UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption In Compliance with D.N.J. LBR 9004-1(b)

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Counsel for M&T Realty Capital Corporation

In re: Crown Capital Holdings LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) Judge Michael B. Kaplan (Jointly Administered) **Hearing Date: TBD by Order Shortening Time**

NOTICE OF MOTION OF M&T REALTY CAPITAL CORPORATION FOR ENTRY OF AN ORDER MODIFYING THE STAY IMPOSED BY 11 U.S.C. § 362 OR, IN THE ALTERNATIVE, DISMISSING BANKRUPTCY CASES UNDER 11 U.S.C. §1112, ABSTAINING UNDER 11 U.S.C. § 305, OR EXCUSING THE TURNOVER REQUIREMENTS OF 11 U.S.C. § 543

1 The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

PLEASE TAKE NOTICE that on **TBD by Order Shortening Time**, or as soon thereafter as counsel may be heard, M&T Realty Capital Corporation ("**M&T**"), by and through its undersigned counsel, shall appear before the Honorable Michael B. Kaplan, United States Bankruptcy Judge, in Courtroom 8 of the United States Bankruptcy Court for the District of New Jersey, 402 East State Street, Trenton, NJ 08608, and seek the entry of an order granting ***Motion Of M&T Realty Capital Corporation For Entry Of An Order Modifying The Stay Imposed By 11 U.S.C. § 362 Or, In The Alternative, Dismissing Bankruptcy Cases Under 11 U.S.C. §1112, Abstaining Under 11 U.S.C. § 305, Or Excusing The Turnover Requirements Of 11 U.S.C. § 543*** (the "**Motion**") substantially in the form of order submitted with the Motion.

PLEASE TAKE FURTHER NOTICE that the Motion sets forth the relevant legal and factual bases upon which the relief requested should be granted. A proposed order granting the relief requested in the Motion is also submitted with the Motion.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall: (a) be in writing; (b) state with particularity the basis of the objection; and (c) be filed with the Clerk of the United States Bankruptcy Court electronically by attorneys who regularly practice before the Bankruptcy Court in accordance with the General Order Regarding Electronic Means for Filing, Signing, and Verification of Documents dated March 27, 2002 (the "**General Order**") and the Commentary Supplementing Administrative Procedures dated as of March 2004 (the "**Supplemental Commentary**") (the General Order, the Supplemental Commentary and the User's Manual for the Electronic Case Filing System can be found at www.njb.uscourts.gov, the official website for the Bankruptcy Court) and, by all other parties-in interest, on CD-ROM in Portable Document Format (PDF), and shall be served in accordance with the General Order and the Supplemental Commentary, so as to be received no later than seven (7) days prior to the hearing date set forth above.

PLEASE TAKE FURTHER NOTICE that copies of all documents filed in these chapter 11 cases, including the exhibits appended to the Motion, may be obtained free of charge by visiting the website of Omni Agent Solutions, Inc., at https://omniagentsolutions.com/CrownCapital. You may also obtain copies of any pleadings by visiting the Court's website at https://www.njb.uscourts.gov in accordance with the procedures and fees set forth therein.

PLEASE TAKE FURTHER NOTICE that unless objections are timely filed and served, the Motion will be decided on the papers in accordance with D.N.J. LBR 9013-3(d) and the relief requested may be granted without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that contemporaneously with the filing of the Motion, M&T is filing a request that the Motion be heard on an expedited basis at a hearing scheduled for **November 18, 2025 at 1:30 p.m. (prevailing Eastern Time)**. If this request is granted, M&T shall file and serve a subsequent notice reflecting the new hearing date and time.

Dated: November 3, 2025

/s/ Diane E. Vuocolo

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Counsel for M&T Realty Capital Corporation

In re: Crown Capital Holdings LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Jointly Administered) **Hearing Date: November 18, 2025 at 1:30 p.m.**

MOTION OF M&T REALTY CAPITAL CORPORATION FOR ENTRY OF AN ORDER MODIFYING THE STAY IMPOSED BY 11 U.S.C. § 362 OR, IN THE ALTERNATIVE, DISMISSING BANKRUPTCY CASES UNDER 11 U.S.C. §1112, ABSTAINING UNDER 11 U.S.C. § 305, OR EXCUSING THE TURNOVER REQUIREMENTS OF 11 U.S.C. § 543

1 The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

M&T Realty Capital Corporation ("M&T"), by and through its counsel, hereby moves for entry of an order: (I) modifying the automatic stay pursuant to section 362(d)(1) of title 11 of the United States Code (the "Bankruptcy Code") with respect to (a) the real property located at 2030 Ashland Avenue, Toledo, Ohio 43620 consisting of 188 units from which the Debtor Lucas Urban Holdings LLC (the "Ashland Debtor") operates a residential apartment building known as Ashland Manor Apartments (the "Ashland Property") and (b) the real property located at 12 Carriage Hill Drive and 115 Carriage Hill Drive, Athens, Ohio 45701 from which the Debtor Campus Heights Apts Owner LLC and the non-debtor Campus Heights Apts Phase 1 Owner LLC operate a residential apartment building known as Campus Heights Apartments (the "Campus Property," together with the Ashland Property, together the "Properties") to allow the mortgage foreclosure actions pending before the Court of Common Pleas of Lucas County, Ohio (the "Ashland Receivership Case") and the Court of Common Pleas of Athens County, Ohio (the "Campus Receivership Case," together with the Ashland Receivership Case, the "Receivership Cases") to proceed so that David Browning, as the receiver in both of the Receivership Cases (the "Receiver") may continue to administer and dispose of the Properties, or in the alternative; (II) dismissing the chapter 11 case of the Ashland Debtor, pending as Chapter 11 Case No. 25-20514-MBK (the "Ashland Chapter 11 Case"), and of Campus Heights Apts Owner LLC (the "Campus Debtor," together with the Ashland Debtor, the "Ashland and Campus Debtors"), pending as Chapter 11 Case No. 25-20497-MBK (the "Campus Chapter 11 Case," together with the Ashland Chapter 11 Case, the "Ashland and Campus Chapter 11 Cases"), pursuant to section 1112(b) of the Bankruptcy Code, or abstaining from hearing the Ashland and Campus Chapter 11 Cases pursuant to

section 305 of the Bankruptcy Code; and (III) excusing the turnover requirements of section 543 of the Bankruptcy Code. In support of this Motion, M&T states as follows:

INTRODUCTION

1. By this Motion, M&T seeks entry of an order modifying the automatic stay to allow the Receivership Cases to proceed, or simply dismissing the Ashland and Campus Chapter 11 Cases. Relief is appropriate under section 362(d)(2) because there is no equity in the Properties and a reorganization is not practical. Relief is also appropriate under sections 362(d)(1) and 1112(b) of the Bankruptcy Code as there is "cause" because of the Ashland and Campus Debtors' inability to provide adequate protection to secured creditor M&T, to effectuate any type of reorganization, and because the Ashland and Campus Chapter 11 Cases serve no bankruptcy purpose. Additionally, it is appropriate for the Court to abstain from hearing the Ashland and Campus Chapter 11 Cases under section 305(a)(1) of the Bankruptcy Code because the interests of the Ashland and Campus Debtors and their creditors would be better served thereby. Further, the Court should exercise its discretion under section 543(d)(1) of the Bankruptcy Code to excuse the Receiver from compliance with the turnover requirements as to the Properties because the totality of circumstances demonstrates that the Receiver's continued administration will maximize value for creditors while protecting the Properties and the residents.

2. Not only is relief legally appropriate, but it is essential to protect the residents who live at the Ashland Property and to maximize creditor recovery. Prior to the commencement of the Ashland Receivership Case, the Ashland Property fell into a state of disrepair which is harmful to its residents. During the pendency of the Ashland Receivership Case, M&T has made protective advances to pay security guards to monitor and protect the Ashland Property and its residents from crime and trespassers; premiums

for the Ashland Property's insurance; and for critical repairs and maintenance. The Ashland Receivership Case has been pending for many months and the Receiver has stabilized the Ashland Property and marketed it for sale. Further, the Receiver has an offer to purchase the Ashland Property, which the Receiver intended to accept but for the filing of the Ashland Chapter 11 Case. The commencement of the Ashland Chapter 11 Case has impaired the Receiver's work, cut off M&T's flow of funds as protective advances for the benefit of the Ashland Property and its residents, and has imperiled M&T's recovery. For all of these reasons, the Motion should be granted as to the Ashland Property.

3. Similarly, the Campus Property requires funding for significant repairs, maintenance as well as operating expenses to protect the Campus Property and its residents and maximize M&T's recovery. The commencement of the Campus Chapter 11 Case has prevented the renewal of insurance and threatens the flow of funds into the Campus Property which are required to protect the Campus Property and its residents. Additionally, the Campus Receivership Case has been pending for several months and, but for the filing of the Campus Chapter 11 Case, the Receiver was prepared to market the Campus Property through CBRE, Inc. ("CBRE"). For these reasons, the Motion should be granted as to the Campus Property.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

A. The Ashland and Campus Debtors Are Obligated to M&T Under the Ashland Loan Agreement and the Campus Loan Agreement.

i. The Ashland Loan Agreement

5. On June 30, 2022 M&T entered into a *Multifamily Loan and Security Agreement* with the Ashland Debtor (the "Ashland Loan Agreement"). A copy the Ashland Loan Agreement is attached as Exhibit F to the *Declaration of Eduardo G. Sanchez in Support of Motion by M&T Realty Capital Corporation* (the "Sanchez Declaration"), which is in turn attached as **Exhibit 1** to this Motion.

6. In connection with Ashland Loan Agreement, M&T loaned the Ashland Debtor $9,140,000 as set forth in a Multifamily Note dated June 30, 2022 (the "Ashland Multifamily Note"), a copy of which his attached as Exhibit G to the Sanchez Declaration.

7. To secure repayment of the Ashland Multifamily Note, the Ashland Debtor granted M&T a mortgage on the Ashland Property pursuant to *an Open-End Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing* (the "Ashland Mortgage"). A copy of the Ashland Mortgage is attached as Exhibit H to the Sanchez Declaration. On July 5, 2022, M&T recorded the Ashland Mortgage in the office of the Lucas County Recorder.

8. Notably, the Ashland Mortgage grants M&T a first-priority secured lien on the Ashland Property and contains an absolute, present, and irrevocable assignment to M&T of all leases and rents from the Ashland Property. The Ashland Mortgage states that the parties intended that the assignment be an immediate transfer of rights to rents, not merely additional security. If an event of default occurs and is continuing, M&T immediately becomes entitled to all rents as they become due, including any then

unpaid. The plain language of the assignment indicates that it is intended to be present, absolute, and unconditional and effective immediately.

9. On June 30, 2022, the Ashland Debtor delivered its Incumbency Certificate (the "Ashland Incumbency Certificate") to M&T in connection with the loan by M&T to the Ashland Debtor. Included therewith was the Second Amended and Restated Operating Agreement of Lucas Urban Holdings LLC dated June 30, 2022 signed by Ashland Manor Apts LLC by Ashland Manor Apts MM LLC as its managing member by Fredrick Schulman as its sole member. Copies of these documents are attached as Exhibit I to the Sanchez Declaration. M&T has received no notice or document from any source rescinding, amending or restricting that agreement.

ii. The Campus Loan Agreement

10. The Campus Debtor and non-debtor Campus Heights Apts Phase 1 Owner LLC (collectively, the "Campus Owners") are the owners of the Campus Property.

11. On October 31, 2022, M&T entered into a Multifamily Loan and Securty Agreement (the "Campus Loan Agreement") with the Campus Owners. A copy of the Campus Loan Agreement is attached as Exhibit A to the Sanchez Declaration.

12. In connection with the Campus Loan Agreement, M&T loaned the Campus Owners $21,590,000.00 as set forth in the Multifamily Note also dated October 31, 2022 (the "Campus Multifamily Note"), a copy of which is attached as Exhibit B to the Sanchez Declaration.

13. To secure payment of the Campus Multifamily Note, the Campus Owners granted M&T a mortgage on the Campus Property pursuant to an *Open-End Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing* (the "Campus Mortgage," collectively with the Ashland Mortgage, the "Mortgages"), recorded on

November 3, 2022 in the office of the Athens County Recorder, a copy of which is attached as Exhibit C to the Sanchez Declaration.

14. Notably, the Campus Mortgage grants M&T a first-priority secured lien on the Campus Property and contains an absolute, present, and irrevocable assignment to M&T of all leases and rents from the Campus Property. The Campus Mortgage states that the parties intended that the assignment be an immediate transfer of rights to rents, not merely additional security. If an event of default occurs and is continuing, M&T immediately becomes entitled to all rents as they become due, including any then unpaid. The plain language of the assignment indicates that it is intended to be present, absolute, and unconditional and effective immediately.

15. On October 31, 2022, the Campus Owners delivered their Incumbency Certificate (the "Campus Incumbency Certificate") to M&T in connection with the loan by M&T to the Campus Owners. Included therewith was the Amended and Restated Operating Agreement of Campus Heights Apts Phase 1 Owner LLC dated October 31, 2022, signed by Fredrick Schulman in his capacity as sole member of Campus Heights Apts MMLLC, as managing member of Campus Heights Apts LLC, as sole member of the Campus Owners. Copies of these documents are attached as Exhibit D to the Sanchez Declaration. M&T has received no notice or document from any source rescinding, amending or restricting that agreement.

B. The Ashland and Campus Debtors Defaulted On Their Obligations to M&T, and M&T Commenced the Receivership Cases.

i. The Ashland Multifamily Note Default

16. Since July 1, 2024, the Ashland Debtor has failed to make any payment to M&T on the Ashland Multifamily Note. July 1, 2024 was also the maturity date of the Ashland Multifamily Note was July 1, 2024.

17. On March 21, 2025, M&T filed a complaint on the Ashland Multifamily Note and to foreclose the Ashland Mortgage in the Court of Common Pleas of Lucas County, Ohio and thereby commenced the Ashland Receivership Case.

18. Upon M&T's motion, David M. Browning was appointed as the Receiver for the Ashland Property in the Ashland Receivership Case. The Receiver has been in continuous control of the Ashland Property since his appointment.

19. As set forth in the *Declaration of David R. Browning In Support of Motion by M&T Realty Capital Corporation* (the "Browning Declaration"), a copy of which is attached hereto as **Exhibit 2**, since the Receiver's appointment he has established a close rapport with the Department of Housing and Urban Development ("HUD") and the City of Toledo. The Receiver is working in coordination with those stakeholders on maintaining the Ashland Property, and the Receiver is intimately familiar with the operations and needs of the Ashland Property and its residents.

20. The Ashland Property is 53% occupied and requires extensive capital repairs for basic health and safety purposes. Monthly expenses regularly exceed monthly income by around $70,000 to $80,000. M&T has funded operating cash shortfalls and capital improvements to the roof, elevators and unit renovations requested by HUD. The Debtor's property manager – Lynd – has not provided, either directly or indirectly, any funding for the Ashland Property.

21. As of October 6, 2025, M&T had advanced an aggregate of $424,230.06 to the Receiver or otherwise for the benefit of the Ashland Property. These amounts were drawn from a reserve account at M&T, which M&T used to maintain the Ashland Property for its benefit and the benefit of residents, rather than apply to pay down the M&T Secured Claims (defined below). M&T's advances include payments to maintain and improve the property, as well as to place insurance on the property and satisfy property tax claims.

22. The situation in which the Receiver found the Ashland Property upon his appointment was dire, and the city of Toledo, Ohio was poised to take action. Since his appointment, the Receiver has gained the support of the city of Toledo but the city has stated it will revisit its options if conditions caused by the Ashland Chapter 11 Case worsen, as stated in the letter to the Receiver attached as Exhibit A to the Browning Declaration.

23. The Receiver engaged CBRE to market the Ashland Property. CBRE received two offers for the Ashland Property, both of which were less than half the amount due to M&T under the M&T mortgage. The Receiver decided to accept one of the offers based not only on purchase price but also on: the likelihood of a more firm and earlier closing date; the support of Lucas County Housing Authority; the availability of a grant from the City of Toledo; and the prospect of State of Ohio bond financing. The 45 day due diligence period for that proposed purchaser was to commence on October 6, 2025 but has not begun because of the commencement of the Ashland Chapter 11 Cases.

24. As of October 6, 2025, the following was due by to M&T related to the Ashland Property (the "Ashland M&T Secured Claim"):

A. unpaid principal……..$9,140,000.00

B. accrued interest ……..…….$1,267,029.99

C. default interest……..…….$798,846.29

D. per diem interest (variable rate loan)……...…..$1,639.51

E. late fees ..……...$0

F. attorneys' fees (not less than)…....……..…$201,765.66

G. advances for taxes and insurance……..……...$27,899.50

H. total post-petition arrearage…….……..$0

I. other fees and charges……..……..$0

25. On July 31, 2025, Cushman & Wakefield of Ohio, Inc. completed an appraisal of the Ashland Property (the "Ashland Appraisal"). A copy of the Ashland Appraisal is attached as Exhibit J to the Sanchez Declaration. As set forth in the Appraisal, the value of the Ashland Property is significantly less than the amount of the Ashland M&T Secured Claim.

ii. The Campus Multifamily Note Default

26. The Campus Owners have also failed to make any payment to M&T on the Campus Multifamily Note since July 1, 2024, and the maturity date of the Campus Multifamily Note was November 1, 2024.

27. On March 21, 2025, M&T filed a complaint on the Campus Multifamily Note and to foreclose the Campus Mortgage in the Court of Common Pleas of Athens County, Ohio, and thereby commenced the Campus Receivership Case. David M. Browning, who is also serving as Receiver in the Ashland Receivership Case, was also appointed Receiver for the Campus Property in the Campus Receivership Case. Since his appointment, the Receiver has been in continuous control of the Campus Property.

28. As set forth in the Browning Declaration, the Campus Property is 92% occupied. Monthly income during the pendency of the Receivership Case had been sufficient to pay monthly operating expenses. Subsequent to the appointment of the

Receiver, M&T consented to the Receiver replacing the roofs of two of the buildings, repairs made to the parking lot, and renovations of certain units. The Receiver has engaged in extensive negotiations for the renewal of insurance on the Campus Property and had been set to bind the new policy. However, the filing of the Campus Chapter 11 Case has prevented this action.

29. As stated above, the Receiver engaged CBRE to market the Campus Property and the marketing materials were scheduled to be distributed the week of October 6, 2025, but the materials have not been made public because of the filing of the Campus Chapter 11 Case the same day. CBRE has advised the Receiver that the range of a likely sale price falls short of the amount owed to M&T under the Campus Mortgage.

30. There was due by the Campus Debtor to M&T the following amounts as of October 6, 2025 (the "Campus M&T Secured Claim," together with the Ashland M&T Secured Claim, the "M&T Secured Claims"):

A. unpaid principal……....$21,590,000.00

B. accrued interest……..….$1,683,965.42

C. default interest……$1,108,286.72

D. per diem interest (variable rate loan)……$4,082.65

E. late fees ……...…$21,641.29

F. attorneys fees (not less than)……..$176,007.00

G. advances for taxes and insurance……..……....$0

H. total post-petition arrearage…….……..……,……..…$0

I. other fees and charges……..……..……$0

31. CBRE Valuation and Advisory Services conducted an appraisal of the Campus Property on July 28, 2025 (the "Campus Appraisal," and with the Ashland

Appraisal, the "Appraisals"), a copy of which is attached as Exhibit E to the Sanchez Declaration. The Campus Appraisal concludes that the value of the Campus Property is less than the amount of the Campus M&T Secured Claim.

C. The Debtors Commenced Chapter 11 Bankruptcy Cases.

32. On October 5, 2025 (the "Petition Date"), the Ashland Debtor and the Campus Debtor filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The result of the filings was the commencement of the Ashland and Campus Chapter 11 Cases.

33. On October 6, 2026, all of the Debtors in these jointly administered cases (collectively, the "Crown Capital Debtors") filed the *Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 13] (the "DIP Motion") in these jointly administered Chapter 11 Cases (collectively, the "Crown Capital Chapter 11 Cases"). By the DIP Motion, the Crown Capital Debtors sought, among other things, to incur debtor-in-possession financing secured by superpriority liens on the Properties and other collateral of the Crown Capital Debtors which would prime or take priority senior to M&T's properly perfected first-priority Ashland Mortgage and Campus Mortgage.

34. On October 9, 2025, the Court held a hearing in the Chapter 11 Cases (the "First Day Hearing") wherein the Crown Capital Debtors informed the Court that they would not seek entry of the DIP Motion on an interim basis, while reserving all rights to seek entry of the order on a final basis at a subsequent hearing.

35. The hearing on the DIP Motion has now been continued to November 18, 2025, and there is no indication that it will be granted. Indeed, M&T objects to the relief

requested therein, multiple other secured parties have objection to the DIP Motion [Docket Nos. 47 and 53], and the terms of the DIP Motion – especially the non-consensual priming lien – are at odds with the requirements of section 364 of the Bankruptcy Code. The Debtors have not requested the separate use of cash collateral, and indeed as a result of the Assignment of Rents granted in both the Ashland Mortgage and the Campus Mortgage, the Ashland and Campus Debtors do not have—and will never have—cash collateral available to even look to for funding the Ashland and Campus Chapter 11 Cases.

36. As of November 3, 2025, the cases of six of the eight lenders to debtors in the Crown Capital Chapter 11 Cases—which hold mortgages on 12 of the 18 properties owned by the Crown Capital Debtors—have been dismissed, leaving only two lenders including M&T, with six properties mortgaged by any of the Crown Capital Debtors.

ARGUMENT

37. Section 362(d) of the Bankruptcy Code enumerates multiple grounds for granting a party relief from the automatic stay, and provides in relevant part that:

> (d) On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—
>
> > (1) for cause, including the lack of adequate protection of an interest in property of such party in interest;
> >
> > (2) with respect to a stay of an act against property under subsection (a) of this section, if—
> >
> > > (A) the debtor does not have an equity in such property; and
> > > (B) such property is not necessary to an effective reorganization;

11 U.S.C. § 362(d). Here, there are grounds to provide M&T the relief it seeks and to modify the automatic stay under both section 362(d)(1) and (2) of the Bankruptcy Code. What is more, just as there is "cause" for modifying the automatic stay, there is also "cause"

to dismiss the Chapter 11 Cases under section 1112 of the Bankruptcy Code. The Ashland and Campus Debtors also seemingly commenced their chapter 11 cases without the requisite corporate authority. Finally, the Bankruptcy Court should abstain from hearing the Chapter 11 Cases under section 305 of the Bankruptcy Code.

A. Relief is Appropriate Under Section 362(d)(2) Because there is No Equity in the Properties and No Reorganization Is Practicable.

38. "The classic test for determining equity under section 362(d)(2) [of the Bankruptcy Code] focuses on a comparison between the total liens against the property and the property's current value." *In re Indian Palms Assocs., Ltd.*, 61 F.3d 197, 206 (3d Cir. 1995). Here, the Debtors have no equity in the Properties. The Ashland M&T Secured Claim is in the amount of not less than $11,437,180.95. This amount is far in excess of the value of the Ashland Debtor's sole asset, the Ashland Property. The Receiver's sale process in the Ashland Receivership Case provide current market-based evidence that even after extensive marketing, the value of the Ashland Property is less than half of the amount of the Ashland M&T Secured Claim. This conclusion is bolstered by the Ashland Appraisal, which again concludes that the value of the Ashland Property is in an amount which is less than half of the amount of M&T's Secured Claim.

39. Additionally, the Campus M&T Secured Claim is in the amount of not less than $24,583,983.10, which is in excess of the recent appraisal and also the broker opinion of value for the Campus Property, as indicated in the Sanchez Declaration and the Browning Declaration.

40. "It is the debtor's burden to show that the property is necessary for a reorganization that is in prospect." *In re Weinberg*, No. 12–38503, 2013 WL 1897849, at *2 (Bankr. D.N.J. May 7, 2013) (citing *Timbers of Inwood Forest Associates*, 484 U.S. 365 (1988)).

41. To meet its burden a Debtor must do more than make a mere assertion to that it seeks to reorganize or show that "there is conceivably to be an effective reorganization." *Timbers of Inwood Forest Assocs., Ltd.*, 484 U.S. at 375. Rather, a debtor must show "that the property is essential for an effective reorganization that *is in prospect*." *Id.* at 376 (emphasis in the original). From this requirement, it follows that "[i]f no reorganization of the debtor is feasible, then no property of the debtor can be necessary for that end." *In re Dublin Properties*, 12 B.R. 77, 80 (Bankr. E.D. Pa. 1981); see also *In re Weinberg*, 2013 WL 1897849 at *2 (citing *In re Swedeland Development Group, Inc.*, 16 F.3d 552 (3d Cir.1994)) ("If no reorganization of the debtor is feasible, then no property of the debtor can be necessary for that end").

42. As applied here, the Ashland and Campus Debtors have no reasonable prospect of reorganizing. M&T does not support any plan which might be proposed by the Ashland Debtor or Campus Debtor, and would vote against it with both its secured claims and massive deficiency claims. *In re Swedeland Development Group, Inc.*, 16 F.3d at 567 (considering both a secured creditor's vote and its deficiency claim vote for purposes of determining whether reorganization is possible as part of analysis under section 362(b) of the Bankruptcy Code). Further, neither the Ashland Debtor nor the Campus Debtor have access to cash to fund their operations, save and except protective advances which M&T may choose to provide. The DIP Motion is opposed by M&T and various other secured creditors, and M&T believes that the Crown Capital Debtors will never be able to obtain a non-consensual priming lien. Similarly, the Ashland and Campus Debtors have assigned all of their rents as part of their respective mortgages, so they have no "cash collateral" which they could even argue they could look to. *See e.g.*, *Sovereign v. Schwab*, 414 F.3d

450 (3d Cir. 2005). This lack of cash is consequential, as the Ashland and Campus Debtors have an immediate need to pay for security, property maintenance, and insurance.

43. Indeed, the Crown Capital Debtors have nearly admitted that an effective reorganization is not possible for the Ashland and Campus Debtors, as the same factors which have led the Crown Capital Debtors to file a Motion and a Supplement to Dismiss numerous Crown Capital Chapter 11 Cases are also applicable here [Docket Nos. 139, 158.] The Receiver has been in place for months, the Receiver has run a sale process which is nearly complete with a winning bidder identified for the Ashland Property, there is no equity for either the Ashland Property or the Campus Property, the Ashland and Campus Debtors have no access to cash, and M&T does not support the continuation of the Ashland Chapter 11 Case or the Campus Chapter 11 Case.

B. Relief is Appropriate Under Section 362(d)(1) of the Bankruptcy Code for "Cause."

44. While the Bankruptcy Code does not define cause, courts "consider what constitutes cause based on the totality of the circumstances in each particular case." *Baldino v. Wilson (In re Wilson)*, 116 F.3d 87, 90 (3d Cir.1997). Courts have routinely held that facts justifying the dismissal of a bankruptcy case, such as filing a petition in bad faith, constitute "cause" to grant relief from the automatic stay under section 362(d)(1) of the Bankruptcy Code. *In re Porter*, 371 B.R. 739, 745 (Bankr. E.D. Pa. 2007) (citing several chapter 11 cases granting secured creditors stay relief on the basis of bad faith).

45. When making a determination of bad faith, courts must also look at the totality of the circumstances. *In re Schaffer*, 597 B.R. 777, 791 (Bankr. E.D. Pa. 2019). One of the most important "bad faith" factors a court must consider is "whether the petition serves a valid bankruptcy purpose." *Id*.

46. Here, the Ashland and Campus Chapter 11 Cases do not serve a valid bankruptcy purpose. The Ashland and Campus Debtors commenced the Ashland and Campus Chapter 11 Cases months after the commencement of the Receivership Cases, after the Receiver had stabilized the Properties, and following the Receiver commencing sale processes for each of the Properties. The Ashland and Campus Debtors commenced the Ashland and Campus Chapter 11 Cases without the support of M&T, which is the largest creditor of each of the Ashland and Campus Debtors and their only secured creditor. What is more, without any financing or use of cash available, the Ashland and Campus Debtors have endangered the sale the Receiver has identified for Ashland, and more important, the residents of the Ashland Property because operations and property maintenance cannot be paid for on a continuing basis. Finally, the Ashland and Campus Debtors have not filed a sale motion or plan which would suggest any reorganization strategy. For all of these reasons, M&T should be granted relief from the automatic stay under section 362(d)(1) of the Bankruptcy Code for cause because the Ashland and Campus Chapter 11 Cases do not serve a bankruptcy purpose.

C. Relief is Appropriate Under Section 1112(b) for "Cause."

47. Section 1112(b) of the Bankruptcy Code provides that "the court may convert a case under this chapter [Chapter 11] to a case under chapter 7 of this title or may dismiss a case under this chapter, whichever is the best interest of creditors and the estate, for cause…." 11 U.S.C. § 1112(b). In addition to the court's discretion to dismiss a chapter 11 case for "cause," the court may also dismiss a case for the ten reasons enumerated in the statute. 11 U.S.C. § 1112(b)(1)–(10). The list is not exhaustive and courts should "consider other factors as they arise." *First Jersey National Bank v. Brown* (*In re Brown*), 951 F.2d 564, 572 (3rd Cir. 1991). A debtor's lack of good faith constitutes cause for

dismissal of a chapter 11 petition. *In re SGL Carbon Corp.,* 200 F.3d 154, 160–62 (3rd Cir.1999). It is well established that a debtor's bad faith filing of a bankruptcy petition is sufficient "cause" to warrant dismissal of a case under section 1112(b) of the Bankruptcy Code. *In re Ravick Corp.,* 106 B.R. 834, 842 (Bankr. D.N.J. 1989); s*ee also Matter of Newark Airport/Hotel Ltd. Partnership,* 156 B.R. 444 (Bankr. D.N.J. 1993) (lack of good faith is sufficient "cause" for dismissal or conversion of chapter 11 case). The movant has the initial burden to present a *prima facie* case alleging bad faith; once achieved, the burden shifts to the debtor to prove that the petition was filed in good faith. *Matter of Century City, Inc.,* 8 B.R. 25 (Bankr. D.N.J. 1980); *Matter of Dunes Casino Hotel,* 63 B.R. 939 (D.N.J. 1986).

48. As applied here, "cause" exists for relief under section 1112(b) of the Bankruptcy Code to dismiss the case just as it does for relief from the stay under section 362(b) of the Bankruptcy Code. The Ashland and Campus Chapter 11 Cases serve no legitimate bankruptcy purpose as a plan or reorganization is not practicable. There is no equity in the Properties, the Ashland and Campus Debtors have no access to cash, and M&T opposes the Ashland and Campus Chapter 11 Cases.

49. Further, dismissal is in the best interests of creditors. M&T believes that prompt dismissal will allow the Receiver to continue the sale process for both Properties, and upon dismissal M&T can resume the ability to make protective advances for the benefit of the residents of the Properties.

D. The Ashland Chapter 11 Cases and Campus Chapter 11 Cases Should Be Dismissed Because They Were Commenced Without Corporate Authority.

50. Filing a chapter 11 petition on behalf of a corporate entity requires specific corporate authorization and authority. *In re N2N Com., Inc.*, 405 B.R. 34, 41 (Bankr. D. Mass. 2009) (collecting authorities). Elizabeth LaPuma ("LaPuma"), in her capacity as an

independent fiduciary over Crown Capital Holdings LLC ("Crown Capital") and certain other affiliated entities, does not appear to have the authority to file the Ashland and Campus Chapter 11 Cases.

51. Filing a bankruptcy petition requires "specific authorization." *In re N2N Commerce, Inc.*, 405 B.R. 34, 41 (Bankr. D. Mass. 2009). State law determines whether a bankruptcy filing was authorized. *See Price v. Gurney*, 324 U.S. 100, 106; *see also In re Whittaker Clark & Daniels Inc.*, 152 F.4th 432, 443 (3rd Cir. 2025) (holding that governing state law determines the propriety of a corporate debtor's bankruptcy petition). Under Delaware law, when a limited liability company agreement is silent as to how it may be amended, "the limited liability company agreement may be amended with the approval of all of the members . . ." Del. Code Ann. tit. 6, § 18-302 (f). If a bankruptcy petition is filed by an entity lacking the corporate authority to do so, "the bankruptcy case must be dismissed for want of legal authority. . . ." *In re 3P Hightstown, LLC*, 631 B.R. 205, 209–10 (Bankr. D.N.J. 2021) (*quoting In re Advanced Vascular Res. of Johnstown, LLC*, 590 B.R. 689, 691 (Bankr. W.D. Pa. 2018).

52. Debtor Ashland Manor Apts MM LLC is the managing member of Non-Debtor Ashland Manor Apts LLC, which in turn is the managing member of the Ashland Debtor. The managing member did not execute a consent to the Ashland Chapter 11 Case. Similarly, it is unclear that the Campus Debtors commenced the Campus Chapter 11 Cases with adequate authority. Moshe Silber, upon whom the Crown Capital Debtors rely as having signed papers enabling LaPuma to be appointed to take control of the Crown Capital Debtors,[2] does not appear to be a signer in any capacity to any of the papers delivered to

2 *Declaration of Matthew Dundon in Support of Debtors' Chapter 11 Petitions and First Day Pleadings*, at 6-7 [Docket No. 21.]

M&T by the Ashland Debtor and the Campus Owners for the M&T loans to them respectively. Indeed, the requisite authority would seem to rest with the Receiver for both of the Ashland and Campus Chapter 11 Cases.

53. In the *Debtors' Limited Objection to and Reservation of Rights with Respect to Capital Funding, LLC's Motion for Entry of an Order (I)(A) Dismissing the Bankruptcy Case of Bellefield Dwellings Apts LLC, or, Alternatively, (B) Abstaining from Exercising Jurisdiction over Bellefield Dwellings Apts LLC, or, Alternatively, (C) Lifting the Automatic Stay, (II) Waiving the Turnover Requirements of Section 543 of the Bankruptcy Code, and (III) Waiving the Fourteen Day Stay of an Order Pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure* [Docket No. 152], the Crown Capital Debtors assert that LaPuma has the authority to file the chapter 11 petitions of certain of the Crown Capital Debtors because the Court's September 5, 2025 Order confirming the *Amended Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates (with Technical Modifications)* [Docket No. 525] (the "CBRM Plan") in *In re CBRM Realty Inc., et al.*, Case No. 25-15343 (MBK) (Bankr. D.N.J. Sept. 5, 2025) (the "CBRM Bankruptcy Case") included a provision granting LaPuma "the authority to act on behalf of any Entity directly or indirectly owned by Crown Capital . . . under the sole and exclusive authority of the Independent Fiduciary." [CBRM Bankruptcy Case, Docket No. 525, Art. IV.G.] However, this provision does not grant LaPuma the ability to independently authorize chapter 11 petitions on behalf of the Ashland and Campus Debtors, who were not debtors in the CBRM Bankruptcy Case.

54. Article IV of the CBRM Plan, which contains the provision purporting to grant LaPuma the authority to file petitions on behalf of the Ashland and Campus Debtors, is titled "Means for Implementation of the Plan." As such, the plain meaning of the

Independent Fiduciary provision of Article IV.G in the broader context of Article IV is that the Independent Fiduciary has the authority to act on behalf of entities owned by Crown Capital for the purpose of implementing the CBRM Plan. This provision should not be read so as to give LaPuma complete and total control over the Ashland and Campus Debtors and override the authorization provisions contained in their limited liability agreement. Further, this reading of Article IV.G necessarily means that confirmation of the CBRM Plan, which occurred during the Receivership Cases, resulted in LaPuma replacing the Receiver without any notice to the Receiver or the Ashland and Campus Debtors. Such a reading would exceed the authority of the Bankruptcy Court. Thus, authority continues to rest with the Receiver for the Ashland and Campus Chapter 11 Cases.

E. The Bankruptcy Court Should Abstain from Hearing the Ashland and Campus Chapter 11 Cases Under Section 305 of the Bankruptcy Code.

55. Section 305(a)(1) of the Bankruptcy Code provides that, "[t]he court, after notice and a hearing, may dismiss a case under this title, . . . if — (1) the interests of creditors and the debtor would be better served by such dismissal or suspension . . ." 11 U.S.C. § 305(a)(1). A court's decision to abstain under section 305(a) of the Bankruptcy Code "is discretionary and must be made on a case-by-case basis." *Steinman v. Spencer (In re Argus Grp. 1700, Inc.)*, 206 B.R. 737, 755 (Bankr. E.D. Pa. 1996) (quoting *In re A & D Care, Inc.*, 90 B.R. 138, 141 (Bankr.W.D.Pa.1988).

56. When considering abstention under section 305 of the Bankruptcy Code courts consider a variety of factors including, "who filed the bankruptcy petition, the availability of another forum to resolve the pending disputes, the necessity of federal proceedings to achieve a just and equitable solution, the expense of the federal proceedings in comparison with the proceedings in another forum, the purpose of the party seeking to

remain in bankruptcy court, the economy and efficiency of having the bankruptcy court handle the matter and the possible prejudice to various parties." *Id*. (citing *In re Carl Mazzocone*, 200 B.R. 568, 575 (E.D. Pa. 1996)). Courts have also given special weight to the availability of a concurrent state court forum and receivership proceeding when considering dismissal under section 305. *In re Monsour Med. Ctr., Inc.*, 154 B.R. 201, 207 (Bankr. W.D. Pa. 1993) (citing *In re O'Neil Vill. Pers. Care Corp.*, 88 B.R. 76, 80 (Bankr. W.D. Pa. 1988).

57. Here, abstention is appropriate as it would serve the best interests of the Ashland Debtor, the Campus Debtor, the residents of the Properties, and all creditors. *Monsour Med. Ctr.*, 154 B.R. at 207 (noting that dismissal is appropriate when the interest of both a debtor and its creditors would be better served by such an outcome). The Receiver has an offer to purchase the Ashland Property and has expended considerable effort marketing the Ashland Property. But for the filing of the Ashland Chapter 11 Case, the 45-day due diligence period for that proposed purchaser would be well underway. Similarly, the Receiver is poised to start the marketing of the Campus Property and delaying that could result in a reduced sale price due to accumulating maintenance and upkeep issues. Accordingly, the Court should abstain from the Ashland and Campus Chapter 11 Cases under section 305(a)(1) of the Bankruptcy Coe, to allow the Receiver to continue his efforts to sell the Properties.

F. The Bankruptcy Court Should Excuse the Receiver from Compliance with the Turnover Requirement Under Section 543 of the Bankruptcy Code.

58. Under section 543(d)(1) of the Bankruptcy Code, the Court may excuse a custodian's compliance with the turnover requirement "if the interests of creditors . . . would be better served by" the custodian's continued administration of the debtor's property. 11 U.S.C. § 543(d)(1). Bankruptcy courts have significant discretion to excuse

a custodian's compliance with the turnover requirement. *See Dill v. Dime Savings Bank (In re Dill)*, 163 B.R. 221, 225 (E.D.N.Y. 1994) ("[S]ection 543(d)(1) permits the bankruptcy court in its discretion to excuse a custodian's strict compliance with the turnover provisions."); *In re Corporate & Leisure Event Prods., Inc.*, 351 B.R. 724, 732 (Bankr. D. Ariz. 2006) ("[I]t is clear that Congress did not intend a bright line rule to govern these issues either way. Even though the ordinary rule is that receivers must turn over estate property to a debtor in possession or trustee, Code § 543(b), the bankruptcy courts have discretion to waive that requirement if the interests of creditors would be better served by continuing the receiver in possession.").

59. Bankruptcy courts consider several factors when determining whether a custodian should be excused from the turnover provisions, including: (1) whether there will be sufficient income to fund a successful reorganization; (2) whether the debtor will use the property for the benefit of creditors; and (3) whether there has been mismanagement by the debtor. *See, e.g.*, *In re Bryant Manor, LLC*, 422 B.R. 278, 291–92 (Bankr. D. Kan. 2010) (finding that it was in best interests of creditors if a receiver continued to operate an apartment complex); *In re Orchards Village Invs., LLC*, 405 B.R. 341, 353–54. (Bankr. D. Or. 2009) (finding that a receiver was not required to turn over assets and business operations); *In re LCL Income Properties, L.P. VI*, 177 B.R. 872, 875 (Bankr. S.D. Ohio 1995) ("Case law holds that mismanagement by debtor is to be considered in deciding a motion such as the present one."). Courts also consider the impact of the automatic stay on the relevant property. *See Dill v. Dime Savings Bank (In re Dill)*, 163 B.R. 221, 225, 227 (E.D.N.Y. 1994) (holding that the effect of automatic stay is "one factor a court may consider among others, when determining whether to excuse a custodian pursuant to section 543(d)(1)"); *In re Constable Plaza Assocs., L.P.*, 125 B.R. 98, 104 (Bankr.

S.D.N.Y. 1991) (considering whether a state court foreclosure action was halted by the automatic stay).

60. Here, the Court should excuse the Receiver from the turnover requirements of section 543 of the Bankruptcy Code because it is in the best interest of creditors, and the residents of the Properties, to allow the Receiver to maintain and administer the Ashland Property and the Campus Property. First, as stated above, there is no realistic prospect of sufficient income or financing to fund a successful reorganization for the Properties. Second, the Receiver has demonstrated the ability and willingness to allocate resources for the benefit of creditors and to stabilize operations, whereas the Ashland and Campus Debtors have failed to do so. Third, the record reflects pre-receivership mismanagement of the Properties, which required the Receiver's appointments. Fourth, the automatic stay resulted in adverse effects for the Properties, including derailment of the marketing processes and stopping the flow of protective advances which previously funded the Properties' operations and vital repairs. Thus, the totality of circumstances demonstrates that the Receiver's continued administration will maximize value for creditors while protecting the Properties and the residents. For these reasons, the Court should excuse the Receiver's compliance with the section 543 turnover requirements.

CONCLUSION

61. For the foregoing reasons, M&T respectfully requests that the Court enter an order (I) granting relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(1) for cause because the Ashland and Campus Chapter 11 Cases do not serve a valid bankruptcy purpose, and pursuant to 11 U.S.C. § 362(d)(2) because the Ashland and Campus Debtors lack equity in the Properties and the Properties are not necessary to an effective reorganization; or in the alternative, (II)(A) dismissing the Ashland and Campus Chapter

11 Cases for cause under 11 U.S.C. § 1112(b) as being in the best interests of creditors and the estates; or (B) abstaining from the Ashland and Campus Chapter 11 Cases under 11 U.S.C. § 305(a)(1) because the interests of the Ashland and Campus Debtors and their creditors would be better served thereby; (III) excusing the Receiver from compliance with the turnover requirements of section 543 of the Bankruptcy Code because the totality of circumstances demonstrates that the Receiver's continued administration will maximize value for creditors while protecting the Properties and the residents; and (IV) granting such other and further relief as the Court deems just and proper.

[*Remainder of page intentionally left blank*]

WHEREFORE, M&T respectfully requests that the Court enter an order: (i) granting the Motion, (ii) modifying the automatic stay, and (iii) granting such other relief as is just and necessary.

Dated: November 3, 2025

Respectfully Submitted,

/s/ Diane E. Vuocolo

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Counsel for M&T Realty Capital Corporation

EXHIBIT 1

(Declaration of Eduardo Sanchez)

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption In Compliance with D.N.J. LBR 9004-1(b)**
BALLARD SPAHR LLP Diane E. Vuocolo, Esq. (NJ Bar ID 017501986) 1735 Market Street, 51st Floor Philadelphia, PA 19103-7599 Office: 215.864.8162 Fax: 215.864.8999 vuocolod@ballardspahr.com *Counsel for M&T Realty Capital Corporation*

In re: Crown Capital Holdings LLC, et al., Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Joint Administration Requested)

DECLARATION OF EDUARDO G. SANCHEZ
IN SUPPORT OF MOTION BY M&T REALTY CAPITAL CORPORATION

I, Eduardo G. Sanchez, declare under penalty of perjury as follows.

1. I am employed by M&T Bank as Vice President in Loan Workout and Representative in Special Assets in the Toronto, Ontario Canada office of M&T Bank.

Campus Heights

2. I have worked continuously for over 18 months on the account of M&T Realty Capital Corporation ("M&T") with Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC with M&T Realty Capital Corporation (the "Campus Account") and am familiar with the Campus Account.

3. Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC are the owners of the real property known as 12 Carriage Hill Drive and 115 Carriage Hill

[1] The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

Drive, Athens, Ohio 45701 consisting of 13 buildings and 337 units from which they operate a residential apartment complex known as Campus Heights Apartments (the "Property").

4. On October 31, 2022 M&T entered into a Multifamily Loan and Security Agreement with both Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC, a copy of which is attached marked Exhibit A (the "Loan Agreement").

5. In connection with the Loan Agreement, M&T loaned Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC $21,590,000 as set forth in a Multifamilty Note also dated October 31, 2022, a copy of which is attached marked Exhibit B.

6. To secure payment of the Multifamily Note, Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC granted M&T a mortgage on the Property pursuant to an Open-End Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing which was recorded November 3, 2022 in the office of the Athens County Recorder, a copy of which is attached marked Exhibit C (the "Mortgage").

7. I attach marked Exhibit D the Amended and Restated Limited Liability Agreement of Campus Heights Apts Phase 1 Owner LLC dated October 31, 2022 delivered to M&T as part of an Incumbency Certificate dated October 31, 2022 and signed by Fredrick Schulman in his capacity as sole member of Campus Heights Apts MM LLC as managing member of Campus Heights Apts LLC as sole member of both Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC and given to M&T in connection with M&T making the loan for $21,590.000. M&T has received no notice or document from any source regarding rescinding, amending or restricting that agreement.

8. Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC have failed to make any payment to M&T on the Multi Family Note since July 1, 2024 and the maturity date of the Multifamily Note was November 1, 2024.

9. M&T filed a complaint on the Multifamily Note and to foreclose the Mortgage on March 21, 2025 in the Court of Common Pleas of Athens County, Ohio. Upon M&T's motion, David M. Browning was appointed receiver for the Property and he has been in continuous control of the Property since his appointment.

10. There was due by Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner LLC to M&T the following amounts as of October 6, 2025:

A. unpaid principal…….....$21,590,000.00

B. accrued interest from [date] to October 6, 2025…….$1,683,965.42

C. default interest……$1,108,286.72

D. per diem interest (variable rate loan)……$4,082.65

E. late fees ……...…$21,641.29

F. attorneys fees (not less than)……..$176,007.00

G. advances for taxes and insurance……..……....$0

H. total post-petition arrearage…….……..…….,……...…$0

I. other fees and charges……..……..……$0

11. I attach marked Exhibit E an appraisal of the Campus Property by CBRE Valuator and Advisory Services dated July 28, 2025.

Ashland Manor

12. I have worked continuously for over 18 months on the account of M&T with Lucas Urban Holdings LLC (the "LUH Account") and I am familiar with the LUH Account.

13. Lucas Urban Holdings LLC is the owner of real property located at 2030 Ashland Avenue, Toledo, Ohio 43620 consisting of 188 units form which it operates a residential apartment building known as Ashland Manor Apartments (the "Property").

