Ascent Member (or any replacement thereof) pursuant to Section 4.2(b)(i).

"Cause Event" shall mean with respect to the Manager: (a) the misappropriation by the Manager of funds relating to the Project, (b) the conviction of the Manager of (or the entry of a guilty plea or nolo contendere plea in connection with) a felony that materially and adversely affects (or could reasonably be expected to materially and adversely affect) the business of the Company or the Project, (c) the Manager has taken an action that constitutes a Majority Decision or a Supermajority Decision without obtaining the requisite Approval, (d) the Manager has committed an act involving fraud, gross negligence or willful misconduct in connection with any of its obligations hereunder, (e) the Manager has materially breached or violated any of its representations, warranties, covenants or other obligations under this Agreement, (f) reserved, (g) in the event Ascent Member or an Affiliate thereof is the Manager, the existence of any of the occurrences described in the foregoing items (a), (b) or (d), *mutatis mutandis*, with respect to any other project in which HIF Member or an Affiliate thereof has directly or indirectly invested and with respect to which Ascent Member or an Affiliate thereof serves as the administrative member, limited liability company manager, general partner, asset manager, construction manager, property manager or similar governing or managing entity, body, agent, contractor or representative, (h) in the event Ascent Member or an Affiliate thereof is the Manager, Ascent Member or any Affiliate thereof has materially breached or violated any of its representations, warranties, covenants or other obligations under Ascent Letter Agreement, (i) in the event Ascent Member or an Affiliate thereof is the Manager, the occurrence of a Key Person Event or (j) in the event Ascent Member or HIF Member (or its respective Affiliates) is not the Manager, any change of control of the Manager. Notwithstanding the foregoing, an action, event or other occurrence described in items (c) and (e) of this definition will not constitute a Cause Event if such action is curable without liability, loss, damage, penalty, action, claim, judgment, settlement, cost or expense to the Company or any Member and such action is so cured within 30 days after written notice thereof to the Manager.

"Class A Members" means the Members holding Class A Units.

"Class A Units" has the meaning set forth in the definition of Units.

"Class B Members" means the Members holding Class B Units.

"Class B Units" has the meaning set forth in the definition of Units.

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

"Company" means Pineville NOAH, LLC, a North Carolina limited liability company formed under the Act, and any successor limited liability company.

“*Company Assets*” means all (or such lesser amount as indicated by the context used herein) property (real, personal, tangible or intangible) owned from time to time by the Company as a result of Capital Contributions, purchase, exchange, operations or otherwise.

“*Construction Management Fee*” is defined in Section 6.10.

“*Dissolution Event*” is defined in Section 10.1.

“*Distributions*” means, with respect to a Member or Economic Interest Owner, the amount of money and the Book Value (as determined by a Supermajority-in-Interest of the Class A Members or as otherwise provided in this Agreement) of property other than money distributed to such Member or Economic Interest Owner by the Company on account of that Member’s or Economic Interest Owner’s Interest, net of the amount of (a) any liabilities of the Company that, in conjunction with such Distribution, such Member or Economic Interest Owner is considered to assume under the last sentence of Regulations section 1.704-1(b)(2)(iv)(c) and, without duplication, (b) any liabilities secured by the distributed property to which such Member or Economic Interest Owner is considered to take the property subject under section 752 of the Code. Payments to a Member (x) pursuant to a loan by such Member or Economic Interest Owner to the Company or other transactions in which the Member or Economic Interest Owner is acting other than in the Member’s or Economic Interest Owner’s capacity as “partner” within the meaning of section 707(a) of the Code or (y) which are guaranteed payments within the meaning of section 707(c) of the Code shall not be treated as Distributions and shall not reduce that Member’s or Economic Interest Owner’s Capital Account. “*Distribute*” means to make one or more Distributions.

“*Dragging Member*” is defined in Section 8.5.

“*Drag Sale*” is defined in Section 8.5.

“*Due Diligence Materials*” shall mean all studies, reports, tests, plans, investigations, entitlements, surveys, permit and zoning applications or approvals and other due diligence and documents, materials and applications which relate to the Project.

“*Economic Interest Owner*” means a Person who owns an economic interest in the Company but is not a Member, including, without limitation, any Person to whom all or part of a Member’s Interest has been Transferred, but who has not been admitted as a Substituted Member.

“*Encumbrance*” means any lien, mortgage, deed of trust, pledge, collateral assignment, security interest, hypothecation, option, right of first refusal or other encumbrance.

“*Fiscal Year*” means the annual accounting period of the Company, which shall be the calendar year or such portion of a calendar year during which the Company is in existence.

“*Force Majeure*” means any of the following circumstances: acts of God; floods; earthquakes; abnormally severe or unusual weather; pestilence; lightning or other natural catastrophes; fires not caused by the Manager or its Affiliates; epidemics and pandemics; wars; riots; civil disturbance or other civil disobedience; strikes or other labor disputes that do not involve employees of the Manager or its Affiliates; transportation accidents or other transportation delays or delays in the delivery of materials not caused by the Manager or its Affiliates; embargoes; terrorist acts; changes (first occurring after the date of the acquisition of the Project) in laws, codes and regulations; in each case to the extent adversely affecting the delivery of materials or the performance of work on the Project; or actions or inactions of governmental agencies, including, without limitation, any unreasonable delay in performing any required inspections or issuance of temporary certificates or final certificates of occupancy (but not based on the failure, within the

reasonable control of the Manager, to comply with laws, codes and regulations and documents of record in effect as of the date of the creation of the construction schedule for the Project).

“*Funding Notice*” is defined in Section 3.3(a).

“*GAAP*” means generally accepted accounting principles in effect from time to time in the United States of America.

“*HIF Member*” means Housing Impact Fund II, LLC, a North Carolina limited liability company, or any Substituted Member thereof admitted in accordance with this Agreement.

“*Initial Budget*” is defined in Section 6.6.

“*Interest*” of an Interest Owner at any particular time means the entire ownership interest of such Interest Owner in the Company at such time, including all benefits and all obligations to which the owner of such Interest is entitled or subject under this Agreement and applicable law, with respect to such ownership interest.

“*Interest Owner*” means any Member or Economic Interest Owner.

“*IRR*” means, with respect to a particular Member or Economic Interest Owner, the annual discount rate that results in a net present value equal to zero when the discount rate is applied to all Capital Contributions by such Member or Economic Interest Owner to the Company, with annual compounding, and all Distributions made or deemed made by the Company to such Member pursuant to Sections 4.1, 4.2 and 10.2, treating cash outflows as negative numbers and cash inflows as positive numbers, determined using the Microsoft Excel electronic spreadsheet XIRR financial function (or its successor function). For purposes of this definition, Capital Contributions shall be deemed contributed as of the time such amounts are received by the Company or otherwise taken into account pursuant to the definition of Capital Contribution, and each Distribution shall be deemed made on the date payment of such Distribution is tendered by the Company. For the avoidance of doubt, for a Member to receive Distributions providing it a certain percentage IRR, such Member must have received Distributions equal to its Aggregate Capital Contributions plus such additional amounts as are necessary to reach the specified IRR percentage. An example calculation of IRR is attached hereto as Exhibit D.

“*Key Person Event*” shall mean in the event Ascent Member or an Affiliate thereof is the Manager, the failure of Mark Ethridge to serve as an officer and a limited liability company manager of Ascent Member or such Affiliate.

“*Lender*” is defined in Section 13.1.

“*Loan*” is defined in Section 13.1.

“*Majority Decision*” is defined in Section 6.4.

“*Majority-in-Interest*” means, with respect to the Members or any class of Members as of any particular time, the Members (or such class of Members) then owning more than fifty percent (50%) of the Units (or such class of Units) owned by all of the Members (or such class of Members) as of such time.

“*Manager*” is defined in Section 6.1.

“*Marketing Member*” is defined in Section 9.1.

“*Marketing Notice*” is defined in Section 9.1.

“*Member*” means each Person listed as a Member of the Company on **Schedule 2** hereto and each Person who subsequently is admitted as an additional Member in accordance with this Agreement.

“*Net Cash Flow*” means, for any given period, all receipts from the conduct of the business of the Company and any Subsidiary for such period (specifically excluding any Capital Transaction Proceeds) received by the Company and which are available for Distribution by the Company (and any Reserves therefrom that are subsequently released) following (i) the payment of all operating and capital expenditures of the Company and such Subsidiary incurred in accordance with the terms hereof (including the then-current Operating Budget) for such period with respect to which no Reserves have been established and which have not been paid out of Capital Transaction Proceeds, (ii) the payment of any principal and interest due during any such period with respect to any debt of the Company or such Subsidiary, and (iii) the establishment or replenishment of Reserves. Any determination of whether any Company or Subsidiary receipts or other amounts available for Distribution are Net Cash Flow shall require the approval of a Majority-in-Interest of the Class A Members, acting reasonably and in good faith.

“*Net Income*” and “*Net Losses*” are defined in Section 1.4 of **Schedule 3** hereto.

“*Non-Discretionary Expenses*” shall mean those operating expenses described in an approved Operating Budget, the payment and amount of which are not within the discretion of the Company, any Subsidiary or the Manager, including, without limitation, real estate taxes, insurance, utility costs, fee escalations in service agreements entered into in accordance with this Agreement, fees payable under any property management or similar agreement with respect to the Project entered into in accordance with this Agreement and legal, accounting and other professional fees incurred in accordance with this Agreement.

“*Operating Budget*” is defined in Section 6.6.

“*Partnership Representative*” is defined in Section 12.2(a).

“*Person*” means any natural person or entity.

“*Pre-Closing Expenses*” is defined in Section 3.7.

“*Priority Loan*” is defined in Section 3.3(a).

“*Project*” is defined in Section 2.2.

“*Property*” is defined in Section 2.2.

“*Purchase Agreement*” means that certain Real Estate Contract, effective as of January 17, 2024, and as amended, by and among Pineville Apartments, LLC, a Delaware limited liability company, as Seller, and the Company, as Purchaser, with respect to the Project.

“*Regulations*” means the final and temporary regulations of the U.S. Department of the Treasury promulgated under the Code.

“*Reserves*” means funds or amounts set aside, to the extent available, or otherwise allocated or designated by a Majority-in-Interest of the Class A Members, reasonably required (a) to pay taxes, insurance, future or anticipated obligations, contingent or unforeseen obligations, and all other costs, expenses, and liabilities incident to the Company’s operation, renovation, maintenance and ownership of

the Project and the Property, (b) to fund Company operations; (c) to service or pay the Company's debt obligations; (d) to develop, make repairs and make capital improvements to, and acquisitions and replacements of, the Project or any other Company Assets; or (e) for any other valid purpose relating to the Company, as reasonably determined by a Majority-in-Interest of the Class A Members.

"Single Purpose Entity Provisions" is defined in Section 13.1.

"Subsidiary" means any entity directly or indirectly owned in whole or in part by the Company.

"Substituted Member" means any Person who is admitted as a substituted member pursuant to Section 8.1(a), or otherwise hereunder, such Person thereby having all of the rights and obligations of a Member.

"Supermajority Decision" is defined in Section 6.5.

"Supermajority-in-Interest" means, with respect to the Members or any class of Members as of any particular time, the Members (or such class of Members) then owning one hundred percent (100%) of the Units (or such class of Units) owned by all of the Members (or such class of Members) as of such time.

"Transfer" means, as a noun, the transfer of legal, beneficial or equitable ownership by sale, exchange, assignment, gift, donation, grant or other transfer of any kind, whether voluntary or involuntary, including transfers by operation of law or legal process and hereby expressly includes, with respect to a Member or Economic Interest Owner, any voluntary or involuntary (a) appointment of a receiver, trustee, liquidator, custodian or other similar official for such Member or Economic Interest Owner or all of any part of the property of such Member or Economic Interest Owner under any bankruptcy or insolvency law, (b) gift, donation, transfer by will or intestacy or other similar type of transfer or disposition, whether inter vivos or mortis causa, and (c) transfer or disposition to a spouse or former spouse (including by reason of a separation agreement or divorce), equitable or community or marital property distribution, judicial decree or other court order relating to the division or partition of property between spouses or former spouses or other persons. As a verb, the terms mean the act of making any Transfer.

"Transferring Member" is defined in Section 8.1 hereof.

"Units" means the shares into which the different classes of the Interests are divided (consisting, as of the Effective Date, of those Units designated herein as **"Class A Units"** and **"Class B Units"**), including Units that may be issued by the Company pursuant to **Article III**, in each case, that may be issued by the Company pursuant to this Agreement and as provided and designated in **Schedule 2** hereto, with each such Class of Units conferring the respective rights, privileges, preferences, benefits, powers, duties, obligations and limitations provided in this Agreement with respect thereto, as amended or restated from time to time. Unless otherwise provided herein, references made herein to Units of a Member shall include all of that portion of such Member's Interest that is represented by, attributable to, or that otherwise relates to, such Units.

"Unreturned Capital Contributions" shall mean for each Class A Member, an amount equal to (i) the Aggregate Capital Contributions to the Company made by such Member, less (ii) the Aggregate Distributions to such Member pursuant to Sections 4.2(a) and 10.2(b) of the Agreement that constitute a return of Capital Contributions and not a return on Capital Contributions.

SCHEDULE 2

**MEMBER INFORMATION
AS OF MARCH 28, 2024.**

Names and Notice Addresses	Capital Contributions	Class A Units	Class B Units
Housing Impact Fund II, LLC 2820 Selwyn Avenue Suite 415 Charlotte, NC 28209 Attention: Nelson Schwab Email: nelson@housing-impact-fund.com	\$14,200,000.00	14,200,000.00	0.00
Ascent Housing, LLC 2100 Crescent Avenue Suite 200 Charlotte, NC 28207 Attention: Mark Ethridge Email: mark@ascent.re	\$0.00	0.00	0.00
Total	\$14,200,000.00	14,200,000.00	0.00

SCHEDULE 3

SPECIAL TAX-RELATED PROVISIONS

ARTICLE I *DEFINITIONS*

Capitalized words and phrases used in this **Schedule 3** not otherwise defined in the Agreement shall have the meanings set forth in this Article I:

1.1 *“Adjusted Capital Account Deficit”* means the deficit balance, if any, in a Member’s Capital Account as of the end of a taxable year, after giving effect to the following adjustments:

(a) Crediting to such Capital Account any amounts (i) described in section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations which such Member is obligated to contribute to the Company pursuant to this Agreement or applicable law or (ii) which such Member is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations sections 1.704-2(g)(1) or 1.704-2(i)(5); and

(b) Debiting to such Capital Account the items described in sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations.

The foregoing definition of Adjusted Capital Account Deficit, in conjunction with Sections 2.2(f), 2.2(g), and 2.2(h) of this **Schedule 3**, is intended to comply with the allocation rules of the alternate test for economic effect contained in section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted in a manner that is consistent with such intent.

1.2 *“Book Depreciation”* means, for each taxable year of the Company in respect of a particular asset of the Company, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to such asset for such taxable year, except that if, as of the beginning of the taxable year, the Book Value of such asset differs from its adjusted basis for federal income tax purposes, Book Depreciation for such asset shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect thereto for such taxable year bears to such beginning adjusted tax basis; *provided*, that if, under such circumstances, the asset’s adjusted basis for federal income tax purposes at the beginning of a taxable year of the Company is zero, the Book Depreciation for such asset shall be determined with reference to its Book Value using any reasonable method selected by the Members.

1.3 *“Book Value”* means, with respect to an asset of the Company, the adjusted basis for federal income tax purposes of the Company in such asset, except as follows:

(a) *Fair Market Value of Contributed Property.* The initial Book Value of any asset contributed by a Member to the capital of the Company shall be the fair market value of such asset on the date of such contribution as determined by the Members or as otherwise provided in this Agreement;

(b) *Book Ups and Book Downs.* The Book Values of all of the assets of the Company shall be adjusted to equal their respective fair market values, as reasonably determined by the Members, as of the following times: (i) the acquisition of an additional equity interest in the

Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the Distribution by the Company to a Member of more than a *de minimis* amount of property (including money) as consideration for all or part of such Member's Interest; and (iii) the liquidation of the Company within the meaning of Treasury Regulations section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Members reasonably determine that such adjustments are necessary or appropriate to reflect the Members' respective economic interests in the Company;

(c) **Distributions of Property.** The Book Value of any asset (other than money) of the Company Distributed to any Member shall be adjusted to equal the fair market value of such asset on the date of the Distribution as determined by the Manager (with the Approval of a Supermajority-in-Interest of the Class A Members) or as otherwise provided in this Agreement; and

(d) **Adjustments Related to Section 754 Election.** The Book Values of certain assets of the Company shall be increased (or decreased) to reflect any adjustments to the federal adjusted tax basis of such assets pursuant to Code section 734(b) or Code section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations section 1.704-1(b)(2)(iv)(m) and Section 1.4(f) or 2.2(e) of this **Schedule 3**; provided, that Book Values of assets of the Company shall not be adjusted pursuant to this Section 1.3(d) to the extent that an adjustment under Section 1.3(b) of this **Schedule 3** is made in connection with the transaction that would otherwise result in an adjustment pursuant to this Section 1.3(d).