14. On June 30, 2022 M&T entered into a Multifamily Loan and Security Agreement

with Lucas Urban Holdings LLC, a copy of which is attached marked Exhibit F (the "Loan Agreement").

15. In connection with Loan Agreement, M&T loaned Lucas Urban Holdings LLC $9,140,000 as set forth in a Multifamily Note dated June 30, 2022, a copy of which his attached marked Exhibit G.

16. To secure payment of the Multifamily Note, Lucas Urban Holdings LLC granted M&T a mortgage on the Property pursuant to an Open-End Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing which was recorded July 5, 2022 in the office of the Lucas County Recorder, a copy of which is attached marked Exhibit H (the "Mortgage").

17. I attach marked Exhibit I the Second Amended and Restated Operating Agreement of Lucas Urban Holdings LLC dated June 30, 2022 signed by Ashland Manor Apts LLC by Ashland Manor Apts MM LLC as its managing member by Ashland Manor Apts MM LLC by Fredrick Schulman as its sole member delivered to M&T as part of an Incumbency Certificate dated June 30, 2022 and signed by Fredrick Schulman as the sole member of Ashland Manor Apts MM LLC and given to M&T in connection with M&T making the loan for $9,140,000 to Lucas Urban Holdings LLC. M&T has received no notice or document from any source rescinding, amending or restricting that agreement.

18. Lucas Urban Holdings LLC has failed to make any payment to M&T on the Multifamily Note since July 1, 2024 and the maturity date of the Multifamily Note was July 1, 2024.

19. M&T filed a complaint on the Multifamily Note and to foreclose the Mortgage on March 21, 2025 in the Court of Common Pleas of Lucas County, Ohio. Upon M&T's motion, David M. Browning was appointed receiver for the Property and he has been in continuous control of the Property since his appointment.

20. Since the appointment of the Receiver M&T has funded expenses of the Receiver for the benefit of the Property in the total amount of $424,230.06 in two distributions: $227,102.33 on May 2, 2025 and $197,127.37 on July 31, 2025.

21. The was due by Lucas Urban Holdings LLC to M&T the following amounts as of October 6, 2025:

A. unpaid principal……..$9,140,000.00

B. accrued interest from [date] to October 6, 2025…….$1,267,029.99

C. default interest……..…….$798,846.29

D. per diem interest (variable Rate Loan)……..$1,639.51

E. late fees ……..……...$0

F. attorneys fees (not less than)…...……...…$201,765.66

G. advances for taxes and insurance……..……..$27,899.50

H. total post-petition arrearage…….……..…….……..$0

I. other fees and charges……..……..$0

22. I attach marked Exhibit J an appraisal of the Ashland Property by Cushman & Wakefield of Ohio, Inc. dated July 31, 2025.

23. I declare under penalty of perjury that the foregoing is true and correct.

Executed October 30, 2025.

Respectfully submitted,



Eduardo G. Sanchez, Vice President
M&T Bank

EXHIBIT A

MULTIFAMILY LOAN AND SECURITY AGREEMENT
(LIMITED-RECOURSE)

BY AND BETWEEN

CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC, a Delaware limited liability company
and

CAMPUS HEIGHTS APTS OWNER LLC, a Delaware limited liability company,

jointly and severally

AND

M&T REALTY CAPITAL CORPORATION, a Maryland corporation

DATED AS OF

October 31, 2022

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MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Limited-Recourse)

This MULTIFAMILY LOAN AND SECURITY AGREEMENT (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Loan Agreement**") is made as of the Effective Date (as hereinafter defined) by and between **CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC**, a Delaware limited liability company and **CAMPUS HEIGHTS APTS OWNER LLC**, a Delaware limited liability company, jointly and severally ("**Borrower**"), and **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation ("**Lender**").

RECITALS:

WHEREAS, Borrower desires to obtain the Mortgage Loan (as hereinafter defined) from Lender to be secured by the Mortgaged Property (as hereinafter defined); and

WHEREAS, Lender is willing to make the Mortgage Loan on the terms and conditions contained in this Loan Agreement and in the other Loan Documents (as hereinafter defined);

NOW, THEREFORE, in consideration of the making of the Mortgage Loan by Lender and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereby covenant, agree, represent, and warrant as follows:

AGREEMENTS:

ARTICLE 1 - DEFINITIONS; SUMMARY OF MORTGAGE LOAN TERMS

Section 1.01 Defined Terms.

Capitalized terms not otherwise defined in the body of this Loan Agreement shall have the meanings set forth in the Definitions Schedule attached as Schedule 1 to this Loan Agreement.

Section 1.02 Schedules, Exhibits, and Attachments Incorporated.

The schedules, exhibits, and any other addenda or attachments are incorporated fully into this Loan Agreement by this reference and each constitutes a substantive part of this Loan Agreement.

ARTICLE 2 - GENERAL MORTGAGE LOAN TERMS

Section 2.01 Mortgage Loan Origination and Security.

(a) Making of Mortgage Loan.

Subject to the terms and conditions of this Loan Agreement and the other Loan Documents, Lender hereby makes the Mortgage Loan to Borrower, and Borrower hereby accepts the Mortgage Loan from Lender. Borrower covenants and agrees that it shall:

(1) pay the Indebtedness, including the Prepayment Premium, if any (whether in connection with any voluntary prepayment or in connection with an acceleration by Lender of the Indebtedness), in accordance with the terms of this Loan Agreement and the other Loan Documents; and

(2) perform, observe, and comply with this Loan Agreement and all other provisions of the other Loan Documents.

(b) Security for Mortgage Loan.

The Mortgage Loan is made pursuant to this Loan Agreement, is evidenced by the Note, and is secured by the Security Instrument, this Loan Agreement, and the other Loan Documents that are expressly stated to be security for the Mortgage Loan.

(c) Protective Advances.

As provided in the Security Instrument, Lender may take such actions or disburse such funds as Lender reasonably deems necessary to perform the obligations of Borrower under this Loan Agreement and the other Loan Documents and to protect Lender's interest in the Mortgaged Property.

Section 2.02 Payments on Mortgage Loan.

(a) Debt Service Payments.

(1) Short Month Interest.

If the date the Mortgage Loan proceeds are disbursed is any day other than the first day of the month, interest for the period beginning on the disbursement date and ending on and including the last day of the month in which the disbursement occurs shall be payable by Borrower on the date the Mortgage Loan proceeds are disbursed. In the event that the disbursement date is not the same as the Effective Date, then:

(A) the disbursement date and the Effective Date must be in the same month, and

(B) the Effective Date shall not be the first day of the month.

(2) Interest Accrual and Computation.

Except as provided in Section 2.02(a)(1), interest shall be paid in arrears. Interest shall accrue as provided in the Schedule of Interest Rate Type Provisions and shall be computed in accordance with the Interest Accrual Method. If the Interest Accrual Method is "Actual/360," Borrower acknowledges and agrees that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(3) Monthly Debt Service Payments.

Consecutive monthly debt service installments (comprised of either interest only or principal and interest, depending on the Amortization Type), each in the amount of the applicable Monthly Debt Service Payment, shall be due and payable on the First Payment Date, and on each Payment Date thereafter until the Maturity Date, at which time all Indebtedness shall be due. Any regularly scheduled Monthly Debt Service Payment that is received by Lender before the applicable Payment Date shall be deemed to have been received on such Payment Date solely for the purpose of calculating interest due. All payments made by Borrower under this Loan Agreement shall be made without set-off, counterclaim, or other defense.

(4) Payment at Maturity.

The unpaid principal balance of the Mortgage Loan, any Accrued Interest thereon and all other Indebtedness shall be due and payable on the Maturity Date.

(5) Interest Rate Type.

See the Schedule of Interest Rate Type Provisions for additional provisions, if any, specific to the Interest Rate Type.

(b) Capitalization of Accrued But Unpaid Interest.

Any accrued and unpaid interest on the Mortgage Loan remaining past due for thirty (30) days or more may, at Lender's election, be added to and become part of the unpaid principal balance of the Mortgage Loan.

(c) Late Charges.

(1) If any Monthly Debt Service Payment due hereunder is not received by Lender within ten (10) days (or fifteen (15) days for any Mortgaged Property located in Mississippi or North Carolina to comply with applicable law) after the applicable Payment Date, or any amount payable under this Loan Agreement (other than the payment due on

the Maturity Date for repayment of the Mortgage Loan in full) or any other Loan Document is not received by Lender within ten (10) days (or fifteen (15) days for any Mortgaged Property located in Mississippi or North Carolina to comply with applicable law) after the date such amount is due, inclusive of the date on which such amount is due, Borrower shall pay to Lender, immediately without demand by Lender, the Late Charge.

The Late Charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 2.02(d).

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan;

(B) it is extremely difficult and impractical to determine those additional expenses;

(C) Lender is entitled to be compensated for such additional expenses; and

(D) the Late Charge represents a fair and reasonable estimate, taking into account all circumstances existing on the date hereof, of the additional expenses Lender will incur by reason of any such late payment.

(d) **Default Rate.**

(1) Default interest shall be paid as follows:

(A) If any amount due in respect of the Mortgage Loan (other than amounts due on the Maturity Date) remains past due for thirty (30) days or more, interest on such unpaid amount(s) shall accrue from the date payment is due at the Default Rate and shall be payable upon demand by Lender.

(B) If any Indebtedness due is not paid in full on the Maturity Date, then interest shall accrue at the Default Rate on all such unpaid amounts from the Maturity Date until fully paid and shall be payable upon demand by Lender.

Absent a demand by Lender, any such amounts shall be payable by Borrower in the same manner as provided for the payment of Monthly Debt Service Payments. To the extent permitted by applicable law, interest shall also accrue at the Default Rate on any judgment obtained by Lender against Borrower in connection with the Mortgage Loan. To the extent Borrower or any other Person is vested with a right of redemption, interest shall continue to accrue at the Default Rate during any redemption period until such time as the Mortgaged Property has been redeemed.

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan; and

(B) in connection with any failure to timely pay all amounts due in respect of the Mortgage Loan on the Maturity Date, or during the time that any amount due in respect of the Mortgage Loan is delinquent for more than thirty (30) days:

(i) Lender's risk of nonpayment of the Mortgage Loan will be materially increased;

(ii) Lender's ability to meet its other obligations and to take advantage of other investment opportunities will be adversely impacted;

(iii) Lender will incur additional costs and expenses arising from its loss of the use of the amounts due;

(iv) it is extremely difficult and impractical to determine such additional costs and expenses;

(v) Lender is entitled to be compensated for such additional risks, costs, and expenses; and

(vi) the increase from the Interest Rate to the Default Rate represents a fair and reasonable estimate of the additional risks, costs, and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquency on the Mortgage Loan (taking into account all circumstances existing on the Effective Date).

(e) **Address for Payments.**

All payments due pursuant to the Loan Documents shall be payable at Lender's Payment Address, or such other place and in such manner as may be designated from time to time by written notice to Borrower by Lender.

(f) **Application of Payments.**

If at any time Lender receives, from Borrower or otherwise, any payment in respect of the Indebtedness that is less than all amounts due and payable at such time, then Lender may apply such payment to amounts then due and payable in any manner and in any order determined by Lender or hold in suspense and not apply such payment at Lender's election. Neither Lender's

acceptance of a payment that is less than all amounts then due and payable, nor Lender's application of, or suspension of the application of, such payment, shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such payment to the Indebtedness, Borrower's obligations under this Loan Agreement and the other Loan Documents shall remain unchanged.

Section 2.03 Lockout/Prepayment.

(a) Prepayment; Prepayment Lockout; Prepayment Premium.

(1) Borrower shall not make a voluntary partial prepayment on the Mortgage Loan at any time during the Loan Term, or a voluntary full prepayment on the Mortgage Loan at any time during any Prepayment Lockout Period. Except as expressly provided in this Loan Agreement (including as provided in the Prepayment Premium Schedule), a Prepayment Premium calculated in accordance with the Prepayment Premium Schedule shall be payable in connection with any prepayment of the Mortgage Loan.

(2) If a Prepayment Lockout Period applies to the Mortgage Loan, and during such Prepayment Lockout Period Lender accelerates the unpaid principal balance of the Mortgage Loan or otherwise applies collateral held by Lender to the repayment of any portion of the unpaid principal balance of the Mortgage Loan, the Prepayment Premium shall be due and payable and equal to the amount obtained by multiplying the percentage indicated (if at all) in the Prepayment Premium Schedule by the amount of principal being prepaid at the time of such acceleration or application.

(b) Voluntary Prepayment in Full.

At any time after the expiration of any Prepayment Lockout Period, Borrower may voluntarily prepay the Mortgage Loan in full on a Permitted Prepayment Date so long as:

(1) Borrower delivers to Lender a Prepayment Notice specifying the Intended Prepayment Date not more than sixty (60) days, but not less than thirty (30) days (if given via U.S. Postal Service) or twenty (20) days (if given via facsimile, e-mail, or overnight courier) prior to such Intended Prepayment Date; and

(2) Borrower pays to Lender an amount equal to the sum of:

(A) the entire unpaid principal balance of the Mortgage Loan; plus

(B) all Accrued Interest (calculated through the last day of the month in which the prepayment occurs); plus

(C) the Prepayment Premium; plus

(D) all other Indebtedness.

In connection with any such voluntary prepayment, Borrower acknowledges and agrees that interest shall always be calculated and paid through the last day of the month in which the prepayment occurs (even if the Permitted Prepayment Date for such month is not the last day of such month, or if Lender approves prepayment on an Intended Prepayment Date that is not a Permitted Prepayment Date). Borrower further acknowledges that Lender is not required to accept a voluntary prepayment of the Mortgage Loan on any day other than a Permitted Prepayment Date. However, if Lender does approve an Intended Prepayment Date that is not a Permitted Prepayment Date and accepts a prepayment on such Intended Prepayment Date, such prepayment shall be deemed to be received on the immediately following Permitted Prepayment Date. If Borrower fails to prepay the Mortgage Loan on the Intended Prepayment Date for any reason (including on any Intended Prepayment Date that is approved by Lender) and such failure either continues for five (5) Business Days, or into the following month, Lender shall have the right to recalculate the payoff amount. If Borrower prepays the Mortgage Loan either in the following month or more than five (5) Business Days after the Intended Prepayment Date that was approved by Lender, Lender shall also have the right to recalculate the payoff amount based upon the amount of such payment and the date such payment was received by Lender. Borrower shall immediately pay to Lender any additional amounts required by any such recalculation.

(c) Acceleration of Mortgage Loan.

Upon acceleration of the Mortgage Loan, Borrower shall pay to Lender:

(1) the entire unpaid principal balance of the Mortgage Loan;

(2) all Accrued Interest (calculated through the last day of the month in which the acceleration occurs);

(3) the Prepayment Premium; and

(4) all other Indebtedness.

(d) Application of Collateral.

Any application by Lender of any collateral or other security to the repayment of all or any portion of the unpaid principal balance of the Mortgage Loan prior to the Maturity Date in accordance with the Loan Documents shall be deemed to be a prepayment by Borrower. Any such prepayment shall require the payment to Lender by Borrower of the Prepayment Premium calculated on the amount being prepaid in accordance with this Loan Agreement.

(e) Casualty and Condemnation.

Notwithstanding any provision of this Loan Agreement to the contrary, no Prepayment Premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or amounts received in connection with a Condemnation Action in accordance with this Loan Agreement.

(f) **No Effect on Payment Obligations.**

Unless otherwise expressly provided in this Loan Agreement, any prepayment required by any Loan Document of less than the entire unpaid principal balance of the Mortgage Loan shall not extend or postpone the due date of any subsequent Monthly Debt Service Payments, Monthly Replacement Reserve Deposit, or other payment, or change the amount of any such payments or deposits.

(g) **Loss Resulting from Prepayment.**

In any circumstance in which a Prepayment Premium is due under this Loan Agreement, Borrower acknowledges that:

(1) any prepayment of the unpaid principal balance of the Mortgage Loan, whether voluntary or involuntary, or following the occurrence of an Event of Default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional risk, expense, and frustration or impairment of Lender's ability to meet its commitments to third parties;

(2) it is extremely difficult and impractical to ascertain the extent of such losses, risks, and damages;

(3) the formula for calculating the Prepayment Premium represents a reasonable estimate of the losses, risks, and damages Lender will incur as a result of a prepayment; and

(4) the provisions regarding the Prepayment Premium contained in this Loan Agreement are a material part of the consideration for the Mortgage Loan, and that the terms of the Mortgage Loan are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to such prepayment provisions.

Section 2.04 Exit Fee.

Upon payment of the Mortgage Loan in full, whether before, on or after the Maturity Date, Borrower shall pay to Lender, as additional consideration for the Mortgage Loan, an exit fee (the "**Exit Fee**") equal to one percent (1%) of the original principal balance of the Loan. Notwithstanding the foregoing, no Exit Fee shall be due if Borrower refinances the Mortgaged Property with a permanent loan or other take-out financing made, originated, or arranged by Lender or any of its affiliates.

Section 2.05 Extension of Loan Term.

Borrower shall have the right, by written notice delivered to Lender not earlier than one hundred twenty (120) days nor later than sixty (60) days prior to the Maturity Date, to extend the Loan Term, on the same terms and conditions, for six (6) months from the scheduled Maturity Date, provided

(a) the Property is generating cash flow sufficient to provide a 1.30 amortizing Debt Service Coverage Ratio. Net Cash Flow for the purposes of this test in this subsection only will be based on T-3 Revenue and the greater of (i) actual annualized operating expenses at the time of the test or (ii) appraisal stabilized operating expenses (subject to that for the purposes of this test only, operating expenses will be assumed to include a management fee of the greater of (i) 3. 5% or (ii) the actual in place management fee and will also include deposits of $300 per unit per annum to a replacement reserve escrow account). The interest rate for the Debt Service Coverage Ratio test in this sub section only will be the greater of (i) the actual quoted take-out financing interest rate, or (ii) the sum of (y) the current Ten-Year U.S. Treasury Rate and (z) two hundred (200) basis points. The amortization period for the purposes of this test only shall be three hundred sixty (360) months;

(b) the Property is generating net operating income sufficient to provide a debt yield of 7% (for the purposes of this test only, operating expenses will be assumed to include a management fee of the greater of (i) 3. 5% or (ii) the actual in place management fee and will also include deposits of $300 per unit per annum to a replacement reserve escrow account);

(c) receipt of an appraisal acceptable to Lender in its sole discretion that confirms the loan will not exceed a seventy-five (75%) percent loan to value test, on an as is basis;

(d) receipt of a take-out analysis acceptable to Lender in its sole discretion that shows a refinancing permanent loan can be arranged at current market interest rates and conditions to fully repay the Loan;

(e) no Event of Default shall have occurred and be continuing on the date such notice is given by Borrower to Lender nor on the date the Loan Term is to be extended;

(f) payment of an extension fee of twenty-five (25) basis points of the outstanding principal balance of the Loan;

(g) Borrower acknowledges that the Margin on the Loan will increase by 25 basis points (.25%) to be applied beginning on the first month of any such approved extension continuing through the extended Maturity Date; and

(h) Lender has approved the extension of the Loan Term.

ARTICLE 3 - PERSONAL LIABILITY

Section 3.01 Limited-Recourse Mortgage Loan; Exceptions.

Except as otherwise provided in this Article 3 or in any other Loan Document, none of Borrower, or any director, officer, manager, member, partner, shareholder, trustee, trust beneficiary, or employee of Borrower, shall have personal liability under this Loan Agreement or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of such Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. Notwithstanding the forgoing and in addition to and as otherwise provided in this Article 3 or in any other Loan Document, Borrower shall be personally liable with respect to the original principal portion of the Indebtedness in an amount not to exceed $5,080,000.00. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against Guarantor under any Loan Document.

Section 3.02 Personal Liability of Borrower (Exceptions to Limited-Recourse Provision).

(a) Personal Liability Based on Lender's Loss.

Borrower shall be personally liable to Lender for the repayment of the portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of, subject to any notice and cure period, if any:

(1) failure to pay as directed by Lender upon demand after an Event of Default (to the extent actually received by Borrower):

(A) all Rents to which Lender is entitled under the Loan Documents; and

(B) the amount of all security deposits then held or thereafter collected by Borrower from tenants and not properly applied pursuant to the applicable Leases;

(2) failure to maintain all insurance policies required by the Loan Documents, except to the extent Lender has the obligation to pay the premiums pursuant to Section 12.03(c);

(3) failure to apply all insurance proceeds received by Borrower or any amounts received by Borrower in connection with a Condemnation Action, as required by the Loan Documents;

(4) failure to comply with any provision of this Loan Agreement or any other Loan Document relating to the delivery of books and records, statements, schedules, and reports;

(5) except to the extent directed otherwise by Lender pursuant to Section 3.02(a)(1), failure to apply Rents to the ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts, as and when each is due and payable, except that Borrower will not be personally liable with respect to Rents that are distributed by Borrower in any calendar year if Borrower has paid all ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts for such calendar year;

(6) waste or abandonment of the Mortgaged Property;

(7) grossly negligent or reckless unintentional material misrepresentation or omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or

(8) any claims, actions, suits or proceedings arising from any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, including costs, attorneys' fees, and expenses incurred in connection with such claims, actions, suits or proceedings.

Notwithstanding the foregoing, Borrower shall not have personal liability under clauses (1), (3), or (5) above to the extent that Borrower lacks the legal right to direct the disbursement of the applicable funds due to an involuntary Bankruptcy Event that occurs without the consent, encouragement, or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate.

(b) Full Personal Liability for Mortgage Loan.

Borrower shall be personally liable to Lender for the repayment of all of the Indebtedness, and the Mortgage Loan shall be fully recourse to Borrower, upon the occurrence of any of the following:

(1) failure by Borrower to comply with the single-asset entity requirements of Section 4.02(d) of this Loan Agreement;

(2) a Transfer (other than a conveyance of the Mortgaged Property at a Foreclosure Event pursuant to the Security Instrument and this Loan Agreement) that is not permitted under this Loan Agreement or any other Loan Document;

(3) the occurrence of any Bankruptcy Event (other than an acknowledgement in writing as described in clause (b) of the definition of "Bankruptcy Event"); provided, however, in the event of an involuntary Bankruptcy Event, Borrower shall only be personally liable if such involuntary Bankruptcy Event occurs with the consent, encouragement, or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate;

(4) fraud, written material misrepresentation, or material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with any application for or creation of the Indebtedness;

(5) fraud, written intentional material misrepresentation, or intentional material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or

(6) a Division that is not permitted under this Loan Agreement or any other Loan Document.

Section 3.03 Personal Liability for Indemnity Obligations.

Borrower shall be personally and fully liable to Lender for Borrower's indemnity obligations under Section 13.01(e) of this Loan Agreement, the Environmental Indemnity Agreement, and any other express indemnity obligations provided by Borrower under any Loan Document. Borrower's liability for such indemnity obligations shall not be limited by the amount of the Indebtedness, the repayment of the Indebtedness, or otherwise, provided that Borrower's liability for such indemnities shall not include any loss caused by the gross negligence or willful misconduct of Lender as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

Section 3.04 Lender's Right to Forego Rights Against Mortgaged Property.

To the extent that Borrower has personal liability under this Loan Agreement or any other Loan Document, Lender may exercise its rights against Borrower personally to the fullest extent permitted by applicable law without regard to whether Lender has exercised any rights against the Mortgaged Property, the UCC Collateral, or any other security, or pursued any rights against Guarantor, or pursued any other rights available to Lender under this Loan Agreement, any other Loan Document, or applicable law. For purposes of this Section 3.04 only, the term "Mortgaged Property" shall not include any funds that have been applied by Borrower as required or permitted by this Loan Agreement prior to the occurrence of an Event of Default, or that Borrower was unable to apply as required or permitted by this Loan Agreement because of a Bankruptcy Event. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal

liability under this Article 3, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

ARTICLE 4 - BORROWER STATUS

Section 4.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 4.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Due Organization and Qualification; Organizational Agreements.

(1) Borrower is validly existing and qualified to transact business, and in good standing in:

(A) the state in which it is formed or organized;

(B) the Property Jurisdiction; and

(C) each other jurisdiction that qualification or good standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to be so qualified or in good standing would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document.

(2) True, correct and complete organizational documents of Borrower, Guarantor and Key Principal have been delivered to Lender prior to the Effective Date. The Ownership Interests Schedule attached hereto as Schedule 8 to this Loan Agreement sets forth:

(A) the direct owners of Borrower and their respective interests;

(B) the indirect owners (and any non-member managers) of Borrower that Control Borrower and their respective interests (excluding any Publicly-Held Corporations or Publicly-Held Trusts); and

(C) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower and their respective interests (excluding any Publicly-Held Corporations or Publicly-Held Trusts).

(b) **Location.**

Borrower's General Business Address is Borrower's principal place of business and principal office.

(c) **Power and Authority.**

Borrower has the requisite power and authority:

(1) to own the Mortgaged Property and to carry on its business as now conducted and as contemplated to be conducted in connection with the performance of its obligations under this Loan Agreement and under the other Loan Documents to which it is a party; and

(2) to execute and deliver this Loan Agreement and the other Loan Documents to which it is a party, and to carry out the transactions contemplated by this Loan Agreement and the other Loan Documents to which it is a party.

(d) **Due Authorization.**

The execution, delivery, and performance of this Loan Agreement and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of Borrower, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of Borrower as a condition to the valid execution, delivery, and performance by Borrower of this Loan Agreement or any of the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Loan Documents and routine filings to maintain good standing and its existence.

(e) **Valid and Binding Obligations.**

This Loan Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by Borrower and constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(f) **Effect of Mortgage Loan on Borrower's Financial Condition.**

The Mortgage Loan will not render Borrower Insolvent. Borrower has sufficient working capital, including proceeds from the Mortgage Loan, cash flow from the Mortgaged Property, or other sources, not only to adequately maintain the Mortgaged Property, but also to pay all of Borrower's outstanding debts as they come due, including all Debt Service Amounts, exclusive of Borrower's ability to refinance or pay in full the Mortgage Loan on the Maturity Date. In connection with the execution and delivery of this Loan Agreement and the other Loan Documents

(and the delivery to, or for the benefit of, Lender of any collateral contemplated thereunder), and the incurrence by Borrower of the obligations under this Loan Agreement and the other Loan Documents, Borrower did not receive less than reasonably equivalent value in exchange for the incurrence of the obligations of Borrower under this Loan Agreement and the other Loan Documents.

(g) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or

(D) that is deemed a Sanctioned Person.

(3) Borrower, Guarantor, and Key Principal are in compliance with all applicable Economic Sanctions laws and regulations.

(h) Borrower Single Asset Status.

Borrower:

(1) does not own or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property) that (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date, do not exceed, in the aggregate, four percent (4%) of the original principal balance of the Mortgage Loan;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) has not commingled its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations;

(7) has not assumed, guaranteed, or pledged its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person;

(8) has not made loans or advances to any other Person;

(9) has not entered into, and is not a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party; and

(10) has not sought and has no plans to Divide at any time during the Loan Term.

(i) No Bankruptcies or Judgments.

None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is currently:

(1) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership or other insolvency proceeding;

(2) preparing or intending to be the subject of a Bankruptcy Event;

(3) the subject of any judgment unsatisfied of record or docketed in any court; or

(4) Insolvent.

(j) No Actions or Litigation.

(1) Other than residential eviction actions in the ordinary course of business, there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending against or, to Borrower's knowledge, threatened against or affecting Borrower or the Mortgaged Property not otherwise covered by insurance (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, equal opportunity, or any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, which shall always be disclosed); and

(2) there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending or, to Borrower's knowledge, threatened

against or affecting Guarantor or Key Principal, which claims, actions, suits, or proceedings, if adversely determined (individually or in the aggregate) reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal or the condition, operation, or ownership of the Mortgaged Property (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(k) Payment of Taxes, Assessments, and Other Charges.

Borrower confirms that:

(1) it has filed all federal, state, county, and municipal tax returns and reports required to have been filed by Borrower;

(2) it has paid, before any fine, penalty interest, lien, or costs may be added thereto, all taxes, governmental charges, and assessments due and payable with respect to such returns and reports;

(3) there is no controversy or objection pending, or to the knowledge of Borrower, threatened in respect of any tax returns of Borrower; and

(4) it has made adequate reserves on its books and records for all taxes that have accrued but which are not yet due and payable.

(l) Not a Foreign Person.

Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(m) ERISA.

Borrower represents and warrants that:

(1) Borrower is not an Employee Benefit Plan;

(2) no asset of Borrower constitutes "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(3) no asset of Borrower is subject to any laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(4) neither Borrower nor any ERISA Affiliate is subject to any obligation or liability with respect to any ERISA Plan.

(n) Default Under Other Obligations.

(1) The execution, delivery, and performance of the obligations imposed on Borrower under this Loan Agreement and the Loan Documents to which it is a party will not cause Borrower to be in default under the provisions of any agreement, judgment, or order to which Borrower is a party or by which Borrower is bound.

(2) None of Borrower, Guarantor, or Key Principal is in default under any obligation to Lender.

(o) Prohibited Person.

None of Borrower, Guarantor, or Key Principal is a Prohibited Person. To Borrower's knowledge, none of the following is a Prohibited Person:

(1) Any Person Controlling Borrower, Guarantor, or Key Principal; or

(2) Any Person Controlled by and having a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal.

(p) No Contravention.

None of the (1) execution and delivery of this Loan Agreement and the other Loan Documents to which Borrower is a party, (2) fulfillment of or compliance with the terms and conditions of this Loan Agreement and the other Loan Documents to which Borrower is a party, or (3) performance of the obligations of Borrower under this Loan Agreement and the other Loan Documents does or will conflict with or result in any breach or violation of, or constitute a default under, any of the terms, conditions, or provisions of Borrower's organizational documents, or any indenture, existing agreement, or other instrument to which Borrower is a party or to which Borrower, the Mortgaged Property, or other assets of Borrower are subject.

(q) Lockbox Arrangement.

Borrower is not party to any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower is party to any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing.

Section 4.02 Covenants.

(a) Maintenance of Existence; Organizational Documents.

Borrower shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable). Borrower shall continue

to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability, or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document. Neither Borrower nor any partner, member, manager, officer, or director of Borrower shall:

(1) make or allow any material change to the organizational documents or organizational structure of Borrower, including changes relating to the Control of Borrower, or

(2) file any action, complaint, petition, or other claim to:

(A) divide, partition, or otherwise compel the sale of the Mortgaged Property, or

(B) otherwise change the Control of Borrower.

(b) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) Borrower, Guarantor, Key Principal, and any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) At no time shall Borrower, Guarantor, or Key Principal, or any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, be a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the

type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or

(D) that is deemed a Sanctioned Person.

(3) Borrower, Guarantor, and Key Principal shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.

(c) Payment of Taxes, Assessments, and Other Charges.

Borrower shall file all federal, state, county, and municipal tax returns and reports required to be filed by Borrower and shall pay, before any fine, penalty interest, or cost may be added thereto, all taxes payable with respect to such returns and reports.

(d) Borrower Single Asset Status.

Until the Indebtedness is fully paid, Borrower:

(1) shall not acquire or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred,

and (3) as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(6) shall not assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(7) shall not make loans or advances to any other Person;

(8) shall not enter into, or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party; or

(9) shall not Divide.

(e) **ERISA.**

Borrower covenants that:

(1) no asset of Borrower shall constitute "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(2) no asset of Borrower shall be subject to the laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(3) neither Borrower nor any ERISA Affiliate shall incur any obligation or liability with respect to any ERISA Plan.

(f) Notice of Litigation or Insolvency.

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity (including any insolvency, bankruptcy, or receivership proceeding) by or before any Governmental Authority pending or, to Borrower's knowledge, threatened against or affecting Borrower, Guarantor, Key Principal, or the Mortgaged Property, which claims, actions, suits, or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal, or the condition, operation, or ownership of the Mortgaged Property (including any claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, equal opportunity, or any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, which shall always be deemed material).

(g) Payment of Costs, Fees, and Expenses.

In addition to the payments specified in this Loan Agreement, Borrower shall pay, on demand, all of Lender's out-of-pocket fees, costs, charges, or expenses (including the reasonable fees and expenses of attorneys, accountants, and other experts) incurred by Lender in connection with:

(1) any amendment to, or consent, or waiver required under, this Loan Agreement or any of the Loan Documents (whether or not any such amendment, consent, or waiver is entered into);

(2) defending or participating in any litigation arising from actions by third parties and brought against or involving Lender with respect to:

(A) the Mortgaged Property;

(B) any event, act, condition, or circumstance in connection with the Mortgaged Property; or

(C) the relationship between or among Lender, Borrower, Key Principal, and Guarantor in connection with this Loan Agreement or any of the transactions contemplated by this Loan Agreement;

(3) the administration or enforcement of, or preservation of rights or remedies under, this Loan Agreement or any other Loan Documents including or in connection with any litigation or appeals, any Foreclosure Event or other disposition of any collateral granted pursuant to the Loan Documents; and

(4) any Bankruptcy Event or Guarantor Bankruptcy Event.

(h) Restrictions on Distributions.

No distributions or dividends of any nature with respect to Rents or other income from the Mortgaged Property shall be made to any Person having a direct ownership interest in Borrower if an Event of Default has occurred and is continuing.

(i) Lockbox Arrangement.

Borrower shall not enter into any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower shall enter into any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing. Lender's approval of any such cash management arrangement may be conditioned upon requiring Borrower to enter into a lockbox agreement or similar cash management arrangement with Lender in form and substance acceptable to Lender with regard to Rents and other income from the Mortgaged Property.

ARTICLE 5 - THE MORTGAGE LOAN

Section 5.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 5.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Receipt and Review of Loan Documents.

Borrower has received and reviewed this Loan Agreement and all of the other Loan Documents.

(b) No Default.

No default exists under any of the Loan Documents.

(c) No Defenses.

The Loan Documents are not currently subject to any right of rescission, set-off, counterclaim, or defense by either Borrower or Guarantor, including the defense of usury, and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim, or defense with respect thereto.

(d) Loan Document Taxes.

All mortgage, mortgage recording, stamp, intangible, or any other similar taxes required to be paid by any Person under applicable law currently in effect in connection with the execution,

delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents, including the Security Instrument, have been paid or will be paid in the ordinary course of the closing of the Mortgage Loan.

Section 5.02 Covenants.

(a) Ratification of Covenants; Estoppels; Certifications.

Borrower shall:

(1) promptly notify Lender in writing upon any violation of any covenant set forth in any Loan Document of which Borrower has notice or knowledge; provided, however, any such written notice by Borrower to Lender shall not relieve Borrower of, or result in a waiver of, any obligation under this Loan Agreement or any other Loan Document; and

(2) within ten (10) days after a request from Lender, provide a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement:

(A) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications);

(B) the unpaid principal balance of the Mortgage Loan;

(C) the date to which interest on the Mortgage Loan has been paid;

(D) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail);

(E) whether or not there are then-existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and

(F) any additional facts reasonably requested in writing by Lender.

(b) Further Assurances.

(1) Other Documents As Lender May Require.

Within ten (10) days after request by Lender, Borrower shall, subject to Section 5.02(d) below, execute, acknowledge, deliver, and, if necessary, file or record, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements,

transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Loan Agreement and the other Loan Documents.

(2) Corrective Actions.

Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Mortgage Loan.

(3) Compliance with Investor Requirements.

Without limiting the generality of subsections (1) and (2) above, Borrower shall, subject to Section 5.02(d) below, take all reasonable actions necessary to comply with the requirements of Lender to enable Lender to sell any MBS backed by the Mortgage Loan or create or maintain the expected federal income tax treatment of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a Fixed Investment Trust or REMIC, as the case may be, within the meaning of the Treasury Regulations.

(c) Sale of Mortgage Loan.

Borrower shall, subject to Section 5.02(d) below:

(1) comply with the reasonable requirements of Lender or any Investor of the Mortgage Loan or provide, or cause to be provided, to Lender or any Investor of the Mortgage Loan within ten (10) days after the request, at Borrower's cost and expense, such further documentation or information as Lender or Investor may reasonably require, in order to:

(A) enable Lender to sell the Mortgage Loan or participation interests therein to such Investor;

(B) enable Lender to obtain a refund of any commitment fee from any such Investor;

(C) enable any such Investor to further sell or securitize the Mortgage Loan; or

(D) create or maintain the expected federal income tax treatment of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a

Fixed Investment Trust or REMIC, as the case may be, within the meaning of the Treasury Regulations;

(2) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date;

(3) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and

(4) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to this Loan Agreement or other Loan Document(s) as is reasonably required by Lender or such Investor.

(d) Limitations on Further Acts of Borrower.

Nothing in Section 5.02(b) and Section 5.02(c) shall require Borrower to do any further act that has the effect of:

(1) changing the economic terms of the Mortgage Loan set forth in the related commitment letter between Borrower and Lender;

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender; or

(3) materially changing the rights and obligations of Borrower or Guarantor under the commitment letter.

(e) Financing Statements; Record Searches.

(1) Borrower shall pay all costs and expenses associated with:

(A) any filing or recording of any financing statements, including all continuation statements, termination statements, and amendments or any other filings related to security interests in or liens on collateral; and

(B) any record searches for financing statements that Lender may require.

(2) Borrower hereby authorizes Lender to file any financing statements, continuation statements, termination statements, and amendments (including an "all

assets" or "all personal property" collateral description or words of similar import) in form and substance as Lender may require in order to protect and preserve Lender's lien priority and security interest in the Mortgaged Property (and to the extent Lender has filed any such financing statements, continuation statements, or amendments prior to the Effective Date, such filings by Lender are hereby authorized and ratified by Borrower).

(f) Loan Document Taxes.

Borrower shall pay, on demand, any transfer taxes, documentary taxes, assessments, or charges made by any Governmental Authority in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents or the Mortgage Loan.

ARTICLE 6 - PROPERTY USE, PRESERVATION, AND MAINTENANCE

Section 6.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 6.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Law; Permits and Licenses.

(1) To Borrower's knowledge, all improvements to the Land and the use of the Mortgaged Property comply with all applicable laws, ordinances, statutes, rules, and regulations, including all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing (including all applicable source of income laws, ordinances, statutes, rules and regulations), and rent control, and Borrower has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

(2) To Borrower's knowledge, there is no evidence of any illegal activities on the Mortgaged Property.

(3) To Borrower's knowledge, no permits or approvals from any Governmental Authority, other than those previously obtained and furnished to Lender, are necessary for the commencement and completion of the Repairs or Replacements, as applicable, other than those permits or approvals which will be timely obtained in the ordinary course of business.

(4) All required permits, licenses, and certificates to comply with all zoning and land use statutes, laws, ordinances, rules, and regulations, and all applicable health, fire, safety, and building codes, and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

(5) No portion of the Mortgaged Property has been purchased with the proceeds of any illegal activity.

(6) All required rights, permissions, consents, and express irrevocable waivers from each tenant necessary to comply with all applicable privacy laws, to provide such tenant's personal data (including similar terms under applicable law) to Lender, sufficient to permit Lender to lawfully use and process such personal data for the purposes of servicing, enforcement, evaluation, reporting, auditing, loan selling or purchasing, securitization, compliance and risk analysis and assessments, and any other purpose identified in the Lender's privacy notice have been obtained and are in full force and effect.

(b) Property Characteristics.

(1) The Mortgaged Property contains at least:

(A) the Property Square Footage;

(B) the Total Parking Spaces; and

(C) the Total Residential Units.

(2) No part of the Land is included or assessed under or as part of another tax lot or parcel, and no part of any other property is included or assessed under or as part of the tax lot or parcels for the Land.

(c) Property Ownership.

Borrower is sole owner or ground lessee of the Mortgaged Property.

(d) Condition of the Mortgaged Property.

(1) Borrower has not made any claims, and to Borrower's knowledge, no claims have been made, against any contractor, engineer, architect, or other party with respect to the construction or condition of the Mortgaged Property or the existence of any structural or other material defect therein; and

(2) neither the Land nor the Improvements have sustained any damage other than damage which has been fully repaired in all material respects, or is fully insured and is being repaired in the ordinary course of business.

(e) Personal Property.

Borrower owns (or, to the extent disclosed on the Exceptions to Representations and Warranties Schedule, leases) all of the Personal Property and all of the Personalty (as defined in the UCC) that is material to and is used in connection with the management, ownership, and operation of the Mortgaged Property.

Section 6.02 Covenants.

(a) Use of Property.

From and after the Effective Date, Borrower shall not, unless required by applicable law or Governmental Authority:

(1) change the use of all or any part of the Mortgaged Property;

(2) convert any individual dwelling units or common areas to commercial use, or convert any common area or commercial use to individual dwelling units;

(3) initiate or acquiesce in a change in the zoning classification of the Land;

(4) establish any condominium or cooperative regime with respect to the Mortgaged Property;

(5) subdivide the Land; or

(6) suffer, permit, or initiate the joint assessment of any Mortgaged Property with any other real property constituting a tax lot separate from such Mortgaged Property which could cause the part of the Land to be included or assessed under or as part of another tax lot or parcel, or any part of any other property to be included or assessed under or as part of the tax lot or parcels for the Land.

(b) Property Maintenance.

Borrower shall:

(1) pay the expenses of operating, managing, maintaining, and repairing the Mortgaged Property (including insurance premiums, utilities, Repairs, and Replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added;

(2) keep the Mortgaged Property in good repair and marketable condition (ordinary wear and tear excepted) (including the replacement of Personalty and Fixtures with items of equal or better function and quality) and subject to Section 9.03(b)(3) and Section 10.03(d) restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition or condition immediately prior to the damage (if improved after the Effective Date), whether or not any insurance proceeds received upon an event of loss or any amounts received in connection with a Condemnation Action are available to cover any costs of such restoration or repair;

(3) commence all Required Repairs, Additional Lender Repairs, and Additional Lender Replacements as follows:

(A) with respect to any Required Repairs, promptly following the Effective Date (subject to Force Majeure, if applicable), in accordance with the timelines set forth on the Required Repair Schedule, or if no timelines are provided, as soon as practical following the Effective Date;

(B) with respect to Additional Lender Repairs, in the event that Lender determines that Additional Lender Repairs are necessary from time to time or pursuant to Section 6.03(c), promptly following Lender's written notice of such Additional Lender Repairs (subject to Force Majeure, if applicable), commence any such Additional Lender Repairs in accordance with Lender's timelines, or if no timelines are provided, as soon as practical; and

(C) with respect to Additional Lender Replacements, in the event that Lender determines that Additional Lender Replacements are necessary from time to time or pursuant to Section 6.03(c), promptly following Lender's written notice of such Additional Lender Replacements (subject to Force Majeure, if applicable), commence any such Additional Lender Replacements in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(4) make, construct, install, diligently perform, and complete all Replacements, Repairs, Restoration, and any other work permitted under the Loan Documents:

(A) in a good and workmanlike manner as soon as practicable following the commencement thereof, free and clear of any Liens, including mechanics' or materialmen's liens and encumbrances (except Permitted Encumbrances and mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials);

(B) in accordance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority, including applicable building codes, special use permits, and environmental regulations;

(C) in accordance with all applicable insurance and bonding requirements; and

(D) within all timeframes required by Lender, and Borrower acknowledges that it shall be an Event of Default if Borrower abandons or ceases work on any Repair at any time prior to the completion of the Repairs for a period of longer than twenty (20) days (except when Force Majeure exists and Borrower is diligently pursuing the reinstitution of such work, provided, however, any such

abandonment or cessation shall not in any event allow the Repair to be completed after the Completion Period, subject to Force Majeure);

(5) subject to the terms of Section 6.03(a), provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender under a contract approved by Lender in writing;

(6) give written notice to Lender of, and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security for the Mortgage Loan, or Lender's rights under this Loan Agreement; and

(7) upon Lender's written request, submit to Lender any contracts or work orders described in Section 13.02(b).

(c) Property Preservation.

Borrower shall:

(1) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of the Mortgaged Property;

(2) not (or otherwise permit any other Person to) demolish, make any change in the unit mix, otherwise alter the Mortgaged Property or any part of the Mortgaged Property, or remove any Personalty or Fixtures from the Mortgaged Property, except for: (A) alterations required in connection with Repairs, Replacements, or Restoration; or (B) the replacement of tangible Personalty or Fixtures, provided (i) such Personalty or Fixtures are replaced with items of equal or better function and quality, and (ii) such replacement does not result in any disruption in occupancy (other than in connection with the routine re-leasing of units);

(3) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Land or otherwise materially impair the lien created by the Security Instrument or Lender's interest in the Mortgaged Property;

(4) not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage required by this Loan Agreement; or

(5) not subject the Mortgaged Property to any voluntary, elective, or non-compulsory tax lien or assessment (or opt in to any voluntary, elective, or non-compulsory special tax district or similar regime).

(d) Property Inspections.

Borrower shall:

(1) permit Lender, its agents, representatives, and designees to enter upon and inspect the Mortgaged Property (including in connection with any Replacement, Repair, or Restoration, or to conduct any Environmental Inspection pursuant to the Environmental Indemnity Agreement), and shall cooperate and provide access to all areas of the Mortgaged Property (subject to the rights of tenants under the Leases):

(A) during normal business hours;

(B) at such other reasonable time upon reasonable notice of not less than one (1) Business Day;

(C) at any time when exigent circumstances exist; or

(D) at any time after an Event of Default has occurred and is continuing; and

(2) pay for reasonable costs or expenses incurred by Lender or its agents in connection with any such inspections.

(e) Compliance with Laws.

Borrower shall:

(1) comply with all laws, ordinances, statutes, rules, and regulations of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, statutes, rules and regulations, and covenants pertaining to construction of improvements on the Land, fair housing (including all applicable source of income laws, ordinances, statutes, rules and regulations), and requirements for equal opportunity, anti-discrimination, and Leases;

(2) procure and maintain all required permits, licenses, charters, registrations, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent;

(3) comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits;

(4) at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 6.02(e);

(5) promptly after receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to the Mortgaged Property;

(6) cooperate fully with Lender with respect to any proceedings before any court, board, or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings; and

(7) procure and maintain all required rights, permissions, consents, and express irrevocable waivers from each tenant necessary to comply with all applicable privacy laws, to provide such tenant's personal data (including similar terms under applicable law) to Lender, sufficient to permit Lender to lawfully use and process such personal data for the purposes of servicing, enforcement, evaluation, reporting, auditing, loan selling or purchasing, securitization, compliance and risk analysis and assessments, and any other purpose identified in the Lender's privacy policy as amended from time to time.

Section 6.03 Mortgage Loan Administration Matters Regarding the Property.

(a) Property Management.

From and after the Effective Date, each property manager and each property management agreement must be approved by Lender. If, in connection with the making of the Mortgage Loan, or at any later date, Lender waives in writing the requirement that Borrower enter into a written contract for management of the Mortgaged Property, and Borrower later elects to enter into a written contract or change the management of the Mortgaged Property, such new property manager or the property management agreement must be approved by Lender. As a condition to any approval by Lender, Lender may require that Borrower and such new property manager enter into a collateral assignment of the property management agreement on a form approved by Lender.