If the Book Value of an asset of the Company has been determined or adjusted pursuant to Section 1.3(a), 1.3(b) or Section 1.3(d) of this **Schedule 3**, such Book Value shall thereafter be adjusted by the Book Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses (or items, if any of income, gain, expense, deduction or loss of the Company to be allocated hereunder that are not included in the computation of Net Income and Net Losses).

1.4 "**Net Income**" and "**Net Losses**" means, for each taxable year of the Company, an amount equal to the Company's taxable income or loss for such taxable year, determined in accordance with Code section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) **Tax-Exempt Income.** Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses pursuant to this Section 1.4 shall be added to such taxable income or loss;

(b) **Section 705(a)(2)(B) Expenditures.** Any expenditures of the Company described in Code section 705(a)(2)(B), or treated as Code section 705(a)(2)(B) expenditures pursuant to Treasury Regulations section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses pursuant to this Section 1.4, shall be subtracted from such taxable income or loss;

(c) **Book Ups and Book Downs.** In the event the Book Value of any asset of the Company is adjusted pursuant to Section 1.3(b) or Section 1.3(c) of this **Schedule 3**, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Losses;

(d) **Use of Book Value for Determining Gain or Loss.** Gain or loss resulting from any

disposition of assets of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the disposed asset, notwithstanding that the adjusted tax basis of such asset differs from its Book Value;

(e) *Use of Book Depreciation.* In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Book Depreciation for such taxable year in accordance with Section 1.2;

(f) *Adjustments Related to Section 754 Election.* To the extent an adjustment to the adjusted tax basis of any of the assets of the Company pursuant to Code section 734(b) or Code section 743(b) is required pursuant to Treasury Regulations section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Account balances as a result of a Distribution other than in liquidation of a Member's Interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Losses;

(g) *Specially Allocated Items of Income, Gain, Loss and Deduction.* Notwithstanding any other provision of this Section 1.4, Capital Event Net Income, Capital Event Net Losses and any other items of income, gain, expense, deduction or loss or deduction which are specially allocated pursuant to this **Schedule 3** (other than Sections 2.4 and 2.5) shall not be taken into account in computing Net Income or Net Losses, but the amounts of such items shall be determined by applying rules comparable to those set forth in Subparagraphs (a) through (f) of this Section 1.4; and

(h) *"Capital Event Net Income" and "Capital Event Net Losses"* means such portion of the Company's Net Income and Net Losses that is attributable to (i) a Capital Event, (ii) the repayment of any financing of the Company, but only the portion thereof attributable to the Distribution thereof as Capital Transaction Proceeds ("*Distributed Financing Proceeds*"), or (iii) any forgiveness of Distributed Financing Proceeds.

1.5 *"Nonrecourse Deductions"* has the meaning set forth in section 1.704-2(b)(1) and 1.704-2(c) of the Treasury Regulations.

1.6 *"Nonrecourse Liability"* has the meaning set forth in section 1.704-2(b)(3) of the Treasury Regulations.

1.7 *"Partner Nonrecourse Debt"* has the meaning set forth in section 1.704-2(b)(4) of the Treasury Regulations.

1.8 *"Partner Nonrecourse Debt Minimum Gain"* means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with section 1.704-2(i)(3) of the Treasury Regulations.

1.9 *"Partner Nonrecourse Deductions"* has the meaning set forth in sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Treasury Regulations.

1.10 *"Partnership Minimum Gain"* has the meaning set forth in sections 1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

1.11 "Tax Regulatory Allocations" has the meaning set forth in Section 2.3 of this Schedule 3.

ARTICLE II
REGULATORY, TAX AND SPECIAL ALLOCATIONS

2.1 *Capital Accounts.* The Capital Account of each Member shall be maintained in accordance with the following provisions:

(a) *Credits.* To each Member's Capital Account there shall be credited such Member's (i) Capital Contributions, including the Book Value of any property contributed to the Company by the Member (determined for this purpose without reducing the amount of such Capital Contributions by the amount of liabilities associated with such Capital Contributions described in the first sentence of the definition of Capital Contributions in Section 1.1 of this Agreement, which amount shall be taken into account for such purpose under Section 2.1(b)(iii) of this Schedule 3); (ii) distributive share of Net Income (and any items of income or gain of the Company to be allocated hereunder that are not included in the computation of Net Income or Net Losses); and (iii) the amount of any Company liabilities that such Member is deemed to assume under the last sentence of Treasury Regulations section 1.704-1(b)(2)(iv)(c) or that are secured by any property of the Company Distributed to such Member and which the Member is deemed to take the property subject to under section 752 of the Code;

(b) *Debits.* To each Member's Capital Account there shall be debited the amount of (i) money and the Book Value of any property of the Company Distributed to such Member (determined for this purpose without reducing the amount of such Distributions by the amount of liabilities associated with such Distributions described in the first sentence of the definition of Distributions in Section 1.1 of this Agreement, which amount shall be taken into account for such purpose under Section 2.1(a)(iii) of this Schedule 3); (ii) such Member's distributive share of Net Losses and any items of expense, deduction, or loss of the Company to be allocated hereunder that are not included in the computation of Net Income or Net Losses; and (iii) the amount of any liabilities of such Member that the Company is deemed to assume under the last sentence of Treasury Regulations section 1.704-1(b)(2)(iv)(c) or that are secured by any property contributed by such Member to the Company and which the Company is deemed to take the property subject to under section 752 of the Code;

(c) *Transfer of Capital Accounts.* In the event all or any portion of an Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest; and

(d) *Section 752(c).* In determining the amount of any liability for purposes of this Section 2.1, there shall be taken into account Code section 752(c) and any other applicable provisions of the Code and Treasury Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations section 1.704-1(b) and shall be interpreted and applied consistently therewith. The Members may make appropriate modifications to this Section 2.1 to the extent necessary for it to comply with the capital account maintenance requirements of Treasury Regulations section 1.704-1(b)(2)(iv).

2.2 *Special Allocations.* The following special allocations shall be made in the following order:

(a) *Nonrecourse Deductions.* Nonrecourse Deductions for any taxable year shall be

specially allocated pro rata among the Class A Members except to the extent that applicable Treasury Regulations require that such deductions be allocated in some other manner. The allocations of Nonrecourse Deductions shall be offset by Minimum Gain Chargebacks pursuant to Section 2.2(c) and not by allocations of Net Income pursuant to Article IV of this Agreement. The objective of the preceding sentence is to avoid the result illustrated in Example 1 of Treasury Regulations section 1.704-2(f)(7) and shall be interpreted and applied in a manner that is consistent with such intent.

(b) *Partner Nonrecourse Deductions.* Any Partner Nonrecourse Deductions for any taxable year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations section 1.704-2(i)(1). The allocations of Partner Nonrecourse Deductions shall be offset by Partner Minimum Gain Chargebacks pursuant to Section 2.2(d) of this **Schedule 3** and not by allocations of Net Income pursuant to Article IV. The objective of the preceding sentence is to avoid the result illustrated in Example 1 of Treasury Regulations section 1.704-2(f)(7) and shall be interpreted and applied in a manner that is consistent with such intent.

(c) *Minimum Gain Chargeback.* Except as otherwise provided in section 1.704-2(f) of the Treasury Regulations, if there is a net decrease in Partnership Minimum Gain during any taxable year, each Member shall be specially allocated items of the Company's income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to such Member's share of the net decrease in Partnership Minimum Gain, determined in accordance with Treasury Regulations section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Treasury Regulations. This Section 2.2(c) is intended to comply with the minimum gain chargeback requirement in section 1.704-2(f) of the Treasury Regulations and shall be interpreted in a manner that is consistent with such intent.

(d) *Partner Minimum Gain Chargeback.* Except as otherwise provided in section 1.704-2(i)(4) of the Treasury Regulations, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any taxable year, each Member who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of income and gain of the Company for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to such Member's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Treasury Regulations. This Section 2.2(d) is intended to comply with the partner minimum gain chargeback requirement in section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

(e) *Code Section 754 Adjustment.* To the extent an adjustment to the adjusted tax basis of any of the assets of the Company pursuant to Code section 734(b) or Code section 743(b) is required, pursuant to Treasury Regulations section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulations section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a Distribution to a Member in complete liquidation of that Member's

Interest, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in proportion to their respective interests in the Company (as reasonably determined by the Members) in the event Treasury Regulations section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such Distribution was made in the event Treasury Regulations section 1.704-1(b)(2)(iv)(m)(4) applies.

(f) *Reallocation of Loss.* The Net Losses and Capital Event Net Losses (and any items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Losses) (for any taxable year) allocated under this Agreement to a Member shall not be made to a Member that would have an Adjusted Capital Account Deficit at the end of such taxable year and shall not exceed the maximum amount of Net Losses (and any items of loss or deduction to be allocated hereunder that are not included in the computation of Net Income or Net Losses) that can be so allocated without causing a Member to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase an existing Adjusted Capital Account Deficit at the end of such taxable year). In the event one or more Members has an Adjusted Capital Account Deficit at the end of such taxable year or would have an Adjusted Capital Account Deficit as a consequence of an allocation of Net Losses (or items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) pursuant to this Agreement, then Net Losses (and any items of loss or deduction to be allocated hereunder that are not included in the computation of Net Income or Net Losses) shall be allocated to the other Members in proportion to the amounts of Net Losses (or items of expense, deduction, or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) that otherwise would be allocated among them for such taxable year; provided, that an allocation pursuant to this Section 2.2(f) shall be made only if, and to the extent that, such Member would have an Adjusted Capital Account Deficit after all allocations provided for in this Agreement tentatively have been made as if this Section 2.2(f) and Section 2.2(h) were not in this Agreement. In the event that any special allocations of Net Losses (and any items of loss or deduction to be allocated hereunder that are not included in the computation of Net Income or Net Losses) are allocated to the other Members pursuant to the preceding sentence, then items of gross income and gain from subsequent periods shall be specially allocated to offset, to the extent feasible and as promptly as possible, such special allocations of Net Losses or loss, deduction or expense.

(g) *Gross Income Allocation.* In the event a Member has an Adjusted Capital Account Deficit balance at the end of any taxable year (determined without regard to subparagraph (b) of the definition thereof in Section 1.1 of this **Schedule 3**), such Member shall be specially allocated items of income and gain of the Company in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 2.2(g) shall be made only if, and to the extent that, such Member would have such an excess deficit Capital Account after all other allocations provided for in this Agreement tentatively have been made as if this Section 2.2(g), 2.2(f) and Section 2.2(h) were not in this Agreement. This Section 2.2(g) is intended to minimize the potential distortion to the economic arrangement of the Members that might otherwise be caused by Sections 2.2(f) and 2.2(h), while ensuring that this Agreement complies with the requirements of the alternate test for economic effect contained in section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted and applied in a manner that is consistent with such intent.

(h) *Qualified Income Offset.* In the event a Member unexpectedly receives any adjustments, allocations, or Distributions described in sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations that cause such Member to have, or increase the amount of, an Adjusted Capital Account Deficit if the allocations provided in this Agreement were made as if this Section 2.2(h) were not part of this Agreement,

items of income and gain of the Company shall be specially allocated to such Member in an amount and manner sufficient to eliminate – – to the extent required by, and in compliance with, the Treasury Regulations – – such Adjusted Capital Account Deficit as quickly as possible. This Section 2.2(h) is intended to comply with the qualified income offset requirement of the alternate test for economic effect in section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted in a manner that is consistent with such intent.

2.3 Curative Allocations. The allocations set forth in Section 2.2 and clause (a) of the second sentence of Section 2.6 of this **Schedule 3** (the “**Tax Regulatory Allocations**”) are intended, to the extent necessary, to comply with certain requirements of the Treasury Regulations. It is intended that, to the extent possible, the application and effect of all Tax Regulatory Allocations shall be minimized and offset by either other Tax Regulatory Allocations or special allocations of other items of income, gain, loss, or deduction of the Company pursuant to this Section 2.3. Therefore, notwithstanding any other provision of Article IV of this Agreement (excluding this Article II of this **Schedule 3** and the Tax Regulatory Allocations made hereunder), the Members shall make such offsetting special allocations of the Company’s income, gain, expense, deduction, or loss or items thereof in whatever manner they determine appropriate so as to cause, to the extent possible, after such offsetting allocations are made, each Member’s Capital Account balance at the time it is to be liquidated, in whole or in part, to equal the Capital Account balance such Member would have if the Tax Regulatory Allocations were not part of this Agreement and all items of the Company’s income, gain, expense, deduction, or loss were allocated pursuant to Article IV of this Agreement (excluding any such allocations made pursuant to this **Schedule 3** other than Section 2.5). In exercising their discretion under this Section 2.3, the Members shall take into account future Tax Regulatory Allocations (including those under Sections 2.2(c) and 2.2(d) of this **Schedule 3**) that, although not yet made, are likely to offset other Tax Regulatory Allocations previously made under this **Schedule 3** (including Sections 2.2(a) and 2.2(b) hereof).

2.4 Section 704(c) Allocations.

(a) Section 704(c) Allocations. In accordance with Code section 704(c) and the Treasury Regulations thereunder, any income, gain, expense, deduction, and loss with respect to any Capital Contribution of property by a Member shall, solely for income tax purposes, be allocated among the Members so as to account for any variation at the time of contribution between the adjusted federal income tax basis of such property to the Company and its initial Book Value (computed in accordance with Section 1.3(a) of this **Schedule 3**) (such allocations shall be referred to herein as “**Section 704(c) Allocations**”).

(b) Reverse Section 704(c) Allocations. In the event the Book Value of any of the assets of the Company is adjusted on the Company’s books pursuant to Section 1.3(b) of this **Schedule 3**, subsequent allocations of income, gain, loss, and deduction with respect to such property shall, solely for income tax purposes, account for any variation at the time of such adjustment between the adjusted federal income tax basis of such asset and its Book Value in the same manner as provided under Code section 704(c) and the Treasury Regulations thereunder (such allocations shall be referred to herein as “**Reverse Section 704(c) Allocations**”).

(c) Elections. All decisions and elections relating to such Section 704(c) Allocations or Reverse Section 704(c) Allocations – including the selection of the method, or of different methods (to the extent permitted by the Treasury Regulations), of allocation, whether the “traditional method” described in Treasury Regulations section 1.704-3(b), the “traditional method with curative allocations” described in Treasury Regulations section 1.704-3(c), the “remedial allocation method” described in Treasury Regulations section 1.704-3(d), or any other reasonable method contemplated by Treasury Regulations section 1.704-3(a)(1) and the preamble to the Code

section 704(c) Treasury Regulations in Treasury Decision 8500 (Dec. 22, 1993) (published in 58 Fed. Reg. 67676, 67676-78 and reprinted in 1994-1 C.B. 183, 183-85) for making such allocations which need not be specifically identified in the Treasury Regulations – shall be made by the Members in any reasonable manner. Allocations pursuant to this Section 2.4 are solely for purposes of federal, state, and local income taxes and shall not affect, or in any way be taken into account, in computing, any Member’s Capital Account or share of Net Income, Net Losses (or items, if any, of income, gain, expense, deduction or loss to be allocated hereunder that are not included in the computation of Net Income or Net Losses) or Distributions pursuant to any provision of this Agreement. This Section 2.4 is intended to comply with, and grant the Members the maximum flexibility afforded under, Code section 704(c) and the applicable Treasury Regulations with respect to the decisions and elections to be made thereunder and shall be interpreted consistent with such intent.

2.5 Varying Interests. In the event of any changes in the relative Interests of the Members during a taxable year, the Members shall take into account the requirements of Code section 706(d) and other relevant provisions of the Code and Treasury Regulations and shall have the right to select any reasonable method of determining the varying Interests of the Members during the year which satisfies Code section 706(d) or such other relevant provisions of the Code and Treasury Regulations.