(b) Subordination of Fees to Affiliated Property Managers.

Any property manager that is a Borrower Affiliate to whom fees are payable for the management of the Mortgaged Property must enter into an assignment of management agreement or other agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(c) Property Condition Assessment.

If, in connection with any inspection of the Mortgaged Property, Lender determines that the condition of the Mortgaged Property has deteriorated (ordinary wear and tear excepted) since the Effective Date, Lender may obtain, at Borrower's expense, a property condition assessment of the Mortgaged Property. Lender's right to obtain a property condition assessment pursuant to this Section 6.03(c) shall be in addition to any other rights available to Lender under this Loan

Agreement in connection with any such deterioration. Any such inspection or property condition assessment may result in Lender requiring Additional Lender Repairs or Additional Lender Replacements as further described in Section 13.02(a)(9)(B).

ARTICLE 7 - LEASES AND RENTS

Section 7.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 7.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Assignment of Rents.

Borrower has not executed any:

(1) prior assignment of Rents (other than an assignment of Rents securing prior indebtedness that has been paid off and discharged or will be paid off and discharged with the proceeds of the Mortgage Loan); or

(2) instrument which would prevent Lender from exercising its rights under this Loan Agreement, the Security Instrument, or any other Loan Document.

(b) Prepaid Rents.

Borrower has not accepted, and does not expect to receive prepayment of, any Rents for more than two (2) months prior to the due dates of such Rents.

Section 7.02 Covenants.

(a) Leases.

Borrower shall:

(1) comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits;

(2) surrender possession of the Mortgaged Property, including all Leases and all security deposits and prepaid Rents, immediately upon appointment of a receiver or Lender's entry upon and taking of possession and control of the Mortgaged Property, as applicable;

(3) require that all Residential Leases have initial terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the Mortgaged Property, Residential Leases

with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent), provided however, Short-Term Rentals (regardless of the duration of the term) shall not be permitted unless otherwise expressly approved by Lender in writing; and

(4) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b)) and, upon Lender's written request, promptly provide Lender a copy of any Residential Lease then in effect.

(b) **Commercial Leases.**

(1) With respect to Material Commercial Leases, Borrower shall not:

(A) enter into any Material Commercial Lease except with the prior written consent of Lender; or

(B) modify the terms of, extend, or terminate any Material Commercial Lease (including any Material Commercial Lease in existence on the Effective Date) without the prior written consent of Lender.

(2) With respect to any non-Material Commercial Lease, Borrower shall not:

(A) enter into any non-Material Commercial Lease that materially alters the use and type of operation of the premises subject to the Lease in effect as of the Effective Date or reduces the number or size of residential units at the Mortgaged Property; or

(B) modify the terms of any non-Material Commercial Lease (including any non-Material Commercial Lease in existence on the Effective Date) in any way that materially alters the use and type of operation of the premises subject to such non-Material Commercial Lease in effect as of the Effective Date, reduces the number or size of residential units at the Mortgaged Property, or results in such non-Material Commercial Lease being deemed a Material Commercial Lease.

(3) With respect to any Material Commercial Lease or non-Material Commercial Lease, Borrower shall cause the applicable tenant to provide within ten (10) days after a request by Borrower, a certificate of estoppel, or if not provided by tenant within such ten (10) day period, Borrower shall provide such certificate of estoppel, certifying:

(A) that such Material Commercial Lease or non-Material Commercial Lease is unmodified and in full force and effect (or if there have been modifications, that such Material Commercial Lease or non-Material Commercial Lease is in full force and effect as modified and stating the modifications);

(B) the term of the Lease including any extensions thereto;

(C) the dates to which the Rent and any other charges hereunder have been paid by tenant;

(D) the amount of any security deposit delivered to Borrower as landlord;

(E) whether or not Borrower is in default (or whether any event or condition exists which, with the passage of time, would constitute an event of default) under such Lease;

(F) the address to which notices to tenant should be sent; and

(G) any other information as may be reasonably required by Lender.

(c) Payment of Rents.

Borrower shall:

(1) pay to Lender upon demand all Rents after an Event of Default has occurred and is continuing;

(2) cooperate with Lender's efforts in connection with the assignment of Rents set forth in the Security Instrument; and

(3) not accept Rent under any Lease (whether a Residential Lease or a non-Residential Lease) for more than two (2) months in advance.

(d) Assignment of Rents.

Borrower shall not:

(1) perform any acts or execute any instrument that would prevent Lender from exercising its rights under the assignment of Rents granted in the Security Instrument or in any other Loan Document; or

(2) interfere with Lender's collection of such Rents.

(e) Further Assignments of Leases and Rents.

Borrower shall execute and deliver any further assignments of Leases and Rents as Lender may reasonably require.

(f) Options to Purchase by Tenants.

No Lease (whether a Residential Lease or a non-Residential Lease) shall contain an option to purchase, right of first refusal to purchase or right of first offer to purchase, except as required by applicable law.

Section 7.03 Mortgage Loan Administration Regarding Leases and Rents.

(a) Material Commercial Lease Requirements.

Each Material Commercial Lease, including any renewal or extension of any Material Commercial Lease in existence as of the Effective Date, shall provide, directly or pursuant to a subordination, non-disturbance and attornment agreement approved by Lender, that:

(1) the tenant shall, upon written notice from Lender after the occurrence of an Event of Default, pay all Rents payable under such Lease to Lender;

(2) such Lease and all rights of the tenant thereunder are expressly subordinate to the lien of the Security Instrument;

(3) the tenant shall attorn to Lender and any purchaser at a Foreclosure Event (such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a Foreclosure Event or by Lender in any manner);

(4) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a Foreclosure Event may from time to time request; and

(5) such Lease shall not terminate as a result of a Foreclosure Event unless Lender or any other purchaser at such Foreclosure Event affirmatively elects to terminate such Lease pursuant to the terms of the subordination, non-disturbance and attornment agreement.

(b) Residential Lease Form.

All Residential Leases entered into from and after the Effective Date shall be on forms substantially in the form approved by Lender.

ARTICLE 8 - BOOKS AND RECORDS; FINANCIAL REPORTING

Section 8.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 8.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Financial Information.

All financial statements and data, including statements of cash flow and income and operating expenses, that have been delivered to Lender in respect of the Mortgaged Property:

(1) are true, complete, and correct in all material respects; and

(2) accurately represent the financial condition of the Mortgaged Property as of such date.

(b) No Change in Facts or Circumstances.

All information in the Loan Application and in all financial statements, rent rolls, reports, certificates, and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

Section 8.02 Covenants.

(a) Obligation to Maintain Accurate Books and Records.

Borrower shall keep and maintain at all times at the Mortgaged Property or the property management agent's offices or Borrower's General Business Address and, upon Lender's written request, shall make available to Lender:

(1) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property; and

(2) copies of all written contracts, Leases, and other instruments that affect Borrower or the Mortgaged Property.

(b) Items to Furnish to Lender.

Borrower shall furnish to Lender the following, which shall be deemed certified by Borrower, as true, complete, and accurate, in all material respects as of the time of delivery and binding upon Borrower (or Guarantor, as applicable) and in such form and with such detail as Lender reasonably requires:

(1) within forty-five (45) days after the end of each first, second, and third calendar quarter, a statement of income and expenses for Borrower on a year-to-date basis as of the end of each calendar quarter;

(2) within one hundred twenty (120) days after the end of each calendar year:

(A) for any Borrower that is an entity, a statement of income and expenses and a statement of cash flows for such calendar year;

(B) for any Borrower that is an individual or a trust established for estate-planning purposes, a personal financial statement for such calendar year;

(C) when requested in writing by Lender, balance sheet(s) showing all assets and liabilities of Borrower and a statement of all contingent liabilities as of the end of such calendar year;

(D) if an energy consumption metric for the Mortgaged Property is required to be reported to any Governmental Authority, the Fannie Mae Energy Performance Metrics report, as generated by ENERGY STAR® Portfolio Manager, for the Mortgaged Property for such calendar year, which report must include the ENERGY STAR score, the Source Energy Use Intensity (EUI), the month and year ending period for such ENERGY STAR score and such Source Energy Use Intensity, and the ENERGY STAR Portfolio Manager Property Identification Number; provided that, if the Governmental Authority does not require the use of ENERGY STAR Portfolio Manager for the reporting of the energy consumption metric and Borrower does not use ENERGY STAR Portfolio Manager, then Borrower shall furnish to Lender the Source Energy Use Intensity for the Mortgaged Property for such calendar year;

(E) a written certification ratifying and affirming that:

(i) Borrower has taken no action in violation of Section 4.02(d) regarding its single asset status;

(ii) Borrower has received no notice of any building code violation, or if Borrower has received such notice, evidence of remediation;

(iii) Borrower has made no application for rezoning or received any notice that the Mortgaged Property has been or is being rezoned; and

(iv) Borrower has taken no action and has no knowledge of any action that would violate the provisions of Section 11.02(b)(1)(F) regarding liens encumbering the Mortgaged Property;

(F) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

(G) written confirmation of:

(i) any changes occurring since the Effective Date (or that no such changes have occurred since the Effective Date) in (1) the direct owners of Borrower, (2) the indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), or (3) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), and their respective interests;

(ii) the names of all officers and directors of (1) any Borrower which is a corporation, (2) any corporation which is a general partner of any Borrower which is a partnership, or (3) any corporation which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(iii) the names of all managers who are not members of (1) any Borrower which is a limited liability company, (2) any limited liability company which is a general partner of any Borrower which is a partnership, or (3) any limited liability company which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(H) if not already provided pursuant to Section 8.02(b)(2)(A) above, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each calendar year;

(3) within forty-five (45) days after the end of each first, second, and third calendar quarter and within one hundred twenty (120) days after the end of each calendar year, and at any other time upon Lender's written request, a rent schedule for the Mortgaged Property showing the name of each tenant and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;

(4) upon Lender's written request, thereafter furnish to Lender within ten (10) Business Days after the end of each month, until the end of the Loan Term, complete and accurate rent schedule data for the Mortgaged Property;

(5) within thirty (30) days after Lender's written request (but, absent an Event of Default, no more frequently than once in any six (6) month period):

(A) any item described in Section 8.02(b)(1) or Section 8.02(b)(2);

(B) a property management or leasing report for the Mortgaged Property, showing the number of rental applications received from tenants or

prospective tenants and deposits received from tenants or prospective tenants, and any other information requested by Lender for such period as requested by Lender;

(C) a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each month for such period as requested by Lender;

(D) a statement of real estate owned directly or indirectly by Borrower and Guarantor for such period as requested by Lender;

(E) for any Guarantor:

(i) that is an entity, a statement of income and expenses and a statement of cash flows for the most recent available calendar year and any calendar quarters ending between the available year and the date of the request;

(ii) that is an individual, or a trust established for estate-planning purposes, a personal financial statement for the most recent available calendar year and any calendar quarters ending between the available year and the date of the request; and

(iii) balance sheet(s) showing all assets and liabilities of Guarantor and a statement of all contingent liabilities as of the end of the most recent available calendar year; and

(F) a statement that identifies the following for such period as requested by Lender:

(i) direct owners of Borrower and their respective interests;

(ii) indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests;

(iii) indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(iv) to the extent that the Persons identified in (i)-(iii) above do not own, in the aggregate, at least fifty percent (50%) of the indirect ownership interests in Borrower, additional indirect owners of Borrower sufficient to show an aggregate ownership interest of at least fifty percent (50%).

(c) **Audited Financials.**

In the event Borrower or Guarantor receives or obtains any audited financial statements and such financial statements are required to be delivered to Lender under Section 8.02(b), Borrower shall deliver or cause to be delivered to Lender the audited versions of such financial statements.

(d) **Delivery of Books and Records.**

If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender, upon written demand, all books and records relating to the Mortgaged Property or its operation.

Section 8.03 Mortgage Loan Administration Matters Regarding Books and Records and Financial Reporting.

(a) **Lender's Right to Obtain Audited Books and Records.**

Lender may require that Borrower's or Guarantor's books and records be audited, at Borrower's expense, by an independent certified public accountant selected by Lender in order to produce or audit any statements, schedules, and reports of Borrower, Guarantor, or the Mortgaged Property required by Section 8.02, if:

(1) Borrower or Guarantor fails to provide in a timely manner the statements, schedules, and reports required by Section 8.02 and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c);

(2) the statements, schedules, and reports submitted to Lender pursuant to Section 8.02 are not full, complete, and accurate in all material respects as determined by Lender and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c); or

(3) an Event of Default has occurred and is continuing.

Notwithstanding the foregoing, the ability of Lender to require the delivery of audited financial statements shall be limited to not more than once per Borrower's fiscal year so long as no Event of Default has occurred during such fiscal year (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing). Borrower shall cooperate with Lender in order to satisfy the provisions of this Section 8.03(a). All related costs and expenses of Lender shall become due and payable by Borrower within ten (10) Business Days after demand therefor.

(b) Credit Reports; Credit Score.

No more often than once in any twelve (12) month period, Lender is authorized to obtain a credit report (if applicable) on Borrower or Guarantor, the cost of which report shall be paid by Borrower. Lender is authorized to obtain a Credit Score (if applicable) for Borrower or Guarantor at any time at Lender's expense.

ARTICLE 9 - INSURANCE

Section 9.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 9.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Insurance Requirements.

Borrower is in compliance with Lender's insurance requirements (or has obtained a written waiver from Lender for any non-compliant coverage) and has timely paid all premiums on all required insurance policies.

(b) Property Condition.

(1) The Mortgaged Property has not been damaged by fire, water, wind, or other cause of loss; or

(2) if previously damaged, any previous damage to the Mortgaged Property has been repaired and the Mortgaged Property has been fully restored.

Section 9.02 Covenants.

(a) Insurance Requirements.

(1) As required by Lender and applicable law, and as may be modified from time to time, Borrower shall:

(A) keep the Improvements insured at all times against any hazards, which insurance shall include coverage against loss by fire and all other perils insured by the "special causes of loss" coverage form, general boiler and machinery coverage, business income coverage, and flood (if any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor) as an area having special flood hazards and to the extent flood insurance is available in that area), and may include sinkhole insurance, mine subsidence insurance, earthquake insurance, terrorism insurance, windstorm

insurance and, if the Mortgaged Property does not conform to applicable building, zoning, or land use laws, ordinance and law coverage;

(B) maintain at all times commercial general liability insurance, workmen's compensation insurance, and such other liability, errors and omissions, and fidelity insurance coverage; and

(C) maintain builder's risk and public liability insurance, and other insurance in connection with completing the Repairs or Replacements, as applicable.

(b) Delivery of Policies, Renewals, Notices, and Proceeds.

Borrower shall:

(1) cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender's assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each required insurance policy under this Article 9 has been renewed not less than fifteen (15) days prior to the applicable expiration date, and (if such evidence is other than an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original insurance policy;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower's receipt of any insurance proceeds under any insurance policy required by Section 9.02(a)(1) above and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Article 9.

Section 9.03 Mortgage Loan Administration Matters Regarding Insurance

(a) Lender's Ongoing Insurance Requirements.

Borrower acknowledges that Lender's insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Loan Agreement shall be:

(1) in the form and with the terms required by Lender;

(2) in such amounts, with such maximum deductibles and for such periods required by Lender; and

(3) issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH IN SECTION 9.02(a) OR SECTION 9.02(b)(3) ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH THE MORTGAGED PROPERTY. IF LENDER PURCHASES INSURANCE FOR THE MORTGAGED PROPERTY AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE AS REQUIRED BY THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(b) Application of Proceeds on Event of Loss.

(1) Upon an event of loss, Lender may, at Lender's option:

(A) hold such proceeds in the Restoration Reserve Account to be applied to reimburse Borrower for the cost of Restoration in accordance with Article 13 and Lender's then-current policies relating to the restoration of casualty damage on similar multifamily residential properties; or

(B) apply such proceeds to the payment of the Indebtedness, whether or not then due; provided, however, Lender shall not apply insurance proceeds to the payment of the Indebtedness and shall permit Restoration pursuant to Section 9.03(b)(1)(A) if all of the following conditions are met:

(i) no Event of Default has occurred and is continuing (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing);

(ii) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(iii) Lender determines that the Net Cash Flow generated by the Mortgaged Property after completion of the Restoration will be sufficient to support a debt service coverage ratio not less than the debt service coverage ratio immediately prior to the event of loss, but in no event less than 1.0x (the debt service coverage ratio shall be calculated on a thirty (30) year amortizing basis (if applicable, on a *proforma* basis approved by Lender) in all events and shall include all operating costs and other expenses, Imposition Deposits, deposits to Collateral Accounts, and Mortgage Loan repayment obligations);

(iv) Lender determines that the Restoration will be completed before the earlier of (1) one (1) year before the stated Maturity Date, or (2) one (1) year after the date of the loss or casualty; and

(v) Borrower provides Lender, upon written request, evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Loan Agreement.

(2) Notwithstanding the foregoing, if any loss is estimated to be in an amount equal to or less than $75,000, Lender shall not exercise its rights and remedies as power-of-attorney herein and shall allow Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such policies of property damage insurance, and to collect and receive the proceeds of property damage insurance; provided that each of the following conditions shall be satisfied:

(A) Borrower shall immediately notify Lender of the casualty giving rise to the claim;

(B) no Event of Default has occurred and is continuing (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing);

(C) the Restoration will be completed before the earlier of (i) one (1) year before the stated Maturity Date, or (ii) one (1) year after the date of the loss or casualty;

(D) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(E) all proceeds of property damage insurance shall be issued in the form of joint checks to Borrower and Lender;

(F) all proceeds of property damage insurance shall be applied to the Restoration;

(G) Borrower shall deliver to Lender evidence satisfactory to Lender of completion of the Restoration and obtainment of all lien releases;

(H) Borrower shall have complied to Lender's satisfaction with the foregoing requirements on any prior claims subject to this provision, if any; and

(I) Lender shall have the right to inspect the Mortgaged Property (subject to the rights of tenants under the Leases).

(3) If Lender elects to apply insurance proceeds to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall not be obligated to restore or repair the Mortgaged Property. Rather, Borrower shall restrict access to the damaged portion of the Mortgaged Property and, at its expense and regardless of whether such costs are covered by insurance, clean up any debris resulting from the casualty event, and, if required or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 9.03(b) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.

(c) Payment Obligations Unaffected.

The application of any insurance proceeds to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document. Notwithstanding the foregoing, if Lender applies insurance proceeds to the Indebtedness in connection with a casualty of less than the entire Mortgaged Property, and after such application of proceeds the debt service coverage ratio (as determined by Lender) is less than 1.25x based on the then-applicable Monthly Debt Service Payment and the anticipated ongoing Net Cash Flow of the Mortgaged Property after such casualty

event, then Lender may, at its discretion, permit an adjustment to the Monthly Debt Service Payments that become due and owing thereafter, based on Lender's then-current underwriting requirements. In no event shall the preceding sentence obligate Lender to make any adjustment to the Monthly Debt Service Payments.

(d) Foreclosure Sale.

If the Mortgaged Property is transferred pursuant to a Foreclosure Event or Lender otherwise acquires title to the Mortgaged Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to the Mortgaged Property and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such Foreclosure Event or such acquisition.

(e) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

ARTICLE 10 - CONDEMNATION

Section 10.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 10.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Condemnation Action.

No part of the Mortgaged Property has been taken in connection with a Condemnation Action.

(b) Pending Condemnation Actions.

No Condemnation Action is pending or, to Borrower's knowledge, is threatened for the partial or total condemnation or taking of the Mortgaged Property.

Section 10.02 Covenants.

(a) Notice of Condemnation.

Borrower shall:

(1) promptly notify Lender of any Condemnation Action of which Borrower has knowledge;

(2) appear in and prosecute or defend, at its own cost and expense, any action or proceeding relating to any Condemnation Action, including any defense of Lender's interest in the Mortgaged Property tendered to Borrower by Lender, unless otherwise directed by Lender in writing; and

(3) execute such further evidence of assignment of any condemnation award in connection with a Condemnation Action as Lender may require.

(b) Condemnation Proceeds.

Borrower shall pay to Lender all awards or proceeds of a Condemnation Action promptly upon receipt.

Section 10.03 Mortgage Loan Administration Matters Regarding Condemnation.

(a) Application of Condemnation Awards.

Lender may apply any awards or proceeds of a Condemnation Action, after the deduction of Lender's expenses incurred in the collection of such amounts, to:

(1) the restoration or repair of the Mortgaged Property, if applicable;

(2) the payment of the Indebtedness, with the balance, if any, paid to Borrower; or

(3) Borrower.

(b) Payment Obligations Unaffected.

The application of any awards or proceeds of a Condemnation Action to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(d) Preservation of Mortgaged Property.

If a Condemnation Action results in or from damage to the Mortgaged Property and Lender elects to apply the proceeds or awards from such Condemnation Action to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall not be obligated to restore or repair the Mortgaged Property. Rather, Borrower shall restrict access to any portion of the Mortgaged Property which has been damaged or destroyed in connection with such Condemnation

Action and, at Borrower's expense and regardless of whether such costs are covered by insurance, clean up any debris resulting in or from the Condemnation Action, and, if required by any Governmental Authority or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 10.03(d) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.

ARTICLE 11 - LIENS, TRANSFERS, AND ASSUMPTIONS

Section 11.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 11.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) No Labor or Materialmen's Claims.

All parties furnishing labor and materials on behalf of Borrower have been paid in full. There are no mechanics' or materialmen's liens (whether filed or unfiled) outstanding for work, labor, or materials (and no claims or work outstanding that under applicable law could give rise to any such mechanics' or materialmen's liens) affecting the Mortgaged Property, whether prior to, equal with, or subordinate to the lien of the Security Instrument.

(b) No Other Interests.

No Person:

(1) other than Borrower has any possessory ownership or interest in the Mortgaged Property or right to occupy the same except under and pursuant to the provisions of existing Leases, the material terms of all such Leases having been previously disclosed in writing to Lender; or

(2) has an option, right of first refusal, or right of first offer (except as required by applicable law) to purchase the Mortgaged Property, or any interest in the Mortgaged Property.

Section 11.02 Covenants.

(a) Liens; Encumbrances.

Borrower shall not permit the grant, creation, or existence of any Lien, whether voluntary, involuntary, or by operation of law, on all or any portion of the Mortgaged Property (including

any voluntary, elective, or non-compulsory tax lien or assessment pursuant to a voluntary, elective, or non-compulsory special tax district or similar regime) other than:

(1) Permitted Encumbrances;

(2) the creation of:

(A) any tax lien, municipal lien, utility lien, mechanics' lien, materialmen's lien, or judgment lien against the Mortgaged Property if bonded off, released of record, or otherwise remedied to Lender's satisfaction within sixty (60) days after the earlier of the date Borrower has actual notice or constructive notice of the existence of such lien; or

(B) any mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(3) the lien created by the Loan Documents.

(b) Transfers.

(1) Mortgaged Property.

Borrower shall not Transfer, or cause or permit a Transfer of, all or any part of the Mortgaged Property (including any interest in the Mortgaged Property) other than:

(A) a Transfer to which Lender has consented in writing;

(B) Leases permitted pursuant to the Loan Documents;

(C) the grant of an easement solely for cable and internet services, provided such easement is a standard form of cable and internet service easement used by nationally recognized cable and internet service providers, and provided further that such easement terminates automatically when the service agreement expires;

(D) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality which are free of Liens (other than those created by the Loan Documents);

(E) the grant of an easement, servitude, or restrictive covenant to which Lender has consented, and Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request

(including reasonable attorneys' fees and a $5,000 review fee, which shall be in lieu of any other Review Fee or Transfer Fee);

(F) a lien permitted pursuant to Section 11.02(a) of this Loan Agreement; or

(G) the conveyance of the Mortgaged Property following a Foreclosure Event.

(2) Interests in Borrower, Key Principal, or Guarantor.

Other than a Transfer to which Lender has consented in writing, Borrower shall not Transfer, or cause or permit to be Transferred:

(A) any direct or indirect ownership interest in Borrower, Key Principal, or Guarantor (if applicable) if such Transfer would cause a change in Control;

(B) a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor (if applicable);

(C) fifty percent (50%) or more of Key Principal's or Guarantor's direct or indirect ownership interests in Borrower that existed on the Effective Date (individually or on an aggregate basis);

(D) any direct or indirect ownership interest in Borrower, Key Principal, or Guarantor (if applicable) if such transfer would result in a violation of Section 4.02(b); or

(E) the economic benefits or rights to cash flows attributable to any ownership interests in Borrower, Key Principal, or Guarantor (if applicable) separate from the Transfer of the underlying ownership interests if the Transfer of the underlying ownership interest is prohibited by this Loan Agreement.

Notwithstanding the foregoing, if a Publicly-Held Corporation or a Publicly-Held Trust Controls Borrower, Key Principal, or Guarantor, or owns a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor, a Transfer of any ownership interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Loan Agreement as long as (i) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (ii) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the ownership interests in such Publicly-Held Corporation or Publicly-Held Trust.

(3) **Transfers of Non-Controlling Interests.**

Transfers of direct or indirect limited partnership or non-managing member interests in Borrower that result in a Transfer of fifty percent (50%) or more of the limited partnership or non-managing membership interests shall be consented to by Lender if such Transfer satisfies the following conditions:

(A) Key Principal or Guarantor (as applicable) Controls Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer;

(B) such Transfer does not violate the requirements of Section 11.02(b)(2)(C) or Section 11.02(b)(2)(D);

(C) Borrower shall provide Lender not less than thirty (30) days prior written notice of the proposed Transfer and obtain Lender's approval;

(D) Borrower shall provide with its notice to Lender an organizational chart reflecting, and all organizational documents relevant to, the proposed Transfer;

(E) Borrower shall provide with its notice to Lender a certification that no change of Control of Borrower, Key Principal, or Guarantor (as applicable) shall occur as a result of such Transfer;

(F) if any Person will own twenty-five percent (25%) or more of the direct or indirect ownership interests in Borrower that did not own twenty-five percent (25%) or more before the Transfer, such Person shall not, as of the date of the Transfer, be a Prohibited Person;

(G) Borrower shall pay to Lender:

(i) concurrently with its notice to Lender, the Review Fee plus a transfer fee of $25,000, which shall be in lieu of any other Transfer Fee; and

(ii) upon demand, any out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, incurred by Lender in connection with its review of the Transfer request; and

(H) Borrower shall execute upon demand such documents or certifications as Lender reasonably requires in order to confirm the post-transfer ownership structure, compliance with the stated conditions, and any other relevant factual matter.

(4) Name Change or Entity Conversion.

Lender shall consent to Borrower changing its name, changing its jurisdiction of organization, or converting from one type of legal entity into another type of legal entity for any lawful purpose, provided that:

(A) Lender receives written notice at least thirty (30) days prior to such change or conversion, which notice shall include organizational charts that reflect the structure of Borrower both prior to and subsequent to such name change or entity conversion;

(B) such Transfer is not otherwise prohibited under the provisions of Section 11.02(b)(2);

(C) Borrower executes an amendment to this Loan Agreement and any other Loan Documents required by Lender documenting the name change or entity conversion;

(D) Borrower agrees and acknowledges, at Borrower's expense, that (i) Borrower will execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such name change or entity conversion (or provide Lender with written confirmation from the title company (via electronic mail or letter) that no such instrument is required), (ii) Borrower will execute any additional documents required by Lender, including the amendment to this Loan Agreement, and allow such documents to be recorded or filed in the land records of the Property Jurisdiction, (iii) Lender will obtain a "date down" endorsement to the Lender's Title Policy (or obtain a new Title Policy if a "date down" endorsement is not available in the Property Jurisdiction), evidencing title to the Mortgaged Property being in the name of the successor entity and the Lien of the Security Instrument against the Mortgaged Property, and (iv) Lender will file any required UCC-3 financing statement and make any other filing deemed necessary to maintain the priority of its Liens on the Mortgaged Property; and

(E) no later than ten (10) days subsequent to such name change or entity conversion, Borrower shall provide Lender (i) the documentation filed with the appropriate office in Borrower's state of formation evidencing such name change or entity conversion, (ii) copies of the organizational documents of Borrower, including any amendments, filed with the appropriate office in Borrower's state of formation reflecting the post-conversion Borrower name, form of organization, and structure, and (iii) if available, new certificates of good standing or valid formation for Borrower.

(5) No Delaware Statutory Trust or Series LLC Conversion.

Notwithstanding any provisions herein to the contrary, no Borrower, Guarantor, or Key Principal shall convert to a Delaware Statutory Trust or a series limited liability company.

(6) Plans of Division.

Borrower shall not Divide. Lender shall consent to a Division by Guarantor or Key Principal provided that:

(A) Lender receives written notice at least thirty (30) days prior to the effective date of such Division, which notice shall include (i) a certification acceptable to Lender that such Division is not otherwise prohibited under the provisions of Article 11, (ii) a copy of the plan of division, and (iii) organizational charts that reflect the organizational structure of Borrower, Guarantor, and Key Principal both prior to and subsequent to such Division;

(B) no later than ten (10) days subsequent to such Division, Borrower shall provide Lender (i) the certificate of division or such other documentation filed with the appropriate office evidencing such Division, (ii) copies of the organizational documents of Borrower (if amended), Guarantor, and Key Principal, including any amendments thereto, that reflect the post-Division organizational structure, and (iii) new certificates of good standing or valid formation for Borrower (if amended), Guarantor, and Key Principal; and

(C) Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request (including reasonable attorneys' fees and a $25,000 review fee, which shall be in lieu of any other Review Fee or Transfer Fee).

(c) No Other Indebtedness.

Other than the Mortgage Loan, Borrower shall not incur or be obligated at any time with respect to any loan or other indebtedness (except trade payables as otherwise permitted in this Loan Agreement), including any indebtedness secured by a Lien on, or the cash flows from, the Mortgaged Property.

(d) No Mezzanine Financing or Preferred Equity.

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Debt other than Permitted Mezzanine Debt; (2) issue any Preferred Equity other than Permitted Preferred Equity; or (3) incur any similar indebtedness or issue any similar equity.

Section 11.03 Mortgage Loan Administration Matters Regarding Liens, Transfers, and Assumptions.

(a) **Assumption of Mortgage Loan.**

Lender shall consent to a Transfer of the Mortgaged Property to and an assumption of the Mortgage Loan by a new borrower if each of the following conditions is satisfied prior to the Transfer:

(1) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(a);

(2) no Event of Default has occurred and is continuing, and no event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing;

(3) Lender determines that:

(A) the proposed new borrower, new key principal, and any other new guarantor fully satisfy all of Lender's then-applicable borrower, key principal, or guarantor eligibility, credit, management, and other loan underwriting standards, which shall include an analysis of (i) the previous relationships between Lender and the proposed new borrower, new key principal, new guarantor, and any Person in Control of them, and the organization of the new borrower, new key principal, and new guarantor (if applicable), and (ii) the operating and financial performance of the Mortgaged Property, including physical condition and occupancy;

(B) none of the proposed new borrower, new key principal, and any new guarantor, or any owners of the proposed new borrower, new key principal, and any new guarantor, are a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(C) none of the proposed new borrower, new key principal, and any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date;

(4) [reserved];

(5) the proposed new borrower has:

(A) executed an assumption agreement acceptable to Lender that, among other things, requires the proposed new borrower to assume and perform all obligations of Borrower (or any other transferor), and that may require that the new borrower comply with any provisions of any Loan Document which previously may have been waived by Lender for Borrower, subject to the terms of Section 11.03(g);

(B) if required by Lender, delivered to the title company for filing and/or recording in all applicable jurisdictions, all applicable Loan Documents including the assumption agreement to correctly evidence the assumption and the confirmation, continuation, perfection, and priority of the Liens created hereunder and under the other Loan Documents; and

(C) delivered to Lender a "date-down" endorsement to the Title Policy acceptable to Lender (or a new title insurance policy if a "date-down" endorsement is not available);

(6) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(A) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(B) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender;

(7) Lender has reviewed and approved the Transfer documents;

(8) Lender has received the fees described in Section 11.03(g); and

(9) with respect to any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS that are outstanding, the Transfer shall not result in an Adverse Tax Event.

(b) Transfers to Key Principal-Owned Affiliates or Guarantor-Owned Affiliates.

(1) Except as otherwise covered in Section 11.03(b)(2) below, Transfers of direct or indirect ownership interests in Borrower to Key Principal or Guarantor, or to a transferee through which Key Principal or Guarantor (as applicable) Controls Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer, shall be consented to by Lender if such Transfer satisfies the applicable requirements of Section 11.03(a) as they would relate to such transferee, other than Section 11.03(a)(5).

(2) Transfers of direct or indirect interests in Borrower held by a Key Principal or Guarantor to other Key Principals or Guarantors, as applicable, shall be consented to by Lender if such Transfer satisfies the following conditions:

(A) the Transfer does not cause a change in the Control of Borrower; and

(B) the transferor Key Principal or Guarantor maintains the same right and ability to Control Borrower as existed prior to the Transfer.

If the conditions set forth in this Section 11.03(b) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(c) Estate Planning.

Notwithstanding the provisions of Section 11.02(b)(2), so long as (1) the Transfer does not cause a change in the Control of Borrower, and (2) Key Principal and Guarantor, as applicable, maintain the same right and ability to Control Borrower as existed prior to the Transfer, Lender shall consent to Transfers of direct or indirect ownership interests in Borrower and Transfers of direct or indirect ownership interests in an entity Key Principal or entity Guarantor to:

(A) Immediate Family Members of such transferor, each of whom must have obtained the legal age of majority;

(B) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor; or

(C) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of (i) such transferor and Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, (ii) Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, or (iii) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor.

If the conditions set forth in this Section 11.03(c) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(d) Termination or Revocation of Trust.

If any of Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust is an unpermitted Transfer; provided that the termination or revocation of the trust due to the death of an individual trustor shall not be considered an unpermitted Transfer so long as:

(1) Lender is notified within thirty (30) days of the death; and

(2) such Borrower, Guarantor, Key Principal, or other Person, as applicable, is replaced with an individual or entity acceptable to Lender, in accordance with the

provisions of Section 11.03(a) within ninety (90) days of the date of the death causing the termination or revocation.

If the conditions set forth in this Section 11.03(d) are satisfied, the Transfer Fee shall be waived; provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(e) **Death of Key Principal or Guarantor; Transfer Due to Death.**

(1) If a Key Principal or Guarantor that is a natural person dies, or if Control of Borrower, Guarantor, or Key Principal is Transferred, or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred as a result of the death of a Person (except in the case of trusts which is addressed in Section 11.03(d)), Borrower must notify Lender in writing within ninety (90) days in the event of such death. Unless waived in writing by Lender, the deceased shall be replaced by an individual or entity within one hundred eighty (180) days, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(e);

(B) Lender determines that, if applicable:

(i) any proposed new key principal and any other new guarantor (or Person Controlling such new key principal or new guarantor) fully satisfies all of Lender's then-applicable key principal or guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new key principal and new guarantor (or Person Controlling such new key principal or new guarantor) and the organization of the new key principal and new guarantor);

(ii) none of any proposed new key principal or any new guarantor, or any owners of the proposed new key principal or any new guarantor, is a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(iii) none of any proposed new key principal or any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) if applicable, one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Key Principal, Guarantor, or other Person is required by Lender due to the death described in this Section 11.03(e), and such replacement has not occurred within such period, the period for replacement may be extended by Lender to a date not more than one (1) year from the date of such death; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(e) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(f) Bankruptcy of Guarantor.

(1) Upon the occurrence of any Guarantor Bankruptcy Event, unless waived in writing by Lender, the applicable Guarantor shall be replaced by an individual or entity within ninety (90) days of such Guarantor Bankruptcy Event, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(f);

(B) Lender determines that:

(i) the proposed new guarantor fully satisfies all of Lender's then-applicable guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new guarantor and the organization of the new guarantor (if applicable));

(ii) no new guarantor is a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(iii) no new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Guarantor is required by Lender due to the Guarantor Bankruptcy Event described in this Section 11.03(f), and such replacement has not occurred within such period, the period for replacement may be extended by Lender in its discretion; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(f) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(g) Further Conditions to Transfers and Assumption.

(1) In connection with any Transfer of the Mortgaged Property, or an ownership interest in Borrower, Key Principal, or Guarantor for which Lender's approval is required under this Loan Agreement (including Section 11.03(a)), Lender may, as a condition to any such approval, require:

(A) additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property;

(B) amendment of the Loan Documents to delete or modify any specially negotiated terms or provisions previously granted for the exclusive benefit of original Borrower, Key Principal, or Guarantor and to restore the original provisions of the Lender's form multifamily loan documents, to the extent such provisions were previously modified or to avoid the occurrence of an Adverse Tax Event;

(C) a modification to the amounts required to be deposited into the Reserve/Escrow Account pursuant to the terms of Section 13.02(a)(3)(B);

(D) with respect to any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS that are outstanding, the Transfer shall not result in an Adverse Tax Event; or

(E) the Transfer would not violate the requirements of Section 11.02(b)(2)(D).

(2) In connection with any request by Borrower for consent to a Transfer, Borrower shall pay to Lender upon demand:

(A) the Transfer Fee (to the extent charged by Lender);

(B) the Review Fee (regardless of whether Lender approves or denies such request); and

(C) all of Lender's out-of-pocket costs (including reasonable attorneys' fees) incurred in reviewing the Transfer request, regardless of whether Lender approves or denies such request.

ARTICLE 12 - IMPOSITIONS

Section 12.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 12.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Payment of Taxes, Assessments, and Other Charges.

Borrower has:

(1) paid (or with the approval of Lender, established an escrow fund sufficient to pay when due and payable) all amounts and charges relating to the Mortgaged Property that have become due and payable before any fine, penalty interest, lien, or costs may be added thereto, including Impositions, leasehold payments, and ground rents;

(2) paid all Taxes for the Mortgaged Property that have become due before any fine, penalty interest, lien, or costs may be added thereto pursuant to any notice of assessment received by Borrower and any and all taxes that have become due against Borrower before any fine, penalty interest, lien, or costs may be added thereto;

(3) no knowledge of any basis for any additional assessments;

(4) no knowledge of any presently pending special assessments against all or any part of the Mortgaged Property, or any presently pending special assessments against Borrower; and

(5) not received any written notice of any contemplated special assessment against the Mortgaged Property, or any contemplated special assessment against Borrower.

Section 12.02 Covenants.

(a) Imposition Deposits, Taxes, and Other Charges.

Borrower shall:

(1) deposit the Imposition Deposits with Lender on each Payment Date (or on another day designated in writing by Lender) in amount sufficient, in Lender's discretion, to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added, plus an amount equal to no more than one-sixth (or the amount permitted by applicable law) of the Impositions for the trailing twelve (12) months (calculated based on the aggregate annual Imposition costs divided by twelve (12) and multiplied by two (2));

(2) deposit with Lender, within ten (10) days after written notice from Lender (subject to applicable law), such additional amounts estimated by Lender to be reasonably necessary to cure any deficiency in the amount of the Imposition Deposits held for payment of a specific Imposition;

(3) except as set forth in Section 12.03(c) below, pay all Impositions, leasehold payments, ground rents, and Taxes when due and before any fine, penalty interest, lien, or costs may be added thereto;

(4) promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and, if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments; and

(5) promptly deliver to Lender a copy of all notices of any special assessments and contemplated special assessments against the Mortgaged Property or Borrower.

Section 12.03 Mortgage Loan Administration Matters Regarding Impositions.

(a) Maintenance of Records by Lender.

Lender shall maintain records of the monthly and aggregate Imposition Deposits held by Lender for the purpose of paying Taxes, insurance premiums, and each other obligation of Borrower for which Imposition Deposits are required.

(b) Imposition Accounts.

All Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency and which accounts meet the standards for custodial accounts as required by Lender from time to time. Lender shall not be obligated to open additional accounts, or deposit Imposition Deposits in additional institutions, when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. No interest, earnings, or profits on the Imposition Deposits shall be paid to Borrower unless applicable law so requires. Imposition Deposits shall not be trust funds or operate to reduce the Indebtedness, unless applied by Lender for that purpose in accordance with this Loan Agreement. For the purposes of 9-104(a)(3) of the UCC, Lender is the owner of the Imposition Deposits and shall be deemed a "customer" with sole control of the account holding the Imposition Deposits.

(c) Payment of Impositions; Sufficiency of Imposition Deposits.

Lender may pay an Imposition according to any bill, statement, or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement, or estimate or into the validity of the Imposition. Imposition Deposits shall be required to be used by Lender to pay Taxes, insurance premiums and any other individual Imposition only if:

(1) no Event of Default exists;

(2) Borrower has timely delivered to Lender all applicable bills or premium notices that it has received; and

(3) sufficient Imposition Deposits are held by Lender for each Imposition at the time such Imposition becomes due and payable.

Lender shall have no liability to Borrower or any other Person for failing to pay any Imposition if any of the conditions are not satisfied. If at any time the amount of the Imposition Deposits held for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender to be held in connection with such Imposition, the excess may be credited against future installments of Imposition Deposits for such Imposition.

(d) Imposition Deposits Upon Event of Default.

If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in such amount and in such order as Lender determines, to pay any Impositions or as a credit against the Indebtedness.

(e) Contesting Impositions.

Other than insurance premiums, Borrower may contest, at its expense, by appropriate legal proceedings, the amount or validity of any Imposition if:

(1) Borrower notifies Lender of the commencement or expected commencement of such proceedings;

(2) Lender determines that the Mortgaged Property is not in danger of being sold or forfeited;

(3) Borrower deposits with Lender (or the applicable Governmental Authority if required by applicable law) reserves sufficient to pay the contested Imposition, if required by Lender (or the applicable Governmental Authority);

(4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Lender; and

(5) Borrower commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

(f) Release to Borrower.

Upon payment in full of all sums secured by the Security Instrument and this Loan Agreement and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower the balance of any Imposition Deposits then on deposit with Lender.

ARTICLE 13 – REPLACEMENTS, REPAIRS, AND RESTORATION

Section 13.01 Covenants.

(a) Initial Deposits to Replacement Reserve Account, Repairs Escrow Account, and Restoration Reserve Account.

(1) On the Effective Date, Borrower shall pay to Lender:

(A) the Initial Replacement Reserve Deposit for deposit into the Replacement Reserve Account; and

(B) the Repairs Escrow Deposit for deposit into the Repairs Escrow Account.

(2) After an event of loss (except as set forth in Section 9.03(b)(2)), Borrower shall deliver or cause to be delivered to Lender any insurance proceeds received under any insurance policy required to be maintained in accordance with Article 9.

(b) Monthly Replacement Reserve Deposits.

Borrower shall deposit the applicable Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(c) Payment and Deliverables for Replacements, Repairs, and Restoration.

Borrower shall:

(1) pay all invoices for Replacements, Repairs, and Restoration, regardless of whether funds on deposit in the applicable Reserve/Escrow Account are sufficient to pay the full amount of such invoices, prior to any request for disbursement from such Reserve/Escrow Account (unless Lender has agreed to issue joint checks in connection with a particular Replacement, Repair, or Restoration);

(2) pay all applicable fees and charges of any Governmental Authority on account of the Replacements, Repairs, and Restoration, as applicable;

(3) provide evidence satisfactory to Lender of completion of the Replacements, Restoration (within the period required under Section 9.03(b)(1)(B)(iv) or such other period required by Lender), and any Required Repairs (within the Completion Period or within such other period or by such other date set forth in the Required Repair Schedule and any Borrower Requested Repairs and Additional Lender Repairs (by the date specified by Lender for any such Borrower Requested Repairs or Additional Lender Repairs)); and

(4) prior to commencement of any Restoration, Borrower shall deliver to Lender, for Lender's review and approval:

(A) a copy of the plans and specifications for the Restoration; and

(B) a copy of all building and other permits and authorizations required by any law, ordinance, statute, rule or regulation of the Governmental Authority to carry out the Restoration.

(d) Assignment of Contracts for Replacements, Repairs, and Restoration.

Borrower shall collaterally assign to Lender as additional security any contract or subcontract for Replacements, Repairs, or Restoration, upon Lender's written request, on a form of assignment approved by Lender.

(e) Indemnification.

If Lender elects to exercise its rights under Section 14.03 due to Borrower's failure to timely commence or complete any Replacements, Repairs, or Restoration, Borrower shall indemnify and hold Lender harmless for, from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Replacements, Repairs, or Restoration or the investment of the Reserve/Escrow Account Funds; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees, or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(f) Amendments to Loan Documents.

Subject to Section 5.02, Borrower shall execute and deliver to Lender, upon written request, an amendment to this Loan Agreement, the Security Instrument, and any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of the Mortgaged Property for which Reserve/Escrow Account Funds were expended.

(g) Administrative Fees and Expenses.

Borrower shall pay to Lender:

(1) by the date specified in the applicable invoice, the Repairs Escrow Account Administration Fee, the Replacement Reserve Account Administration Fee, and the Restoration Reserve Account Administration Fee for Lender's services in administering the Reserve/Escrow Accounts and investing the Reserve/Escrow Account Funds;

(2) upon demand, a reasonable inspection fee, not exceeding the Maximum Inspection Fee, for each inspection of the Mortgaged Property by Lender in connection with a Repair, Replacement, or Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections; and

(3) upon demand, all reasonable fees charged by any engineer, architect, inspector or other person inspecting the Mortgaged Property on behalf of Lender for each inspection of the Mortgaged Property in connection with a Repair, Replacement, or

Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections.

Section 13.02 Mortgage Loan Administration Matters Regarding Reserves.

(a) Accounts, Deposits, and Disbursements.

(1) Custodial Accounts.

(A) The Replacement Reserve Account shall be an interest-bearing account that meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the Replacement Reserve Deposits or for obtaining any specific level or percentage of earnings on such investment. All interest, if any, earned on the Replacement Reserve Deposits shall be added to and become part of the Replacement Reserve Account; provided, however, if applicable law requires, and so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the Replacement Reserve Account not less frequently than the Replacement Reserve Account Interest Disbursement Frequency.

(B) Lender shall not be obligated to deposit the Repairs Escrow Deposits or any funds held in the Restoration Reserve Account into an interest-bearing account.

(C) In no event shall Lender be obligated to disburse funds from any Reserve/Escrow Account if an Event of Default has occurred and is continuing.

(2) Disbursements by Lender Only.

Only Lender or a designated representative of Lender may make disbursements from the Reserve/Escrow Accounts. Disbursements shall only be made upon Borrower request and after satisfaction of all conditions for disbursement.

(3) Adjustment to Deposits.

(A) Mortgage Loan Terms Exceeding Ten (10) Years.