2.6 Savings Provision. The allocation provisions set forth in Article V are intended to allocate Net Income and Net Losses to the Members in accordance with their economic interests in the Company while complying with the requirements of Subchapter K of Chapter 1 of Subtitle A of the Code (particularly section 704 thereof) and the Treasury Regulations promulgated thereunder. If, in the opinion of the Members, the allocation of Net Income or Net Losses (or items of income, gain, expense, deduction, or loss specially allocated pursuant to this Agreement and not included in the computation of Net Income or Net Losses) according to Article V and this Schedule 3 does not (a) satisfy the requirements of Code section 704 or the Treasury Regulations promulgated thereunder; (b) properly take into account any (i) expenditure made by the Company, (ii) transfer of all or part of an Interest of a Member or (iii) admission of new Members; (c) properly reflect the economic arrangement of the Members; (d) preserve the equality between the Capital Accounts of the Members and the amount of the Company’s capital reflected on its balance sheet, as computed for book purposes, in accordance with Treasury Regulations section 1.704-1(b)(2)(iv) (g); or (e) provide for a given situation or set of circumstances – then, notwithstanding anything to the contrary contained in Article V or this **Schedule 3**, Net Income and Net Losses (or items of income, gain, expense, deduction, or loss specially allocated pursuant to this Agreement and not included in the computation of Net Income or Net Losses) shall be allocated in such manner as the Members in the exercise of their good faith discretion determine to be required so as to reflect properly the foregoing premises and conditions of this Section 2.6, and this Agreement shall thereby be deemed amended to reflect any such change in the method of allocating Net Income or Net Losses (or items of income, gain, expense, deduction, or loss specially allocated pursuant to this Agreement and not included in the computation of Net Income or Net Losses); provided, that any change in the method of allocating Net Income or Net Losses (or items of income, gain, loss or deduction specially allocated pursuant to this Agreement and not included in the computation of Net Income or Net Losses) shall not materially alter the economic arrangement of the Members or otherwise unfairly discriminate against any Member.

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EXHIBIT A

Legal Description of Property

LEGAL DESCRIPTION

Lying and being situate in Mecklenburg County, North Carolina, and being more particularly described as follows:

BEGINNING at an existing iron pin located at the northwesterly terminus of Kettering Drive (variable width right of way), which pin also marks the northeasterly corner of the property conveyed to Loftin W. Carter, et al. by deed recorded in Book 4683, Page 801 in the Mecklenburg County Public Registry, said iron pin being the Point of Beginning; thence from said Point of Beginning with the northerly boundary of the said Carter property the following two (2) courses and distances: 1.) S. 76-04-17 W. 36.20 feet to a manhole; thence 2.) S. 80-11-15 W. 101.19 feet to an existing iron pin that marks the northeasterly corner of the property conveyed to Montclair, a Limited Partnership by deed recorded in Book 4418, Page 59 of said Registry; thence with the northerly boundary of the said Montclair property N. 59-56-50 W. 374.46 feet to an existing iron pin in the northeasterly corner of the property conveyed to Pineville Church of the Nazarene by deed recorded in Book 3705, Page 56 of said Registry; thence with the northerly boundary of said Pineville Church of the Nazarene property N. 68-54-52 W. 399.72 feet to an existing iron pin on the easterly boundary of the property conveyed to Lorrick Enterprises by deed recorded in Deed Book 2863, Page 14 of said Registry; thence with the easterly boundary of said Lorrick Enterprises property N. 21-03-20 E. 652.27 feet to an existing iron pin on the southerly boundary of the property conveyed to First Carolina Investors of Mecklenburg, Inc., by deed recorded in Book 4206, Page 118 of said Registry; thence with the southerly boundary of the said First Carolina Investors of Mecklenburg, Inc. property S. 66-41-12 E. 561.95 feet to a concrete monument at the southwesterly corner of the property conveyed to Windridge Oxford Associates by deed recorded in Book 4738, Page 357 of said Registry; thence with the southerly boundary of said Windridge Oxford Associates property S. 66-41-12 E. 543.37 feet to an existing iron pin at the northwesterly corner of the property conveyed to Leo J. Barry et al. by deed recorded in Book 6339, Page 299 of said Registry; thence with the westerly boundary of the said Barry property S. 18-53-30 W. 438.08 feet to an existing iron pin at the northeasterly corner of the property conveyed to Pineville Exec. Center Ltd. by deed recorded in Book 4947, Page 480 of said Registry; thence with the northerly boundary of said Pineville Exec. Center Ltd. property the following three (3) courses and distances: 1.) S. 82-49-19 W. 44.28 feet to a manhole; thence 2.) S. 75-57-19 W. 178.55 feet to an iron pin on the easterly margin of Kettering Drive; thence 3.) S. 77-11-28 W. 60.00' to the Point of Beginning, containing 15.939 acres (more or less) all as shown on a Boundary and Location Survey of Habersham Pointe prepared by Concord Engineering and Surveying, Inc., dated October 30, 1996.

Being known as 2016 Mecklenburg Tax Parcel Number: 221-191-13.

EXHIBIT B

Initial Budget

Ascent Pineville
Initial Renovation Budget
03.15.2024

<u>Scope</u>	<u>Cost</u>	<u>Cost/Unit</u>
Roofs / Siding	\$150,000	\$600
Exterior / Structural	\$250,000	\$1,000
HVAC Replacements	\$250,000	\$1,000
Water Intrusion / Plumbing	\$275,000	\$1,100
Toilet Replacement	\$125,000	\$500
Drainage / Erosion	\$125,000	\$500
Landscaping	\$50,000	\$200
Signage	\$65,000	\$260
Playground	\$50,000	\$200
Contingency	\$160,000	\$640
Total	\$1,500,000	\$6,250

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Gross Potential Rent	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$304,000	\$3,648,000
Gain/Loss to Lease	-\$4,000	-\$3,700	-\$3,400	-\$3,100	-\$2,800	-\$2,500	-\$2,200	-\$1,900	-\$1,600	-\$1,300	-\$1,000	-\$700	-\$28,200
Total	\$300,000	\$300,300	\$300,600	\$300,900	\$301,200	\$301,500	\$301,800	\$302,100	\$302,400	\$302,700	\$303,000	\$303,300	\$3,619,800
Other Income													
Other Income	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$432,000
Total	\$36,000	\$432,000											
Less Vacancy	-\$13,440	-\$13,452	-\$13,464	-\$13,476	-\$13,488	-\$13,500	-\$13,512	-\$13,524	-\$13,536	-\$13,548	-\$13,560	-\$13,572	-\$162,072
Less Bad Debt	-\$6,720	-\$6,726	-\$6,732	-\$6,738	-\$6,744	-\$6,750	-\$6,756	-\$6,762	-\$6,768	-\$6,774	-\$6,780	-\$6,786	-\$81,036
Total Income	\$315,840	\$316,122	\$316,404	\$316,686	\$316,968	\$317,250	\$317,532	\$317,814	\$318,096	\$318,378	\$318,660	\$318,942	\$3,808,692
Property Taxes	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000	\$348,000
Insurance	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$168,000
Repairs & Maintenance													
R&M - Flooring	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
R&M - Electrical	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
R&M - HVAC	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
R&M - General Repairs	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$48,000
R&M - Drywall	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
R&M - Paint	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
R&M - Plumbing	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$7,800
R&M - Cleaning	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
R&M - Supplies	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$16,200
R&M - Pool	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$9,600
Total - Repairs & Maintenance	\$14,700	\$176,400											
Utilities													
Electricity	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$39,600
Gas	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Water/Sewer	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
Cable/Internet	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$156,000
Total - Utilities	\$24,850	\$298,200											
Payroll													
Resident Manager Salary	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$70,000
Asst. Manager + Leasing	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$8,083	\$97,000
Maintenance Lead	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$5,833	\$70,000
Asst. Maintenance + Pt Grounds	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$80,000
Lensing Commission	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Taxes - Social Security	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Worker's Comp.	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$7,800
Payroll Admin.	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Hospitalization Insurance	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$26,400
Total - Payroll	\$32,117	\$385,400											
Contract Services													
Landscaping	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$42,000
Exterminating	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$10,200
Janitorial	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Trash Removal	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$33,600
Fire Protection	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000
Pool Contract	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200
Total - Contract Services	\$8,750	\$105,000											
General & Admin													
Legal Expenses	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$16,800
Tax / Audit	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200
Misc. Expenses	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Renting/Office Expenses	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$2,150	\$25,800
Telephone/Internet	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Total - General & Admin	\$6,400	\$76,800											
Property Management Fee	\$12,634	\$12,645	\$12,656	\$12,667	\$12,679	\$12,690	\$12,701	\$12,713	\$12,724	\$12,735	\$12,746	\$12,758	\$152,348
Replacement Reserves	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Total Operating Expenses	\$152,450	\$152,462	\$152,473	\$152,484	\$152,495	\$152,507	\$152,518	\$152,529	\$152,541	\$152,552	\$152,563	\$152,574	\$1,830,148
Net Operating Income	\$163,390	\$163,660	\$163,931	\$164,202	\$164,473	\$164,743	\$165,014	\$165,285	\$165,555	\$165,826	\$166,097	\$166,368	\$1,978,544
Senior Mortgage Payment	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$106,604	\$1,279,248
2nd Loan Payment	\$0	\$0	\$0	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$26,250
3rd Loan Payment	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000
Asset Management Fee	\$3,158	\$3,161	\$3,164	\$3,167	\$3,170	\$3,173	\$3,175	\$3,178	\$3,181	\$3,184	\$3,187	\$3,189	\$38,087
Net Cash Flow	\$51,127	\$51,395	\$51,663	\$49,014	\$49,282	\$49,550	\$49,818	\$50,086	\$50,354	\$50,622	\$50,890	\$51,158	\$604,959

EXHIBIT C

Disclosure Schedules

1. 11.2(g) – None.
2. 11.2(k) – None.
3. 11.2(o) – None.
4. 11.2(p) – An environmental assessment (Phase I Environmental Site Assessment Report performed by Partner Engineering and Science, Inc. on December 20, 2023) was performed on the property. The environmental assessment found no recognized environmental concerns, controlled recognized environmental concerns or historical recognized environmental concerns. The environmental assessment did identify one business risk at the property due to presence of suspected water and mold damage in select units during the inspection. In conjunction, the environmental assessment recommended the implementation of a Mold, Moisture & Minimization Plan at the property. Ascent Housing will coordinate with the property manager to follow the recommendations of the environmental assessment, which is to follow Mold, Moisture & Minimization Plan as a part of the property's routine maintenance.

EXHIBIT D

Example IRR Calculation

Date	11/1/2023	11/1/2024	11/1/2025	11/1/2026	11/1/2027	11/1/2028	11/1/2029	11/1/2030	11/1/2031	11/1/2032	11/1/2033
Cashflow	-100	5	6	5	7	8	7	11	10	9	119
*XIRR	8.02%										

* Example is for illustration purposes only

EXHIBIT E

Single Purpose Entity Provisions

1. Definitions. All initially capitalized terms used in this Exhibit E, but not defined or otherwise cross-referenced in this Exhibit E, shall have the same meaning that such terms have in that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement dated as of the Effective Date (the “Deed of Trust”) by the Company for the benefit of the Lender.

2. Single Purpose Entity Provisions. Until the Indebtedness is paid in full, the Company has not and shall not: (a) engage in any business or activity other than the acquisition, ownership, operation and maintenance of the Premises, and activities incidental thereto; (b) acquire or own any material asset other than (i) its interest in the Premises, and (ii) such incidental personal property as may be necessary for the operation of the Premises; (c) (i) merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case the Lender’s consent, or (ii) exercise any right of division available at law or otherwise, in whole or in part; (d) without the prior written consent of the Lender, amend, modify, terminate or fail to comply with the provisions of the Company’s organizational documents; (e) own any subsidiary or make any investment in or acquire the obligations or securities of any other person or entity; (f) commingle its assets with the assets of any of its owners, affiliates or any other person or entity or transfer any assets to any such person or entity other than distributions on account of equity interests in the Company properly accounted for; (g) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Indebtedness and the Permitted Subordinate Loans, except unsecured trade and operational debt incurred with trade creditors in the ordinary course of its business of owning and operating the Premises in such amounts as are normal and reasonable under the circumstances; (h) allow any person or entity to pay its debts and liabilities (except a Guarantor who is responsible for repayment of any obligations of the Company in connection with the Loan secured by this Security Instrument) or fail to pay its debts and liabilities solely from its own assets; (i) fail to maintain its records, books of account and bank accounts separate and apart from those of the principals and affiliates of the Company, and any other person or entity or fail to prepare and maintain its own financial statements in accordance with commercially acceptable accounting principles (provided, however, that (x) the Company will not be required to file its own tax returns if it is treated as a “disregarded entity” for tax purposes and is not required to file tax returns under applicable law or it is required by applicable law to file consolidated tax returns, and (y) the Company’s assets may be included in a consolidated financial statement of its affiliate if, but only if, (1) appropriate notation is made on such consolidated financial statement of its affiliate to indicate the Company’s separateness and that the Company’s credit and assets are not available to satisfy such affiliate’s debts and obligations and (2) such assets are also listed on the Company’s own separate balance sheet); (j) enter into any contract or agreement with any direct or indirect owner, principal or affiliate of the Company or any guarantor of all or a portion of the Indebtedness except upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than any such owner, principal or affiliate of the Company or any guarantor of all or a portion of the Indebtedness; or (k) seek dissolution or winding up, in whole or in part.

EXHIBIT C

WRITTEN CONSENT

[See Attached Pages]

WRITTEN CONSENT OF THE MEMBERS
TO ACTION WITHOUT A MEETING

PINEVILLE NOAH, LLC

The undersigned, being all of the members of Pineville NOAH, LLC, a North Carolina limited liability company (the “**Company**”), do hereby consent to and authorize the following actions by or on behalf of the Company, as of this 28th day of March, 2024:

WHEREAS, the undersigned desire to cause the Company to purchase and acquire a certain multifamily property commonly known as the Ascent Pineville Apartments located in Charlotte, Mecklenburg County, North Carolina (the “**Property**”);

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$21,500,000.00 (the “**Senior Loan**”) from Minnesota Life Insurance Company, a Minnesota corporation, its successors and assigns (“**Senior Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$1,000,000.00 (the “**CHOIF Loan**”) from Charlotte Housing Opportunity Investment Fund LLC, a Delaware limited liability company, its successors and assigns (the “**CHOIF Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$3,000,000.00 (the “**County Loan**”) from Mecklenburg County, a political subdivision of the State of North Carolina, its successors and assigns (the “**County Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$500,000.00 or \$1,000,000.00 (the “**City Loan**”) from the City of Charlotte, a North Carolina municipal corporation, its successors and assigns (the “**City Lender**”), to purchase and acquire the Property;

WHEREAS, while the County Loan will close simultaneously with the Senior Loan, the CHOIF Loan and the City Loan are expected to close within ninety (90) days after the closing of the Senior Loan and the County Loan;

WHEREAS, the undersigned desire to cause the Company to execute and enter into any and all documents necessary or desirable in connection with the Senior Loan, the CHOIF Loan, the County Loan and the City Loan (collectively, the “**Loans**”), including, without limitation, certain documents set forth on **Exhibit A** attached hereto and incorporated herein by reference, and any other promissory notes, mortgages, affidavits, assignments, subordinations, closing statements, agreements, indemnities, modifications, consents and such other instruments and documents as may be necessary in connection with the Loans (collectively, the “**Loan Documents**”) and to convey, assign or encumber the Property as security or collateral for the Loans; and

WHEREAS, the undersigned desire to authorize Mark Ethridge, as the manager of Ascent Housing, LLC, a North Carolina limited liability company, as the manager of the Company, to execute and deliver the Loan Documents and to perform all other acts on behalf of the Company as necessary or desirable in connection with the Loans.