If the Loan Term exceeds ten (10) years (or five (5) years in the case of any Mortgaged Property that is an "affordable housing property" as indicated on the Summary of Loan Terms), a property condition assessment shall be ordered by Lender for the Mortgaged Property at the expense of Borrower (which expense may be paid out of the Replacement Reserve Account if excess funds are available). The property condition assessment shall be performed no earlier than the sixth (6th) month and no later than the ninth month of the tenth Loan Year and every tenth

Loan Year thereafter if the Loan Term exceeds twenty (20) years (or the fifth Loan Year in the case of any Mortgaged Property that is an "affordable housing property" as indicated on the Summary of Loan Terms and every fifth Loan Year thereafter if the Loan Term exceeds ten (10) years). After review of the property condition assessment, the amount of the Monthly Replacement Reserve Deposit may be adjusted by Lender for the remaining Loan Term by written notice to Borrower so that the Monthly Replacement Reserve Deposits are sufficient to fund the Replacements as and when required and/or the amount to be held in the Repairs Escrow Account may be adjusted by Lender so that the Repairs Escrow Deposit is sufficient to fund the Repairs as and when required.

(B) Transfers.

In connection with any Transfer of the Mortgaged Property, or any Transfer of an ownership interest in Borrower, Guarantor, or Key Principal that requires Lender's consent, Lender may review the amounts on deposit, if any, in the Reserve/Escrow Accounts, the amount of the Monthly Replacement Reserve Deposit and the likely repairs and replacements required by the Mortgaged Property, and the related contingencies which may arise during the remaining Loan Term. Based upon that review, Lender may require an additional deposit to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit as a condition to Lender's consent to such Transfer.

(4) Insufficient Funds.

Lender may, upon ten (10) days' prior written notice to Borrower, require an additional deposit(s) to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit, if Lender determines that the amounts on deposit in any of the Reserve/Escrow Accounts are not sufficient to cover the costs for Required Repairs, Required Replacements, or the Restoration or, pursuant to the terms of Section 13.02(a)(9), not sufficient to cover the costs for Borrower Requested Repairs, Additional Lender Repairs, Borrower Requested Replacements, or Additional Lender Replacements. Borrower's agreement to complete the Replacements, the Repairs, or the Restoration as required by this Loan Agreement shall not be affected by the insufficiency of any balance in the Reserve/Escrow Accounts.

(5) Disbursements for Replacements, Repairs, and Restoration.

(A) With respect to Replacements, disbursement requests may only be made after completion of the applicable Replacements and only to reimburse Borrower for the actual approved costs of the Replacements. Lender shall not disburse from the Replacement Reserve Account the costs of routine maintenance to the Mortgaged Property or for costs which are to be reimbursed from any other

Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9)), and must:

(A) if applicable, specify the quantity and price of the items or materials purchased, grouped by type or category;

(B) if applicable, specify the cost of all contracted labor or other services, including architectural services, involved in the Replacement, Repair, or Restoration for which such request for disbursement is made;

(C) if applicable, include copies of invoices for all items or materials purchased and all contracted labor or services provided;

(D) include evidence of payment of such Replacement, Repair, or Restoration satisfactory to Lender (unless Lender has agreed to issue joint checks in connection with a particular Repair, Replacement, or Restoration item as provided in this Loan Agreement);

(E) if applicable, contain a certification by Borrower that the Repair, Replacement, or Restoration has been completed lien free and in a good and workmanlike manner, in accordance with any plans and specifications previously approved by Lender (if applicable) and in compliance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority having jurisdiction over the Mortgaged Property, and otherwise in accordance with the provisions of this Loan Agreement; and

(F) if applicable, include evidence that any certificates of occupancy required by applicable laws or any Governmental Authority have been issued.

(7) Conditions to Disbursement.

In addition to each disbursement request and information required in connection with such disbursement request, Lender may require any or all of the following at the expense of Borrower as a condition to disbursement of Reserve/Escrow Account Funds (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9)):

(A) an inspection by Lender of the Mortgaged Property and the applicable Replacement, Repair, or Restoration item;

(B) an inspection or certificate of completion by an appropriate independent qualified professional (such as an architect, engineer or property

inspector, depending on the nature of the Repair, Replacement, or Restoration) selected by Lender;

(C) either:

(i) a search of title to the Mortgaged Property effective to the date of disbursement; or

(ii) a "date-down" endorsement to Lender's Title Policy (or a new Lender's Title Policy if a "date-down" is not available) extending the effective date of such policy to the date of disbursement, and showing no Liens other than (1) Permitted Encumbrances, (2) liens which Borrower is diligently contesting in good faith that have been bonded off to the satisfaction of Lender, or (3) mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(D) an acknowledgement of payment, waiver of claims, and release of lien for work performed and materials supplied from each contractor, subcontractor or materialman in accordance with the requirements of applicable law and covering all work performed and materials supplied (including equipment and fixtures) for the Mortgaged Property by that contractor, subcontractor, or materialman through the date covered by the disbursement request (or, in the event that payment to such contractor, subcontractor, or materialman is to be made by a joint check, the release of lien shall be effective through the date covered by the previous disbursement).

(8) Joint Checks for Periodic Disbursements.

Lender may, upon Borrower's written request, issue joint checks, payable to Borrower and the applicable supplier, materialman, mechanic, contractor, subcontractor, or other similar party, if:

(A) the cost of the Replacement, Repair, or Restoration item exceeds the Replacement Threshold, the Repair Threshold, or the Restoration Threshold, as applicable, and the contractor performing such Replacement, Repair, or Restoration requires periodic payments pursuant to the terms of the applicable written contract;

(B) the contract for such Replacement, Repair, or Restoration item requires payment upon completion of the applicable portion of the work;

(C) Borrower makes the disbursement request after completion of the applicable portion of the work required to be completed under such contract;

(D) the materials for which the request for disbursement has been made are on site at the Mortgaged Property and are properly secured or installed;

(E) Lender determines that the remaining funds in the Reserve/Escrow Account are sufficient to pay the cost of the Replacement, Repair, or Restoration item, as applicable, and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender;

(F) each supplier, materialman, mechanic, contractor, subcontractor, or other similar party receiving payments shall have provided, if requested in writing by Lender, a waiver of liens with respect to amounts which have been previously paid to them; and

(G) all other conditions for disbursement have been satisfied.

(9) **Replacements and Repairs Other than Required Replacements or Required Repairs.**

(A) Borrower Requested Replacements and Borrower Requested Repairs.

Borrower may submit a disbursement request from the Replacement Reserve Account or the Repairs Escrow Account to reimburse Borrower for any Borrower Requested Replacement or Borrower Requested Repair. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements for Borrower Requested Replacements or Borrower Requested Repairs if:

(i) they are of the type intended to be covered by the Replacement Reserve Account or the Repairs Escrow Account, as applicable;

(ii) the costs are commercially reasonable;

(iii) the amount of funds in the Replacement Reserve Account or Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements or Additional Lender Repairs that have been previously approved by Lender; and

(iv) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Loan Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit in connection with any such Borrower Requested Replacements, or an additional deposit to the Repairs Escrow Account for any such Borrower Requested Repairs.

(B) Additional Lender Replacements and Additional Lender Repairs.

Lender may require, as set forth in Section 6.02(b), Section 6.03(c), or otherwise from time to time, upon written notice to Borrower, that Borrower make Additional Lender Replacements or Additional Lender Repairs. Lender shall make disbursements from the Replacement Reserve Account for Additional Lender Replacements or from the Repairs Escrow Account for Additional Lender Repairs, as applicable, if:

(i) the costs are commercially reasonable;

(ii) the amount of funds in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(iii) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Loan Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit for any such Additional Lender Replacements or an additional deposit to the Repairs Escrow Account for any such Additional Lender Repair.

(10) Excess Costs.

In the event any Replacement or Repair exceeds the approved cost set forth on the Required Replacement Schedule for Replacements, or the Maximum Repair Cost for Repairs, as applicable, or any Restoration item exceeds the initial cost approved by Lender

for Restoration, Borrower may submit a disbursement request to reimburse Borrower for such excess cost. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements from the applicable Reserve/Escrow Account, if:

(A) the excess cost is commercially reasonable;

(B) the amount of funds in the applicable Reserve/Escrow Account is sufficient to pay such excess costs and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(C) all conditions for disbursement from the applicable Reserve/Escrow Account have been satisfied.

(11) Final Disbursements.

Upon completion and satisfaction of all conditions for disbursements for any Repairs and Restoration, and further provided no Event of Default has occurred and is continuing, Lender shall disburse to Borrower any amounts then remaining in the Repairs Escrow Account or the Restoration Reserve Account, as applicable. Upon payment in full of the Indebtedness and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower any and all amounts then remaining in the Reserve/Escrow Accounts (if not previously released).

(b) Approvals of Contracts; Assignment of Claims.

Lender retains the right to approve all contracts or work orders with materialmen, mechanics, suppliers, subcontractors, contractors, or other parties providing labor or materials in connection with the Replacements, Repairs, or Restoration. Notwithstanding Borrower's assignment (in the Security Instrument) of its rights and claims against all Persons supplying labor or materials in connection with the Replacements, Repairs, or Restoration, Lender will not pursue any such right or claim unless an Event of Default has occurred and is continuing or as otherwise provided in Section 14.03(c).

(c) Delays and Workmanship.

If any work for any Replacement, Repair, or Restoration item has not timely commenced, has not been timely performed in a workmanlike manner, or has not been timely completed in a workmanlike manner, Lender may, without notice to Borrower:

(1) withhold disbursements from the applicable Reserve/Escrow Account;

(2) proceed under existing contracts or contract with third parties to make or complete such Replacements, Repairs, or Restoration item;

(3) apply the funds in the applicable Reserve/Escrow Account toward the labor and materials necessary to make or complete such Replacements, Repairs, or Restoration items, as applicable; or

(4) exercise any and all other remedies available to Lender under this Loan Agreement or any other Loan Document, including any remedies otherwise available upon an Event of Default pursuant to the terms of Section 14.02.

To facilitate Lender's completion and performance of such Replacements, Repairs, or Restoration items, Lender shall have the right to enter onto the Mortgaged Property and perform any and all work and labor necessary to make or complete the Replacements, Repairs, or Restoration and employ watchmen to protect the Mortgaged Property from damage. All funds so expended by Lender shall be deemed to have been advanced to Borrower, and included as part of the Indebtedness and secured by the Security Instrument and this Loan Agreement.

(d) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(e) No Lender Obligation.

Nothing in this Loan Agreement shall:

(1) make Lender responsible for making or completing the Replacements, Repairs, or Restoration;

(2) require Lender to expend funds, whether from any Reserve/Escrow Account, or otherwise, to make or complete any Replacement, Repair, or Restoration item;

(3) obligate Lender to proceed with the Replacements, Repairs, or Restoration; or

(4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement, Repair, or Restoration item.

(f) No Lender Warranty.

Lender's approval of any plans for any Replacement, Repair, or Restoration, release of funds from any Reserve/Escrow Account, inspection of the Mortgaged Property by Lender or its agents, representatives, or designees, or other acknowledgment of completion of any Replacement, Repair, or Restoration in a manner satisfactory to Lender shall not be deemed an acknowledgment

or warranty to any Person that the Replacement, Repair, or Restoration has been completed in accordance with applicable building, zoning, or other codes, ordinances, statutes, laws, regulations, or requirements of any Governmental Authority, such responsibility being at all times exclusively that of Borrower.

ARTICLE 14 - DEFAULTS/REMEDIES

Section 14.01 Events of Default.

The occurrence of any one or more of the following in this Section 14.01 shall constitute an Event of Default under this Loan Agreement.

(a) **Automatic Events of Default.**

Any of the following shall constitute an automatic Event of Default:

(1) any failure by Borrower to pay or deposit when due any amount required by the Note, this Loan Agreement or any other Loan Document;

(2) any failure by Borrower to maintain the insurance coverage required by any Loan Document;

(3) any failure by Borrower to comply with the provisions of Section 4.02(d) relating to its single asset status;

(4) if any warranty, representation, certification, or statement of Borrower or Guarantor in this Loan Agreement or any of the other Loan Documents is false, inaccurate, or misleading in any material respect when made;

(5) fraud, gross negligence, willful misconduct, or material misrepresentation or material omission by or on behalf of Borrower, Guarantor, or Key Principal or any of their officers, directors, trustees, partners, members, or managers in connection with:

(A) the application for, or creation of, the Indebtedness;

(B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Mortgage Loan; or

(C) any request for Lender's consent to any proposed action, including a request for disbursement of Reserve/Escrow Account Funds or Collateral Account Funds;

(6) the occurrence of any Transfer not permitted by the Loan Documents;

(7) the occurrence of a Bankruptcy Event;

(8) the commencement of a forfeiture action or other similar proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Loan Agreement or the Security Instrument or Lender's interest in the Mortgaged Property;

(9) if Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust, except as set forth in Section 11.03(d);

(10) any failure by Borrower to complete any Repair related to fire, life, or safety issues in accordance with the terms of this Loan Agreement within the Completion Period (or such other date set forth on the Required Repair Schedule or otherwise required by Lender in writing for such Repair); or

(11) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust, or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable.

(b) Events of Default Subject to a Specified Cure Period.

Any of the following shall constitute an Event of Default subject to the cure period set forth in the Loan Documents:

(1) if Key Principal or Guarantor is a natural person, the death of such individual, unless all requirements of Section 11.03(e) are met;

(2) the occurrence of a Guarantor Bankruptcy Event, unless requirements of Section 11.03(f) are met;

(3) any failure by Borrower, Key Principal, or Guarantor to comply with the provisions of Section 5.02(b) and Section 5.02(c); or

(4) any failure by Borrower to perform any obligation under this Loan Agreement or any Loan Document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth herein or in the applicable Loan Document.

(c) Events of Default Subject to Extended Cure Period.

The following shall constitute an Event of Default if the existence of such condition or event, or such failure to perform or default in performance continues for a period of thirty (30) days after written notice by Lender to Borrower of the existence of such condition or event, or of such failure to perform or default in performance, provided, however, such period may be extended

for up to an additional thirty (30) days if Borrower, in the discretion of Lender, is diligently pursuing a cure of such; provided, further, however, no such written notice, grace period, or extension shall apply if, in Lender's discretion, immediate exercise by Lender of a right or remedy under this Loan Agreement or any Loan Document is required to avoid harm to Lender or impairment of the Mortgage Loan (including the Loan Documents), the Mortgaged Property or any other security given for the Mortgage Loan:

(1) any failure by Borrower to perform any of its obligations under this Loan Agreement or any Loan Document (other than those specified in Section 14.01(a) or Section 14.01(b) above) as and when required; or

(2) if Lender incurs any costs or expenses or suffers any loss or damage as a result of any claims, actions, suits or proceedings arising from any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property.

Section 14.02 Remedies.

(a) Acceleration; Foreclosure.

If an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any Accrued Interest, interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other Indebtedness, at the option of Lender, shall immediately become due and payable, without any prior written notice to Borrower, unless applicable law requires otherwise (and in such case, after any required written notice has been given). Lender may exercise this option to accelerate regardless of any prior forbearance. In addition, Lender shall have all rights and remedies afforded to Lender hereunder and under the other Loan Documents, including, foreclosure on and/or the power of sale of the Mortgaged Property, as provided in the Security Instrument, and any rights and remedies available to Lender at law or in equity (subject to Borrower's statutory rights of reinstatement, if any). Any proceeds of a Foreclosure Event may be held and applied by Lender as additional collateral for the Indebtedness pursuant to this Loan Agreement. Notwithstanding the foregoing, the occurrence of any Bankruptcy Event shall automatically accelerate the Mortgage Loan and all obligations and Indebtedness shall be immediately due and payable without written notice or further action by Lender.

(b) Loss of Right to Disbursements from Collateral Accounts.

If an Event of Default has occurred and is continuing, Borrower shall immediately lose all of its rights to receive disbursements from the Reserve/Escrow Accounts and any Collateral Accounts. During the continuance of any such Event of Default, Lender may use the Reserve/Escrow Account Funds and any Collateral Account Funds (or any portion thereof) for any purpose, including:

(1) repayment of the Indebtedness, including principal prepayments and the Prepayment Premium applicable to such full or partial prepayment, as applicable (however, such application of funds shall not cure or be deemed to cure any Event of Default);

(2) reimbursement of Lender for all losses and expenses (including reasonable legal fees) suffered or incurred by Lender as a result of such Event of Default;

(3) completion of the Replacement, Repair, Restoration, or for any other replacement or repair to the Mortgaged Property; and

(4) payment of any amount expended in exercising (and the exercise of) all rights and remedies available to Lender at law or in equity or under this Loan Agreement or under any of the other Loan Documents.

Nothing in this Loan Agreement shall obligate Lender to apply all or any portion of the Reserve/Escrow Account Funds or Collateral Account Funds on account of any Event of Default by Borrower or to repayment of the Indebtedness or in any specific order of priority.

(c) Remedies Cumulative.

Each right and remedy provided in this Loan Agreement is distinct from all other rights or remedies under this Loan Agreement or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of additional default by Borrower in order to exercise any of its remedies with respect to an Event of Default.

Section 14.03 Additional Lender Rights; Forbearance.

(a) No Effect Upon Obligations.

Lender may, but shall not be obligated to, agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, Guarantor, Key Principal, or other third party obligor, to take any of the following actions:

(1) the time for payment of the principal of or interest on the Indebtedness may be extended, or the Indebtedness may be renewed in whole or in part;

(2) the rate of interest on or period of amortization of the Mortgage Loan or the amount of the Monthly Debt Service Payments payable under the Loan Documents may be modified;

(3) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(4) any or all payments due under this Loan Agreement or any other Loan Document may be reduced;

(5) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Mortgage Loan;

(6) any amounts under this Loan Agreement or any other Loan Document may be released;

(7) any security for the Indebtedness may be modified, exchanged, released, surrendered, or otherwise dealt with, or additional security may be pledged or mortgaged for the Indebtedness;

(8) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; or

(9) any other terms of the Loan Documents may be modified.

(b) No Waiver of Rights or Remedies.

Any waiver of an Event of Default or forbearance by Lender in exercising any right or remedy under this Loan Agreement or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of any other Event of Default or preclude the exercise or failure to exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise or failure to exercise of any other right available to Lender. Lender's receipt of any insurance proceeds or amounts in connection with a Condemnation Action shall not operate to cure or waive any Event of Default.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, to:

(1) use any Reserve/Escrow Account Funds for the purpose of making or completing the Replacements, Repairs, or Restoration;

(2) make such additions, changes, and corrections to the Replacements, Repairs, or Restoration as shall be necessary or desirable to complete the Replacements, Repairs, or Restoration;

(3) employ such contractors, subcontractors, agents, architects, and inspectors as shall be required for such purposes;

(4) pay, settle, or compromise all bills and claims for materials and work performed in connection with the Replacements, Repairs, or Restoration, or as may be necessary or desirable for the completion of the Replacements, Repairs, or Restoration, or for clearance of title;

(5) adjust and compromise any claims under any and all policies of insurance required pursuant to this Loan Agreement and any other Loan Document, subject only to Borrower's rights under this Loan Agreement;

(6) appear in and prosecute any action arising from any insurance policies;

(7) collect and receive the proceeds of insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds;

(8) commence, appear in, and prosecute, in Lender's or Borrower's name, any Condemnation Action;

(9) settle or compromise any claim in connection with any Condemnation Action;

(10) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;

(11) prosecute and defend all actions or proceedings in connection with the Mortgaged Property or the rehabilitation and repair of the Mortgaged Property;

(12) take such actions as are permitted in this Loan Agreement and any other Loan Documents;

(13) execute such financing statements and other documents and to do such other acts as Lender may require to perfect and preserve Lender's security interest in, and to enforce such interests in, the collateral; and

(14) carry out any remedy provided for in this Loan Agreement and any other Loan Documents, including endorsing Borrower's name to checks, drafts, instruments and other items of payment and proceeds of the collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of Borrower,

changing the address of Borrower to that of Lender, opening all envelopes addressed to Borrower, and applying any payments contained therein to the Indebtedness.

Borrower hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 14.03(c) shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Loan Agreement and any other Loan Documents.

Notwithstanding the foregoing provisions, Lender shall not exercise its rights as set forth in this Section 14.03(c) unless: (A) an Event of Default has occurred and is continuing, or (B) Lender determines, in its discretion, that exigent circumstances exist or that such exercise is necessary or prudent in order to protect and preserve the Mortgaged Property, or Lender's lien priority and security interest in the Mortgaged Property.

(d) **Borrower Waivers.**

If more than one Person signs this Loan Agreement as Borrower, each Borrower, with respect to any other Borrower, hereby agrees that Lender, in its discretion, may:

(1) bring suit against Borrower, or any one or more of Borrower, jointly and severally, or against any one or more of them;

(2) compromise or settle with any one or more of the persons constituting Borrower, for such consideration as Lender may deem proper;

(3) release one or more of the persons constituting Borrower, from liability; or

(4) otherwise deal with Borrower, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from any Borrower the full amount of the Indebtedness.

Section 14.04 Waiver of Marshaling.

Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Loan Agreement, any other Loan Document or applicable law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security

interest in the Mortgaged Property and who has actual or constructive notice of this Loan Agreement waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Loan Agreement or any other Loan Documents.

Lender shall account for any moneys received by Lender in respect of any foreclosure on or disposition of collateral hereunder and under the other Loan Documents provided that Lender shall not have any duty as to any collateral, and Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers. NONE OF LENDER OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL BE RESPONSIBLE TO BORROWER (a) FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE COURT ORDER BY A COURT OF COMPETENT JURISDICTION, OR (b) FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE 15 - MISCELLANEOUS

Section 15.01 Governing Law; Consent to Jurisdiction and Venue.

(a) Governing Law.

This Loan Agreement and any other Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction without regard to the application of choice of law principles.

(b) Venue.

Any controversy arising under or in relation to this Loan Agreement or any other Loan Document shall be litigated exclusively in the Property Jurisdiction without regard to conflicts of laws principles. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Loan Agreement or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence, or otherwise.

Section 15.02 Notice.

(a) Process of Serving Notice.

Except as otherwise set forth herein or in any other Loan Document, all notices under this Loan Agreement and any other Loan Document shall be:

(1) in writing and shall be:

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;

(C) sent by overnight courier; or

(D) sent by electronic mail with originals to follow by overnight courier;

(2) addressed to the intended recipient at Borrower's Notice Address and Lender's Notice Address, as applicable; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Change of Address.

Any party to this Loan Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified on the Summary of Loan Terms in accordance with this Section 15.02.

(c) Default Method of Notice.

Any required notice under this Loan Agreement or any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 15.02.

(d) Receipt of Notices.

Neither Borrower nor Lender shall refuse or reject delivery of any notice given in accordance with this Loan Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Section 15.03 Successors and Assigns Bound; Sale of Mortgage Loan.

(a) Binding Agreement.

This Loan Agreement shall bind, and the rights granted by this Loan Agreement shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower. However, a Transfer not permitted by this Loan Agreement shall be an Event of Default and shall be void ab initio.

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(b) Sale of Mortgage Loan; Change of Servicer.

Nothing in this Loan Agreement shall limit Lender's (including its successors and assigns) right to sell or transfer the Mortgage Loan or any interest in the Mortgage Loan. The Mortgage Loan or a partial interest in the Mortgage Loan (together with this Loan Agreement and the other Loan Documents) may be sold one or more times without prior written notice to Borrower. A sale may result in a change of the Loan Servicer.

Section 15.04 Counterparts.

This Loan Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

Section 15.05 Joint and Several (or Solidary) Liability.

If more than one Person signs this Loan Agreement as Borrower, the obligations of such Persons shall be joint and several (solidary instead for purposes of Louisiana law).

Section 15.06 Relationship of Parties; No Third Party Beneficiary.

(a) Solely Creditor and Debtor.

The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Loan Agreement shall create any other relationship between Lender and Borrower. Nothing contained in this Loan Agreement shall constitute Lender as a joint venturer, partner, or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations, or contracts of Borrower.

(b) No Third Party Beneficiaries.

No creditor of any party to this Loan Agreement and no other Person shall be a third party beneficiary of this Loan Agreement or any other Loan Document or any account created or contemplated under this Loan Agreement or any other Loan Document. Nothing contained in this Loan Agreement shall be deemed or construed to create an obligation on the part of Lender to any third party and no third party shall have a right to enforce against Lender any right that Borrower may have under this Loan Agreement. Without limiting the foregoing:

(1) any Servicing Arrangement between Lender and any Loan Servicer shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness;

(2) Borrower shall not be a third party beneficiary of any Servicing Arrangement; and

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(3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

Section 15.07 Severability; Entire Agreement; Amendments.

The invalidity or unenforceability of any provision of this Loan Agreement or any other Loan Document shall not affect the validity or enforceability of any other provision of this Loan Agreement or of any other Loan Document, all of which shall remain in full force and effect, including the Guaranty. All of the Loan Documents contain the complete and entire agreement among the parties as to the matters covered, rights granted, and the obligations assumed in this Loan Agreement and the other Loan Documents. This Loan Agreement may not be amended or modified except by written agreement signed by the parties hereto.

Section 15.08 Construction.

(a) The captions and headings of the sections of this Loan Agreement and the Loan Documents are for convenience only and shall be disregarded in construing this Loan Agreement and the Loan Documents.

(b) Any reference in this Loan Agreement to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Loan Agreement or to a Section or Article of this Loan Agreement.

(c) Any reference in this Loan Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(d) Use of the singular in this Loan Agreement includes the plural and use of the plural includes the singular.

(e) As used in this Loan Agreement, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only and not a limitation.

(f) Whenever Borrower's knowledge is implicated in this Loan Agreement or the phrase "to Borrower's knowledge" or a similar phrase is used in this Loan Agreement, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(g) Unless otherwise provided in this Loan Agreement, if Lender's approval, designation, determination, selection, estimate, action, or decision is required, permitted, or contemplated hereunder, such approval, designation, determination, selection, estimate, action, or decision shall be made in Lender's sole and absolute discretion.

(h) All references in this Loan Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

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(i) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

(j) If the Mortgage Loan proceeds are disbursed on a date that is later than the Effective Date, as described in Section 2.02(a)(1), the representations and warranties in the Loan Documents with respect to the ownership and operation of the Mortgaged Property shall be deemed to be made as of the disbursement date.

Section 15.09 Mortgage Loan Servicing.

All actions regarding the servicing of the Mortgage Loan, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives written notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such written notice from Lender shall govern. The Loan Servicer may change from time to time (whether related or unrelated to a sale of the Mortgage Loan). If there is a change of the Loan Servicer, Borrower will be given written notice of the change.

Section 15.10 Disclosure of Information.

Lender may furnish information regarding Borrower, Key Principal, or Guarantor, or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase, or securitization of the Mortgage Loan, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

Section 15.11 Waiver; Conflict.

No specific waiver of any of the terms of this Loan Agreement shall be considered as a general waiver. If any provision of this Loan Agreement is in conflict with any provision of any other Loan Document, the provision contained in this Loan Agreement shall control.

Section 15.12 No Reliance.

Borrower acknowledges, represents, and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Loan Agreement and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Mortgaged Property;

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(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into, or otherwise in connection with this Loan Agreement, any other Loan Document, or any of the matters contemplated hereby or thereby.

Section 15.13 Subrogation.

If, and to the extent that, the proceeds of the Mortgage Loan are used to pay, satisfy, or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust, or other lien encumbering the Mortgaged Property, such Mortgage Loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall be subrogated automatically, and without further action on its part, to the rights, including lien priority, of the owner or holder of the obligation secured by such prior lien, whether or not such prior lien is released.

Section 15.14 Counting of Days.

Except where otherwise specifically provided, any reference in this Loan Agreement to a period of "days" means calendar days, not Business Days. If the date on which Borrower is required to perform an obligation under this Loan Agreement is not a Business Day, Borrower shall be required to perform such obligation by the Business Day immediately preceding such date; provided, however, in respect of any Payment Date, or if the Maturity Date is other than a Business Day, Borrower shall be obligated to make such payment by the Business Day immediately following such date.

Section 15.15 Revival and Reinstatement of Indebtedness.

If the payment of all or any part of the Indebtedness by Borrower, Guarantor, or any other Person, or the transfer to Lender of any collateral or other property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Insolvency Laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection therewith, and the Indebtedness shall be automatically revived, reinstated, and restored by such amount and shall exist as though such Voidable Transfer had never been made.

Section 15.16 Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Loan Agreement and the other Loan Documents, time is of the essence.

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Section 15.17 Final Agreement.

THIS LOAN AGREEMENT ALONG WITH ALL OF THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Loan Agreement and the other Loan Documents. This Loan Agreement, the other Loan Documents, and any of their provisions may not be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

Section 15.18 WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT BY A JURY, AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 15.19 Tax Savings Clause.

Notwithstanding anything to the contrary herein, no modification to the Loan Documents (whether in connection with a Transfer or otherwise) shall result in an Adverse Tax Event.

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IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Loan Agreement under seal (where applicable) or have caused this Loan Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower and Lender intend that this Loan Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

BORROWER:

CAMPUS HEIGHTS APTS OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

LENDER:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Wendy LeBlanc
Senior Vice President

SCHEDULES AND EXHIBITS

Schedules

Schedule 1	Definitions Schedule (required)
Schedule 2	Summary of Loan Terms (required)
	Addenda to Schedule 2 – Section 8 HAP Contract
Schedule 3	Schedule of Interest Rate Type Provisions (required)
Schedule 4	Prepayment Premium Schedule (required)
Schedule 5	Required Replacement Schedule (required)
Schedule 6	Required Repair Schedule (required)
Schedule 7	Exceptions to Representations and Warranties Schedule (required)
Schedule 8	Ownership Interests Schedule

Exhibits

Exhibit A	Section 8 HAP Contract
Exhibit B	Legal Non-Conforming Status
Exhibit C	Co-Borrower

Borrower hereby acknowledges and agrees that the Schedules and Exhibits referenced above are hereby incorporated fully into this Loan Agreement by this reference and each constitutes a substantive part of this Loan Agreement.

Borrower Initials

Borrower Initials

SCHEDULE 1
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Definitions Schedule
(Interest Rate Type –ARM (SOFR))

Capitalized terms used in the Loan Agreement have the meanings given to such terms in this Definitions Schedule.

"**30-Day Average SOFR**" means the "30-Day Average SOFR" published by the SOFR Administrator on the SOFR Administrator Website.

"**Accrued Interest**" means unpaid interest, if any, on the Mortgage Loan that has not been added to the unpaid principal balance of the Mortgage Loan pursuant to Section 2.02(b) (Capitalization of Accrued But Unpaid Interest) of the Loan Agreement.

"**Additional Lender Repairs**" means repairs of the type listed on the Required Repair Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Additional Lender Replacements**" means replacements of the type listed on the Required Replacement Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Adjustable Rate**" has the meaning set forth in the Summary of Loan Terms.

"**Adverse Tax Event**" means any event that will (a) adversely affect the federal income tax status of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a Fixed Investment Trust or REMIC, as the case may be, or (b) result in the imposition of a "prohibited transaction" tax, within the meaning of Section 860F(a)(1) of the Internal Revenue Code, on any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS.

"**Amortization Period**" has the meaning set forth in the Summary of Loan Terms.

"**Amortization Type**" has the meaning set forth in the Summary of Loan Terms.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy" as now and hereafter in effect, or any successor statute.

"**Bankruptcy Event**" means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower;

(b) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by Borrower;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or

(e) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Bankruptcy Event until the ninetieth day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate (in which event such case or proceeding shall be a Bankruptcy Event immediately).

"**Borrower**" means, individually (and jointly and severally (solidarily instead for purposes of Louisiana law) if more than one), the entity (or entities) identified as "Borrower" in the first paragraph of the Loan Agreement.

"**Borrower Affiliate**" means, as to Borrower, Guarantor or Key Principal:

(a) any Person that owns any direct ownership interest in Borrower, Guarantor or Key Principal;

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in Borrower, Guarantor or Key Principal;

(c) any Person Controlled by, under common Control with, or which Controls, Borrower, Guarantor or Key Principal;

(d) any entity in which Borrower, Guarantor or Key Principal directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in such entity; or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower, Guarantor or Key Principal.

"**Borrower Requested Repairs**" means repairs not listed on the Required Repair Schedule requested by Borrower to be reimbursed from the Repairs Escrow Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Borrower Requested Replacements**" means replacements not listed on the Required Replacement Schedule requested by Borrower to be reimbursed from the Replacement Reserve Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Borrower's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Borrower's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Business Day**" means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

"**Collateral Account**" means any account designated as such by Lender pursuant to a Collateral Agreement or as established pursuant to the Loan Agreement, including the Reserve/Escrow Account.

"**Collateral Account Funds**" means, collectively, the funds on deposit in any Collateral Account, including the Reserve/Escrow Account Funds.

"**Collateral Agreement**" means any separate agreement between Borrower and Lender and any other party (if applicable) for the establishment of any other fund, reserve or account related to the Mortgage Loan or the Mortgaged Property.

"**Completion Period**" has the meaning set forth in the Summary of Loan Terms.

"**Condemnation Action**" has the meaning set forth in the Security Instrument.

"**Control**" (including with correlative meanings, such as "Controlling," "Controlled by" and "under common Control with") means, as applied to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of such entity, whether through the ownership of voting securities or other ownership interests, by contract or otherwise.

"**Corresponding Tenor**" with respect to an Index Replacement means a tenor (including overnight) having approximately the same length (disregarding Business Day adjustment) as the tenor for the Current Index.

"**Credit Score**" means a numerical value or a categorization derived from a statistical tool or modeling system used to measure credit risk and predict the likelihood of certain credit behaviors, including default.

"**Current Index**" has the meaning set forth in the Summary of Loan Terms.

"**Debt Service Amounts**" means the Monthly Debt Service Payments and all other amounts payable under the Loan Agreement, the Note, the Security Instrument or any other Loan Document.

"**Debt Service Coverage Ratio**" means the ratio of (a) the Net Cash Flow of the Mortgaged Property, to (b) the underwritten debt service for the Mortgage Loan at the proposed Fixed Rate for the trailing twelve (12) month period from the date of the most recently received quarterly financial statements prepared by Borrower for the Mortgaged Property, provided that (1) the interest rate used in determining such ratio shall be the greater of (A) the Fixed Rate, or (B) the Underwriting Interest Rate (if any), and (2) an Amortization Period of three hundred sixty (360) months shall be used in determining such ratio.

"**Default Rate**" means an interest rate equal to the lesser of:

(a) the sum of the Interest Rate plus four (4) percentage points; or

(b) the maximum interest rate which may be collected from Borrower under applicable law.

"**Definitions Schedule**" means this Schedule 1 (Definitions Schedule) to the Loan Agreement.

"**Division**" means the filing of a certificate of division, adoption of a plan of division, amending of any organizational documents, or any other actions taken, permitted, or consented to in order to divide a Person 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. The term "**Divide**" shall have a correlative meaning.

"**Economic Sanctions**" means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by OFAC at http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx), the U.S. Department of Commerce, or the U.S. Department of State.

"**Effective Date**" has the meaning set forth in the Summary of Loan Terms.

"Employee Benefit Plan" means a plan described in Section 3(3) of ERISA, regardless of whether the plan is subject to ERISA, or a "plan" as defined in Section 4975(e)(1) of the Internal Revenue Code.

"**Enforcement Costs**" has the meaning set forth in the Security Instrument.

"**Environmental Indemnity Agreement**" means that certain Environmental Indemnity Agreement dated as of the Effective Date made by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

"**Environmental Inspections**" has the meaning set forth in the Environmental Indemnity Agreement.

"**Environmental Laws**" has the meaning set forth in the Environmental Indemnity Agreement.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated thereunder.

"**ERISA Affiliate**" shall mean, with respect to Borrower, any entity that, together with Borrower, would be treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or Section 4001(a)(14) of ERISA, or the regulations thereunder.

"**ERISA Plan**" means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (or related trust) that is subject to the requirements of Title IV of ERISA, Sections 430 or 431 of the Internal Revenue Code, or Sections 302, 303, or 304 of ERISA, which is maintained or contributed to by Borrower or its ERISA Affiliates.

"**Event of Default**" means the occurrence of any event listed in Section 14.01 (Events of Default) of the Loan Agreement.

"**Exceptions to Representations and Warranties Schedule**" means that certain Schedule 7 (Exceptions to Representations and Warranties Schedule) to the Loan Agreement.

"**First Payment Date**" has the meaning set forth in the Summary of Loan Terms.

"**First Principal and Interest Payment Date**" has the meaning set forth in the Summary of Loan Terms, if applicable.

"**Fixed Investment Trust**" means an investment trust as defined in Section 301.7701-4 of the Treasury Regulations.

"**Fixed Monthly Principal Component**" has the meaning set forth in the Summary of Loan Terms.

"**Fixed Rate**" means an interest rate per annum equal to the sum of the Investor Yield, the Servicing Fee and the Guaranty Fee.

"**Fixed Rate Amortization Factor**" has the meaning set forth in the Summary of Loan Terms.

"**Fixtures**" has the meaning set forth in the Security Instrument.

"**Force Majeure**" shall mean acts of God, acts of war, civil disturbance, governmental action (including the revocation or refusal to grant licenses or permits, where such revocation or refusal is not due to the fault of Borrower), strikes, lockouts, fire, unavoidable casualties or any other causes beyond the reasonable control of Borrower (other than lack of financing), and of which Borrower shall have notified Lender in writing within ten (10) days after its occurrence.

"**Foreclosure Event**" means:

(a) foreclosure under the Security Instrument;

(b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including Insolvency Laws) as holder of the Mortgage Loan and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of the Mortgaged Property;

(c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower's interest in the Mortgaged Property in lieu of any of the foregoing; or

(d) in Louisiana, any dation en paiement.

"**Goods**" has the meaning set forth in the Security Instrument.

"**Governmental Authority**" means any court, board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any court, board, commission, department or body of any municipal, county, state or federal governmental unit, that has or acquires jurisdiction over Borrower or the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

"**Guarantor**" means, individually and collectively, any guarantor of the Indebtedness or any other obligation of Borrower under any Loan Document.

"**Guarantor Bankruptcy Event**" means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Guarantor;

(b) the acknowledgment in writing by Guarantor (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by Guarantor;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Guarantor; or

(e) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Guarantor or any substantial part of the assets of Guarantor, as applicable;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Guarantor Bankruptcy Event until the ninetieth day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation

of Borrower, Guarantor, Key Principal, or any Borrower Affiliate (in which event such case or proceeding shall be a Guarantor Bankruptcy Event immediately).

"**Guarantor's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Guarantor's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Guaranty**" means, individually and collectively, any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Guarantor in connection with the Mortgage Loan.

"**Guaranty Fee**" means the guaranty fee offered by Fannie Mae for a new or converted Fannie Mae mortgage loan with the same or substantially similar loan terms and credit characteristics as the Mortgage Loan at the time of conversion of the Mortgage Loan.

"**Immediate Family Members**" means a child, stepchild, grandchild, spouse, sibling, or parent, each of whom is not a Prohibited Person.

"**Imposition Deposits**" has the meaning set forth in the Security Instrument.

"**Impositions**" has the meaning set forth in the Security Instrument.

"**Improvements**" has the meaning set forth in the Security Instrument.

"**Indebtedness**" has the meaning set forth in the Security Instrument.

"**Index**" has the meaning set forth in the Summary of Loan Terms.

"**Index Floor**" has the meaning set forth in the Summary of Loan Terms.

"**Index Replacement**" means, for any Interest Period, the sum determined by Lender as of the Index Replacement Date of (a) the alternate rate of interest that has been selected by Lender as the replacement for the Current Index for the applicable Corresponding Tenor giving due consideration to (1) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the SOFR Administrator at such time or (2) any evolving or then-prevailing market convention for determining a rate of interest as a replacement for the Current Index for U.S. dollar-denominated syndicated or bilateral credit facilities at such time, and (b) the Index Replacement Adjustment. If the Index Replacement as determined pursuant to this definition would be less than zero, the Index Replacement shall be deemed to be zero.

"**Index Replacement Adjustment**" means, for any Interest Period, the first alternative set forth in the order below that can be determined by Lender as of the Index Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the SOFR Administrator for the applicable Unadjusted Index Replacement;

(b) the spread adjustment (which may be a positive or negative value or zero) that would apply to the fallback rate for derivative transactions utilizing the ISDA Definitions to be effective upon an index cessation event with respect to the Current Index; or

(c) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender for the applicable Corresponding Tenor giving due consideration to (1) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Current Index with the applicable Unadjusted Index Replacement by the SOFR Administrator at such time or (2) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Current Index with the applicable Unadjusted Index Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

"**Index Replacement Conforming Changes**" means, with respect to any Index Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters, as well as the determination of the effective date for any such changes) that Lender decides may be appropriate to reflect the adoption and implementation of such Index Replacement and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of the Index Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with administration of the Mortgage Loan).

"**Index Replacement Date**" means the earliest to occur of the following events with respect to the Current Index:

(a) in the case of clause (a) or (b) of the definition of "Index Transition Event," the date on which the administrator of the Index permanently or indefinitely ceases to provide the Index; or

(b) in the case of clause (c) of the definition of "Index Transition Event," the date of the public statement or publication of information referenced therein.

"**Index Transition Event**" means the occurrence of one or more of the following events with respect to the Current Index, including comparable events that affect the published spread adjustment or other components used in the calculation of the Index:

(a) a public statement or publication of information by or on behalf of the administrator of the Index announcing that such administrator has ceased or will cease to provide the Index, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Index;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Index, the central bank for the currency of the Index, an insolvency official with jurisdiction over the administrator for the Index, a resolution authority with jurisdiction over the administrator for the Index or a court or an entity with similar insolvency or resolution authority over the administrator for the Index, which states that the administrator of the Index has ceased or will cease to provide the Index permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Index; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Index announcing that the Index is no longer representative.

"**Initial Adjustable Rate**" has the meaning set forth in the Summary of Loan Terms.

"**Initial Monthly Debt Service Payment**" has the meaning set forth in the Summary of Loan Terms.

"**Initial Replacement Reserve Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Insolvency Laws**" means the Bankruptcy Code, together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors' rights, as amended from time to time.

"**Insolvent**" means:

(a) that the sum total of all of a specified Person's liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of such Person's non-exempt assets, i.e., all of the assets of such Person that are available to satisfy claims of creditors; or

(b) such Person's inability to pay its debts as they become due.

"**Intended Prepayment Date**" means the date upon which Borrower intends to make a prepayment on the Mortgage Loan, as set forth in the Prepayment Notice.

"**Interest Accrual Method**" has the meaning set forth in the Summary of Loan Terms.

"**Interest Only Term**" has the meaning set forth in the Summary of Loan Terms.

"**Interest Period**" means each period for the determination of the Interest Rate commencing on the Effective Date and ending on each Rate Change Date thereafter until the Mortgage Loan is fully paid.

"**Interest Rate**" means the Initial Adjustable Rate or the Adjustable Rate, as applicable, and after any Conversion, the Fixed Rate.

"**Interest Rate Type**" has the meaning set forth in the Summary of Loan Terms.

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

"**Investor**" means any Person to whom Lender intends to (a) sell, transfer, deliver or assign the Mortgage Loan in the secondary mortgage market, or (b) sell an MBS backed by the Mortgage Loan.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**Key Principal**" means, collectively:

(a) the Person that Controls Borrower that Lender determines is critical to the successful operation and management of Borrower and the Mortgaged Property, as identified as such in the Summary of Loan Terms; or

(b) any Person who becomes a Key Principal after the date of the Loan Agreement and is identified as such in an assumption agreement, or another amendment or supplement to the Loan Agreement.

"**Key Principal's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Key Principal's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Land**" means the land described in Exhibit A to the Security Instrument.

"**Last Interest Only Payment Date**" has the meaning set forth in the Summary of Loan Terms, if applicable.

"**Late Charge**" means an amount equal to the delinquent amount then due under the Loan Documents multiplied by five percent (5%).

"**Leases**" has the meaning set forth in the Security Instrument.

"**Lender**" means the entity identified as "Lender" in the first paragraph of the Loan Agreement and its transferees, successors and assigns, or any subsequent holder of the Note.

"**Lender's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lender's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lender's Payment Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lien**" has the meaning set forth in the Security Instrument.

"**Loan Agreement**" means the Multifamily Loan and Security Agreement dated as of the Effective Date executed by and between Borrower and Lender to which this Definitions Schedule is attached, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Loan Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Loan Application**" means the application for the Mortgage Loan submitted by Borrower to Lender.

"**Loan Documents**" means the Note, the Loan Agreement, the Security Instrument, the Environmental Indemnity Agreement, the Guaranty, all guaranties, all indemnity agreements, all Collateral Agreements, all O&M Plans, and any other documents now or in the future executed by Borrower, Guarantor, Key Principal, any other guarantor or any other Person in connection with the Mortgage Loan, as such documents may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Loan Servicer**" means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, the Loan Agreement, the Security Instrument and any other Loan Document, and otherwise to service the Mortgage Loan for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer shall be the Lender originally named on the Summary of Loan Terms.

"**Loan Term**" has the meaning set forth in the Summary of Loan Terms, as the same may be extended following a Conversion.

"**Loan Year**" has the meaning set forth in the Summary of Loan Terms.

"**Margin**" has the meaning set forth in the Summary of Loan Terms.

"**Material Commercial Lease**" means:

(a) any Lease that, individually or in the aggregate with other Leases entered into with the same tenant, comprises five percent (5%) or more of the total gross income at the Mortgaged Property on an annualized basis; or

(b) regardless of the percentage of the total gross income at the Mortgaged Property that it comprises, any Lease relating to:

(1) solar power, thermal power generation, or co-power generation, or for the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or

(2) any dwelling unit at the Mortgaged Property leased to Guarantor, Key Principal, or another Borrower Affiliate.

"**Maturity Date**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Inspection Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Repair Cost**" shall be the amount(s) set forth in the Required Repair Schedule, if any.

"**Maximum Repair Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Replacement Reserve Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Restoration Reserve Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**MBS**" means an investment security that represents an undivided beneficial interest in a pool of mortgage loans or participation interests in mortgage loans held in trust pursuant to the terms of a governing trust document.

"**Mezzanine Debt**" means a loan to a direct or indirect owner of Borrower secured by a pledge of such owner's interest in an entity owning a direct or indirect interest in Borrower.

"**Minimum Repairs Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Minimum Replacement Reserve Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Minimum Restoration Reserve Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Monthly Debt Service Payment**" has the meaning set forth in the Summary of Loan Terms.

"**Monthly Replacement Reserve Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Mortgage Loan**" means the mortgage loan made by Lender to Borrower in the principal amount of the Note made pursuant to the Loan Agreement, evidenced by the Note and secured by the Loan Documents that are expressly stated to be security for the Mortgage Loan.

"**Mortgaged Property**" has the meaning set forth in the Security Instrument.

"**Multifamily Project**" has the meaning set forth in the Summary of Loan Terms.

"**Multifamily Project Address**" has the meaning set forth in the Summary of Loan Terms.

"**Net Cash Flow**" means, for any specified period, the total of (a) the net rental income for the Mortgaged Property, plus (b) other allowable income for the Mortgaged Property, if any, minus (c) operating expenses for the Mortgaged Property, minus (d) the full amount underwritten for the Replacement Reserve Account (regardless of whether deposits have been or will be waived or reduced), and as adjusted for economic vacancy and other factors by Lender for the specific asset class or loan type.

"**Non-Recourse Guaranty**" means, if applicable, that certain Guaranty of Limited-Recourse Obligations of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Note**" means that certain Multifamily Note of even date herewith in the original principal amount of the stated Loan Amount made by Borrower in favor of Lender, and all schedules, riders, allonges and addenda attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**O&M Plan**" has the meaning set forth in the Environmental Indemnity Agreement.

"**OFAC**" means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

"**Ownership Interests Schedule**" means that certain Schedule 8 (Ownership Interests Schedule) to the Loan Agreement.

"**Payment Change Date**" has the meaning set forth in the Summary of Loan Terms.

"**Payment Date**" means the First Payment Date and the first day of each month thereafter until the Mortgage Loan is fully paid.

"**Payment Guaranty**" means, if applicable, that certain Guaranty (Payment) of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Permitted Encumbrance**" has the meaning set forth in the Security Instrument.

"**Permitted Mezzanine Debt**" means Mezzanine Debt incurred by a direct or indirect owner or owners of Borrower where the exercise of any of the rights and remedies by the holder or holders of the Mezzanine Debt would not in any circumstance cause (a) a change in Control in Borrower, Key Principal, or Guarantor, or (b) a Transfer of a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor.

"**Permitted Preferred Equity**" means Preferred Equity that does not (a) require mandatory dividends, distributions, payments or returns (including at maturity or in connection with a redemption), or (b) provide the Preferred Equity owner with rights or remedies on account of a failure to receive any preferred dividends, distributions, payments or returns (or, if such rights are provided, the exercise of such rights do not violate the Loan Documents or are otherwise exercised with the prior written consent of Lender in accordance with Article 11 (Liens, Transfers and Assumptions) of the Loan Agreement and the payment of all applicable fees and expenses as set forth in Section 11.03(g) (Further Conditions to Transfers and Assumption) of the Loan Agreement).

"**Permitted Prepayment Date**" means the last Business Day of a calendar month.

"**Person**" means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

"**Personal Property**" means the Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

"**Personalty**" has the meaning set forth in the Security Instrument.

"**Preferred Equity**" means a direct or indirect equity ownership interest in, economic interests in, or rights with respect to, Borrower that provide an equity owner preferred dividend, distribution, payment, or return treatment relative to other equity owners.

"**Prepayment Lockout Period**" has the meaning set forth in the Summary of Loan Terms.

"**Prepayment Notice**" means the written notice that Borrower is required to provide to Lender in accordance with Section 2.03 (Lockout/Prepayment) of the Loan Agreement in order to make a prepayment on the Mortgage Loan, which shall include, at a minimum, the Intended Prepayment Date.

"**Prepayment Premium**" means the amount payable by Borrower in connection with a prepayment of the Mortgage Loan, as provided in Section 2.03 (Lockout/Prepayment) of the Loan Agreement and calculated in accordance with the Prepayment Premium Schedule.

"**Prepayment Premium Schedule**" means that certain Schedule 4 (Prepayment Premium Schedule) to the Loan Agreement.

"**Prepayment Premium Term**" has the meaning set forth in the Summary of Loan Terms.

"**Prohibited Person**" means:

(a) any Person with whom Lender or Fannie Mae is prohibited from doing business pursuant to any law, rule, regulation, judicial proceeding or administrative directive; or

(b) any Person identified on the United States Department of Housing and Urban Development's "Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List," or on the General Services Administration's "System for Award Management (SAM)" exclusion list, each of which may be amended from time to time, and any successor or replacement thereof; or

(c) any Person that is determined by Fannie Mae to pose an unacceptable credit risk due to the aggregate amount of debt of such Person owned or held by Fannie Mae; or

(d) any Person that has caused any unsatisfactory experience of a material nature with Fannie Mae or Lender, such as a default, fraud, intentional misrepresentation, litigation, arbitration or other similar act.

"**Property Jurisdiction**" has the meaning set forth in the Security Instrument.

"**Property Square Footage**" has the meaning set forth in the Summary of Loan Terms.

"**Publicly-Held Corporation**" means a corporation, the outstanding voting stock of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

"**Publicly-Held Trust**" means a real estate investment trust, the outstanding voting shares or beneficial interests of which are registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

"**Rate Change Date**" has the meaning set forth in the Summary of Loan Terms.

"**REMIC**" means a real estate mortgage investment conduit as defined in Section 860D of the Internal Revenue Code.

"**Rents**" has the meaning set forth in the Security Instrument.

"**Repair Threshold**" has the meaning set forth in the Summary of Loan Terms.

"**Repairs**" means, individually and collectively, the Required Repairs, Borrower Requested Repairs, and Additional Lender Repairs.

"**Repairs Escrow Account**" means the account established by Lender into which the Repairs Escrow Deposit is deposited to fund the Repairs.

"**Repairs Escrow Account Administration Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Repairs Escrow Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Account**" means the account established by Lender into which the Replacement Reserve Deposits are deposited to fund the Replacements.

"**Replacement Reserve Account Administration Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Account Interest Disbursement Frequency**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Deposits**" means the Initial Replacement Reserve Deposit, Monthly Replacement Reserve Deposits and any other deposits to the Replacement Reserve Account required by the Loan Agreement.

"**Replacement Threshold**" has the meaning set forth in the Summary of Loan Terms.

"**Replacements**" means, individually and collectively, the Required Replacements, Borrower Requested Replacements and Additional Lender Replacements.

"**Required Repair Schedule**" means that certain Schedule 6 (Required Repair Schedule) to the Loan Agreement.

"**Required Repairs**" means those items listed on the Required Repair Schedule.

"**Required Replacement Schedule**" means that certain Schedule 5 (Required Replacement Schedule) to the Loan Agreement.

"**Required Replacements**" means those items listed on the Required Replacement Schedule.

"**Reserve/Escrow Account Funds**" means, collectively, the funds on deposit in the Reserve/Escrow Accounts.

"**Reserve/Escrow Accounts**" means, individually and collectively, the Replacement Reserve Account, the Repairs Escrow Account, and the Restoration Reserve Account.

"**Residential Lease**" means a Lease of an individual dwelling unit.

"**Restoration**" means any work and improvements required to be performed to the Mortgaged Property following a casualty or event of loss as set forth in plans and specifications approved by Lender.

"**Restoration Reserve Account**" means, if applicable, the account established by Lender into which insurance proceeds are deposited in order to fund a Restoration following a casualty or event of loss.

"**Restoration Reserve Account Administration Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Restoration Threshold**" has the meaning set forth in the Summary of Loan Terms.

"**Restricted Ownership Interest**" means, with respect to any entity, the following:

(a) if such entity is a general partnership or a joint venture, fifty percent (50%) or more of all general partnership or joint venture interests in such entity;

(b) if such entity is a limited partnership:

(1) the interest of any general partner; or

(2) fifty percent (50%) or more of all limited partnership interests in such entity;

(c) if such entity is a limited liability company or a limited liability partnership:

(1) the interest of any managing member or the contractual rights of any non-member manager; or

(2) fifty percent (50%) or more of all membership or other ownership interests in such entity;

(d) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, fifty percent (50%) or more of voting stock in such corporation;

(e) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, the amount of shares of voting stock sufficient to have the power to elect the majority of directors of such corporation; or

(f) if such entity is a trust (other than a land trust or a Publicly-Held Trust), the power to Control such trust vested in the trustee of such trust or the ability to remove, appoint or substitute the trustee of such trust (unless the trustee of such trust after such removal, appointment or substitution is a trustee identified in the trust agreement approved by Lender).

"**Review Fee**" means the non-refundable fee of $3,000 payable to Lender.

"**Sanctioned Country**" means a country or territory subject to either a targeted or comprehensive country-wide sanctions program administered and enforced by OFAC, which list is updated from time to time.

"**Sanctioned Person**" means:

(a) a Person named on the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC, available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time;

(b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a Person resident in a Sanctioned Country, to the extent any Person described in clauses (1), (2) or (3) is the subject of a sanctions program administered by OFAC;

(c) a Person whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC consistent with the guidance issued by OFAC; or

(d) any Person that meets (a) or (b) of the definition of "Prohibited Person."

"**Schedule of Interest Rate Type Provisions**" means that certain Schedule 3 (Schedule of Interest Rate Type Provisions) to the Loan Agreement.

"**Security Instrument**" means that certain multifamily mortgage, deed to secure debt or deed of trust executed and delivered by Borrower as security for the Mortgage Loan and encumbering the Mortgaged Property, including all riders or schedules attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Servicing Arrangement**" means any arrangement between Lender and the Loan Servicer for loss sharing or interim advancement of funds.

"**Servicing Fee**" means the servicing fee offered by Fannie Mae for a new or converted Fannie Mae mortgage loan with the same or substantially similar loan terms and credit characteristics as the Mortgage Loan at the time of conversion of the Mortgage Loan.

"**Short-Term Rental**" means any Lease or master Lease (including subleases, licenses, and other possessory interests, whether oral or written) of an individual dwelling unit, for which the intended occupancy of the dwelling unit is for a period or periods of less than thirty (30) days, irrespective of the stated term of the Lease, including any Lease:

(a) for corporate tenant and guest suite purposes; or

(b) with an agreement or arrangement between either:

(1) Borrower and a tenant whereby the tenant may enter into a separate agreement or arrangement with a Short-Term Rental Provider to offer Short-Term Rentals at the Mortgaged Property; or

(2) Borrower and a Short-Term Rental Provider, pursuant to which tenants may offer Short-Term Rentals at the Mortgaged Property.

"**Short-Term Rental Provider**" means any platform or provider (including any internet or online service platform or provider) that offers Short-Term Rental services and arrangements, including booking and reservation services to guests and customers.

"**SOFR**" means, with respect to any day, the secured overnight financing rate last published for such day by the SOFR Administrator on the SOFR Administrator Website.

"**SOFR Administrator**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York, or any successor publisher of SOFR.

"**SOFR Administrator Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or such other source generally used by commercial lenders to obtain SOFR for any day.

"**Software**" has the meaning set forth in the Security Instrument.

"**Summary of Loan Terms**" means that certain Schedule 2 (Summary of Loan Terms) to the Loan Agreement.

"**Taxes**" has the meaning set forth in the Security Instrument.

"**Title Policy**" means the mortgagee's loan policy of title insurance issued in connection with the Mortgage Loan and insuring the lien of the Security Instrument as set forth therein, as approved by Lender.

"**Total Parking Spaces**" has the meaning set forth in the Summary of Loan Terms.

"**Total Residential Units**" has the meaning set forth in the Summary of Loan Terms.

"**Transfer**" means:

(a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), other than Residential Leases, Material Commercial Leases or non-Material Commercial Leases permitted by the Loan Agreement;

(b) a granting, pledging, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law);

(c) an issuance or other creation of a direct or indirect ownership interest;

(d) a withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity; or

(e) a merger, consolidation, dissolution, Division or liquidation of a legal entity.

"**Transfer Fee**" means a fee equal to one percent (1%) of the unpaid principal balance of the Mortgage Loan payable to Lender.

"**Treasury Regulations**" means regulations, revenue rulings and other public interpretations of the Internal Revenue Code by the Internal Revenue Service, as such regulations, rulings and interpretations may be amended or otherwise revised from time to time.

"**UCC**" has the meaning set forth in the Security Instrument.

"**UCC Collateral**" has the meaning set forth in the Security Instrument.

"**Unadjusted Index Replacement**" means the Index Replacement excluding the Index Replacement Adjustment.

"**Voidable Transfer**" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

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SCHEDULE 2
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Summary of Loan Terms
(Interest Rate Type - ARM (SOFR))

I. GENERAL PARTY AND MULTIFAMILY PROJECT INFORMATION	
Borrower	**CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC**, a Delaware limited liability company and **CAMPUS HEIGHTS APTS OWNER LLC**, a Delaware limited liability company, jointly and severally
Lender	**M&T REALTY CAPITAL CORPORATION**, a Maryland Corporation
Key Principal	**FREDRICK SCHULMAN**
Guarantor	**FREDRICK SCHULMAN**
Multifamily Project	Campus Heights Apartments
ADDRESSES	
Borrower's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Borrower's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873 Jonathan@nbaffordable.com
Multifamily Project Address	115 Carriage Hill Dr, Athens, OH 45701
Multifamily Project County	Athens
Key Principal's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Key Principal's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873

	Jonathan@nbaffordable.com
Guarantor's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Guarantor's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873 Jonathan@nbaffordable.com
Lender's General Business Address	One Light Street, 12th Floor Baltimore, MD 21202
Lender's Notice Address	One Light Street, 12th Floor Baltimore, MD 21202 Attn: Wendy LeBlanc E-Mail: wleblanc@mtb.com
Lender's Payment Address	P.O. Box 64269 Baltimore, MD 21264-4269

II. MULTIFAMILY PROJECT INFORMATION	
Property Square Footage	864,713
Total Parking Spaces	466
Total Residential Units	337
Affordable Housing Property	⊘ Yes No

III. MORTGAGE LOAN INFORMATION	
Adjustable Rate	Until the first Rate Change Date, the Initial Adjustable Rate, and from and after each Rate Change Date following the first Rate Change Date until the next Rate Change Date, a per annum interest rate that is the sum

	of (i) the Current Index, and (ii) the Margin, which sum is then rounded to the nearest three (3) decimal places; provided, however, the Adjustable Rate shall never be less than the sum of the Margin and the Index Floor
Amortization Period	Zero (0) months
Amortization Type	☐ Amortizing ⊘ Full Term Interest Only ☐ Partial Interest Only
Current Index	The Index that is effective on the Business Day immediately preceding the applicable Rate Change Date
Effective Date	October 31, 2022
First Payment Date	The first day of December, 2022
Fixed Rate Amortization Factor	0% per annum
Index	30-Day Average SOFR; provided that, if an Index Transition Event and its related Index Replacement Date have occurred, then the Index shall mean the Index Replacement determined pursuant to the terms of the Loan Agreement
Index Floor	One Hundred Basis Points (1%)
Initial Adjustable Rate	5.528% per annum
Initial Monthly Debt Service Payment	$99,457.93
Interest Accrual Method	Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Mortgage Loan by the Interest Rate, dividing the

	product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month)
Interest Only Term	Twenty-Four (24) months
Interest Rate Type	ARM
Loan Amount	$21,590,000.00
Loan Term	Twenty-Four (24) months
Loan Year	The period beginning on the Effective Date and ending on the last day of October, 2023, and each successive twelve (12) month period thereafter
Margin	Two Hundred Fifty (250) Basis Points (2.5%)
Maturity Date	The first day of November, 2024, or any later date to which the Maturity Date may be extended (if at all) by Borrower pursuant to Section 2.05 of this Agreement or any earlier date on which the Indebtedness becomes due and payable by acceleration or otherwise

Monthly Debt Service Payment	(i) for the First Payment Date, the Initial Monthly Debt Service Payment; and (ii) for each Payment Date thereafter until the Mortgage Loan is fully paid, the amount obtained by multiplying the unpaid principal balance of the Mortgage Loan by the Adjustable Rate, dividing the product by three hundred sixty (360), and multiplying the quotient by the actual number of days elapsed in the applicable month
Payment Change Date	The first day of the month following each Rate Change Date until the Mortgage Loan is fully paid
Prepayment Lockout Period	N/A
Rate Change Date	The First Payment Date and the first day of each month thereafter until the Mortgage Loan is fully paid, subject to any Index Replacement Conforming Changes required upon implementation of any Index Replacement

IV. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Prepayment Premium Term	N/A

V. RESERVE INFORMATION	
Completion Period	Within Twelve (12) months after the Effective Date or as otherwise shown on the Required Repair Schedule

Initial Replacement Reserve Deposit	$0.00
Maximum Inspection Fee	$300.00
Maximum Repair Disbursement Interval	One time per calendar quarter
Maximum Replacement Reserve Disbursement Interval	One time per calendar quarter
Maximum Restoration Reserve Disbursement Interval	One time per calendar quarter
Minimum Repairs Disbursement Amount	$5,000.00
Minimum Replacement Reserve Disbursement Amount	$5,000.00
Minimum Restoration Reserve Disbursement Amount	$5,000.00
Monthly Replacement Reserve Deposit	$5,616.67
Repair Threshold	$10,000.00
Repairs Escrow Account Administration Fee	$0.00, payable one time
Repairs Escrow Deposit	$810,500.00
Replacement Reserve Account Administration Fee	$0.00 payable
Replacement Reserve Account Interest Disbursement Frequency	quarterly
Replacement Threshold	$10,000.00

Restoration Reserve Account Administration Fee	$0.00 payable one time
Restoration Threshold	$10,000.00

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MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

ADDENDA TO SCHEDULE 2 – SUMMARY OF LOAN TERMS
(Section 8 HAP Contract)

VI. – SECTION 8 HAP CONTRACT	
HAP Contract Number	**OH16L000039**
HAP Contract Recording Information	N/A
HUD Project Number	**OH16L000039**
HAP Contract Documents Delivered	Section 8 Housing Assistance Payments Contract, June 16, 1976 Housing Assistance Payments Contract Term 3, June 17, 1986 Housing Assistance Payments Contract Extension, June 4, 1991 Section 524(a) Housing Assistance Payments Renewal Contract, May 4, 2000 Housing Assistance Payments Basic Renewal Contract, June 1, 2006 Project Based Section 8 Housing Assistance Payments Renewal Contract for Mark up to Market Project, June 1, 2009 Housing Assistance Payments Renewal Contract for Mark up to Market Project, April 20, 2011 Housing Assistance Payments Renewal Contract for Mark up to Market Project, November 1, 2022

SCHEDULE 3
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Schedule of Interest Rate Type Provisions (ARM (SOFR))

(1) Defined Terms.

Capitalized terms not otherwise defined in this Schedule have the meanings given to such terms in the Definitions Schedule to the Loan Agreement.

(2) Interest Accrual.

Except as otherwise provided in the Loan Agreement, interest shall accrue at the Adjustable Rate until the Mortgage Loan is fully paid.

(3) Adjustable Rate; Index Replacement.

a. Adjustments.

The Initial Adjustable Rate shall be effective until the first Rate Change Date. Thereafter, the Adjustable Rate shall change on each Rate Change Date based on fluctuations in the Current Index as determined by Lender, which determination shall be conclusive absent manifest error.

b. Index Replacement.

(1) Index Replacement Date.

Notwithstanding anything to the contrary herein or in any other Loan Document, if an Index Transition Event and its related Index Replacement Date have occurred with respect to the Current Index, then the Index Replacement will replace the Current Index on such Index Replacement Date and all subsequent dates. The Index Replacement will become effective on the Index Replacement Date without any amendment or further action or consent of any other party to the Loan Agreement or any other Loan Document.

(2) Index Replacement Conforming Changes.

(i) In connection with the implementation of an Index Replacement, Lender shall have the right to make Index Replacement Conforming Changes from time to time. Notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Index Replacement Conforming Changes shall become effective without any further action or consent of Borrower.

(ii) Lender shall notify Borrower of (A) the occurrence of any Index Transition Event and its related Index Replacement Date, (B) the Index

Replacement determined by Lender, and (C) any required Index Replacement Conforming Changes. Any determination, decision, or election made by Lender pursuant to this Section 3, including any determination by Lender with respect to tenor, rate, or adjustment, or of the occurrence or non-occurrence of an event, circumstance, or date, and any decision to take or refrain from taking any action or any selection, shall be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Borrower.

(3) **Federal Income Tax Treatment.**

For federal income tax purposes, Lender intends to effect the replacement of the Current Index with the Index Replacement in connection with an Index Transition Event such that the replacement will not result in a tax realization event under Section 1001 of the Internal Revenue Code of 1986, as amended, and relevant Treasury Regulations promulgated thereunder.

(4) **Fixed Monthly Principal Component.**

Each amortizing Monthly Debt Service Payment shall include a principal payment equal to the Fixed Monthly Principal Component, which shall be determined using the Fixed Rate Amortization Factor.

(5) **Notification of Interest Rate Change and Monthly Debt Service Payment.**

Before each Payment Change Date, Lender shall notify Borrower of any change in the Adjustable Rate and the amount of the next Monthly Debt Service Payment.

(6) **Correction to Monthly Debt Service Payments.**

If Lender determines at any time that it has miscalculated the amount of a Monthly Debt Service Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the Monthly Debt Service Payment (and the corrected Adjustable Rate, if applicable) and a. if the corrected amount of the Monthly Debt Service Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated, or b. if the corrected amount of the Monthly Debt Service Payment represents a decrease and Borrower is not otherwise in default under any of the Loan Documents, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated.

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SCHEDULE 4
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Prepayment Premium Schedule
(No Prepayment Premium – ARM)

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in the Loan Agreement.

2. Prepayment Premium.

Notwithstanding the provisions of Section 2.03 (Lockout/Prepayment) of the Loan Agreement or anything to the contrary in this Prepayment Premium Schedule, no Prepayment Premium shall be payable with respect to any prepayment made prior to the Maturity Date.

SCHEDULE 5 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Required Replacement Schedule

Replacement of Capital Items Schedule (sourced pdf from page 13-14 of PCA)

- Pavement Seal, Stripe, Minor Repair
- Swimming Pool, Re-line/Resurface
- Roof Shingles, Replace
- Water heater, 40 gallon, Replace
- Water Heater. Replace (Gas-fired, 100 gallon)
- Central Boilers
- Split-system Condensing unit, Replace
- Common Area Clothes Dryer
- Common Area Clothes Washer
- Common Area FFE refurbish
- Unit Carpet, Replace
- Unit Refrigerator, Replace
- Range, Replace

SCHEDULE 6 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Required Repair Schedule

Property Address	Loan Number
115 Carriage Hill Dr, Athens, OH 45701	N/A

Life Safety: Items that may impact the health or safety of residents, employees or visitors					
Item	Quantity	Unit	Unit Cost	Total Cost	Brief Description
Subtotal: Life Safety					

Critical Repair: Items recommended for completion within the next six months.					
Structural settlement, Investigate and Repair	1	EA	$3,000.00	$3,000.00	Step cracking assessment
Subtotal: Critical Repair				$3,000	

Deferred Maintenance: Non-recurring capital items typically recommended for completion within 12 months.					
Damaged Concrete Sidewalk, Repair	0	EA	$5.00	$0.00	
Fence (Chain link, 6' high), Replace	0	Allow	$1,000.00	$0.00	Replace damaged chain link fence
EPDM Single-ply Roof Membrane, Replace	0	SF	$3.50	$0.00	Pool maintenance building roof replacement
Subtotal: Deferred Maintenance					

Total Immediate Repairs				$3,000	

Campus Helghts
Capex Budget
To be completed prior to Maturity.

Item	Total
Parking Lot Paving	$ 275,000.00
Roofs	$ 200,000.00

Drainage/Gutters	$ 50,000.00
Mailbox Clusters	$ 35,000.00
Pool and Pool Area	$ 40,000.00
Repair Sidewalks, Curbing Etc	$ 3,000.00
Repair Landscaping, Fencing	$ 1,000.00
Repair Framing	$ 3,000.00
ADA Accessibility and Fair Housing	$ 3,500.00
In Unit Flooring Repairs as needed	$ 100,000.00
REAC PREP WORK	$ 100,000.00
Total Repairs	**$ 810,500.00**

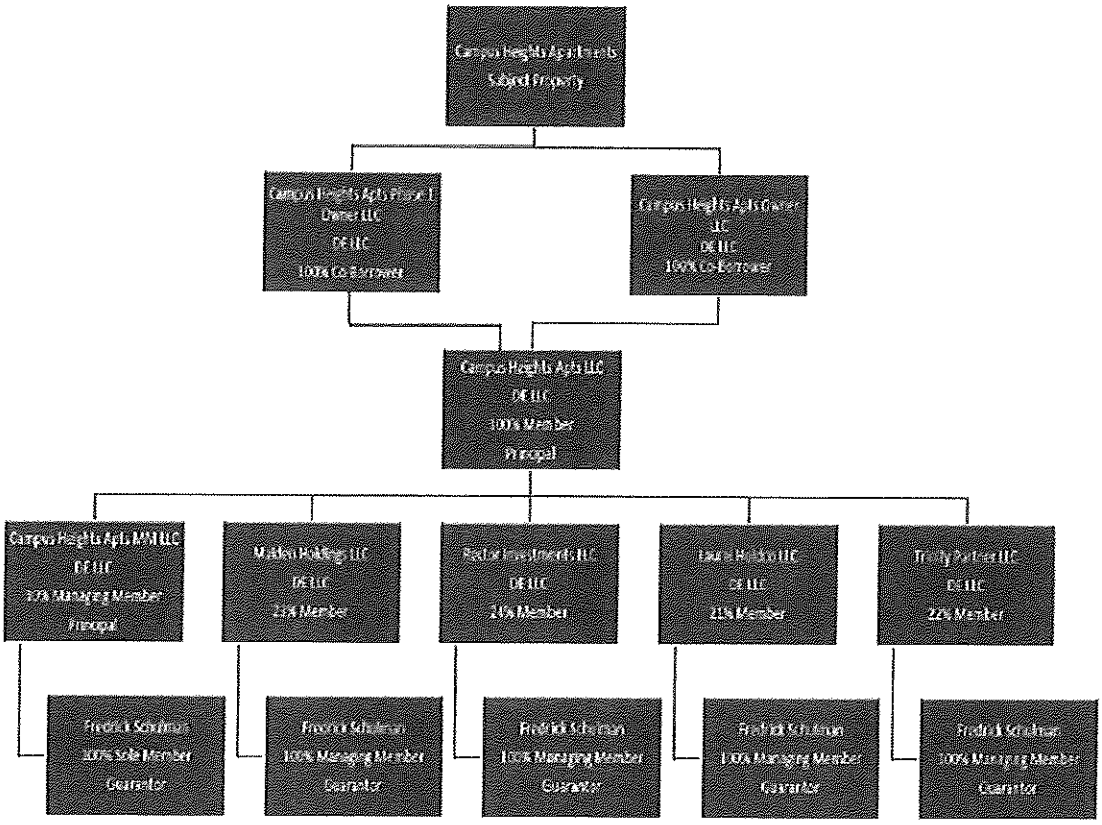
SCHEDULE 7 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Exceptions to Representations and Warranties Schedule

NONE

SCHEDULE 8 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Ownership Interests Schedule



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EXHIBIT A

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT (Section 8 HAP Contract)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

> "**Assignment of HAP Contract**" means that certain Assignment of Housing Assistance Payments Contract dated as of the Effective Date from **CAMPUS HEIGHTS APTS OWNER LLC**, a Delaware limited liability company to Lender.
>
> "**HAP Contract**" means that certain Housing Assistance Payments Contract by and between **CAMPUS HEIGHTS APTS OWNER LLC**, a Delaware limited liability company and HUD more particularly identified on the Summary of Loan Terms, and as collaterally assigned to Lender pursuant to the Assignment of HAP Contract.
>
> "**HUD**" means the United States Department of Housing and Urban Development.

3. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Loan Agreement is hereby amended by adding the following provisions at the end thereof:

> (9) in the event that the HAP Contract documents delivered to Lender are not complete or do not include fully executed copies of all renewals, replacements, extensions and modifications of the original HAP Contract issued by HUD in connection with the Mortgaged Property (any missing documents are referred to herein, collectively, as the "**Missing HAP Contracts**"); any adverse impact to Lender that results from HUD's exercise of its rights relating to any surviving covenants, conditions or requirements contained in the Missing HAP Contracts (that are not otherwise contained in the HAP Contract documents delivered to Lender);
>
> (10) any payments made to Borrower under the HAP Contract to the extent such payments are not made to Lender as provided for under that certain Assignment of HAP Contract; or
>
> (11) the occurrence of any default, event of default, or breach (however such terms may be defined) under the HAP Contract or the Assignment of HAP Contract.

4. Section 14.01(a) (Events of Default – Automatic Events of Default) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

(12) any default, event of default, or breach (however such terms may be defined) under the HAP Contract or the Assignment of HAP Contract.

5. The following article is hereby added to the Loan Agreement as Article 16 (HAP Contracts):

ARTICLE 16 – HAP CONTRACTS

Section 16.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 16.01 are made as of the Effective Date, and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

Borrower is a party to the HAP Contract, has at all times been and is in full compliance with the HAP Contract, and has not in the past defaulted and is not in default under the HAP Contract. Borrower has provided to Lender a complete, fully executed copy of the HAP Contract, including all renewals, replacements, extensions, and modifications of the original HAP Contract.

Section 16.02 Covenants.

Borrower shall at all times remain a party to, and in full compliance with, the HAP Contract. Borrower covenants to exercise and otherwise avail itself of any options, rights, and opportunities to renew and extend the term of the HAP Contract, provided the rents payable at commencement of the renewal term are at least the lower of (a) current HAP Contract rents, or (b) maximum rents imposed on low-income units pursuant to Section 42(g)(2) of the Internal Revenue Code.

Section 16.03 Protection of Security Interest.

Any costs, damages or other amounts, including reasonable attorneys' fees incurred by Lender as a result of any default by Borrower under the HAP Contract or Assignment of HAP Contract, including amounts paid to cure any default, event of default or breach under the HAP Contract or under the Assignment of HAP Contract, shall be an obligation of Borrower and become a part of the Indebtedness secured by the Security Instrument and this Loan Agreement.

EXHIBIT B

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Legal Non-Conforming Status)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Loan Agreement is hereby amended by adding the following subsection to the end thereof:

(12) any casualty or Condemnation Action affecting the Mortgaged Property if:

(A) the Mortgaged Property is a legal non-conforming use or has legally non-conforming status under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws; and

(B) the affected Improvements cannot be rebuilt to their pre-casualty or pre-condemnation condition under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws.

EXHIBIT C

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT (Co-Borrowers)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. The Definitions Schedule is hereby amended by amending and restating the following definition in its entirety:

"**Mortgaged Property**" individually has the meaning set forth in the Security Instrument and collectively means all Mortgaged Properties described on the Summary of Loan Terms.

3. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"**Borrower Agent**" means CAMPUS HEIGHTS APTS OWNER LLC.

"**Contribution Agreement**" means an agreement entered into by each Borrower that allocates the risks and burdens associated with the Loan Agreement to minimize the likelihood that any Borrower will be rendered insolvent solely due to Borrower's entering into this Loan Agreement, which Contribution Agreement shall include (1) the allocable Loan Amount and loan percentage attributed to each Borrower as of the Effective Date as determined by Borrower, (2) an agreement by each Borrower to reimburse any payment made under the Loan Agreement by any other Borrower in excess of the allocable Loan Amount (or commensurate percentage of the outstanding Loan Amount as the Mortgage Loan is repaid) attributed to such Borrower, (3) any other provisions required by applicable law for enforceability against each Borrower, and (4) any other provisions that may be required by Lender.

"**Fraudulent Transfer Laws**" has the meaning set forth in Section 18.10.

"**Hedging Arrangement**" means any interest rate swap, interest rate cap or other arrangement, contractual or otherwise, which has the effect of an interest rate swap or interest rate cap or which otherwise (directly or indirectly, derivatively, or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

"**Other Borrower Secured Obligation**" has the meaning set forth in Section 18.05(a).

"**Rescinded Payment**" has the meaning set forth in Section 18.09(b).

"**Security Documents**" means the Security Instruments and any other documents executed by Borrower or Guarantor from time to time to secure any of Borrower's or Guarantor's obligations under the Loan Documents, as the same may be amended, restated, modified, or supplemented from time to time.

"**Subordinated Obligations**" has the meaning set forth in Section 18.08(a).

"**Waiving Borrower**" has the meaning set forth in Section 18.05(a).

4. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Loan Agreement is amended by adding the following provision to the end thereof:

(13) failure to comply with each of the single purpose requirements of Section 4.02(d)(3), (4), (7)-(12), and (14)-(16) and (18) of this Loan Agreement (subject to possible full recourse liability as set forth in Section 3.02(b)(1)); provided, however, no such recourse liability shall arise until the expiration of the cure periods set forth in this Section 3.02(a)(13) (Personal Liability Based on Lender's Loss). Borrower must deliver on an annual basis or upon Lender's written request, a certification as to compliance with the covenants set forth in Section 4.02(d). If Borrower breaches a covenant set forth in Section 4.02(d), then, if such breach can be cured, Borrower shall have thirty (30) days from the earliest of (A) the date of delivery of the annual certification delivered pursuant to Section 8.02(b) indicating such breach, (B) the date Lender notices Borrower of such breach, or (C) the date Borrower discovers such breach, to cure such breach, provided that if such breach can be cured but cannot reasonably be cured within such thirty (30) day period and Borrower shall have commenced to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such breach, it being agreed that no such extension shall be for a period in excess of sixty (60) days for any individual breach.

5. Section 3.02(b) (Full Personal Liability for Mortgage Loan) of the Loan Agreement is amended by replacing Section 3.02(b)(1) thereof with the following:

(1) failure to comply with each of the single purpose requirements of:

(A) Section 4.02(d)(1), (2), (5), (6), (13), and (17) of this Loan Agreement; and

(B) Section 4.02(d)(3), (4), (7)-(12), (14)-(16), and (18) of this Loan Agreement and, pursuant to a final non-appealable court order, a court of competent jurisdiction holds or determines that such failure or combination of failures is the basis, in whole or in part, for the substantive

consolidation of the assets and liabilities of Borrower with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code;

6. Section 4.01(a) (Due Organization and Qualification; Organizational Agreements) of the Loan Agreement is amended by adding the following provision to the end thereof:

(3) The organizational documents of Borrower require Borrower to comply with the provisions of Section 4.02(d) of this Loan Agreement.

7. Section 4.01(h) (Borrower Status – Representations and Warranties – Borrower Single Asset Status) of the Loan Agreement is deleted in its entirety and replaced with the following:

(h) Single Purpose Status.

Each Borrower and its at all times since its formation:

(1) has not acquired, held, owned, leased, developed, or improved, and does not own or lease any real property, personal property, or assets other than the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(2) has not acquired or owned and does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property) that (i)are not evidenced by a promissory note, (ii)are payable within sixty (60) days of the date incurred, and (iii)as of the Effective Date, do not exceed, in the aggregate, four percent (4%) of the original principal balance of the Mortgage Loan;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person and has not listed its assets on the financial statement of any other Person (unless Borrower's assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) has not commingled its assets or funds with those of any other Person, and has held all its assets or funds under its own name, unless such assets or funds can easily be segregated and identified in the ordinary course of business and in such a manner that it will not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations;

(7) has not assumed, guaranteed, or become obligated for the liabilities or obligations of any other Person or pledged its assets for the benefit of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person;

(8) has not made loans or advances to any other Person;

(9) has not entered into, and is not a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(10) has not sought and has no plans to Divide at any time during the Loan Term;

(11) has not acquired obligations or securities of any other Person;

(12) has paid its own liabilities, including the salaries of its own employees, if any, from its own funds and maintained a sufficient number of employees in light of its contemplated business operations;

(13) has not failed to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or failed to correct any known misunderstanding regarding its separate identity;

(14) has allocated fairly and reasonably any overhead for shared expenses;

(15) has maintained its existence as an entity duly organized, validly existing, and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and has done all things necessary to observe organizational formalities;

(16) has not, other than the sole member's ownership interest in Borrower, owned any subsidiary or made any investment in any Person without the prior written consent of Lender; and

(17) without the prior written consent of Lender, or unless otherwise required or permitted by an interest rate cap security agreement approved by Lender, has not entered into, or guaranteed, provided security for, or otherwise undertaken any form of contingent obligation with respect to any Hedging Arrangement.

8. Section 4.02(a)(1) (Maintenance of Existence; Organizational Documents) of the Loan Agreement is deleted in its entirety and replaced with the following:

(1) make or allow any material change to the organizational documents or organizational structure of Borrower, including changes relating to the Control of Borrower or changes relating to compliance with the provisions of Section 4.02(d), or

9. Section 4.02(d) (Borrower Status – Covenants – Borrower Single Asset Status) of the Loan Agreement is deleted in its entirety and replaced with the following:

(d) Single Purpose Status.

Each Borrower:

(1) shall not acquire, hold, develop, lease, or improve any real property, personal property, or assets other than the Mortgaged Property, or equity interests in a Person that owns the Mortgaged Property;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1)are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred, and (3) as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(6) shall not assume, guaranty, or become obligated for the liabilities or obligations of any other Person, or pledge its assets for the benefit of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(7) shall not make loans or advances to any other Person;

(8) shall not enter into or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(9) shall not acquire obligations or securities of any other Person;

(10) shall pay (or shall cause the property manager on behalf of Borrower from Borrower's own funds to pay) its own liabilities, including the salaries of its own employees, if any, from its own funds and maintain a sufficient number of employees in light of its contemplated business operations;

(11) shall not fail to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity;

(12) shall allocate fairly and reasonably any overhead for shared expenses;

(13) shall maintain its existence as an entity duly organized and validly existing, under the laws of the jurisdiction of its formation;

(14) shall be in good standing (if applicable) under the laws of the jurisdiction of its formation or organization;

(15) shall not, other than sole member's ownership interest in Borrower, own any subsidiary or make any investment in any Person without the prior written consent of Lender;

(16) without the prior written consent of Lender, or unless otherwise required or permitted by an interest rate cap security agreement approved by Lender, shall not enter into or guarantee, provide security for, or otherwise undertake any form of contingent obligation with respect to any Hedging Arrangement;

(17) shall not Divide; and

(18) if Borrower, has only one member as of the Effective Date, Borrower shall maintain organizational documents which provide that upon the occurrence of any event that causes its sole member to cease to be a member while the Mortgage Loan is outstanding, (A) at least one of two special members will automatically be admitted as the sole member of Borrower and (B) such admittance will preserve and continue the existence of Borrower without dissolution

10. Section 8.02(b) (Items to Furnish to Lender) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

(6) Borrower shall furnish to Lender within one hundred twenty (120) days after the end of each Calendar Year, or upon Lender's written request, a certification stating whether or not Borrower is in compliance with the covenants set forth in Section 4.02(d) and, if not in compliance, setting forth the particulars of such noncompliance and the steps that Borrower has taken, are taking or intend to take to cure such noncompliance.

11. Section 11.02(b)(2) (Interests in Borrower, Key Principal, or Guarantor) of the Loan Agreement is deleted in its entirety and replaced with the following:

(2) Interests in Borrower, Key Principal, or Guarantor.

Other than a Transfer to which Lender has consented in writing, Borrower shall not Transfer, or cause or permit to be Transferred:

(A) any direct ownership interest in any Borrower;

(B) any direct or indirect ownership interest in any Borrower, Key Principal, or Guarantor (if applicable) if such Transfer would cause a change in Control;

(C) a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor (if applicable);

(D) fifty percent (50%) or more of Key Principal's or Guarantor's indirect ownership interests in any Borrower that existed on the Effective Date (individually or on an aggregate basis);

(E) any direct or indirect ownership interest in any Borrower, Key Principal or Guarantor (if applicable) if such transfer would result in a violation of Section 4.02(b); or

(F) the economic benefits or rights to cash flows attributable to any ownership interests in Borrower, Key Principal, or Guarantor (if applicable) separate from the Transfer of the underlying ownership interests if the Transfer of the underlying ownership interest is prohibited by this Loan Agreement.

Notwithstanding the foregoing, if a Publicly-Held Corporation or a Publicly-Held Trust Controls Borrower, Key Principal, or Guarantor, or owns a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor, a Transfer of any ownership interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Loan Agreement as long as (i) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (ii) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the ownership interests in such Publicly-Held Corporation or Publicly-Held Trust.

12. Section 11.02(b)(3) (Transfers of Non-Controlling Interests) of the Loan Agreement is deleted in its entirety and replaced with the following.

(3) **Transfers of Non-Controlling Interests.**

Transfers of indirect limited partnership or non-managing member interests in any Borrower that result in a Transfer of fifty percent (50%) or more of the limited partnership or non-managing membership interests shall be consented to by Lender if such Transfer satisfies the following conditions:

(G) Key Principal or Guarantor (as applicable) Controls each Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer;

(H) such Transfer does not violate the requirements of Section 11.02(b)(2)(C) or Section 11.02(b)(2)(D);

(I) Borrower shall provide Lender not less than thirty (30) days prior written notice of the proposed Transfer and obtain Lender's approval;

(J) Borrower shall provide with its notice to Lender an organizational chart reflecting, and all organizational documents relevant to, the proposed Transfer;

(K) Borrower shall provide with its notice to Lender a certification that no change of Control of Borrower, Key Principal, or Guarantor (as applicable) shall occur as a result of such Transfer;

(L) if any Person will own twenty-five percent (25%) or more of the direct or indirect ownership interests in any Borrower that did not own twenty-five percent (25%) or more before the Transfer, such Person shall not, as of the date of the Transfer, be a Prohibited Person;

(M) Borrower shall pay to Lender:

(i) concurrently with its notice to Lender, the Review Fee plus a transfer fee of $25,000, which shall be in lieu of any other Transfer Fee; and

(ii) upon demand, any out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, incurred by Lender in connection with its review of the Transfer request; and

(N) Borrower shall execute upon demand such documents or certifications as Lender reasonably requires in order to confirm the post-transfer ownership structure, compliance with the stated conditions, and any other relevant factual matter.

For avoidance of doubt because each co-Borrower is directly owned by the same entity, a Transfer under this Section 11.02(b)(3) shall be a Transfer of the same ownership interest in each Borrower.

13. The following article is hereby added to the Loan Agreement as Article 18 (Co-Borrowers):

ARTICLE 18 – CO-BORROWERS

Section 18.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 18.01 are made as of the Effective Date and are true and correct.

(a) Each Borrower is obligated under the Note and Loan Documents and is deemed a "Co-Borrower" hereunder. Subject to the terms of this Article 18,

each Borrower hereby agrees and consents that the Note and each Security Document shall be cross-defaulted (i.e., a default under the Note, each Security Document or this Loan Agreement shall constitute a default under the Note, each Security Document and under this Loan Agreement) and cross-collateralized (i.e., each Security Instrument shall secure all of Borrower's obligations under the Note, this Loan Agreement, and the other Loan Documents). Each Borrower further agrees and consents that upon the occurrence and during the continuance of an Event of Default, Lender shall have the right, in its sole and absolute discretion, to exercise any and all rights and remedies in and under any of the Loan Documents, including the right to proceed, at the same or at different times, to foreclose any or all Liens against such collateral (or sell such collateral under power of sale) in accordance with the terms of the Loan Documents, by any proceedings appropriate in the jurisdictions where such collateral is located, and that no enforcement action taking place in any jurisdiction shall preclude or bar enforcement in any other jurisdiction. Any Foreclosure Event brought in any jurisdiction in which collateral is located may be brought and prosecuted as to any part of such collateral without regard to the fact that a Foreclosure Event has not been instituted elsewhere on any other part of the collateral for the Indebtedness. No notice, except as may be expressly required by the Loan Documents or by applicable law, shall be required to be given to Borrower in connection with (1) the occurrence of such Event of Default, or (2) Lender's exercise of any and all of its rights or remedies after the occurrence of such Event of Default. Any such exercise shall be without regard to any allocated loan amount assigned to such Mortgaged Property pursuant to the Contribution Agreement or any other document. Lender may recover an amount equal to the full amount outstanding in respect of the Note in connection with such exercise and any such amount shall be applied to the Indebtedness as determined by Lender pursuant to the terms of the Loan Documents.

(b) The direct and indirect ownership and Control of each Borrower is identical with respect to (1) the identity of each owner, (2) the ownership percentage and/or economic interests of each owner, and (3) the Person(s) that Control Borrower (except that intervening entities may differ across Borrowers provided each such intervening entity is wholly-owned and Controlled by the same ultimate beneficial owners).

(c) Intentionally Omitted.

(d) The Mortgaged Property is operated as a single, integrated multifamily residential property.

Section 18.02 Covenants Regarding Property Operation

(a) If the Mortgaged Property is currently encumbered by reciprocal easements or covenants (between or among any parcels comprising the Mortgaged Property and one or more Borrowers owning each parcel or property) pertaining to

the ownership, maintenance, or operation of the Mortgaged Property and/or Improvements, all such reciprocal easements and covenants shall be subject and subordinate to the Lien of the Security Instrument; provided that in the event of a Foreclosure Event, Lender may subordinate the Lien of the Security Instrument to any or all such reciprocal easements or covenants.

(b) If the Mortgaged Property is comprised of more than one parcel or property, each Borrower acknowledges that no individual parcel or property comprising the Mortgaged Property may be separately released from the Lien of the Security Instrument. The Mortgaged Property shall be operated as a single, integrated multifamily residential project.

Section 18.03 Borrower Agency Provisions.

(a) Each Borrower shall irrevocably designate Borrower Agent to be its agent and in such capacity to receive on behalf of Borrower all proceeds, receive all notices on behalf of Borrower under this Loan Agreement, make all requests under this Loan Agreement, and execute, deliver, and receive all instruments, certificates, requests, documents, amendments, writings, and further assurances now or hereafter required hereunder, on behalf of such Borrower, and hereby authorizes Lender to pay over all proceeds hereunder in accordance with the request of Borrower Agent. Each Borrower hereby acknowledges that all notices required to be delivered by Lender to any Borrower shall be delivered to Borrower Agent and thereby shall be deemed to have been received by such Borrower.

(b) The handling of this Loan Agreement as a co-borrowing loan with a Borrower Agent in the manner set forth in this Loan Agreement is solely as an accommodation to each Borrower and Guarantor and is at their mutual request. Lender shall not incur liability to Borrower or Guarantor as a result thereof. To induce Lender to do so and in consideration thereof, each Borrower hereby indemnifies Lender and holds Lender harmless from and against any and all liabilities, expenses, losses, damages, and claims of damage or injury asserted against Lender by any Person arising from or incurred by reason of Borrower Agent handling of the financing arrangements of Borrower as provided herein, reliance by Lender on any request or instruction from Borrower Agent or any other action taken by Lender with respect to this Section 18.03(b) except due to willful misconduct or gross negligence of the indemnified party as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order.

Section 18.04 Joint and Several Obligation; Cross-Guaranty.

Notwithstanding anything contained in this Loan Agreement or the other Loan Documents to the contrary (but subject to the provisions of Section 3.01, Section 3.02(a) and Section 3.02(b)), the last sentence of this Section 18.04, and the provisions of Section 18.11 and Section 15.05, each Borrower shall have joint

and several liability for the Indebtedness. Each Borrower, on a joint and several basis, hereby irrevocably guarantees on a non-recourse basis, subject to the exceptions to non-recourse provisions of Section 3.01. Section 3.02(a) and Section 3.02(b), to Lender and its successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Indebtedness owed or hereafter owing to Lender by each other Borrower. Each Borrower agrees that its non-recourse guaranty obligation hereunder is an unconditional guaranty of payment and performance and not merely a guaranty of collection. The Indebtedness of each Borrower under this Loan Agreement shall not be subject to any counterclaim, set-off, recoupment, deduction, cross-claim, or defense based upon any claim any Borrower may have against Lender or any other Borrower.