NOW, THEREFORE, BE IT:

RESOLVED, that the undersigned hereby ratify, confirm and approve in all respects the Loans, the Loan Documents and the transactions contemplated thereby and the forms thereof;

RESOLVED, FURTHER, that the undersigned hereby authorize the Company to execute, deliver and perform the Loan Documents and perform all other acts necessary to comply with the terms and conditions of the Loan Documents;

RESOLVED, FURTHER, that Mark Ethridge, as the manager of Ascent Housing, LLC, a North Carolina limited liability company, as the manager of the Company, acting alone and without the necessity of the joinder of any other person, is authorized to execute and deliver each of the Loan Documents and to perform all other acts on behalf of the Company as necessary or desirable in connection with the Loans;

RESOLVED FURTHER, that any actions authorized pursuant to the authority given hereunder and heretofore taken by or on behalf of the Company in connection with the transactions contemplated by the foregoing resolutions be, and they hereby are, approved, ratified and confirmed;

RESOLVED FURTHER, that the foregoing resolutions, authorizations and actions shall have the same force and effect as if taken at a duly constituted meeting of the members of the Company, and this Written Consent shall be filed with the records of the Company; and

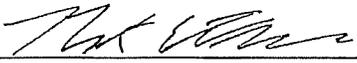
RESOLVED FURTHER, that this Written Consent may be executed by facsimile, DocuSign or by electronic email transmission, and in counterparts, which shall have the same force and effect as and shall be construed as one original document, and that fax machine copies, DocuSign and electronic copies of original signatures of any of the signatories hereto shall be binding as if they were original signatures.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first set forth above.

MEMBERS:

ASCENT HOUSING, LLC

By: 
Name: Mark Ethridge
Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC,
its Manager

By: _____
Name: Nelson Schwab III
Title: Manager

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first set forth above.

MEMBERS:

ASCENT HOUSING, LLC

By: _____

Name: Mark Ethridge

Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC,
its Manager

By: 

Name: Nelson Schwab III

Title: Manager

EXHIBIT A

LOAN DOCUMENTS

Senior Loan Documents:

1. Promissory Note
2. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement
3. Assignment of Leases and Rents
4. Assignment and Subordination of Management Agreement
5. Environmental Indemnity Agreement
6. Subordination Agreement with respect to Senior Loan and CHOIF Loan*
7. Subordination Agreement with respect to Senior Loan and County Loan
8. Subordination Agreement with respect to Senior Loan and City Loan*
9. UCC Financing Statement(s)
10. Certificate of Ascent Housing, LLC
11. Subordination of Asset Management Agreement and Fees

* Subordination Agreements for CHOIF Loan and the City Loan would be required at the closing of the CHOIF Loan and the City Loan.

CHOIF Loan Documents:**

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents
4. Subordination Agreement with respect to the CHOIF Loan and the County Loan
5. Subordination Agreement with respect to the CHOIF Loan and the City Loan
6. UCC Financing Statement(s)

** These CHOIF Loan Documents are expected but have not been received yet.

County Loan Documents:

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement and Financing Statement
4. Assignment of Leases and Rents
5. Declaration of Deed Restrictions
6. UCC Financing Statement(s)

City Loan Documents:***

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement and Financing Statement
4. Assignment of Leases and Rents
5. Declaration of Restrictions
6. UCC Financing Statement(s)

*** These City Loan Documents are expected but have not been received yet.

EXHIBIT D

CERTIFICATE OF EXISTENCE

[See Attached Page]



NORTH CAROLINA

Department of the Secretary of State

CERTIFICATE OF EXISTENCE (Limited Liability Company)

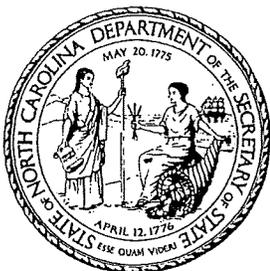
I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that

PINEVILLE NOAH, LLC

is a limited liability company duly formed, and existing under the laws of the State of North Carolina, having been formed on 10th day of January, 2024

I FURTHER certify that, as of the date of this certificate, (i) the said limited liability company is not dissolved under the terms of its articles of organization, (ii) the said limited liability company's articles of organization are not suspended for failure to comply with the Revenue Act of the State of North Carolina, (iii) that said limited liability company is not administratively dissolved for failure to comply with the provisions of the North Carolina Limited Liability Company Act, (iv) that this office has not filed any decree of judicial dissolution, articles of dissolution, articles of merger, or articles of conversion for said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 11th day of March, 2024.



Scan to verify online.

Elaine F. Marshall

Secretary of State

**WRITTEN CONSENT OF THE MEMBERS
TO ACTION WITHOUT A MEETING**

PINEVILLE NOAH, LLC

The undersigned, being all of the members of Pineville NOAH, LLC, a North Carolina limited liability company (the “**Company**”), do hereby consent to and authorize the following actions by or on behalf of the Company, as of this 28th day of March, 2024:

WHEREAS, the undersigned desire to cause the Company to purchase and acquire a certain multifamily property commonly known as the Ascent Pineville Apartments located in Charlotte, Mecklenburg County, North Carolina (the “**Property**”);

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$21,500,000.00 (the “**Senior Loan**”) from Minnesota Life Insurance Company, a Minnesota corporation, its successors and assigns (“**Senior Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$1,000,000.00 (the “**CHOIF Loan**”) from Charlotte Housing Opportunity Investment Fund LLC, a Delaware limited liability company, its successors and assigns (the “**CHOIF Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$3,000,000.00 (the “**County Loan**”) from Mecklenburg County, a political subdivision of the State of North Carolina, its successors and assigns (the “**County Lender**”), to purchase and acquire the Property;

WHEREAS, the undersigned desire to cause the Company to obtain a certain loan in the original principal amount of \$500,000.00 or \$1,000,000.00 (the “**City Loan**”) from the City of Charlotte, a North Carolina municipal corporation, its successors and assigns (the “**City Lender**”), to purchase and acquire the Property;

WHEREAS, while the County Loan will close simultaneously with the Senior Loan, the CHOIF Loan and the City Loan are expected to close within ninety (90) days after the closing of the Senior Loan and the County Loan;

WHEREAS, the undersigned desire to cause the Company to execute and enter into any and all documents necessary or desirable in connection with the Senior Loan, the CHOIF Loan, the County Loan and the City Loan (collectively, the “**Loans**”), including, without limitation, certain documents set forth on Exhibit A attached hereto and incorporated herein by reference, and any other promissory notes, mortgages, affidavits, assignments, subordinations, closing statements, agreements, indemnities, modifications, consents and such other instruments and documents as may be necessary in connection with the Loans (collectively, the “**Loan Documents**”) and to convey, assign or encumber the Property as security or collateral for the Loans; and

WHEREAS, the undersigned desire to authorize Mark Ethridge, as the manager of Ascent Housing, LLC, a North Carolina limited liability company, as the manager of the Company, to execute and deliver the Loan Documents and to perform all other acts on behalf of the Company as necessary or desirable in connection with the Loans.

NOW, THEREFORE, BE IT:

RESOLVED, that the undersigned hereby ratify, confirm and approve in all respects the Loans, the Loan Documents and the transactions contemplated thereby and the forms thereof;

RESOLVED, FURTHER, that the undersigned hereby authorize the Company to execute, deliver and perform the Loan Documents and perform all other acts necessary to comply with the terms and conditions of the Loan Documents;

RESOLVED, FURTHER, that Mark Ethridge, as the manager of Ascent Housing, LLC, a North Carolina limited liability company, as the manager of the Company, acting alone and without the necessity of the joinder of any other person, is authorized to execute and deliver each of the Loan Documents and to perform all other acts on behalf of the Company as necessary or desirable in connection with the Loans;

RESOLVED FURTHER, that any actions authorized pursuant to the authority given hereunder and heretofore taken by or on behalf of the Company in connection with the transactions contemplated by the foregoing resolutions be, and they hereby are, approved, ratified and confirmed;

RESOLVED FURTHER, that the foregoing resolutions, authorizations and actions shall have the same force and effect as if taken at a duly constituted meeting of the members of the Company, and this Written Consent shall be filed with the records of the Company; and

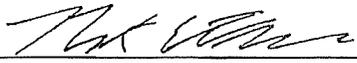
RESOLVED FURTHER, that this Written Consent may be executed by facsimile, DocuSign or by electronic email transmission, and in counterparts, which shall have the same force and effect as and shall be construed as one original document, and that fax machine copies, DocuSign and electronic copies of original signatures of any of the signatories hereto shall be binding as if they were original signatures.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first set forth above.

MEMBERS:

ASCENT HOUSING, LLC

By: 

Name: Mark Ethridge

Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC,
its Manager

By: _____

Name: Nelson Schwab III

Title: Manager

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first set forth above.