Section 18.05 Waivers With Respect to Other Borrower Secured Obligation.

To the extent that a Security Instrument or any other Loan Document executed by one Borrower secures an obligation of another Borrower (the "**Other Borrower Secured Obligation**"), or to the extent that a Borrower has guaranteed the debt of another Borrower pursuant to this Article 18, each Borrower who executed such Loan Document or guaranteed such debt (the "**Waiving Borrower**") hereby agrees to the extent permitted by law, to the provisions of this Section 18.05. To the maximum extent permitted by applicable law:

(a) the Waiving Borrower hereby waives any right it may now or hereafter have to require the beneficiary, assignee, or other secured party under such Loan Document, as a condition to the exercise of any remedy or other right against it thereunder or under any other Loan Document executed by the Waiving Borrower in connection with the Other Borrower Secured Obligation: (A) to proceed against any other Borrower or any other Person, or against any other collateral assigned to Lender by any Borrower or any other Person; (B) to pursue any other right or remedy in Lender's power; (C) to give notice of the time, place, or terms of any public or private sale of real or personal property collateral assigned to Lender by any other Borrower or any other Person; or (D) to make or give (except as otherwise expressly provided in the Security Documents) any presentment, demand, protest, notice of dishonor, notice of protest, or other demand or notice of any kind in connection with the Other Borrower Secured Obligation or any collateral for the Other Borrower Secured Obligation;

(b) the Waiving Borrower hereby waives any defense it may now or hereafter have that relates to: (A) any disability or other defense of any other Borrower or any other Person; (B) the cessation, from any cause other than full performance, of the Other Borrower Secured Obligation; (C) the application of the proceeds of the Other Borrower Secured Obligation, by any other Borrower or any other Person, for purposes other than the purposes represented to the Waiving Borrower by any other Borrower or any other Person, or otherwise intended or

understood by the Waiving Borrower or any other Borrower; (D) any act or omission by Lender which directly or indirectly results in or contributes to the release of any other Borrower or any other Person or any collateral for any Other Borrower Secured Obligation; (E) the unenforceability or invalidity of any Security Document or Loan Document (other than the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) or guaranty with respect to any Other Borrower Secured Obligation, or the lack of perfection or continuing perfection or lack of priority of any Lien (other than the Lien of the Security Instrument executed by the Waiving Borrower that secures the Other Borrower Secured Obligation) which secures any Other Borrower Secured Obligation; (F) any failure of Lender to marshal assets in favor of the Waiving Borrower or any other Person; (G) any modification of any Other Borrower Secured Obligation, including any renewal, extension, acceleration, or increase in interest rate; (H) any and all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Waiving Borrower's rights of subrogation and reimbursement against the principal by the operation of any applicable law; (I) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (J) any failure of Lender to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person; (K) the election by Lender, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the Bankruptcy Code; (L) any extension of credit or the grant of any lien under Section 364 of the Bankruptcy Code; (M) any use of cash collateral under Section 363 of the Bankruptcy Code; or (N) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person. The Waiving Borrower further waives any and all rights and defenses that it may have because the Other Borrower Secured Obligation is secured by real property; this means, among other things, that: (A) Lender may collect from the Waiving Borrower without first foreclosing on any real or personal property collateral pledged by any other Borrower; (B) if Lender forecloses on any real property collateral pledged by any other Borrower, then (i) the amount of the Other Borrower Secured Obligation may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (ii) Lender may foreclose on the real property encumbered by the Security Instrument executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, or otherwise collect from the Waiving Borrower, even if Lender, by foreclosing on the real property collateral of any one or more of the other Borrowers, has destroyed any right the Waiving Borrower may have to collect from such other Borrowers. Subject to the last sentence of Section 18.04, the foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses the Waiving Borrower may have because the Other Borrower Secured Obligation is secured by real property;

(c) the Waiving Borrower hereby waives the benefit of all principles or provisions of law that are or might be in conflict with the terms of any of its waivers, and agrees that the Waiving Borrower's waivers shall not be affected by any circumstances that might otherwise constitute a legal or equitable discharge of a surety or a guarantor. The Waiving Borrower hereby waives the benefits of any right of discharge and all other rights and defenses under any and all statutes or other laws relating to guarantors or sureties, to the fullest extent permitted by law, diligence in collecting the Other Borrower Secured Obligation, presentment, demand for payment, protest, all notices with respect to the Other Borrower Secured Obligation that may be required by statute, rule of law, or otherwise to preserve Lender's rights against the Waiving Borrower hereunder, including notice of acceptance, notice of any amendment of the Loan Documents evidencing the Other Borrower Secured Obligation, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, notice of the incurring by the other Borrower of any obligation or indebtedness and all rights to require Lender to (A) proceed against the other Borrower, (B) proceed against any general partner of the other Borrower, (C) proceed against or exhaust any collateral held by Lender to secure the Other Borrower Secured Obligation, or (D) if the other Borrower is a partnership, pursue any other remedy it may have against the other Borrower, or any general partner of the other Borrower;

(d) the Waiving Borrower understands that the exercise by Lender of certain rights and remedies contained in a Security Instrument executed by any other Borrower (such as a nonjudicial foreclosure sale) may affect or eliminate the Waiving Borrower's right of subrogation against such other Borrower and that the Waiving Borrower may therefore incur a partially or totally nonreimburseable liability. Nevertheless, the Waiving Borrower hereby authorizes and empowers Lender to exercise, in its sole and absolute discretion, any right or remedy, or any combination thereof, that may then be available, since it is the intent and purpose of the Waiving Borrower that its waivers shall be absolute, independent, and unconditional under any and all circumstances;

(e) each Borrower hereby irrevocably and unconditionally agrees that any such claims, direct or indirect, that such Borrower may have by subrogation rights or other form of reimbursement, contribution, or indemnity, against any other Borrower or to any security or any such Borrower, shall be, and such rights, remedies, claims, and indebtedness are hereby, deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness. Until payment and performance in full with interest (including post-petition interest in any case under any chapter of the Bankruptcy Code) of the Indebtedness, each Borrower agrees (1) not to accept any payment or satisfaction of any kind of indebtedness of any other Borrower in respect of any such subrogation rights arising by virtue of payments made pursuant to this Article 18 or otherwise including any other type of payment Borrower may

be entitled to from any other Borrower under any other agreement, arrangement, contract, or otherwise, and hereby unconditionally and irrevocably assigns all rights, remedies, actions, claims, votes, payments, and/or indebtedness to Lender, including (A) the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code, and (B) the right to vote on any plan of reorganization; and (2) to stand still with respect to the enforcement of any rights or remedies of any Borrower against any other Borrower and not to take any enforcement action or other action with respect to such rights and remedies. Each Borrower agrees that all payments or other satisfaction any Borrower may be entitled from any other Borrower shall be paid directly to and shall automatically vest in Lender for application to the Indebtedness. In the event that any payment on account of any such subrogation rights shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected must be turned over to Lender for, at Lender's option, application to the Indebtedness. Any right to payment of a Borrower that is required to be turned over to Lender shall be subject and subordinate in all respects to the rights and claims of Lender against Borrower under the Loan Documents;

(f) at any time without notice to the Waiving Borrower, and without affecting or prejudicing the right of Lender to proceed against the Mortgaged Property described in any Loan Document executed by the Waiving Borrower and securing the Other Borrower Secured Obligation, (A) the time for payment of the principal of or interest on, or the performance of, the Other Borrower Secured Obligation may be extended or the Other Borrower Secured Obligation may be renewed in whole or in part; (B) the time for any other Borrower's performance of or compliance with any covenant or agreement contained in the Loan Documents evidencing the Other Borrower Secured Obligation, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (C) the maturity of the Other Borrower Secured Obligation may be accelerated as provided in the related Note or any other related Loan Document; (D) the related Note or any other related Loan Document may be modified or amended by Lender and the applicable other Borrower in any respect, including an increase in the principal amount; and (E) any security for the Other Borrower Secured Obligation may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Other Borrower Secured Obligation;

(g) it is agreed among each Borrower and Lender that all of the foregoing waivers are of the essence of the transaction contemplated by this Loan Agreement and the Loan Documents and that but for the provisions of this Article 18 and such waivers, Lender would decline to enter into this Loan Agreement; and

(h) each Borrower unconditionally and irrevocably subordinates all rights and remedies of any Borrower against any other Borrower, including rights

of indemnity or otherwise that may exist under any agreement, at law or otherwise to the lien of the Security Instrument and the other terms and provisions of the Loan Documents.

Section 18.06 No Impairment.

Each Borrower agrees that the provisions of this Article 18 are for the benefit of Lender and its successors and assigns, and nothing herein contained shall impair, as between any other Borrower and Lender, the obligations of such other Borrower under the Loan Documents.

Section 18.07 Election of Remedies.

(a) Lender, in its discretion, may (1) bring suit against any one or more Borrowers, jointly and severally, without any requirement that Lender first proceed against any other Borrower or any other Person; (2) compromise or settle with any one or more Borrowers, or any other Person, for such consideration as Lender may deem proper; (3) release one or more Borrowers, or any other Person, from liability; and (4) otherwise deal with any Borrower and any other Person, or any one or more of them, in any manner, or resort to any of the Mortgaged Property at any time held by it for performance of the Indebtedness or any other source or means of obtaining payment of the Indebtedness, and no such action shall impair the rights of Lender to collect from any Borrower any amount guaranteed by any Borrower under this Article 18.

(b) If, in the exercise of any of its rights and remedies, Lender shall forfeit any of its rights or remedies, including its rights to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable law pertaining to "election of remedies" or the like, each Borrower hereby consents to such action by Lender and waives any claim based upon such action, even if such action by Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Lender. Any election of remedies that results in the denial or impairment of the right of Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Indebtedness. In the event Lender shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or any of the Loan Documents, Lender may bid all or less than the amount of the Indebtedness and the amount of such bid need not be paid by Lender but shall be credited against the Indebtedness. The amount of the successful bid at any such sale, whether Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Mortgaged Property and the difference between such bid amount and the remaining balance of the Indebtedness shall be conclusively deemed to be the amount of the Indebtedness guaranteed under this Article 18, notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency

claim to which Lender might otherwise be entitled but for such bidding at any such sale.

Section 18.08 Subordination of Other Obligations.

(a) Each Borrower hereby irrevocably and unconditionally agrees that all amounts payable from time to time to such Borrower by any other Borrower pursuant to any agreement or otherwise, whether secured or unsecured, whether of principal, interest, or otherwise, other than the amounts referred to in this Article 18 (collectively, the "Subordinated Obligations"), shall be and such rights, claims, and indebtedness are, hereby deferred, postponed, and fully subordinated in time and right of payment to the prior payment, performance, and satisfaction in full of the Indebtedness and to the lien of the Security Instrument and the other terms and provisions of the Loan Documents; provided, however, that payments may be received by any Borrower in accordance with, and only in accordance with, the provisions of Section 18.08 hereof.

(b) Until the Indebtedness has been finally paid in full or fully performed and all the Loan Documents have been terminated, each Borrower irrevocably and unconditionally agrees that it will not (1) ask, demand, sue for, take, or receive, directly or indirectly, by set-off, redemption, purchase, or in any other manner whatsoever, any payment with respect to, or any security or guaranty for, the whole or any part of the Subordinated Obligations, and in issuing documents, instruments, or agreements of any kind evidencing the Subordinated Obligations, and (2) receive any payment of any kind on account of the Subordinated Obligations, so long as any of the Indebtedness is outstanding or any of the terms and conditions of any of the Loan Documents are in effect; provided, however, that, notwithstanding anything to the contrary contained herein, if no Event of Default (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing under any of the Loan Documents, then payments may be received by such Borrower in respect of the Subordinated Obligations in accordance with the stated terms thereof. Except as aforesaid, each Borrower agrees (i) not to accept any payment or satisfaction of any kind of indebtedness of any other Borrower in respect of the Subordinated Obligations and hereby unconditionally and irrevocably assigns all rights, remedies, actions, claims, votes, payments, and/or indebtedness to Lender, including (A) the right to file proofs of claim and to vote thereon in connection with any case under any chapter of the Bankruptcy Code, and (B) the right to vote on any plan of reorganization; and (ii) to standstill with respect to the taking of any action and the enforcement of any rights or remedies of any Borrower against any other Borrower in connection with the Subordinated Obligations and not to take any enforcement action or other action with respect to such rights and remedies. Each Borrower agrees that all payments or other satisfaction any Borrower may be entitled on account of the Subordinated Obligations shall be paid directly to and automatically vest in Lender for

application to the Indebtedness except as otherwise stated in this subsection 18.08(b). In the event that any payment on account of Subordinated Obligations shall be received by any Borrower in violation of the foregoing, such payment shall be held in trust for the benefit of Lender, and any amount so collected shall be turned over to Lender upon demand. Any right to payment of a Borrower that is required to be turned over to Lender shall be subject and subordinate in all respects to the rights and claims of Lender against Borrower under the Loan Documents.

Section 18.09 Insolvency and Liability of Other Borrower; Preferences, Fraudulent Conveyances, Etc.

(a) So long as any of the Indebtedness is outstanding, if a petition under any chapter of the Bankruptcy Code is filed by or against any Borrower (the "**Subject Borrower**"), upon the written direction of Lender, each other Borrower (each, an "**Other Borrower**") agrees to file all claims against the Subject Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in connection with indebtedness owed by the Subject Borrower and to assign or confirm the assignment to Lender made under Section 18.05 and Section 18.08 of all rights thereunder up to the amount of such indebtedness. In all such cases, the Person or Persons authorized to pay such claims shall pay to Lender the full amount thereof and Lender agrees to pay such Other Borrower any amounts received in excess of the amount necessary to pay the Indebtedness. Each Other Borrower hereby assigns to Lender all of such Other Borrower's rights to all such payments to which such Other Borrower would otherwise be entitled but not to exceed the full amount of the Indebtedness. In the event that, notwithstanding the foregoing, any such payment shall be received by any Other Borrower before the Indebtedness shall have been finally paid in full, such payment shall be held in trust for the benefit of and shall be paid over to Lender upon demand. Furthermore, notwithstanding the foregoing, the liability of each Borrower hereunder shall in no way be affected by:

(1) the release or discharge of any Other Borrower in any creditors' receivership, bankruptcy, or other proceedings; or

(2) the impairment, limitation, or modification of the liability of any Other Borrower or the estate of any Other Borrower in bankruptcy resulting from the operation of any present or future provisions of any chapter of the Bankruptcy Code or other statute or from the decision in any court.

(b) If Lender is required to refund, or voluntarily refunds, any payment received from any Borrower because such payment is or may be avoided, invalidated, declared fraudulent, set aside, or determined to be void or voidable as a preference, fraudulent conveyance, impermissible setoff, or a diversion of trust funds under the Insolvency Laws or for any similar reason, including, without

limitation, any judgment, order, or decree of any court or administrative body having jurisdiction over any Borrower or any of its property, or upon or as a result of the appointment of a receiver, intervenor, custodian, or conservator of, or trustee or similar officer for, any Borrower or any substantial part of its property, or otherwise, or any statement or compromise of any claim effected by Lender with any Borrower or any other claimant (a "**Rescinded Payment**"), then (i) each Other Borrower's liability to Lender shall continue in full force and effect, or each Other Borrower's liability to Lender shall be reinstated and renewed, as the case may be, with the same effect and to the same extent as if the Rescinded Payment had not been received by Lender, notwithstanding the cancellation or termination of any of the Loan Documents and any prior cancellation, termination, release or discharge of any of the Loan Documents shall be without effect and such Loan Documents shall remain in full force and effect, and regardless of whether Lender contested the order requiring the return of such payment, and (ii) such Rescinded Payment shall become immediately due and payable by each Other Borrower without notice or demand. In addition, each Other Borrower shall pay, or reimburse Lender for, all expenses (including all reasonable attorneys' fees, court costs, and related disbursements) incurred by Lender in the defense of any claim that a payment received by Lender in respect of all or any part of the Indebtedness must be refunded. The provisions of this Section 18.09(b) shall survive the termination of the Loan Documents and any satisfaction and discharge of any Borrower by virtue of any payment, court order, or any federal or state law.

Section 18.10 Maximum Liability of Each Borrower.

Notwithstanding anything contained in this Loan Agreement or any other Loan Document to the contrary, if the obligations of any Borrower under this Loan Agreement or any of the other Loan Documents or any Security Instrument granted by any Borrower are determined to exceed the reasonably equivalent value received by such Borrower in exchange for such obligations or grant of any Security Instrument under any Fraudulent Transfer Law (as hereinafter defined), then the liability of such Borrower shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations under this Loan Agreement or all the other Loan Documents subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of indebtedness to any other Borrower or any other Person that is an affiliate of the other Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Borrower in respect of the Indebtedness) and after giving effect (as assets) to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of such Borrower pursuant to

applicable law or pursuant to the terms of any agreement including the Contribution Agreement.

Section 18.11 Cumulative Liability of Each Borrower.

The liability of each Borrower under this Article 18 is in addition to and shall be cumulative with all liabilities of such Borrower to Lender under this Loan Agreement and all the other Loan Documents to which such Borrower is a party or in respect of any Indebtedness of any other Borrower.

Section 18.12 Contribution Agreement.

Concurrently with the closing of the Loan, each Borrower shall enter into the Contribution Agreement. No Borrower may cancel, terminate, surrender, modify or amend any of the terms or provisions of the Contribution Agreement without the prior consent of Lender.

[Remainder of Page Intentionally Blank]

EXHIBIT B

MULTIFAMILY NOTE

US $21,590,000.00 as of October 31, 2022

FOR VALUE RECEIVED, the undersigned (jointly and severally, "**Borrower**") promises to pay to the order of **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation ("**Lender**"), the principal amount of Twenty-One Million Five Hundred Ninety Thousand and NO/100 Dollars (US $21,590,000.00) (the "**Mortgage Loan**"), together with interest thereon accruing at the Interest Rate on the unpaid principal balance from the date the Mortgage Loan proceeds are disbursed until fully paid in accordance with the terms hereof and of that certain Multifamily Loan and Security Agreement dated as of the date hereof, by and between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**").

1. Defined Terms.

Capitalized terms used and not specifically defined in this Multifamily Note (this "**Note**") have the meanings given to such terms in the Loan Agreement.

2. Repayment.

Borrower agrees to pay the principal amount of the Mortgage Loan and interest on the principal amount of the Mortgage Loan from time to time outstanding at the Interest Rate or such other rate or rates and at the times specified in the Loan Agreement, together with all other amounts due to Lender under the Loan Documents. The outstanding balance of the Mortgage Loan and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date, together with all other amounts due to Lender under the Loan Documents.

3. Security.

The Mortgage Loan evidenced by this Note, together with all other Indebtedness is secured by, among other things, the Security Instrument, the Loan Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Security Instrument and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

4. Acceleration.

In accordance with the Loan Agreement, if an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any accrued and unpaid interest, including interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other amounts payable under this Note, the Loan Agreement and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to

Borrower, unless applicable law requires otherwise (and in such case, after satisfactory notice has been given).

5. **Personal Liability.**

The provisions of Article 3 (Personal Liability) of the Loan Agreement are hereby incorporated by reference into this Note to the same extent and with the same force as if fully set forth herein.

6. **Governing Law.**

This Note shall be governed in accordance with the terms and provisions of Section 15.01 (Governing Law; Consent to Jurisdiction and Venue) of the Loan Agreement.

7. **Waivers.**

Presentment, demand for payment, notice of nonpayment and dishonor, protest and notice of protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, and grace and diligence in collecting the Indebtedness are waived by Borrower, for and on behalf of itself, Guarantor and Key Principal, and all endorsers and guarantors of this Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

8. **Commercial Purpose.**

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

9. **Construction; Joint and Several (or Solidary, as applicable) Liability.**

(a) Section 15.08 (Construction) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Note.

(b) If more than one Person executes this Note as Borrower, the obligations of each such Person executing this Note shall be joint and several (solidary instead for purposes of Louisiana law).

10. **Notices.**

All Notices required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 15.02 (Notice) of the Loan Agreement.

11. **Time is of the Essence.**

Borrower agrees that, with respect to each and every obligation and covenant contained in this Note, time is of the essence.

12. Loan Charges Savings Clause.

Borrower agrees to pay an effective rate of interest equal to the sum of the Interest Rate and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Mortgage Loan and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note, the Loan Agreement nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with all applicable laws governing the maximum rate or amount of interest payable on the Indebtedness evidenced by this Note and the other Loan Documents. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any interest or other charge or amount provided for in any Loan Document, whether considered separately or together with other charges or amounts provided for in any other Loan Document, or otherwise charged, taken, reserved or received in connection with the Mortgage Loan, or on acceleration of the maturity of the Mortgage Loan or as a result of any prepayment by Borrower or otherwise, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate any such violation. Amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of the Mortgage Loan without the payment of any prepayment premium (or, if the Mortgage Loan has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of the Loan Agreement and any other Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Agreement and any other Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, and any amount paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness, shall be deemed to be allocated and spread ratably over the stated term of the Mortgage Loan. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Mortgage Loan.

13. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

14. **Receipt of Loan Documents.**

Borrower acknowledges receipt of a copy of each of the Loan Documents.

15. **Incorporation of Schedules.**

The schedules, if any, attached to this Note are incorporated fully into this Note by this reference and each constitutes a substantive part of this Note.

ATTACHED SCHEDULE. The following Schedule is attached to this Note:

☐ Schedule 1 Modifications to Note

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has signed and delivered this Note under seal (where applicable) or has caused this Note to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this Note shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

BORROWER:

CAMPUS HEIGHTS APTS OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

EXHIBIT C

Instrument	Book	Page
202200005408	OR 600	480

202200005408
FILED FOR RECORD IN
ATHENS COUNTY, OHIO
JESSICA MARKINS, RECORDER
11/03/2022 01:41:40 PM
OR BOOK: 600 PAGE: 480
MORTGAGE 250.00 PG: 29

202200005408
VALUED CUSTOMER

OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(OHIO)

Instrument	Book	Page
202200005408	OR 600	481

OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

This OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Security Instrument**") dated as of October 31, 2022, is executed by **CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC**, a limited liability company organized and existing under the laws of Delaware and **CAMPUS HEIGHTS APTS OWNER LLC**, a limited liability company organized and existing under the laws of Delaware, jointly and severally as mortgagor ("**Borrower**"), to and for the benefit of **M&T REALTY CAPITAL CORPORATION**, a Corporation organized and existing under the laws of Maryland, as mortgagee ("**Lender**").

Borrower, in consideration of (i) the loan in the original principal amount of $21,590,000.00 (the "**Mortgage Loan**") evidenced by that certain Multifamily Note dated as of the date of this Security Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Note**"), and (ii) that certain Multifamily Loan and Security Agreement dated as of the date of this Security Instrument, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), and to secure to Lender the repayment of the Indebtedness (as defined in this Security Instrument), and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (as defined in the Loan Agreement), excluding the Environmental Indemnity Agreement (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, warrants and conveys to and for the benefit of Lender the Mortgaged Property (as defined in this Security Instrument), including the real property located in the County of Athens, State of Ohio, and described in Exhibit A attached to this Security Instrument and incorporated by reference (the "**Land**"), to have and to hold such Mortgaged Property unto Lender and Lender's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

If Borrower keeps, observes and performs all of the covenants and conditions of this Security Instrument on its part to be kept and performed and pays, or causes to be paid, to Lender the Note as to both principal and interest, the last payment of which is due November 1, 2024 as provided in the Loan Agreement, and all extensions and renewals thereof, and all of the other

Indebtedness, and repays any loans and advances hereafter made by Lender under the terms hereof, then this Security Instrument will be void; otherwise it will remain in effect. The intent of the preceding sentence is that if all of the Indebtedness is paid in full, then this Security Instrument will be void; otherwise the Security Instrument will remain in effect.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, assign, remise, release, warrant and convey the Mortgaged Property, and that the Mortgaged Property is not encumbered by any Lien (as defined in this Security Instrument) other than Permitted Encumbrances (as defined in this Security Instrument). Borrower covenants that Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands other than Permitted Encumbrances.

Borrower and Lender, by its acceptance hereof, each covenants and agrees as follows:

1. **Defined Terms.**

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement. All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC. The following terms, when used in this Security Instrument, shall have the following meanings:

"**Condemnation Action**" means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

"**Enforcement Costs**" means all expenses and costs, including reasonable attorneys' fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default under the Loan Agreement or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Loan Agreement or any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.

"**Environmental Indemnity Agreement**" means that certain Environmental Indemnity Agreement dated as of the date of this Security Instrument, executed by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

"**Environmental Laws**" has the meaning set forth in the Environmental Indemnity Agreement.

"**Event of Default**" has the meaning set forth in the Loan Agreement.

"**Fixtures**" means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.

"**Goods**" means all of Borrower's present and hereafter acquired right, title and interest in all goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements.

"**Imposition Deposits**" means deposits in an amount sufficient to accumulate with Lender the entire sum required to pay the Impositions when due.

"**Impositions**" means

(a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property;

(b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance and such other insurance as Lender may require under the Loan Agreement;

(c) Taxes; and

(d) amounts for other charges and expenses assessed against the Mortgaged Property which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably determined from time to time by Lender.

"**Improvements**" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities, and additions and other construction on the Land.

"**Indebtedness**" means the principal of, interest on, and all other amounts due at any time under the Note, the Loan Agreement, this Security Instrument or any other Loan Document (other than the Environmental Indemnity Agreement and Guaranty), including Prepayment Premiums, late charges, interest charged at the Default Rate, and accrued interest as provided in the Loan Agreement and this Security Instrument, advances, costs and expenses to perform the obligations of Borrower or to protect the Mortgaged Property or the security of this Security Instrument, all other monetary obligations of Borrower under the Loan Documents (other than the Environmental Indemnity Agreement), including amounts due as a result of any indemnification obligations, and any Enforcement Costs.

"**Land**" means the real property described in Exhibit A.

"**Leases**" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals thereof.

"**Lien**" means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman's or mechanic's lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

"**Mortgaged Property**" means all of Borrower's present and hereafter acquired right, title and interest, if any, in and to all of the following:

(a) the Land;

(b) the Improvements;

(c) the Personalty;

(d) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(e) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(f) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(g) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(h) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

(i) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(j) Imposition Deposits;

(k) refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);

(l) tenant security deposits;

(m) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

(n) Collateral Accounts and all Collateral Account Funds;

(o) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

(p) all of Borrower's right, title and interest in the oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized.

"**Permitted Encumbrance**" means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the Title Policy and Taxes for the current tax year that are not yet due and payable.

"**Personalty**" means all of Borrower's present and hereafter acquired right, title and interest in all Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

"**Prepayment Premium**" has the meaning set forth in the Loan Agreement.

"**Property Jurisdiction**" means the jurisdiction in which the Land is located.

"**Rents**" means all rents (whether from residential or non-residential space), revenues and other income from the Land or the Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and tenant security deposits.

"**Software**" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include any computer program that is included in the definition of Goods.

"Taxes" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Loan Document.

"Title Policy" has the meaning set forth in the Loan Agreement.

"UCC" means the Uniform Commercial Code in effect in the Property Jurisdiction, as amended from time to time.

"UCC Collateral" means any or all of that portion of the Mortgaged Property in which a security interest may be granted under the UCC and in which Borrower has any present or hereafter acquired right, title or interest.

2. Security Agreement; Fixture Filing.

(a) To secure to Lender, the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower hereby pledges, assigns, and grants to Lender a continuing security interest in the UCC Collateral. This Security Instrument constitutes a security agreement and a financing statement under the UCC. This Security Instrument also constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and will be recorded as a "fixture filing" in accordance with the UCC. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Loan Document. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies. For purposes of the UCC, the debtor is Borrower and the secured party is Lender. The name and address of the debtor and secured party are set forth after Borrower's signature below which are the addresses from which information on the security interest may be obtained.

(b) Borrower represents and warrants that: (1) Borrower maintains its chief executive office at the location set forth after Borrower's signature below, and Borrower will notify Lender in writing of any change in its chief executive office within five (5) days of such change; (2) Borrower is the record owner of the Mortgaged Property; (3) Borrower's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Security

Instrument; (4) Borrower's exact legal name is as set forth on Page 1 of this Security Instrument; (5) Borrower's organizational identification number, if applicable, is as set forth after Borrower's signature below; (6) Borrower is the owner of the UCC Collateral subject to no liens, charges or encumbrances other than the lien hereof; (7) except as expressly provided in the Loan Agreement, the UCC Collateral will not be removed from the Mortgaged Property without the consent of Lender; and (8) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.

(c) All property of every kind acquired by Borrower after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further conveyance or assignment become subject to the lien and security interest created by this Security Instrument. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further deeds of trust, mortgages, deeds to secure debt, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Security Instrument and to comply with the rerecording requirements of the UCC.

3. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Leases and Rents. It is the intention of Borrower to establish present, absolute and irrevocable transfers and assignments to Lender of all Leases and Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Borrower, in such circumstance, that this Security Instrument create and perfect a lien on each of the Leases and Rents in favor of Lender, which liens shall be effective as of the date of this Security Instrument.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the

Monthly Debt Service Payments and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities and Impositions (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument.

(c) If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower pursuant to Section 3(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Security

Instrument and the Mortgage Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Lender under this Security Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in Section 3. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Mortgaged Property, Lender or receiver may exclude Borrower and its representatives from the Mortgaged Property.

(f) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Lender to take any action under any Loan Document or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender shall not be:

(1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);

(2) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or

(3) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.

The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property

is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Land and Improvements.

(g) Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Lender or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument or any Loan Document.

4. Protection of Lender's Security.

If Borrower fails to perform any of its obligations under this Security Instrument or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Lender's security, rights or interests under this Security Instrument or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Mortgaged Property or Lender's security, rights or interests in the Mortgaged Property or the Mortgage Loan, including:

(a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;

(b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property;

(c) obtaining (or force-placing) the insurance required by the Loan Documents; and

(d) paying any amounts required under any of the Loan Documents that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this Section 4 shall not be deemed to obligate or require Lender to incur any expense or take any action.

5. Default; Acceleration; Remedies.

(a) If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Indebtedness to be immediately due and payable without further demand, and may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (1) to enforce payment of the Mortgage Loan; (2) to foreclose this Security Instrument judicially or non-judicially; (3) to enforce or exercise any right under any Loan Document; and (4) to pursue any one (1) or more other remedies provided in this Security Instrument or in any other Loan Document or otherwise afforded by applicable law. Each right and remedy provided in this Security Instrument or any other Loan Document is distinct from all other rights or remedies under this Security Instrument or any other Loan Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

(b) In connection with any sale made under or by virtue of this Security Instrument, the whole of the Mortgaged Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times, all as Lender may determine in its sole discretion. Lender shall have the right to become the purchaser at any such sale. In the event of any such sale, the outstanding principal amount of the Mortgage Loan and the other Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Mortgaged Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. To the extent not prohibited by applicable law, Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

(c) Borrower acknowledges and agrees that the proceeds of any sale shall be applied as determined by Lender unless otherwise required by applicable law.

(d) In connection with the exercise of Lender's rights and remedies under this Security Instrument and any other Loan Document, there shall be allowed and included as Indebtedness: (1) all expenditures and expenses authorized by applicable law and all other

expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; (2) all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the exercise of Lender's rights and remedies under the Loan Documents; and (3) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies under the Loan Documents) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Mortgaged Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies under the Loan Documents. All expenditures and expenses of the nature mentioned in this Section 5, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and rents and income therefrom and the maintenance of the lien of this Security Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Security Instrument, the Note, the other Loan Documents, or the Mortgaged Property, including bankruptcy proceedings, any Foreclosure Event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

(e) Any action taken by Lender pursuant to the provisions of this Section 5 shall comply with the laws of the Property Jurisdiction. Such applicable laws shall take precedence over the provisions of this Section 5, but shall not invalidate or render unenforceable any other provision of any Loan Document that can be construed in a manner consistent with any applicable law. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.

6. Waiver of Statute of Limitations and Marshaling.

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order

in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument and/or any other Loan Document or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Loan Document, or afforded by applicable law.

7. **Waiver of Redemption; Rights of Tenants.**

(a) Borrower hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisement, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument. Without limiting the foregoing:

(1) Borrower, for itself and all Persons who may claim by, through or under Borrower, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Security Instrument, it being the intent hereof that any and all such "Moratorium Laws", and all rights of reinstatement and redemption of Borrower and of all other Persons claiming by, through or under Borrower are and shall be deemed to be hereby waived to the fullest extent permitted by the laws of the Property Jurisdiction;

(2) Borrower shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to Lender but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(3) if Borrower is a trust, Borrower represents that the provisions of this Section 7 (including the waiver of reinstatement and redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower, and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons mentioned above.

(b) Lender shall have the right to foreclose subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of

Lender. The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

8. Notice.

(a) All notices under this Security Instrument shall be:

(1) in writing, and shall be (A) delivered, in person, (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or (C) sent by overnight express courier;

(2) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 8.

(c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 8.

9. Mortgagee-in-Possession.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Security Instrument shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

10. **Release.**

Upon payment in full of the Indebtedness, Lender shall cause the release of this Security Instrument and Borrower shall pay Lender's costs incurred in connection with such release.

11. **Ohio State Specific Provisions.**

(a) Lender is authorized and empowered to take all actions that a mortgagee is permitted to take under Section 1311.14 of the Revised Code of Ohio, as amended, for the protection of Lender's interest in the Mortgaged Property.

(b) Borrower and Lender confirm that all amounts disbursed by Lender under Section 4 for payment of Taxes, Insurance premiums and other costs and expenses in connection with the operation, protection or preservation of the Mortgaged Property or in this Security Instrument are intended to comply with Section 5301.233 of the Revised Code of Ohio.

(c) With respect to any agreement by Borrower in this Security Instrument or the other Loan Documents to pay Lender's attorneys' fees and disbursements incurred in connection with the Mortgage Loan, Borrower agrees that each Loan Document is a "contract of indebtedness" and that the attorneys' fees and disbursements referenced are those which are a reasonable amount, all as contemplated by Ohio Revised Code Section 1319.02, as such section may hereafter be amended. Borrower further agrees that the indebtedness incurred in connection with the Mortgage Loan is not incurred for purposes that are primarily personal, family or household and confirms that the total amount owed on the contract of indebtedness exceeds One Hundred Thousand and No/100 Dollars ($100,000.00).

(d) Advances by Lender.

This Security Instrument will secure unpaid balances of any loan advances, whether obligatory or not, made by Lender to Borrower, or, if more than one (1), any one (1) of them, after this Security Instrument is delivered for record to the extent that the total unpaid Indebtedness, exclusive of interest thereon, does not exceed the maximum unpaid Indebtedness which may be outstanding at any time, which amount shall not exceed $43,490,000.00; provided that this Security Instrument shall also secure taxes, insurance premiums, fees, expenses, and other obligations paid or to be paid by Lender pursuant to this Security Instrument or the other Loan Documents. Borrower further covenants and agrees to repay all such loan advances with interest, and that the covenants contained in this Security Instrument will apply to such loan advances as well.

(e) Other Liens.

It is agreed that the Lien hereby created will take precedence over and be a prior Lien to any other lien of any character whether vendors', materialmen's or mechanics' lien hereafter created on the Mortgaged Property, and in the event Lender's own funds or the proceeds of the Indebtedness secured hereby are used to pay off and satisfy any Liens heretofore existing on the Mortgaged Property, then Lender is, and will be, subrogated to all of the rights, liens and remedies of the holders of such indebtedness so paid.

12. Governing Law; Consent to Jurisdiction and Venue.

This Security Instrument shall be governed by the laws of the Property Jurisdiction without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Borrower agrees that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies that arise under or in relation to any security for the Indebtedness. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

13. Miscellaneous Provisions.

(a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower under the Loan Agreement. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document.

(b) The invalidity or unenforceability of any provision of this Security Instrument or any other Loan Document shall not affect the validity or enforceability of any other provision of this Security Instrument or of any other Loan Document, all of which shall remain in full force and effect. This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.

(c) The following rules of construction shall apply to this Security Instrument:

(1) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.

(2) Any reference in this Security Instrument to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.

(3) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.

(5) As used in this Security Instrument, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.

(6) Whenever Borrower's knowledge is implicated in this Security Instrument or the phrase "to Borrower's knowledge" or a similar phrase is used in this Security Instrument, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Security Instrument, if Lender's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender's sole and absolute discretion.

(8) All references in this Security Instrument to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(9) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

14. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Security Instrument and the other Loan Documents, time is of the essence.

15. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH OF BORROWER AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

ATTACHED EXHIBITS. The following Exhibits are attached to this Security Instrument and incorporated fully herein by reference:

[X]	Exhibit A	Description of the Land (required)
[ ]	Exhibit B	Modifications to Security Instrument –

[Remainder of Page Intentionally Blank]

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IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument under seal (where applicable) or has caused this Security Instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where applicable law so provides, Borrower intends that this Security Instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

Acknowledgment

STATE OF New York

COUNTY OF Rockland

The foregoing instrument was acknowledged before me this August 4, 2022 by Fredrick Schulman, Authorized Signatory of CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC, a Delaware limited liability company, on behalf of the limited liability company. This is an acknowledgment certificate; no oath or affirmation was administered to the signer with regard to this notarial act.

_____
Notary Public

ELIEZER MARTIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01MA6334362
Qualified in Rockland County
Commission Expires Dec. 14, 2023

Printed Name: Eliezer Martin

My Commission Expires: 12/14/23

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BORROWER:

CAMPUS HEIGHTS APTS OWNER LLC,
a Delaware limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

Acknowledgment

STATE OF New York

COUNTY OF Rockland

The foregoing instrument was acknowledged before me this August 4, 2022 by Fredrick Schulman, Authorized Signatory of CAMPUS HEIGHTS APTS OWNER LLC, a Delaware limited liability company, on behalf of the limited liability company. This is an acknowledgment certificate; no oath or affirmation was administered to the signer with regard to this notarial act.

_____
Notary Public

ELIEZER MARTIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01MA6334362
Qualified in Rockland County
Commission Expires Dec. 14, 2023

Printed Name: Eliezer Martin

My Commission Expires: 12/14/2023

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The name, chief executive office and organizational identification number of Borrower (as Debtor under any applicable Uniform Commercial Code) are:
Debtor Name/Record Owner: **CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC**
Debtor Chief Executive Office Address:
100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Debtor Organizational ID Number: 4794554

Debtor Name/Record Owner: **CAMPUS HEIGHTS APTS OWNER LLC**
Debtor Chief Executive Office Address:
100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Debtor Organizational ID Number: 6794540

The name and chief executive office of Lender (as Secured Party) are:
Secured Party Name: **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation
Secured Party Chief Executive Office Address:
One Light Street, 12th Floor
Baltimore, MD 21202

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Prepared by, and after recording
return to:
Sameer Upadhya, Esq.
Krooth & Altman LLP
1850 M ST NW
Suite: 400
Washington, DC 20036

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EXHIBIT A

[DESCRIPTION OF THE LAND]

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Athens, County of Athens, State of Ohio.

PHASE 1
Phase 1 Parcel 1 (Fee Simple):

Situated in the City of Athens, State of Ohio, Athens County, Section 8, Township 9 North, Range 14 West and being part of Farm Lots 40 & 41 same being part of a parcel conveyed to Southeast Development Co. No. 2 recorded in Deed Book 271, Page 21 and being more particularly described as follows:
Beginning at a found 5/8" iron pin "LS Swoyer 6785" (1.71 feet north & 3.70 feet west) on the north line of Lot 41 at North 84°49'00" West, 77.20 feet from the Northeast corner of Lot 41 and the True Point of Beginning;

Thence South 31°20'00" East along the western line of McDonald's Corp recorded in Deed Vol. 376, Page 13 a distance of 106.34 feet to a found 5/8" iron pin;

Thence South 07°11'00" East, 396.77 feet to the northern right-of-way line of Carriage Hill Drive; thence along the northerly right-of-way line of said Carriage Hill Drive the following seven courses:

1. South 63°13'00" West, 320.42 feet to a set 5/8" iron pin;
2. Along a curve to the right having a radius of 328.82 feet an arc length of 191.66 feet and chord bearing South 78°57'56" West, 188.83 feet to a set 5/8" iron pin;
3. North 85°03'00" West, 30.00 feet to a set 5/8" iron pin;
4. Along a curve to the right having a radius of 437.22 feet an arc length of 140.87 feet and chord bearing North 75°50'00" West, 140.05 feet to a set 5/8" iron pin;
5. North 66°37'00" West, 18.11 feet to a set 5/8" iron pin;
6. Along a curve to the left having a radius of 450.59 feet an arc length of 136.85 feet and chord bearing North 76°42'57" West, 136.32 feet to a set 5/8" iron pin;
7. North 85°03'00" West, 60.00 feet to a found 5/8" iron pin at 0.61 feet south & 1.10 feet east;

Thence North 04°57'00" East along the easterly line of a parcel conveyed to Athens Carriage Hill Apartments LLC recorded in O.R. 440, Page 1301 a distance of 649.04 feet to a found 5/8" iron pin "LSM 7437";

Thence South 84°49'00" East along the southerly line of a parcel conveyed to Coates Run Property LL, LLC recorded in O.R. 479, Page 2375 a distance of 688.04 feet to the True Point of Beginning, containing 11.572 acres.

Phase 1 Parcel 2: (Fee Simple):

Commencing at the Northeast corner of Lot 41 thence North 84°49'00" West, 77.20 feet along the north line of said Lot 41 to a found 5/8" iron pin "LS Swoyer 6765" (1.71 feet north & 3.70 feet west); thence South 31°20'00" East, 106.34 feet to a found 5/8" iron pin and the True Point of Beginning;

Thence North 82°49'00" East, 90.00 feet to a set 5/8" iron pin on the easterly right-of-way line of Richland Avenue;

Thence South 07°11'00" East along the westerly right-of-way line of said Richland Avenue a distance of 304.72 feet to a set 5/8" iron pin on the northern right-of-way line of Carriage Hill Drive;

Thence South 63°13'00" West along the northern right-of-way line of said Carriage Hill Drive a distance of 95.64 feet to a set 5/8" iron pin;

Thence North 07°11'00" West, 396.77 feet to the True Point of Beginning, containing 0.787 acres.

Basis of bearings for this survey is from a parcel conveyed to Southeast Development Co. No. 2 and recorded in Deed Book 271, Page 21 of the Athens County Records Office.

All set pins are 5/8 inch diameter x 30 inches in length rebar with a plastic cap bearing the number 7911. The above description is prepared from and in accordance with a field survey by David J. Kuethe, Ohio Registered Surveyor No. 7911 dated January 8, 2015.

Phase 1 Parcel 3 (Fee Simple):

Being a 0.030 acre parcel

Situated in the State of Ohio, County of Athens and City of Athens:

Being a part of Farm Lots 40 and 41, Township No. 9, Range 14, Athens Township, Athens County, Ohio.

Beginning at an iron pin located N 84° 49' W 77.2 feet and S 31° 20' E 106.34 feet from the Northeast corner of Farm Lot 41; thence N 60° 45' 06" E 96.06 feet to an iron pin; thence S 7° 11' E 33.59 feet to an iron pin, thence S 82° 49' W 90.0 feet to the place of beginning, containing 1511.56 square feet.

Phase 1 Parcel 4 (Easement)

Non-exclusive Easement for sanitary sewer line over the premises described as the sewer easement area in Exhibits B and C of the Amended and Restated Easement of recorded in Official Record 411, Page 1911, which Easement was originally recorded in Deed Book 282, Page 423, Recorder's Office, Athens County, Ohio.

PHASE 2

Situated in the State of Ohio, Athens County, Township 9, Range 14, Farm Lot 41, Auditor's Section 8 and 14, City of Athens, being all of the remainder 2.2404 acre tract, the remainder of a 6.3732 acre tract, and

the remainder of a 0.1722 acre tract, Columbia-Athens, LTD. by Deed Book 291, Page 390, and all of a 0.410 acre tract conveyed to Columbia-Athens, LTD., an Ohio limited Partnership by Deed Book 308, Page 635 (all records refer to the Recorder's Office, Athens County, Ohio) and being more particularly bounded and described as follows:

COMMENCING FOR REFERENCE the northwest corner of Farm Lot 41;

Thence with the line common to Farm Lots 41 and 59, South 86° 06' 21" East a distance of 421.31 feet to a ½" rebar found (bent badly) and replaced with a 5/8" rebar set at the northwesterly corner of said 2.2404 acre tract, a northeasterly corner of a 323.5136 acre tract conveyed to the State of Ohio (Ohio University) by Official Record 67, Page 407, and in the southerly line of a 32.826 acre tract conveyed to Greenbrier Athens, LLC, an Ohio limited liability company by Official Record 419, Page 2272 and Official Record 422, Page 2646 and being THE TRUE POINT OF BEGINNING;

Thence with a line common to said 2.2404 and 32.826 acre tracts and said Farm Lots 41 and 59 South 86° 05' 29" East a distance of 150.00 feet to a 5/8" rebar set at the northeasterly corner of said 2.2404 acre tract and a northwesterly corner of a 11.61 acre tract conveyed to Southeast Development Co. No. 2 by Deed Book 271, Page 21;

Thence partially with a line common to said 2.2404 and 11.61 acre tracts, partially with the easterly line of said 0.1722 acre tract, and partially with the western terminus of Carriage Hill Drive, South 03° 35' 50" West passing a 5/8" rebar set at the common corner of said 2.2404, 0.1722 and 11.61 acre tracts at 849.04 feet, a total distance of 899.04 feet to a 5/8" rebar set at the southeasterly corner of said 0.1722 acre tract, the southwesterly terminus of Carriage Hill Drive, and in the northerly line of said 5.3732 acre tract;

Thence with the line common to said Carriage Hill Drive and said 5.3732 acre tract the following courses and distances:

South 86°24'10" East a distance of 60.00 feet to a 5/8" rebar set;

With a non-tangent curve to the right, having a radius of 400.59 feet, an arc length of 120.77 feet, a central angle of 17°16' 23", and a chord which bears South 78°11'10" East a chord distance of 120.31 feet to a 5/8" rebar set;

South 67°59'10" East a distance of 18.11 feet to a 5/8" rebar set;

With a curve to the left, having a radius of 487.22 feet, an arc length of 156.76 feet, a central angle of 18°25'58", and a chord which bears South 77°11'10" East a chord distance of 156.07 feet to a 5/8" rebar set;

South 86°24'10" East a distance of 30.00 feet to a 5/8" rebar set;

With a non-tangent curve to the left, having a radius of 376.82 feet, an arc length of219.46 feet, a central angle of 33°22'08", and a chord which bears North 77°36'48" East a chord distance of 216.37 feet to a 5/8" rebar set; and

North 01°37'43" East a distance of 17.20 feet to a 5/8" rebar set in the westerly line of a 1.32 acre tract conveyed to the State of Ohio by Deed Book 301, Page 440;

Thence partially with the southeasterly lines of said 5.3732 (remainder) and 0.410 acre tracts, partially with the northwesterly line of a 0.448 acre tract conveyed to the State of Ohio by Deed Book 308, Page 446 and a 2.287 acre tract conveyed to the State of Ohio by Deed Book 300, Page 488, South 53°37'26" West a distance of 489.98 feet to a 5/8" rebar set;

Thence with the line common to said 0.410 and 2.287 acre tracts, South 30°59'03" West a distance of 250.25 feet to a 5/8" rebar set a common corner thereof, being in the northerly line of a 4.30 acre tract conveyed to the State of Ohio by Deed Boole 327, Page 349;

Thence with the northerly line of said 4.39 acre tract and partially with the southerly lines of said 0.410 and 5.3732 acre tracts, South 75°05'40" West a distance of 276.65 feet to a 5/8" rebar set in the easterly line of said 323.5136 acre tract;

Thence with the line common to said 5.3732 and 323.5136 acre tracts, North 03°35'60" East a distance of 563.97 feet to the southwesterly corner of a 0.249 acre tract conveyed to the State of Ohio by Deed Book 308, Page 446;

Thence with the line common to said 0.249 and 5.3732 (remainder) acre tracts, South 86°28'00" East a distance of 98.58 feet to magnetic nail set at a corner thereof;

Thence with the easterly line of said 0.249 acre tract and partially with the westerly lines of said 5.3732 (remainder), 0.1722 (remainder) and 2.2404 (remainder) acre tracts, North 03°32'00" East, passing a magnetic nail set 39.89 feet and a drill hole at 69.89 feet, a total distance of 110.00 feet to the northeasterly corner of said 0.249 acre tract;

Thence with a line common to said 2.2404 (remainder) and 0.249 acre tracts North 86°28'00" West a distance of 98.46 feet to a 5/8" rebar set in the easterly line of said 323.5136 acre tract;

Thence with the line common to said 2.404 and 323.5136 acre tracts North 03°35'60" East, passing a ½" rebar found in concrete at 613.55 feet, a total distance of 629.85 feet to THE TRUE POINT OF BEGINNING and containing 7.451 acres.

Bearings are based on Geodetic North as established through GPS observations and are used to denote angles only. Rebar set are 5/8 inch by 36 inches and have a yellow plastic cap stamped "Rockmill Land Surveying." For additional information, see plat of survey made in conjunction with and considered an integral part of this description.

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This description is based on a survey completed in August 2009 by Rockmill Land Surveying, LLC and was prepared by Bryan J. Smith, Registered Professional Surveyor No. 8290.

NOTE FOR INFORMATION: Being Parcel No. A02-90600004-00 (Phase 1 Parcel 1), A02-90600005-00 (Phase 1 Parcel 2), A02-90600006-00 (Phase 1 Parcel 3) and A02-90600001-00 (Phase 2), of the City of Athens, County of Athens.

EXHIBIT D

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC

This Amended and Restated Limited Liability Company Agreement (this "Agreement") of Campus Heights Apts Phase 1 Owner LLC (the "Company") is entered into effective as of October 31, 2022 (the "Effective Date") by Campus Heights Apts LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company.

Pursuant to and in accordance with the Limited Liability Company Act of the State of Delaware, as amended from time to time (the "Act"), the Member hereby states as follows:

1. Name. The name of the limited liability company shall be CAMPUS HEIGHTS APTS PHASE 1 OWNER LLC.

2. Office. The principal office of the Company is 100 Franklin Square Drive, Suite 401, Somerset, New Jersey 08873, or such other place or places as the Member shall determine.

3. Term. The term of the Company shall commence as of the date of filing of the Certificate of Formation of the Company with the Department of State of the State of Delaware and the Company shall be dissolved and its affairs wound up as provided in said Certificate, in this Agreement or as otherwise provided in the Act.

4. Purpose. The Company is formed for the purpose of engaging in any lawful act or activities for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

5. Member. The name of the Member and its membership interest (its "Interest") in the Company is as follows:

Name	Interest
CAMPUS HEIGHTS APTS LLC	100%

6. Management Powers. The business and affairs of the Company shall be managed by the Member. The Member is authorized to execute any and all documents on behalf of the Company necessary or appropriate in connection with the acquisition, financing, operation, management or development of the business and any property of the Company.

7. Capital Contributions. The initial capitalization of the Company shall consist of $100 contributed by the Member.

8. Additional Contributions. The Member is not required to make any additional capital contribution to the Company, provided however, that additional capital contributions may be made at such time and in such amounts as the Member shall determine.

9. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

10. Distributions. All profits realized by the company shall be distributed to the Member.

11. Assignments. So long as the Member is the sole member of the Company, the Member may assign or transfer in whole or in part its interest in the Company in its sole discretion. In the event the Member is at any time not the sole member of the Company, then no member may assign or transfer in whole or in part its interest in the Company without the consent of the Member.

12. Withdrawal of Members; Termination of the Company. So long as it is the only member, the Member may withdraw from the Company, provided that such withdrawal from the Company shall result in the constructive termination of the Company. If there is more than one member, then no members shall be permitted to withdraw from the Company or demand a return or payment of his capital contribution without the prior written consent of the Member.

13. Admission of Additional Members. So long as the Member is the sole member of the Company, the Member may cause the Company to admit one or more additional members to the Company in the Member's sole discretion. In the event the Member is at any time not the sole member of the Company, then, except in connection with an assignment of a member's interest in accordance with Section 11 hereof, no member may cause the Company to admit one or more additional members to the Company without consent of all other members.

14. Liability of Members. The Member shall not have any liability for the obligation or liabilities of the Company except to the extent provided in the Act.

15. Governing Law. This Agreement shall be governed by, and constructed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

16. Special Purpose Entity. Notwithstanding anything to the contrary contained herein, the provisions of this Section 16 shall apply for so long as that certain first mortgage loan (the "Mortgage Loan") from M&T Realty Capital Corporation, a Maryland corporation (together with its successors and/or assigns, "Lender") to the Company and Campus Heights Apts Owner LLC, a Delaware limited liability company ("Co-Borrower"), in the original principal amount of Twenty-One Million Five Hundred Ninety Thousand and 00/100 Dollars ($21,590,000.00) remains outstanding. In the event of any conflict between the provisions contained in this Section 16 and the other provisions of this Agreement, such provisions of this Section 16 shall control and govern. Lender is and shall be an intended third-party beneficiary of the provisions set forth in this Section.

The Company is and will continue to be at all times, as long the Mortgage Loan is outstanding, a "Single Purpose Entity", which means that the Company:

(a) shall not acquire, hold, develop, lease, or improve any real property, personal property, or assets other than the Mortgaged Property, or equity interests in a Person that owns the Mortgaged Property;

(b) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(c) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(d) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless the Company's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(e) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which the Company is a party or by which the Company is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(i) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts a. to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or b. for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables 1.are not evidenced by a promissory note, 2. are payable within sixty (60) days of the date incurred, and 3. as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(ii) if the Security Instrument grants a lien on a leasehold estate, the Company's obligations as lessee under the ground lease creating such leasehold estate;

(iii) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(iv) obligations under the Permitted Encumbrances;

(f) shall not assume, guaranty, or become obligated for the liabilities or obligations of any other Person, or pledge its assets for the benefit of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(g) shall not make loans or advances to any other Person;

(h) shall not enter into or become a party to, any transaction with any the Company Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(i) shall not acquire obligations or securities of any other Person;

(j) shall pay (or shall cause the property manager on behalf of the Company from the Company's own funds to pay) its own liabilities, including the salaries of its own employees, if any, from its own funds and maintain a sufficient number of employees in light of its contemplated business operations;

(k) shall not fail to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity;

(l) shall allocate fairly and reasonably any overhead for shared expenses;

(m) shall maintain its existence as an entity duly organized and validly existing, under the laws of the jurisdiction of its formation;

(n) shall be in good standing (if applicable) under the laws of the jurisdiction of its formation or organization;

(o) shall not own any subsidiary or make any investment in any Person without the prior written consent of Lender;

(p) without the prior written consent of Lender, or unless otherwise required or permitted by an interest rate cap security agreement approved by Lender, shall not enter into or guarantee, provide security for, or otherwise undertake any form of contingent obligation with respect to any Hedging Arrangement;

(q) shall not Divide;

(r) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its Interest and the admission of the transferee pursuant to Section 11 hereof, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant Section 13 hereof) (a "Member Cessation Event"), then Jonathan Weiss ("Springing Member 1") shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. If, however, at the time of a Member Cessation Event, Springing Member 1 has died or is otherwise no longer able to step into the role of Special Member, then in such event, Avi Orlansky ("Springing Member 2") shall, concurrently with the Member Cessation Event, and without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as Special Member and shall continue the Company without dissolution. It is the intent of these provisions that the Company never have more than one Special Member at any particular point in time. No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a Member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a Member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. A Special Member shall not be required to make any Capital Contributions to the Company and shall not receive an Interest in the Company. A

Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, each of Springing Member 1 and Springing Member 2 shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, each person acting as a Springing Member 1 or Springing Member 2 shall not be a Member of the Company; and

(s) So long as any obligation under the Loan Documents is outstanding, the Company shall have a Springing Member 1 and a Springing Member 2. No resignation or removal of a Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement. In the event of a vacancy in the position of Springing Member 1 or Springing Member 2, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, a Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

Any capitalized terms used but not defined in this Section 16 shall have the meanings ascribed to such terms in that certain Loan Agreement entered into by and between the Company and Co-Borrower, as co-borrowers, and Lender, as lender, in connection with the Mortgage Loan.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bonded hereby, has duly executed this Amended and Restated Limited Liability Company Agreement of Campus Heights Apts Phase 1 Owner LLC as of the Effective Date.

MEMBER:

CAMPUS HEIGHTS APTS LLC,
a Delaware limited liability company

By: Campus Heights Apts MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Name: Fredrick Schulman
Its: Authorized Signatory

SPRINGING MEMBER 1:

_____
Jonathan Weiss

SPRINGING MEMBER 2:

_____
Avi Orlansky

IN WITNESS WHEREOF, the undersigned, intending to be legally bonded hereby, has duly executed this Amended and Restated Limited Liability Company Agreement of Campus Heights Apts Phase I Owner LLC as of the Effective Date.

MEMBER:

CAMPUS HEIGHTS APTS LLC,
a Delaware limited liability company

By: Campus Heights Apts MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Name: Fredrick Schulman
Its: Authorized Signatory

SPRINGING MEMBER 1:

_____
Jonathan Weiss

SPRINGING MEMBER 2:

_____
Avi Orlansky

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
CAMPUS HEIGHTS APTS OWNER LLC

This Amended and Restated Limited Liability Company Agreement (this "Agreement") of Campus Heights Apts Owner LLC (the "Company") is entered into effective as of October 31, 2022 (the "Effective Date") by Campus Heights Apts LLC, a Delaware limited liability company (the "Member"), as the sole member of the Company.

Pursuant to and in accordance with the Limited Liability Company Act of the State of Delaware, as amended from time to time (the "Act"), the Member hereby states as follows:

1. Name. The name of the limited liability company shall be CAMPUS HEIGHTS APTS OWNER LLC.

2. Office. The principal office of the Company is 100 Franklin Square Drive, Suite 401, Somerset, New Jersey 08873, or such other place or places as the Member shall determine.

3. Term. The term of the Company shall commence as of the date of filing of the Certificate of Formation of the Company with the Department of State of the State of Delaware and the Company shall be dissolved and its affairs wound up as provided in said Certificate, in this Agreement or as otherwise provided in the Act.

4. Purpose. The Company is formed for the purpose of engaging in any lawful act or activities for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

5. Member. The name of the Member and its membership interest (its "Interest") in the Company is as follows:

Name	Interest
CAMPUS HEIGHTS APTS LLC	100%

6. Management Powers. The business and affairs of the Company shall be managed by the Member. The Member is authorized to execute any and all documents on behalf of the Company necessary or appropriate in connection with the acquisition, financing, operation, management or development of the business and any property of the Company.

7. Capital Contributions. The initial capitalization of the Company shall consist of $100 contributed by the Member.

8. Additional Contributions. The Member is not required to make any additional capital contribution to the Company, provided however, that additional capital contributions may be made at such time and in such amounts as the Member shall determine.

9. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

10. Distributions. All profits realized by the company shall be distributed to the Member.

11. Assignments. So long as the Member is the sole member of the Company, the Member may assign or transfer in whole or in part its interest in the Company in its sole discretion. In the event the Member is at any time not the sole member of the Company, then no member may assign or transfer in whole or in part its interest in the Company without the consent of the Member.

12. Withdrawal of Members; Termination of the Company. So long as it is the only member, the Member may withdraw from the Company, provided that such withdrawal from the Company shall result in the constructive termination of the Company. If there is more than one member, then no members shall be permitted to withdraw from the Company or demand a return or payment of his capital contribution without the prior written consent of the Member.

13. Admission of Additional Members. So long as the Member is the sole member of the Company, the Member may cause the Company to admit one or more additional members to the Company in the Member's sole discretion. In the event the Member is at any time not the sole member of the Company, then, except in connection with an assignment of a member's interest in accordance with Section 11 hereof, no member may cause the Company to admit one or more additional members to the Company without consent of all other members.

14. Liability of Members. The Member shall not have any liability for the obligation or liabilities of the Company except to the extent provided in the Act.

15. Governing Law. This Agreement shall be governed by, and constructed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

16. Special Purpose Entity. Notwithstanding anything to the contrary contained herein, the provisions of this Section 16 shall apply for so long as that certain first mortgage loan (the "Mortgage Loan") from M&T Realty Capital Corporation, a Maryland corporation (together with its successors and/or assigns, "Lender") to the Company and Campus Heights Apts Phase 1 Owner LLC, a Delaware limited liability company ("Co-Borrower"), in the original principal amount of Twenty-One Million Five Hundred Ninety Thousand and 00/100 Dollars ($21,590,000.00) remains outstanding. In the event of any conflict between the provisions contained in this Section 16 and the other provisions of this Agreement, such provisions of this Section 16 shall control and govern. Lender is and shall be an intended third-party beneficiary of the provisions set forth in this Section.

The Company is and will continue to be at all times, as long the Mortgage Loan is outstanding, a "Single Purpose Entity", which means that the Company:

(a) shall not acquire, hold, develop, lease, or improve any real property, personal property, or assets other than the Mortgaged Property, or equity interests in a Person that owns the Mortgaged Property;

(b) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property or equity interests in a Person that owns the Mortgaged Property;

(c) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(d) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless the Company's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(e) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which the Company is a party or by which the Company is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(i) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts a. to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or b. for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables 1.are not evidenced by a promissory note, 2. are payable within sixty (60) days of the date incurred, and 3. as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(ii) if the Security Instrument grants a lien on a leasehold estate, the Company's obligations as lessee under the ground lease creating such leasehold estate;

(iii) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(iv) obligations under the Permitted Encumbrances;

(f) shall not assume, guaranty, or become obligated for the liabilities or obligations of any other Person, or pledge its assets for the benefit of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement (for Mortgaged Properties in New York) or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(g) shall not make loans or advances to any other Person;

(h) shall not enter into or become a party to, any transaction with any the Company Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(i) shall not acquire obligations or securities of any other Person;

(j) shall pay (or shall cause the property manager on behalf of the Company from the Company's own funds to pay) its own liabilities, including the salaries of its own employees, if any, from its own funds and maintain a sufficient number of employees in light of its contemplated business operations;

(k) shall not fail to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity;

(l) shall allocate fairly and reasonably any overhead for shared expenses;

(m) shall maintain its existence as an entity duly organized and validly existing, under the laws of the jurisdiction of its formation;

(n) shall be in good standing (if applicable) under the laws of the jurisdiction of its formation or organization;

(o) shall not own any subsidiary or make any investment in any Person without the prior written consent of Lender;

(p) without the prior written consent of Lender, or unless otherwise required or permitted by an interest rate cap security agreement approved by Lender, shall not enter into or guarantee, provide security for, or otherwise undertake any form of contingent obligation with respect to any Hedging Arrangement;

(q) shall not Divide;

(r) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its Interest and the admission of the transferee pursuant to Section 11 hereof, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant Section 13 hereof) (a "Member Cessation Event"), then Jonathan Weiss ("Springing Member 1") shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. If, however, at the time of a Member Cessation Event, Springing Member 1 has died or is otherwise no longer able to step into the role of Special Member, then in such event, Avi Orlansky ("Springing Member 2") shall, concurrently with the Member Cessation Event, and without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as Special Member and shall continue the Company without dissolution. It is the intent of these provisions that the Company never have more than one Special Member at any particular point in time. No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a Member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a Member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. A Special Member shall not be required to make any Capital Contributions to the Company and shall not receive an Interest in the Company. A

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(s) So long as any obligation under the Loan Documents is outstanding, the Company shall have a Springing Member 1 and a Springing Member 2. No resignation or removal of a Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement. In the event of a vacancy in the position of Springing Member 1 or Springing Member 2, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, a Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

Any capitalized terms used but not defined in this Section 16 shall have the meanings ascribed to such terms in that certain Loan Agreement entered into by and between the Company and Co-Borrower, as co-borrowers, and Lender, as lender, in connection with the Mortgage Loan.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bonded hereby, has duly executed this Amended and Restated Limited Liability Company Agreement of Campus Heights Apts Owner LLC as of the Effective Date.

MEMBER:

CAMPUS HEIGHTS APTS LLC,
a Delaware limited liability company

By: Campus Heights Apts MM LLC,
a Delaware limited liability company,
its managing member

By: _____
Name: Fredrick Schulman
Its: Authorized Signatory

SPRINGING MEMBER 1:

_____
Jonathan Weiss

SPRINGING MEMBER 2:

_____
Avi Orlansky

IN WITNESS WHEREOF, the undersigned, intending to be legally bonded hereby, has duly executed this Amended and Restated Limited Liability Company Agreement of Campus Heights Apts Owner LLC as of the Effective Date.

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a Delaware limited liability company,
its managing member

By: _____
Name: Fredrick Schulman
Its: Authorized Signatory

SPRINGING MEMBER 1:

_____
Jonathan Weiss

SPRINGING MEMBER 2:

_____
Avi Orlansky

EXHIBIT E

CBRE Valuation & Advisory Services

Appraisal Report

CAMPUS HEIGHTS APARTMENTS

115 Carriage Hill Dr
Athens, Ohio 45701

Prepared for: Dentons Bingham Greenbaum
Date of Report: July 28, 2025
CBRE File No.: CB25US054991-1

cbre.com/valuation

CBRE Valuation & Advisory Services

CBRE

950 Main Avenue, Suite 200
Cleveland, OH 44113

T (216) 687-1800

www.cbre.com/valuation

Date of Report: July 28, 2025

Mr. Andrew Rankin
Managing Director
DENTONS BINGHAM GREENBAUM
10 W Market St. Suite 270
Indianapolis, Indiana 46204

RE: Appraisal of: Campus Heights Apartments
115 Carriage Hill Dr
Athens, Athens County, Ohio 45701
CBRE File No.: CB25US054991-1

Dear Mr. Rankin:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 337-unit multi-family garden property located at 115 Carriage Hill Dr in Athens, Ohio. The property consists of 14 predominantly two-story apartment buildings. The improvements were constructed in 1967 and are situated on a 7.45-acre site. Given the current operations of the property, including possible foreclosure, we have not been provided with information related to the property that we typically review in our analysis. This includes but is not limited to a current rent roll, historical operating statements, current HAP contracts, etc. We have relied on market data and information sourced from public marketing forums regarding the subject.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	May 5, 2025	$23,140,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based

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on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

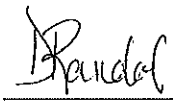
CBRE - VALUATION & ADVISORY SERVICES



Brandon Petiya, MAI
Title: VAS - Vice President
Phone: (216) 535-4725
Email: Brandon.Petiya@cbre.com
License No./State: OH General Cert. #2017004959



Mason Shelby, MAI, AI-GRS
Title: Managing Director
Phone: (614) 781-5159
Email: mason.shelby@cbre.com
License No./State: OH General Cert. #2008000978



Dana Randol
Title: Vice President
Phone: 614.781.5114
Email: dana.randol@cbre.com
License No. & State: Ohio CGRE #2014003317

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Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Brandon Petiya, MAI has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Mason Shelby, MAI, AI-GRS has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Dana Randol has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
9. Dana Randol has made a personal inspection of the property that is the subject of this report. Mason Shelby, MAI, AI-GRS has not and Brandon Petiya, MAI has not made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Brandon Petiya, MAI has and Mason Shelby MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
14. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Ohio.



Brandon Petiya, MAI
State of Ohio General Cert. #2017004959



Mason Shelby, MAI, AI-GRS
State of Ohio General Cert. #2008000978



Dana Randol
State of Ohio General Cert. #2014003317

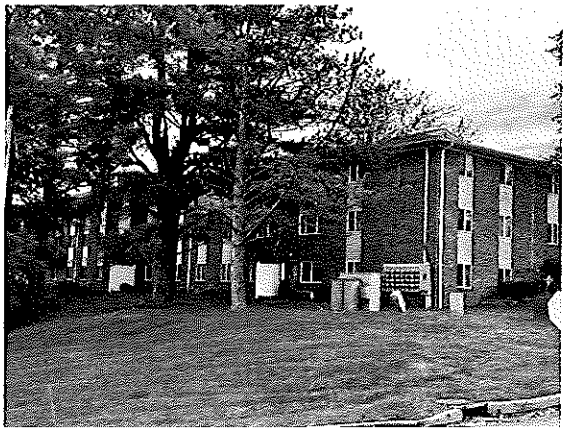
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Subject Photographs

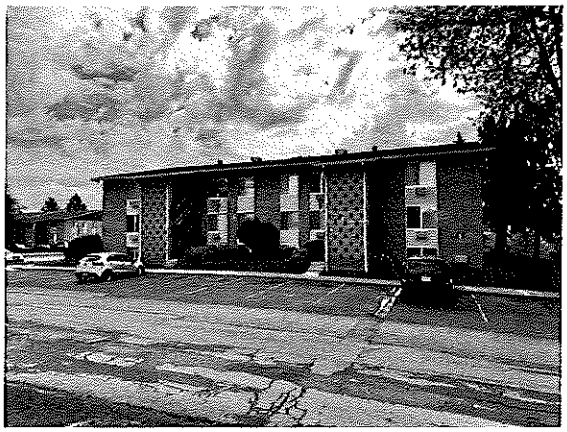


Aerial View

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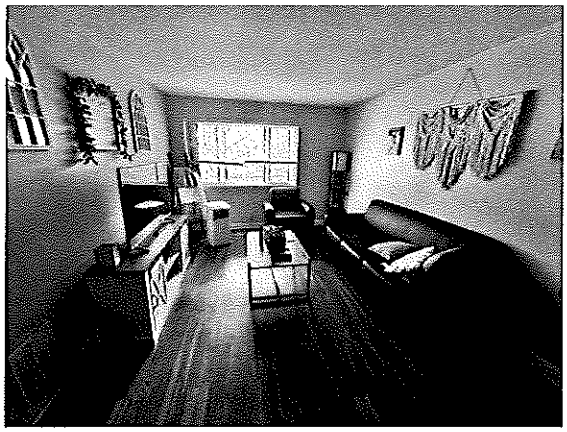
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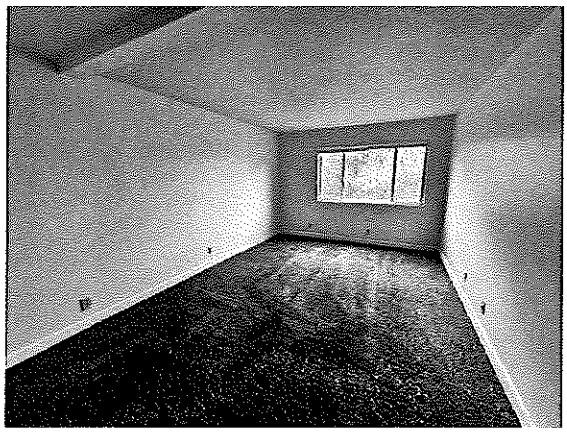
Exterior



Exterior



Typical Living Area



Typical Living Area

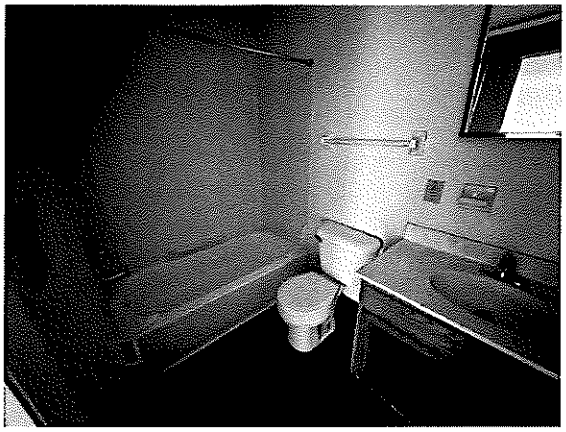


Typical Kitchen

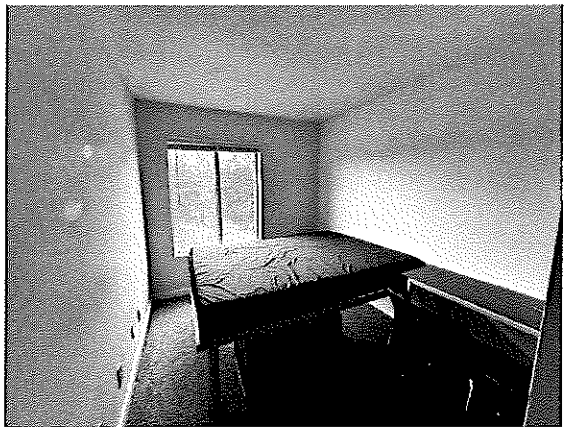
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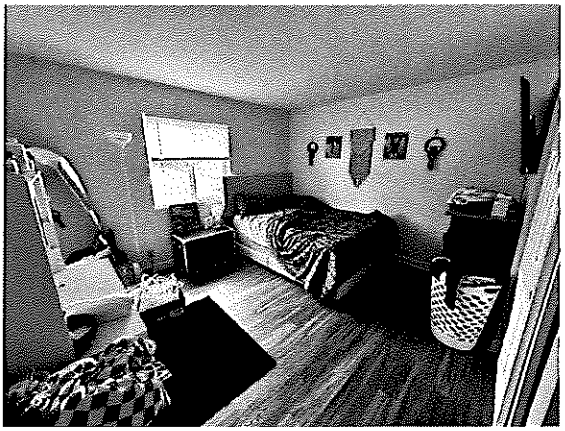
Typical Kitchen



Typical Bathroom



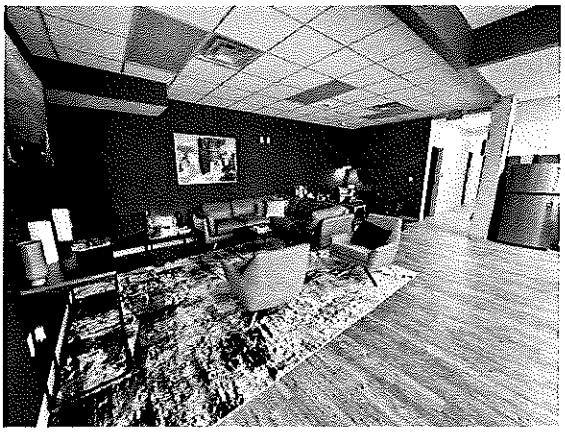
Typical Bedroom



Typical Bedroom



Clubhouse



Clubhouse

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Executive Summary

Property Name	Campus Heights Apartments	
Location	115 Carriage Hill Dr Athens, Athens County, OH 45701	
Parcel Number(s)	A029060000100, A029060000400, A029060000500, A029060000600	
Client	Dentons Bingham Greenbaum	
Client Reference Number		
Highest and Best Use		
As If Vacant	Hold for Multifamily	
As Improved	Multifamily	
Property Rights Appraised	Leased Fee Interest	
Date of Inspection	May 5, 2025	
Estimated Exposure Time	3 - 6 Months	
Estimated Marketing Time	3 - 6 Months	
Primary Land Area	7.45 AC	324,566 SF
Zoning	R-3, Residential Zone (Multifamily)	
Improvements		**Comments**
Property Type	Multifamily	(Multi-Family Garden)
Number of Buildings	14	
Number of Stories	2	
Gross Building Area	302,097 SF	
Net Rentable Area	215,979 SF	
Number of Units	337	
Average Unit Size	641 SF	
Year Built	1967	
Effective Age	20 Years	
Remaining Economic Life	25 Years	
Condition	Average	
Buyer Profile	Investor-Regional	
Financial Indicators		
Stabilized Occupancy	93.0%	
Stabilized Credit Loss	1.0%	
Overall Capitalization Rate	8.00%	

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Pro Forma		Total	Per Unit
Effective Gross Income		$3,814,125	$11,318
Operating Expenses		$1,963,154	$5,825
Expense Ratio		51.47%	
Net Operating Income		$1,850,971	$5,492
VALUATION		***Total***	***Per Unit***
Market Value As Is	**May 5, 2025**		
Sales Comparison Approach		$23,000,000	$68,249
Income Approach		$23,140,000	$68,665
Insurable Replacement Cost		$37,810,000	$112,196

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	May 5, 2025	$23,140,000

Compiled by CBRE

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Strengths/ Opportunities

- The subject good exposure along Richland Ave a heavily traveled arterial
- The subject is located in close proximity to Ohio University

Weaknesses/ Threats

- Commercial real estate market conditions have deteriorated at the macro level. The significant recent increase in the cost of capital and reduced volume of transaction activity is impacting price discovery and creating an increase in uncertainty. Increasing interest rates and subdued economic growth will continue to weigh on commercial real estate fundamentals and investment transaction volumes. This creates a higher degree of uncertainty in general, though the impacts may vary by market and asset class/type.

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Market Volatility

President Trump's announcement of broad-based global tariffs on April 2, 2025, has introduced additional complexity to the economic landscape. These tariffs have triggered volatility across global financial markets, with potential impacts varying based on their duration and the scope of retaliatory measures from other countries. This could lead to slower economic growth, heightened inflationary pressures, and increased uncertainty for commercial real estate markets.

The reader is cautioned that these recent developments have amplified uncertainty in commercial real estate. The impacts on interest rates, the 10-year Treasury yield, leasing activity, real estate demand, construction costs, financing availability, and property values are still unfolding. Overall, greater risk and market volatility are expected in the near term.

Experience has shown that consumer and investor behavior can shift rapidly during periods of heightened volatility, lending or investment decisions should account for the elevated risk and potential rapid changes in market conditions.

It is important to note that the conclusions set out in this report are valid as of the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to these evolving events.

Extraordinary Assumptions

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." [1]

- We were not provided with a current rent roll for the subject. We have made the extraordinary assumption that the property is operating at stabilized occupancy and there are no down units or units suffering from deferred maintenance.
- According to our research it appears that the subject has a current HAP contract covering a portion of the property. We have not received details regarding or a copy of the current HAP contract. We have made the extraordinary assumption that the HAP contract units have a contract rent that is consistent with our market rent conclusions.

The use of these extraordinary assumptions may have affected the assignment results.

Hypothetical Conditions

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis." [2]

- None noted

[1] The Appraisal Foundation, *USPAP, 2024 Edition* (Effective January 1, 2024)

[2] The Appraisal Foundation, *USPAP, 2024 Edition* (Effective January 1, 2024)

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Ownership and Property History

OWNERSHIP SUMMARY	
Item	Current
Current Ownership	
Owner:	CAMPUS HEIGHTS PHASE 1 OWNER LLC & CAMPUS HEIGHTS APTS OWNER LLC
Sale in Last 3 Years?:	No
Pending Sale	
Under Contract:	No
Current Listing	
Currently Listed For Sale:	No
Compiled by CBRE	

CBRE is unaware of any arm's length property ownership transfers of the property within three years of the date of appraisal. Further, the property is not reportedly being offered for sale as of the current date.

Exposure/Marketing Time

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the PwC Real Estate Investor Survey

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA		
	Exposure/Mktg. (Months)	
Investment Type	Range	Average
Comparable Sales Data	1.0 - 6.0	3.0
PwC Apartment (2nd Qtr. 2025)		
National Data	3.0 - 15.0	6.9
CBRE Exposure Time Estimate	**3 - 6 Months**	
CBRE Marketing Period Estimate	**3 - 6 Months**	
Various Sources Compiled by CBRE		

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ADDENDA

A Improved Sale Data Sheets
B Rent Comparable Data Sheets
C Operating Data
D Legal Description
E Client Contract Information
F Qualifications

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Scope of Work

This Appraisal Report is intended to comply with the real property appraisal development and reporting requirements set forth under Standards Rule 1 and 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

Intended Use Of Report

This appraisal is to be used for potential foreclosure and no other use is permitted.

Client

The client is Dentons Bingham Greenbaum.

Intended User Of Report

This appraisal is to be used by Dentons Bingham Greenbaum. No other user(s) may rely on our report.

> Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience. [3]

Reliance Language

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Purpose of the Appraisal

The purpose of this appraisal is to develop an opinion of the market value of the subject property.

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[3] Appraisal Institute, The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

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Definition of Value

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [4]

Interest Appraised

The value estimated represents the Fee Simple Estate as defined below:

> ***Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.** [5]
>
> *Leased Fee Interest* - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires[6]

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

Dana Randol inspected the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This inspection was considered adequate and is the basis for our findings.

Type and Extent of the Data Researched

CBRE reviewed the following:

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[4] 12 CFR, Part 34, *Subpart C-Appraisals,* 34.42(h).

[5] Appraisal Institute, *The Dictionary of Real Estate Appraisal, 7th ed.* (Chicago: Appraisal Institute, 2022), 73.

[6] Appraisal Institute, *The Dictionary of Real Estate Appraisal, 7th ed.* (Chicago: Appraisal Institute, 2022), 105.

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- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Statement of Competency

The appraisers have the appropriate knowledge, education, and experience to complete this assignment competently.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	*Source(s):*
Site Data	
Size	Survey
Improved Data	
Building Area	Athens County Auditor
No. Bldgs.	Site Visit
Parking Spaces	Survey/Site Visit
Year Built/Developed	Athens County Auditor
Economic Data	
Deferred Maintenance:	N/A
Building Costs:	MVS
Income Data:	Market Derived
Expense Data:	Market Derived
Data Not Provided	
Rent Roll & Historical Operating Statements	Owner
Deferred Maintenance:	Owner
Current HAP Contract	Owner

Compiled by CBRE

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the

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highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

Income Capitalization Approach

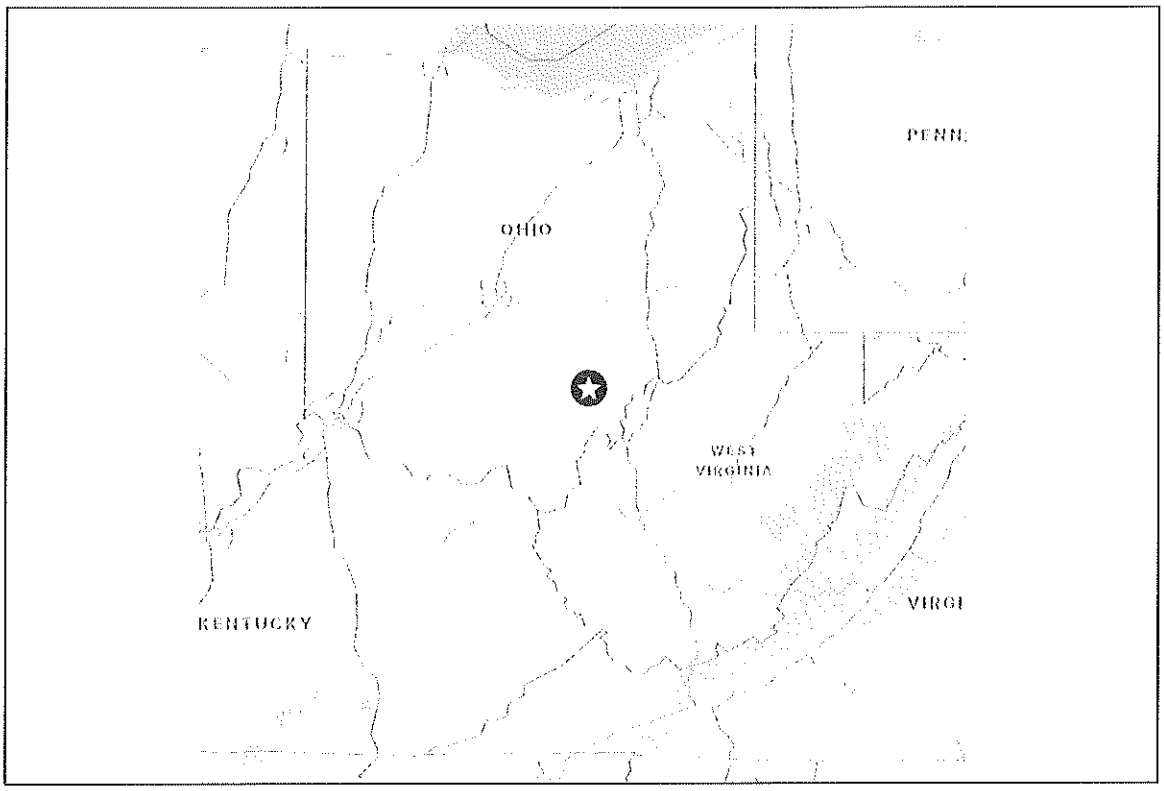
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the lack of use by market participants in buy/sell decisions for properties like the subject. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

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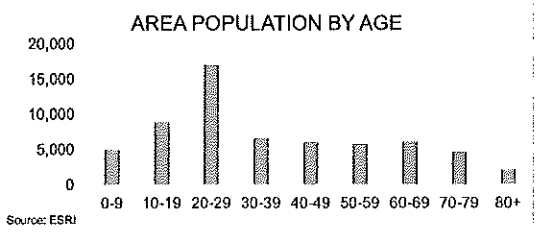
Area Analysis



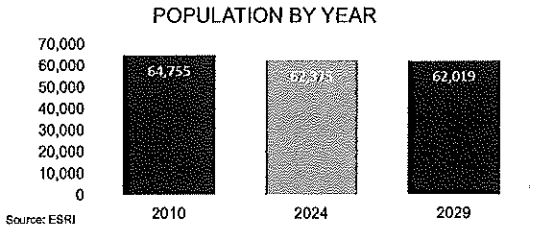
The subject is located in the Athens, OH Micropolitan Statistical Area. Key information about the area is provided in the following tables.

Population

The area has a population of 62,375 and a median age of 30, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.



Population has decreased by 2,380 since 2010, reflecting an annual decrease of 0.3%. Population is projected to decrease by 356 between 2024 and 2029, reflecting a 0.1% annual population decline.

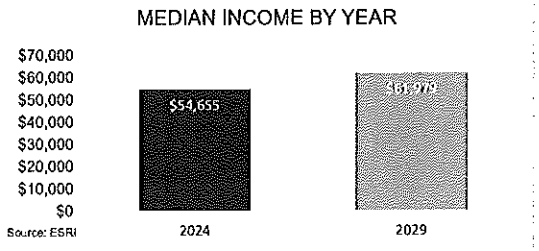


Source: ESRI, downloaded on Jul, 27 2025

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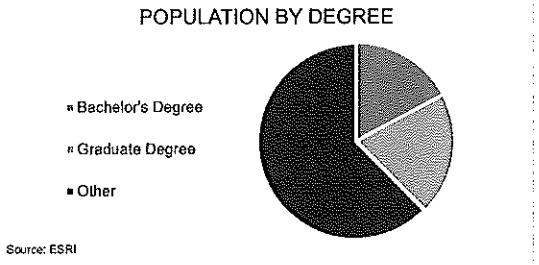
Income

The area features an average household income of $76,346 and a median household income of $54,655. Over the next five years, median household income is expected to increase by 13.4%, or $1,465 per annum.

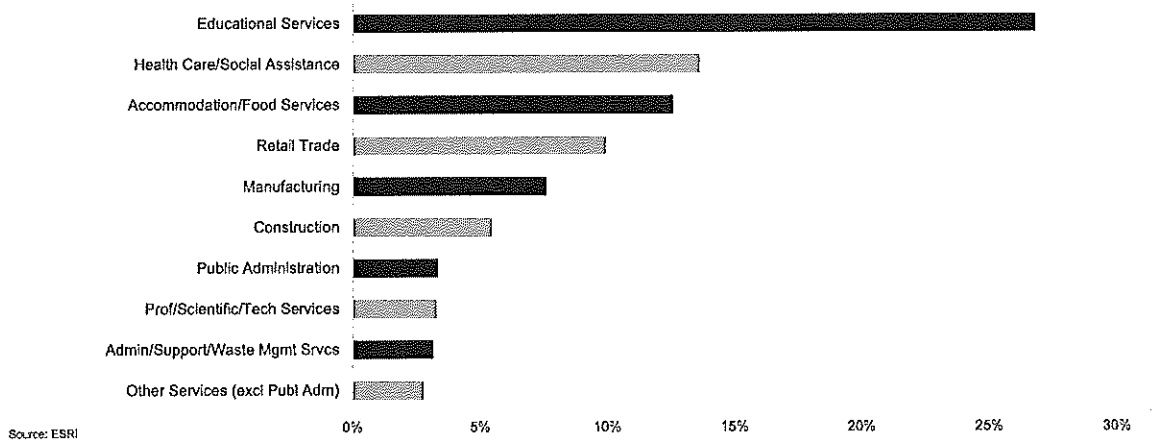


Education

A total of 37.5% of individuals over the age of 24 have a college degree, with 17.3% holding a bachelor's degree and 20.3% holding a graduate degree.



Employment



The area includes a total of 25,886 employees. The top three industries within the area are Educational Services, Health Care/Social Assistance and Accommodation/Food Services, which is a combined total of 53% of the workforce.

Source: ESRI, downloaded on Jul 27, 2025; BLS.gov dated Jan 0, 1900

In summary, the area is forecasted to experience a decrease in population and an increase in household income.

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Neighborhood Analysis



Location

The subject is located in Athens, which is a suburb in the central Athens County. The site is accessible from Richland Avenue, which is a moderately travelled two-lane street that provides access to Ohio University campus approximately 0.5 miles to the north.

Boundaries

The neighborhood boundaries generally encompass the city of Athens, Ohio.

Land Use

Improvements in the neighborhood exhibit conditions ranging from fair to good. Land uses to the north consist mainly of Ohio University. Properties immediately surrounding the subject property include The Summit at Coates Run to the north, University Courtyard Apartments and commercial uses to the east, vacant land to the west and commercial and single-family residences to the south.

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Demographics

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS

115 Carriage Hill Dr Athens, OH 45701	1 Mile Radius	3 Mile Radius	5 Mile Radius	Athens, OH Micropolitan Statistical Area
Population				
2029 Total Population	5,953	27,135	34,069	62,019
2024 Total Population	5,976	27,188	34,158	62,375
2010 Total Population	5,452	27,172	34,114	64,755
2000 Total Population	6,070	24,924	31,521	62,221
Annual Growth 2024 - 2029	*-0.08%*	*-0.04%*	*-0.05%*	*-0.11%*
Annual Growth 2010 - 2024	*0.66%*	*0.00%*	*0.01%*	*-0.27%*
Annual Growth 2000 - 2010	*-1.07%*	*0.87%*	*0.79%*	*0.40%*
Households				
2029 Total Households	1,309	8,918	12,080	23,792
2024 Total Households	1,303	8,862	12,010	23,716
2010 Total Households	1,195	8,326	11,327	23,577
2000 Total Households	987	7,727	10,443	22,500
Annual Growth 2024 - 2029	*0.09%*	*0.13%*	*0.12%*	*0.06%*
Annual Growth 2010 - 2024	*0.62%*	*0.45%*	*0.42%*	*0.04%*
Annual Growth 2000 - 2010	*1.93%*	*0.75%*	*0.82%*	*0.47%*
Income				
2024 Median Household Income	$36,589	$43,460	$48,726	$54,655
2024 Average Household Income	$66,184	$69,900	$74,784	$76,346
2024 Per Capita Income	$17,305	$23,436	$26,802	$29,376
2024 Pop 25+ College Graduates	1,301	6,847	9,081	13,428
Age 25+ Percent College Graduates - 2024	65.1%	64.8%	57.7%	37.5%

Source: ESRI

Conclusion

As shown above, the population within the subject neighborhood has shown moderate growth/relative stability over the past twenty-two years. The neighborhood is provided with average access and is convenient to major employment centers. Generally, the neighborhood can best be characterized as a suburban community with moderate new commercial development. The neighborhood currently has a middle-income demographic profile with an average and median household income of $69,900/$43,460 within a three-mile radius of the subject. The outlook for the neighborhood is for continued stability/slight retraction over the next several years. As a result, the demand for existing developments is expected to be average.

The subject is a multifamily property and appears to conform adequately to the surrounding neighborhood infrastructure and support services.