MEMBERS:

ASCENT HOUSING, LLC

By: _____

Name: Mark Ethridge

Title: Manager

HOUSING IMPACT FUND II, LLC

By: Housing Impact Fund Manager, LLC,
its Manager

By: 

Name: Nelson Schwab III

Title: Manager

EXHIBIT A

LOAN DOCUMENTS

Senior Loan Documents:

1. Promissory Note
2. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement
3. Assignment of Leases and Rents
4. Assignment and Subordination of Management Agreement
5. Environmental Indemnity Agreement
6. Subordination Agreement with respect to Senior Loan and CHOIF Loan*
7. Subordination Agreement with respect to Senior Loan and County Loan
8. Subordination Agreement with respect to Senior Loan and City Loan*
9. UCC Financing Statement(s)
10. Certificate of Ascent Housing, LLC
11. Subordination of Asset Management Agreement and Fees

* Subordination Agreements for CHOIF Loan and the City Loan would be required at the closing of the CHOIF Loan and the City Loan.

CHOIF Loan Documents:**

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents
4. Subordination Agreement with respect to the CHOIF Loan and the County Loan
5. Subordination Agreement with respect to the CHOIF Loan and the City Loan
6. UCC Financing Statement(s)

** These CHOIF Loan Documents are expected but have not been received yet.

County Loan Documents:

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement and Financing Statement
4. Assignment of Leases and Rents
5. Declaration of Deed Restrictions
6. UCC Financing Statement(s)

City Loan Documents:***

1. Promissory Note
2. Loan Agreement
3. Deed of Trust, Security Agreement and Financing Statement
4. Assignment of Leases and Rents
5. Declaration of Restrictions
6. UCC Financing Statement(s)

*** These City Loan Documents are expected but have not been received yet.

14



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/22/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC 5605 Carnegie Blvd Suite 300 Charlotte NC 28209	CONTACT NAME: PHONE (A/C, No., Ext): 704-365-6213		FAX (A/C, No):	
	E-MAIL ADDRESS: macerts@MarshMMA.com			
INSURED Pineville NOAH, LLC 2100 Crescent Ave Suite 200 Charlotte NC 28207	ASCENCOMME		INSURER(S) AFFORDING COVERAGE	NAIC #
			INSURER A : Crum & Forster Specialty Insurance Co	31348
			INSURER B : Nautilus Insurance Company	17370
			INSURER C :	
			INSURER D :	
			INSURER E :	
		INSURER F :		

COVERAGES

CERTIFICATE NUMBER: 652703331

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	8614361	3/25/2024	3/25/2025	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 1,000,000
								\$
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			392462701	3/25/2024	3/25/2025	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE	OTH-ER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Loan Number: 2954
 Location addresses:
 8407 Habersham Pointe Circle Charlotte NC 28226
 8411 Habersham Pointe Circle Charlotte NC 28226
 8415 Habersham Pointe Circle Charlotte NC 28226
 10500 Kettering Drive Charlotte NC 28226
 10506 Kettering Drive Charlotte NC 28226
 10516 Kettering Drive Charlotte NC 28226
 See Attached...

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

Mecklenburg County
 600 E. 4th Street, 11th Floor
 Charlotte NC 28202

AUTHORIZED REPRESENTATIVE

Kristin Gifford

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ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh & McLennan Agency LLC		NAMED INSURED Pineville NOAH, LLC 2100 Crescent Ave Suite 200 Charlotte NC 28207	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

- 10518 Kettering Drive Charlotte NC 28226
- 10615 Kettering Drive Charlotte NC 28226
- 10609 Kettering Drive Charlotte NC 28226
- 10605 Kettering Drive Charlotte NC 28226
- 10601 Kettering Drive Charlotte NC 28226
- 8401 Habersham Pointe Circle Charlotte NC 28226

Policy deductible: Includes LAE; Bodily Injury & Property Damage \$5,000 Per Occurrence; Personal & Advertising Injury \$5,000 per claim.
 Certificate holder is named as additional insured as required by written contract.



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

3/22/2024

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS Marsh & McLennan Agency LLC 5605 Carnegie Blvd Suite 300 Charlotte, NC 28209		PHONE (A/C, No, Ext): 704-365-6213	COMPANY NAME AND ADDRESS General Star Indemnity Company 110 Franklin Road SE Roanoke, VA 24011		NAIC NO: 37362
FAX (A/C, No):	E-MAIL ADDRESS: macerts@MarshMMA.com		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE:	SUB CODE:				
AGENCY CUSTOMER ID #:	POLICY TYPE Property				
NAMED INSURED AND ADDRESS Pineville NOAH, LLC 2100 Crescent Ave Suite 200 Charlotte NC 28207		LOAN NUMBER 2954	POLICY NUMBER 2786229		
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 03/25/2024	EXPIRATION DATE 03/25/2025	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
		THIS REPLACES PRIOR EVIDENCE DATED:			

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION 8407 Habersham Pointe Circle Charlotte NC 28226 See Attached...
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION		PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/>	SPECIAL	
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$ 30,091,492		DED: 100,000					
<input checked="" type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	YES	NO	N/A			
BLANKET COVERAGE		X			If YES, LIMIT: 3,838,272	Actual Loss Sustained; # of months:	
TERRORISM COVERAGE		X			If YES, indicate value(s) reported on property identified above: \$		
IS THERE A TERRORISM-SPECIFIC EXCLUSION?				X	Attach Disclosure Notice / DEC		
IS DOMESTIC TERRORISM EXCLUDED?				X			
LIMITED FUNGUS COVERAGE				X	If YES, LIMIT:	DED:	
FUNGUS EXCLUSION (If "YES", specify organization's form used)				X			
REPLACEMENT COST		X					
AGREED VALUE				X			
COINSURANCE			X		If YES, %		
EQUIPMENT BREAKDOWN (If Applicable)		X			If YES, LIMIT: 33,929,764	DED: 5,000	
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		X			If YES, LIMIT: 29,991,492	DED: 100,000	
- Demolition Costs		X			If YES, LIMIT: 2,999,149	DED: 100,000	
- Incr. Cost of Construction		X			If YES, LIMIT: 2,999,149	DED: 100,000	
EARTH MOVEMENT (If Applicable)				X	If YES, LIMIT:	DED:	
FLOOD (If Applicable)				X	If YES, LIMIT:	DED:	
WIND / HAIL INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		X			If YES, LIMIT:	DED: 2%	
NAMED STORM INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		X			If YES, LIMIT:	DED: 2%	
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS				X			

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

<input type="checkbox"/> CONTRACT OF SALE	<input checked="" type="checkbox"/>	LENDER'S LOSS PAYABLE	<input type="checkbox"/>	LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
<input checked="" type="checkbox"/> MORTGAGEE					
NAME AND ADDRESS Mecklenburg County 600 E. 4th Street, 11th Floor Charlotte, NC 28202					AUTHORIZED REPRESENTATIVE <i>Kristin Rifford</i>

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AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh & McLennan Agency LLC		NAMED INSURED Pineville NOAH, LLC 2100 Crescent Ave Suite 200 Charlotte NC 28207	
POLICY NUMBER 2786229		EFFECTIVE DATE: 03/25/2024	
CARRIER General Star Indemnity Company	NAIC CODE 37362		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 28 FORM TITLE: EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

REMARKS:

Building Limit: \$29,991,492
 Business Personal Property : \$100,000
 Business Income w/ Extra Expense: \$3,838,272

30 day notice of cancellation, 10 days for non payment of premium included.
 Sprinkler leakage (not earthquake sprinkler leakage) is covered under the basic form and not excluded under the special form.

Certificate holder is named as additional insured as required by written contract.

LOCATION/DESCRIPTION:

- 8411 Habersham Pointe Circle Charlotte NC 28226
- 8415 Habersham Pointe Circle Charlotte NC 28226
- 10500 Kettering Drive Charlotte NC 28226
- 10506 Kettering Drive Charlotte NC 28226
- 10516 Kettering Drive Charlotte NC 28226
- 10518 Kettering Drive Charlotte NC 28226
- 10615 Kettering Drive Charlotte NC 28226
- 10609 Kettering Drive Charlotte NC 28226
- 10605 Kettering Drive Charlotte NC 28226
- 10601 Kettering Drive Charlotte NC 28226
- 8401 Habersham Pointe Circle Charlotte NC 28226