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Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS

Physical Description		
Gross Site Area	7.45 Acres	324,566 Sq. Ft.
Net Site Area	7.45 Acres	324,566 Sq. Ft.
Excess Land Area	None	
Surplus Land Area	None	
Shape	Irregular	
Topography	Varies	
Parcel Number(s)	A029060000100, A029060000400, A029060000500, A029060000600	
Zoning District	R-3, Residential Zone (Multifamily)	
Flood Map Panel No. & Date	39009C0240C	3-Dec-10
Flood Zone	Zone X (Unshaded)	
Adjacent Land Uses	Residential	

Comparative Analysis	**Rating**
Visibility	Average
Functional Utility	Average
Traffic Volume	Average
Adequacy of Utilities	Average
Landscaping	Average
Drainage	Average

Utilities	**Availability**
Water	Yes
Sewer	Yes
Natural Gas	Yes
Electricity	Yes
Telephone/Cable/Internet	Yes

Other	**Yes**	**No**	**Unknown**
Detrimental Easements			x
Encroachments			x
Deed Restrictions			x
Reciprocal Parking Rights			x

Various sources compiled by CBRE

Ingress/Egress

Ingress and egress are available to the site via Napoleon Road

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Easements and Encroachments

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

Covenants, Conditions and Restrictions

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

Environmental Issues

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

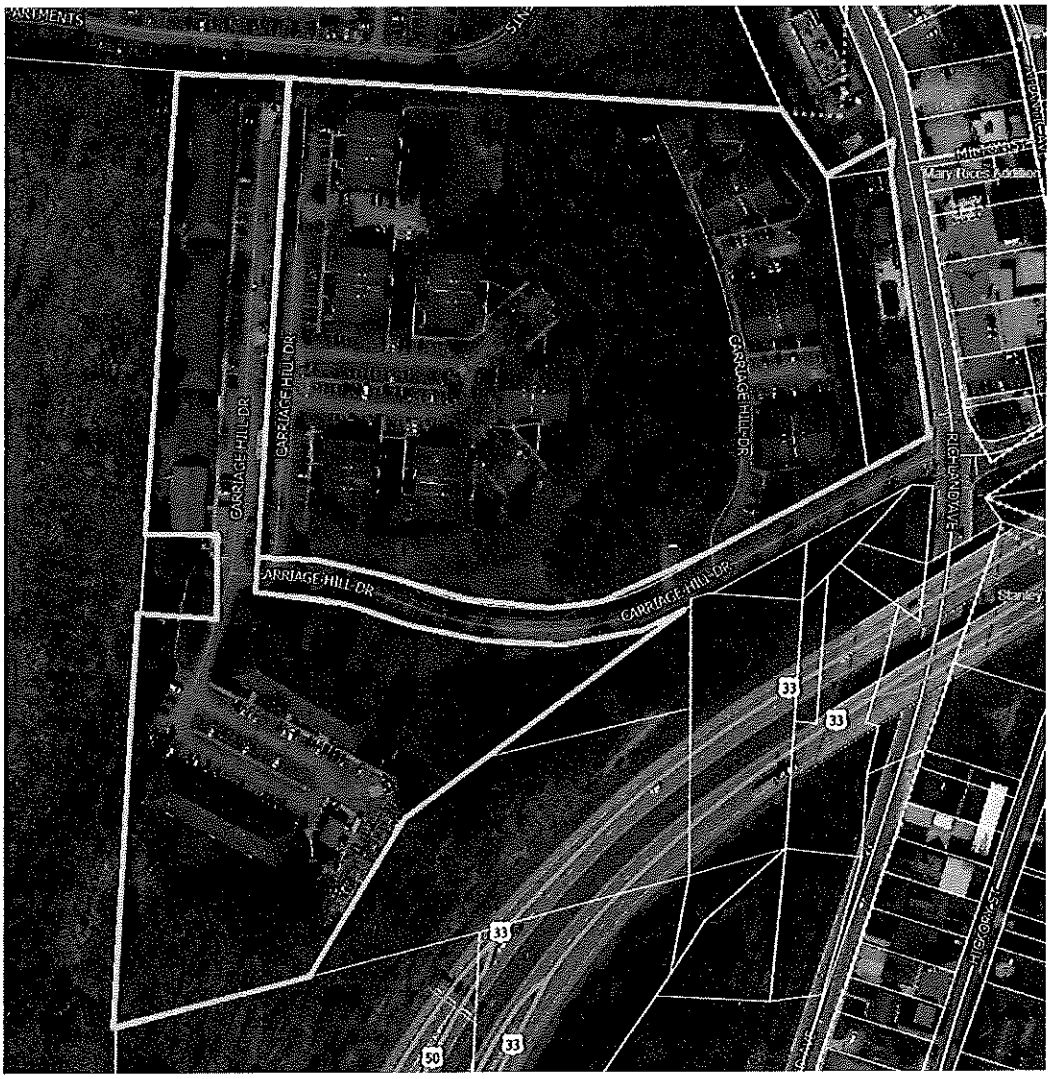
Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Residential
South:	U.S. Highway 33/50
East:	Retail
West:	Undeveloped Land

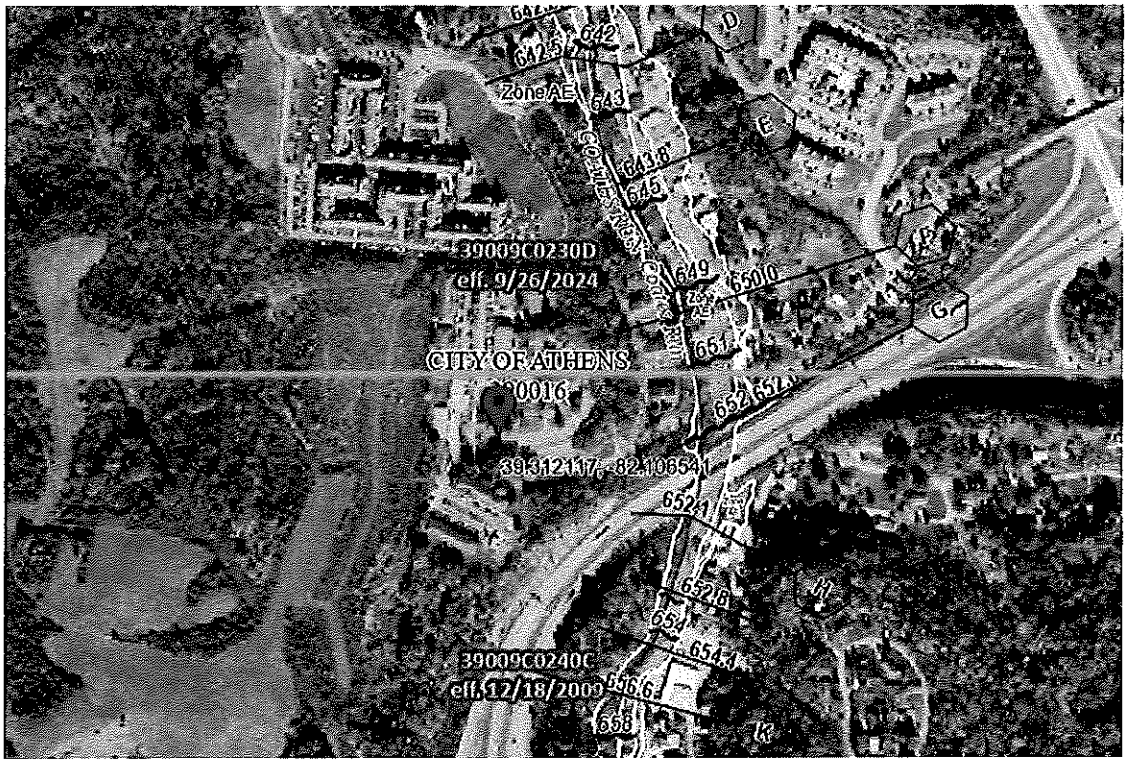
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Tax Map



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Flood Zone Map



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Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS	
Property Type	Multifamily (Multi-Family Garden)
Number of Buildings	14
Number of Stories	2
Gross Building Area	302,097 SF
Net Rentable Area	215,979 SF
Number of Units	337
Average Unit Size	641 SF
Development Density	45.2 Units/Acre
Subject Characteristics	Clubhouse, Fitness Center, Pool, Interior Corridors, Interior Stairwells, On-Site Management, Pitched Roofs, Thru-The-Wall Systems, Black Appliances, Laminate Countertops, Plank Flooring, Range / Oven and Refrigerator
Parking Improvements	Surface
Parking Spaces:	413
Parking Ratio (spaces/unit)	1.23
Year Built / Renovated	1967
Actual Age	58 Years
Effective Age	20 Years
Total Economic Life	45 Years
Remaining Economic Life	25 Years
Age/Life Depreciation	44.4%
Functional Utility	Typical

Source: Various sources compiled by CBRE

UNIT MIX

Unit Mix/Type	No. Units	Percent of Total	Unit Size (SF)	NRA (SF)
1 BR 1 BA	149	44.2%	570	76,853
2 BR 1 BA	159	47.2%	719	120,212
3 BR 1 BA	20	5.9%	790	15,800
Studio	9	2.7%	346	3,114
Total/Average:	337	100.0%	641	215,979

Source: Various sources compiled by CBRE

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IMPROVEMENT DESCRIPTION & CONDITION RATING		
Improvement Summary	**Description**	**Comparative Rating**
Foundation	Reinforced concrete	Average
Frame	Wood	Average
Exterior Walls	Masonry	Average
Interior Walls	Textured and painted drywall	Average
Roof	Asphalt Shingle	Average
Ceiling	Suspended acoustical tile	Average
HVAC System	Wall units	Average
Exterior Lighting	Mercury vapor fixtures	Average
Interior Lighting	Recessed fluorescent fixtures	Average
Flooring	Carpet, Plank and vinyl tile	Average
Plumbing	Assumed adequate	Average
Stairwells	Interior Stairwells	Average
Elevators	None	---
Smoke Detectors	Yes	Average
Sprinkler System	No	---
Amenities	Clubhouse, Fitness Center, Pool, Interior Corridors, Interior Stairwells, On-Site Management, Pitched Roofs, Thru-The-Wall Systems, Black Appliances, Laminate Countertops, Plank Flooring, Range / Oven and Refrigerator	Average
Furnishings	Mostly Appliances; Some Furnished Units & Clubhouse Furniture/Exercise Equipment	Average
Parking	Asphalt paved open parking	Average
Landscaping	Grass	Average

Source: Various sources compiled by CBRE

Year Built

The subject was built in 1967.

Construction Class

Building construction class is as follows:

C-Masonry

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

HVAC

The HVAC system is assumed to be in good working order and adequate for the building.

Utilities

Current operations indicate the landlord is responsible for electric, gas, water and sewer costs to the individual units with the tenants paying no utilities.

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Life Safety and Fire Protection

It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

Unit Amenities

Kitchens

Each unit features a full appliance package including a gas range/oven, vent-hood, frost-free refrigerator, garbage disposal, dishwasher, and built-in microwave oven. Additionally, each unit features wood cabinets with Formica countertops and vinyl tile flooring in the kitchen area. According to management, the project has experienced an adequate on-going replacement program for all kitchen appliances and no appliances are known to be inoperable.

Bathrooms

The bathrooms within each unit feature combination tub/showers with ceramic tile wainscot. Additionally, each bathroom features a commode, wood cabinet with Formica counter and built-in porcelain sink, wall-mounted medicine cabinet with vanity mirror and vinyl tile flooring.

Interior Lighting

Each unit features incandescent lighting in appropriate interior and exterior locations with fluorescent lighting in bathrooms and kitchen areas.

Site Amenities

Parking and Drives

The project features adequate on-site surface parking.

Landscaping

Landscaping is considered to be in average condition and well maintained.

Functional Utility

All of the floor plans are considered to feature functional layouts and the layout of the overall project is considered functional in utility. Therefore, the unit mix is also functional, and no conversion is warranted to the existing improvements.

ADA Compliance

All common areas of the property appear to have handicap accessibility and four of the project's units have been designed for handicap occupancy. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

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Furniture, Fixtures and Equipment

The apartment units are rented on an unfurnished basis. However, miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines are examples of personal property associated with, and typically included in the sale of, multifamily apartment complexes. Our market value assumes any FF&E at the property would transfer if the property were to sell. This is consistent with how buyers and sellers analyze similar properties.

Our estimate of FF&E at the property is shown on the table below:

FF&E VALUE ESTIMATE		
Cost New per Unit	$4,000	$1,348,000
Percentage of units furnished with FF&E		100%
Cost New of FF&E		$1,348,000
Effective Age	7 Years	
MVS Expected Life	10 Years	
Remaining Economic Life	3 Years	
Less: Incurable Physical Deterioration		70.0%
Contributory Value of FF&E		$404,400
Compiled by CBRE		

Environmental Issues

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

Condition Analysis

Although CBRE was not provided a Property Condition Assessment (PCA), a tour of the improvements did not reveal any significant maintenance issues. Our tour of the improvements included a cursory inspection of the buildings, surface parking, garage parking and maintenance facilities.

Economic Age and Life

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

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ECONOMIC AGE AND LIFE	
Actual Age	58 Years
Effective Age	20 Years
MVS Expected Life	45 Years
Remaining Economic Life	25 Years
Accrued Physical Incurable Depreciation	44.4%

Compiled by CBRE

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

Conclusion

The improvements are in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

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Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	R-3, Residential Zone (Multifamily)
Legally Conforming	Yes
Uses Permitted	Residential
Zoning Change	Not likely

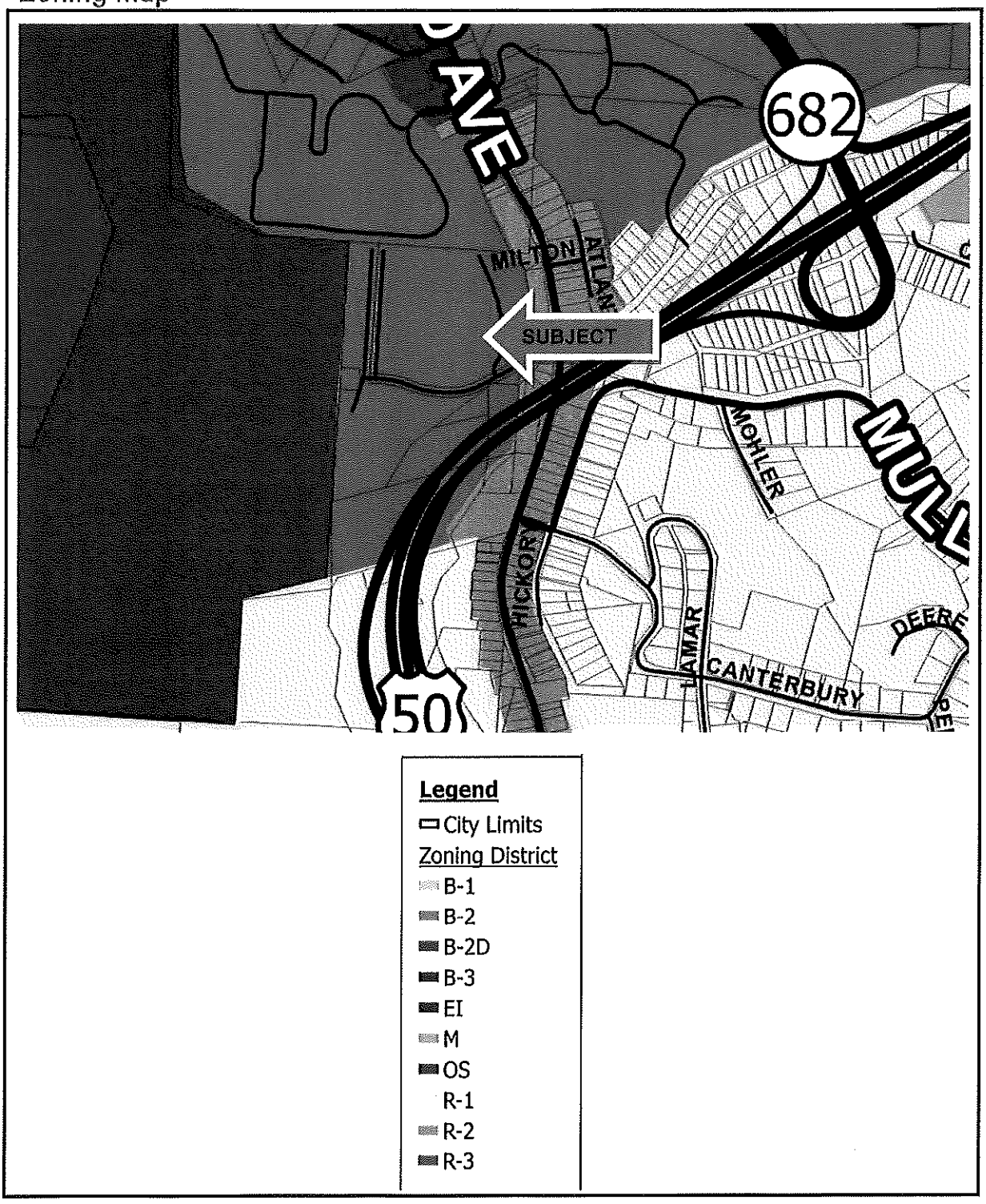
Source: Bowling Green Zoning Department

Analysis and Conclusion

The improvements represent a legally conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

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Zoning Map



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Tax and Assessment Data

The subject property is located in Athens County, Ohio. Property taxes within the State of Ohio are based on a tax millage rate applied to the assessed value of a commercial property. The assessed value is equal to 35% of the market value as estimated by the local Athens County Auditor's Office. The total gross tax millage in Athens County includes separately established millage rate from various governmental entities, most notably the school district in which the property is located. The gross millage rate is then reduced by a reduction factor to establish an effective tax millage. The effective tax millage is applied to the assessed value of the property at a rate of $1.00 per $1,000.

All market values in the State of Ohio are based on applying typical appraisal methodology; for commercial appraisal all three traditional approaches to value are used. Most taxing districts in the State of Ohio will reassess a property upon a market transfer pursuant to an appeal / complaint being filed with the Board of Revisions. We note, the most typical complainant is the local school board. However, any entity or stakeholder benefiting from or receiving funds from real estate property taxes may file a complaint / appeal. We note, unlike a courtroom situation, the burden of proof for / of value lies on behalf of the property owner, the appealing party (when an increase is being sought) does not bear any burden of proof. In our experience with the local Board of Revisions, the boards will typically weight solely to a recent sales transaction as the market value of the property. Property owners who appeal a revised market value based on a recent purchase price of the property have varying degrees of success with their appeals.

During the reappraisal period, the auditor's office worked with a mass appraisal firm who considers all three traditional approaches to value, cost, sales and income and then reconcile the approaches into a commercial value.

Within Athens County the properties are reappraised every 6 years and updated in the following 3-year period. During the update period, the auditor is free to use their discretion. The most recent update for Athens County is 2021, payable 2022 and the most recent reappraisal is taking place in 2024, payable 2025. During the update period, the auditor is free to use their discretion. However, we typically see the auditor look at market trends and apply a generally consistent factor or percentage increase to a property type. For instance, the auditor's office will typically increase all retail product at a certain percentage (it could be 2%, 3%, 4% or 10% per year for the previous three years for a 6%, 9%, 12%, 30% total increase). The percentages above are presented for illustration purposes only and should not be relied upon, as the auditor's office makes the determination based upon their own internal metrics, which they do not publish.

Outside of a transfer or a reassessment period (every three years, as outlined above), any real estate recipient or stakeholder can file a complaint with the auditor's office at any time. Cases are scheduled by the BOR sometime after the filing date, March 31st of each year. The most typical complainant is the local school board. However, any entity or stakeholder benefiting from or receiving funds from real estate property taxes may file a complaint / appeal. Unlike a courtroom situation, the burden of proof for / of value lies on behalf of the property owner, the appealing party (when an increase is being sought) does not bear any burden of proof. The State of Ohio is not an equalization state and therefore tax comparables are not utilized by the auditor, nor admitted as a defense in a BOR or BTA case.

Recent legislation requires the following conditions be met in order for a tax appeal to be filed by the school board or other third parties:

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A property is sold in an arm's length transaction and exceeds the auditor's current valuation by (a) **10%** and (b) a threshold of **$500,000**, which is subject to annual adjustment based on inflation.

While our appraisal assumes an arms-length sale, our concluded market value would not exceed the proposed auditor's valuation by $500,000. Therefore, we have concluded projected taxes in line with the proposed 2024 auditor valuation.

AD VALOREM TAX INFORMATION

Parcel	Assessor's Parcel No.	2024 (Pay 2025)	Pro Forma
1	A029060000100	$3,859,970	
2	A029060000400	5,586,110	
3	A029060000500	305,360	
4	A029060000600	10,450	
	Subtotal	$9,761,890	$18,509,711
	% of Assessed Value	35%	35%
	Final Assessed Value	$3,416,662	$6,478,399
	General Tax Rate (per $1,000 A.V.)	60.370000	60.370000
	General Tax:	$206,264	$391,101
	Hocking Conservation	105	105
	Special Assessments:	$105	$105
	Effective Tax Rate (per $1,000 A.V.)	60.400638	60.386158
	Total Taxes	**$206,369**	**$391,206**
	Taxes per Unit	$612	$1,161

Source: Assessor's Office

While there is a substantial likelihood that the property will be reassessed upon a transfer, there still is some possibility that it will not. This is attributable to the fact that "LLC" or "entity" transfers have become more prevalent in the market, which makes it much harder for school districts to track sales and file appeals. It is also noted that the County is not the aggressor in the reassessment process; it is the school district. Trends in the Southwest Ohio area have indicated that school districts are filing appeals based on the filed mortgages for properties. This increase is not absolute, but due to the above likely influential factors and other noted below, we have typically project our real estate taxes based on 80% of the rounded market value for the subject property. We have utilized the effective tax rate per the Athens County Auditor for our projections.

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REGIONAL TAX REASSESSMENT ANALYSIS

Property Address	County	City (School Board)	Sale Calendar Year	Recorded Sale Price	Assessed Value Prior to Sale	Assessed Value After Sale	Indicated Assessment Ratio (Pre Sale)	Indicated Assessment Ratio (Post Sale)	% Increase
Hamblen Drive	Clermont	Union Township (Cincinnati)	2018	$15,000,000	$2,841,600	$15,000,000	18.94%	100.00%	427.87%
506 Soninton Lane	Montgomery	Centerville	2018	$10,000,000	$6,963,620	$10,000,000	69.64%	100.00%	43.60%
506 Stonington Lane	Montogmery	Centerville	2018	$5,550,000	$4,033,780	$5,425,000	72.68%	97.75%	34.49%
675 Brooklyn Avenue	Clermont	Milford	2017	$3,407,340	$1,993,800	$3,407,300	58.51%	100.00%	70.89%
6387 Clough Pike	Hamilton	Anderson (Cincinnati)	2017	$8,475,000	$5,092,530	$8,455,000	60.09%	99.76%	66.03%
3265 Stroop Road	Montgomery	Kettering	2017	$2,878,148	$2,216,570	$2,878,100	77.01%	100.00%	29.84%
8565 Daly Road	Hamilton	Cincinnati (N. College Hill)	2017	$6,250,000	$3,698,810	$6,252,320	62.38%	100.04%	60.36%
195 E. McMillan Street	Hamilton	Cincinnati	2017	$26,000,000	$19,516,260	$26,000,000	75.06%	100.00%	33.22%
Chelsea Place	Kenton	Ft. Mitchell	2016	$24,100,000	$7,458,000	$24,100,000	30.95%	100.00%	223.14%
1414 McArthur Avenue	Montgomery	Dayton	2016	$1,950,000	$767,770	$1,949,930	39.37%	100.00%	153.97%
2600 Peoples Court	Boone	Burlington	2016	$5,425,000	$1,705,000	$5,425,000	31.43%	100.00%	218.18%
515 Grand Avenue W	Montgomery	Dayton	2016	$2,867,500	$997,440	$2,867,500	34.78%	100.00%	187.49%
218 E. Eighth Street	Hamilton	Cincinnati	2016	$25,400,000	$9,592,470	$25,434,130	37.77%	100.13%	165.15%
218 E. Eighth Street	Hamilton	Cincinnati	2016	$25,400,000	$9,592,470	$19,000,000	37.77%	74.80%	98.07%
7650 Catawba Lane	Boone	Florence	2016	$15,600,000	$8,506,000	$15,268,700	54.53%	97.88%	79.51%
111 Grafton Avenue	Montgomery	Dayton	2016	$1,942,500	$1,188,690	$1,942,500	61.19%	100.00%	63.42%
6700 Hopeful Church Road	Boone	Florence	2016	$13,050,000	$8,630,000	$13,050,000	66.13%	100.00%	51.22%
11651 Norbourne Drive	Hamilton	Forest Park	2016	$17,000,000	$15,598,470	$17,000,000	91.76%	100.00%	8.99%
800 West Main Street	Hamilton	Loveland	2015	$5,550,000	$2,353,640	$5,119,080	42.41%	92.24%	117.50%
1620 Corinthian Drive	Boone	Florence	2015	$25,000,000	$14,000,000	$24,780,750	56.00%	99.12%	77.01%
2596 Madison Road	Hamilton	Cincinnati	2015	$1,276,300	$953,190	$1,276,300	74.68%	100.00%	33.90%
100 Turner Road	Montgomery	Dayton	Jul-05	$1,145,000	$561,560	$1,145,000	49.04%	100.00%	103.90%
350 Worthington Road	Delaware	Westerville (Olentongy)	2015	$4,175,000	$3,750,000	$4,175,000	89.82%	100.00%	11.33%
4711 Parkwick Drive	Franklin	Columbus	2015	$8,000,000	$7,500,100	$8,000,000	93.75%	100.00%	6.67%
4079 Executive Parkway	Franklin	Blendeon Twp. (Westerville)	2014	$6,500,000	$1,710,000	$6,500,000	26.31%	100.00%	280.12%
5001 Pleasant Avenue	Butler	Fairfield	2014	$12,700,000	$3,517,590	$11,654,690	27.70%	91.77%	231.33%
21-23 W. Broad Street	Franklin	Columbus	2014	$3,625,000	$1,425,000	$3,625,000	39.31%	100.00%	154.39%
7450 Huntington Park Drive	Franklin	Columbus (Worthington)	2014	$11,800,000	$5,106,600	$11,800,000	43.28%	100.00%	131.07%
Colerain Avenue	Hamilton	Colerain Township	2014	$2,000,000	$923,710	$1,800,000	46.19%	90.00%	94.87%
7897 Cox Road	Butler	West Chester - Lakota	2014	$4,312,000	$2,460,310	$4,312,000	57.06%	100.00%	75.26%
3455 Mill Run Drive	Franklin	Hilliard	2014	$18,000,000	$10,521,600	$17,280,000	58.45%	96.00%	64.23%
6377 Emerald Drive	Franklin	Dublin	2014	$11,400,000	$7,240,000	$11,400,000	63.51%	100.00%	57.46%
7965 North High Street	Franklin	Columbus (Worthington)	2014	$8,125,000	$6,297,900	$7,800,000	77.51%	96.00%	23.85%
2750 Townterrace Drive	Hamilton	Mt. Healthy	2014	$1,525,000	$1,235,960	$1,525,000	81.05%	100.00%	23.39%
271 to 397 Burman Avenue	Montgomery	Trotwood	2014	$2,975,000	$1,905,230	$2,146,190	64.04%	72.14%	12.65%
6797 & 6827 High High Street	Franklin	Worthington	2014	$4,173,000	$4,000,000	$4,173,000	95.85%	100.00%	4.33%
2000 Westwood Avenue	Hamilton	Cincinnati	2013	$3,343,875	$891,250	$3,343,875	26.65%	100.00%	275.19%
9980 Hanover Way	Warren	Kings (Deerfield Township)_	2013	$39,790,050	$24,893,670	$30,903,620	62.56%	77.67%	24.14%
2851 Spring Falls Drive	Montgomery	West Carrolton	2013	$2,900,000	$2,558,400	$2,860,000	88.22%	98.62%	11.79%
4889 For Hills Avenue	Montgomery	Kettering	2012	$12,760,000	$6,977,160	$12,760,000	54.68%	100.00%	82.88%
6827 Shenandoah Drive	Boone	Florence	2012	$10,800,000	$6,700,000	$10,800,000	62.04%	100.00%	61.19%
506 Stonington Lane	Montogmery	Centerville	2012	$7,500,000	$4,781,040	$7,325,000	63.75%	97.67%	53.21%
7058 Columbia Road	Warren	Kings (Mainevile)	2012	$2,575,000	$1,905,750	$2,368,050	74.01%	91.96%	24.26%
4427 Wilmington Pike	Montgomery	Kettering	2012	$3,150,000	$2,680,410	$3,150,000	85.09%	100.00%	17.52%
150 Dorothy Lane	Montgomery	Kettering	2011	$3,000,000	$2,667,120	$2,975,820	88.90%	99.19%	11.57%
Arlin Place	Greene	Fairborn	2011	$6,000,000	$5,209,750	$5,562,600	86.83%	92.71%	6.77%

Source: Compiled by CBRE based upon County Auditor and Assessors records

PROJECTION OF REAL ESTATE TAXES INTERVIEWS

Company	% of Value for Taxes	Underwriting Notes
CBRE, Inc.	80% to 100%	Projects real estate taxes at 80% to 100% of market value; indicates the modeling of an entity transaction will limit the buyer pool as many pension funds and some REITs are not willing to take the political / reputational risk of the transaction
CBRE, Inc.	80% to 100%	Projects real estate taxes at 80% to 100% of market value based upon their interactions with buyers active in the marketplace. The broker notes, recently buyers have become more and more cautious about underwriting taxes below 80%.
ARA / Newmark	75% to 90%	Projects real estate taxes at 75% to 90% of market value based upon their interactions with buyers active in the marketplace. The broker notes, that investors looking to roll taxes up to 100% of value will not be competitive in the marketplace and will not win deals.
PLK Communities	80.0%	This investor is a large owner of apartments in the region. They underwrite taxes around 80% of their purchase price and / or value.
Indicated Taxable Value Range:	**75% to 100%**	

Compiled by: CBRE

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Considering the above comparables and market participant support, we feel that 80% of our concluded value is typically within parameters of the market. This appraisal assumes the sale of the subject.

HOUSE BILL 126

On April 21, 2022, Ohio Gov. Mike DeWine signed House Bill 126, which will become effective July 19, 2022. The law takes full effect beginning in the Tax Year 2022 valuation cycle (calendar year 2023), but currently pending complaints and appeals for Tax Year 2021 and earlier will proceed as normal. According to the H.B. 126 article posted by Karrie M. Kalail, (https://www.ohioedlaw.com/hb-126-severely-limits-school-districts-ability-to--participate-in-property-valuation-process) the following is a summary of the bill:

- Boards of education may not file complaints against the valuation of real property unless the subject property sells for 10% and at least $500,000 more than the county auditor's full market value.
- Boards of education must adopt resolutions authorizing a complaint, and are required to notify property owners prior to the board meeting at which such action is taken.
- Boards of revision will no longer be required to notify school districts when a property owner has filed a complaint seeking a reduction in value of over $50,000.
- Boards of education will be prohibited from appealing decisions of a board of revision.
- A board of revision must dismiss a complaint filed by a board of education if it has not rendered a decision within one year.
- Boards of education will not have the ability to challenge residential/agricultural valuation complaints.
- Prohibits private payment agreements on or after the effective date of the bill.

DELINQUENCY

According to the Athens County auditor's records, the subject is not encumbered by delinquent property taxes

Conclusion

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current. If the subject sold for the value estimate in this report, a reassessment at that value would most likely occur, based on the parameters mentioned above. Therefore, we have estimated a projected tax estimate consistent with 80% of our market value.

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Market Analysis

Demographic Analysis

Demand for residential properties is a direct function of demographic characteristics analyzed on the following pages.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood with primary focus on the 1-, 3- and 5-mile radius.

POPULATION AND HOUSEHOLD PROJECTIONS

Population	1 Mile Radius	3 Mile Radius	5 Mile Radius	Athens, OH Micropolitan Statistical Area
2029 Total Population	5,953	27,135	34,069	62,019
2024 Total Population	5,976	27,188	34,158	62,375
2010 Total Population	5,452	27,172	34,114	64,755
2000 Total Population	6,070	24,924	31,521	62,221
Annual Growth 2024 - 2029	*-0.08%*	*-0.04%*	*-0.05%*	*-0.11%*
Annual Growth 2010 - 2024	*0.66%*	*0.00%*	*0.01%*	*-0.27%*
Annual Growth 2000 - 2010	*-1.07%*	*0.87%*	*0.79%*	*0.40%*
Households				
2029 Total Households	1,309	8,918	12,080	23,792
2024 Total Households	1,303	8,862	12,010	23,716
2010 Total Households	1,195	8,326	11,327	23,577
2000 Total Households	987	7,727	10,443	22,500
Annual Growth 2024 - 2029	*0.09%*	*0.13%*	*0.12%*	*0.06%*
Annual Growth 2010 - 2024	*0.62%*	*0.45%*	*0.42%*	*0.04%*
Annual Growth 2000 - 2010	*1.93%*	*0.75%*	*0.82%*	*0.47%*

Source: ESRI

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Income Distributions

Household income available for expenditure on housing and other consumer items is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this study, projections of household income, particularly for renters, identifies in gross terms the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

HOUSEHOLD INCOME DISTRIBUTION

Households by Income Distribution (2024)	1 Mile Radius	3 Mile Radius	5 Mile Radius	Athens, OH Micropolitan Statistical Area
<$15,000	31.54%	24.13%	21.01%	16.05%
$15,000 - $24,999	9.44%	12.44%	11.02%	9.80%
$25,000 - $34,999	6.91%	7.36%	7.59%	8.11%
$35,000 - $49,999	12.51%	11.67%	11.42%	12.33%
$50,000 - $74,999	10.28%	12.13%	13.00%	15.95%
$75,000 - $99,999	4.07%	7.96%	9.29%	10.93%
$100,000 - $149,999	12.66%	11.16%	12.81%	14.18%
$150,000 - $199,999	4.91%	6.65%	7.15%	6.45%
$200,000+	7.60%	6.53%	6.71%	6.21%

Source: ESRI

The following table illustrates the median and average household income levels for the subject neighborhood.

HOUSEHOLD INCOME LEVELS

Income	1 Mile Radius	3 Mile Radius	5 Mile Radius	Athens, OH Micropolitan Statistical Area
2024 Median Household Income	$36,589	$43,460	$48,726	$54,655
2024 Average Household Income	$66,184	$69,900	$74,784	$76,346
2024 Per Capita Income	$17,305	$23,436	$26,802	$29,376

Source: ESRI

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Employment

An employment breakdown typically indicates the working-class characteristics for a given market area. The specific employment population within the indicated radii of the subject is as follows:

EMPLOYMENT BY INDUSTRY

Occupation (2024)	1 Mile Radius	3 Mile Radius	5 Mile Radius	Athens, OH Micropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	0.59%	0.75%	0.75%	1.13%
Construction	0.54%	2.37%	2.58%	5.54%
Manufacturing	4.70%	4.60%	5.39%	7.70%
Wholesale Trade	0.35%	0.49%	0.90%	1.47%
Retail Trade	12.28%	9.77%	9.50%	10.11%
Transportation/Warehousing	0.69%	1.32%	1.59%	2.49%
Information	1.14%	1.01%	0.97%	0.81%
Finance/Insurance	0.89%	1.50%	1.51%	1.49%
Prof/Scientific/Tech Services	6.34%	3.81%	3.66%	3.34%
Mgmt of Companies/Enterprises	0.00%	0.00%	0.00%	0.00%
Admin/Support/Waste Mgmt Srvcs	0.64%	2.15%	2.50%	3.21%
Educational Services	43.56%	36.61%	35.84%	27.22%
Health Care/Social Assistance	7.57%	7.76%	9.76%	13.84%
Arts/Entertainment/Recreation	1.98%	4.61%	3.89%	2.66%
Accommodation/Food Services	15.25%	19.29%	17.04%	12.76%
Other Services (excl Publ Adm)	1.39%	1.99%	1.95%	2.84%
Public Administration	2.08%	1.96%	2.16%	3.39%

Source: ESRI

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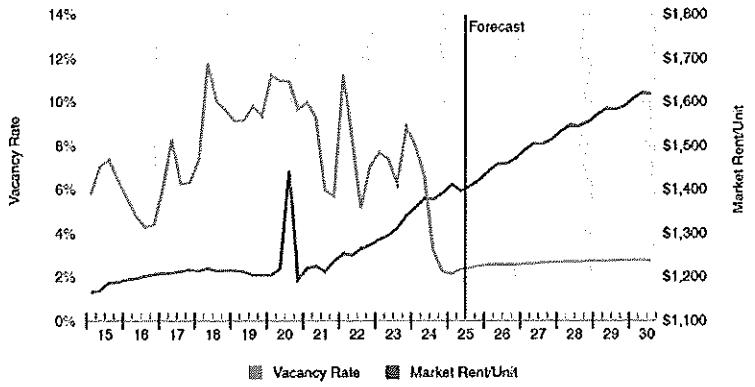
Athens, OH Apartment Market Overview

The tables below were sourced from current CoStar Data:

INVENTORY UNITS	UNDER CONSTRUCTION UNITS	12 MO ABSORPTION UNITS	VACANCY RATE	MARKET RENT/UNIT	MARKET SALE PRICE/UNIT	MARKET CAP RATE
3,352	0	160	2.4%	$1,401	$89K	8.2%
Prior Period 3,405	Prior Period 54	Prior Period 93	Prior Period 5.7%	Prior Period $1,373	Prior Period $84.6K	Prior Period 8.3%

Availability		Inventory		Sales Past Year		Demand	
Vacant Units	80	Existing Buildings	64	Asking Price Per Unit	-	12 Mo Absorption of Inventory	
Asking Rent/SF	$1.60	Average Units Per Bldg	52	Sale to Asking Price Differential	-	Median Household Income	55.4K
Concession Rate	0.5%	12 Mo Demolished Units	0	Sales Volume	$2.6M	Population Growth 5 Yrs | 20-29	-58.4%
Studio Asking Rent	$832	12 Mo Occupancy Rate at Delivery	93.1%	Properties Sold	2	Population Growth 5 Yrs | 30-59	103.1%
1 Bedroom Asking Rent/Unit	$915	12 Mo Construction Starts Units	0	Months to Sale	-	Population Growth 5 Yrs | 60-84	27.3%
2 Bedroom Asking Rent/Unit	$1,150	12 Mo Delivered Units	54	For Sale Listings	-	Population Growth 5 Yrs | 85+	-4.2%
3 Bedroom Asking Rent/Unit	$1,661	12 Mo Avg Delivered Units	54	Total For Sale Units	-	Population Growth 5 Yrs	-1.2%

Vacancy & Market Asking Rent Per Unit



Competitive Properties

Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table:

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SUMMARY OF COMPARABLE MULTIFAMILY RENTALS				
Comp. No.	Name	Location	Distance from Subject	Occupancy
1	The Summit at Coates Run	363 Richland Avenue Athens, OH	0.3 Miles	90%
2	University Courtyard	366 Richland Avenue Athens, OH	0.3 Miles	100%
3	Monticello Village	6 Monticello Drive Athens, OH	0.8 Miles	99%
4	Athens Station	22 Station Street Athens, OH	1.1 Miles	100%
Subject	Campus Heights Apartments	115 Carriage Hill Dr, Athens, Ohio		Assumed Stabilized
Compiled by CBRE				

The majority of comparable properties surveyed reported occupancy rates of 90% or better, and all are currently in average to good condition.

Subject Analysis

Occupancy

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
Submarket	97.6%
Rent Comparables	96.0%
Subject's Current Occupancy	Assumed Stabilized
Subject's Stabilized Occupancy	93.0%
Compiled by CBRE	

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Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

As Vacant

Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development). Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financial Feasibility

Potential uses of the site include a variety of commercial uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the market analysis, the subject multifamily market is generally stabilized.

New multifamily projects have not been recently developed in this market due to economic conditions. Further, there are proposed developments which are no longer moving forward due to inadequate construction financing and market conditions (increasing vacancy, declining effective rental rates, higher cap rates, etc.). Overall, there is significant risk in the multifamily market and most investors would not move forward with new construction at this time on a speculative basis.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

As noted, new development is not financially feasible at this time. Therefore, the highest and best use of the site, as vacant, would be to hold for future multifamily development when economic conditions improve.

As Improved

Legal Permissibility

The site has been improved with a multifamily development that is a legal, conforming use.

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Physical Possibility

The layout and positioning of the improvements are considered functional for multifamily use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for multifamily users would be the most functional use.

Financial Feasibility

The financial feasibility of an multifamily property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for multifamily purposes is considered financially feasible. Further, the value of the subject property as improved clearly exceeds the underlying land value.

Maximum Productivity - Conclusion

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by multifamily owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. The most likely buyer for the subject property is considered to be investor-regional.

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a multifamily development.

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Insurable Replacement Cost

Insurable Replacement Cost is defined as follows:

> *Replacement Cost for Insurance Purposes* - The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). [7]

CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for Insurable Replacement Cost estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The Insurable Replacement Cost estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service cost guide, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an Insurable Replacement Cost. It is provided to aid the client/reader/user as part of their overall decision-making process and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of Insurable Replacement Cost.

[7] Appraisal Institute, *The Dictionary of Real Estate Appraisal, 7th ed.* (Chicago: Appraisal Institute, 2022), 163.

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INSURABLE REPLACEMENT COST

Primary Building Type:	Multifamily	Height per Story:	9'
Effective Age:	20 YRS	Number of Buildings:	14
Condition:	Average	Gross Building Area:	302,097 SF
Number of Units:	337	Average Unit Size:	641 SF
Number of Stories:	2	Average Floor Area:	151,049 SF

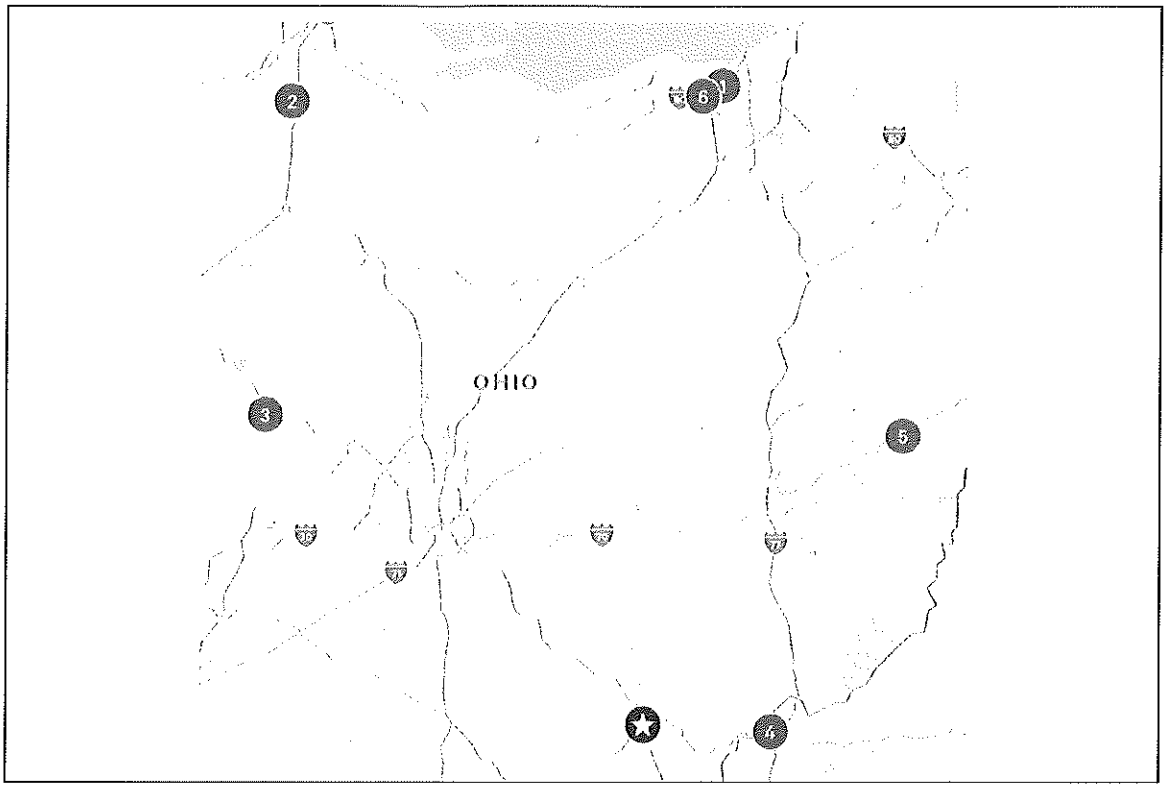
MVS Sec/Page/Class		11/18
Quality/Class		Average/D
Building Component		Apartments
Component Sq. Ft.		302,097 SF
Base Square Foot Cost		$135.00
Subtotal		$135.00
Height and Size Refinements		
Number of Stories Multiplier		1.000
Height per Story Multiplier		1.000
Floor Area Multiplier		1.000
Subtotal		$135.00
Cost Multipliers		
Current Cost Multiplier		1.00
Local Multiplier		1.03
Final Square Foot Cost		**$139.05**
Base Component Cost		**$42,006,588**
Base Building Cost	*(via Marshall Valuation Service cost data)*	**$42,006,588**
Insurable Exclusions	10.0% of Total Building Cost	($4,200,659)
Indicated Insurable Replacement Cost		**$37,805,929**
Rounded		**$37,810,000**
Value Per SF		**$175.06**

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Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE MULTIFAMILY SALES

No.	Property Name	Transaction Type	Transaction Date	Interest Transferred	YOC / Reno'd	Property Type	No. Units	Avg. Unit Size	Distance from Subj	Actual Sale Price	Adjusted Sale Price [1]	Price Per Unit [1]	Occ.	NOI Per Unit	OAR
1	Forest Ridge 5631-5601 Chevrolet Boulevard Parma, OH 44130	Sale	Mar-25	Leased Fee	1951	Multifamily	220	745	146 Miles	$16,300,000	$16,300,000	$74,091	93.00%	$6,706	9.05%
2	Charing Cross Apartments 1017 South Main Street Bowling Green, OH 43402	Sale	Jul-24	Leased Fee	1978	Multifamily	69	476	163 Miles	$3,450,000	$3,450,000	$50,000		$3,953	7.91%
3	Belle Meadows Apartments 302 Belle Meadows Drive Bellefontaine, OH 43311	Sale	Dec-24	Leased Fee	1969	Multifamily	120	672	113 Miles	$6,850,000	$6,850,000	$57,083	97.50%		
4	Beechwood Manor 720 29th Street Parkersburg, WV 26101	Sale	Jun-24	Leased Fee	1975	Multifamily	46	604	30 Miles	$2,725,000	$2,725,000	$59,239	100.00%	$4,599	7.76%
5	Clearview Townhomes 201 Burton Drive Cadiz, OH 43907	Sale	Oct-23	Leased Fee	1976	Multifamily	43	826	69 Miles	$2,499,000	$2,499,000	$52,063	60.00%		
6	Hamilton House 375-381 Front Street Berea, OH 44017	Sale	Feb-25	Leased Fee	1963 / 2008	Multifamily	62	615	143 Miles	$3,175,000	$3,175,000	$51,059	95.00%		
Subj. Pro Forma	Campus Heights Apartments 115 Carriage Hill Dr Athens, OH 45701	—	—	—	1967	Multifamily	337	641	—	—	—	—	93.00%	$5,492	—

[1] Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

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The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales within the State of Ohio and West Virginia, with specific emphasis on smaller non-metro locations and or within towns with a student renter population.

Discussion/Analysis of Improved Sales

Improved Sale One

This comparable represents Forest Ridge Apartments, a 220-unit multifamily property located at 5531 Chevrolet Boulevard in Parma, OH. The property offers one and two bedroom units and was constructed in 1951 with renovations completed in 2023. Amenities include a swimming pool and playground. In March 2025, the property sold for $16,300,000 or $74,091 per unit. The property was actively marketed by Marcus & Millichap and multiple offers were reported. The buyer is from New Jersey and the seller was local. Based on a market rent of $899 for 1 BR unit and $1,099 for 2 BR units, vacancy of 7.0%, expenses of $3,100 per unit, a $250 per unit replacement reserves and property taxes assessed at 80% of the purchase price, the derived cap rate is 9.05%.

Improved Sale Two

This comparable represents a Cardinal-built property (modular construction). The project was constructed in 1978 and offers studio and one-bedroom floor plans and caters mainly to students. There is one two-bedroom unit. The complex offers a community laundry room but no in-suite hook-ups. In addition to rent, tenant pays all utilities; electricity is separately metered, W/S/T is reimbursed. Heat is provided by electric thru-wall units. In July 2024, the property sold for $3,450,000 or $50,000 per unit. Based on market rents, $3,100 in expenses per unit, $250 per unit in replacement reserves and reassessment of taxes to 80% of the purchase price a capitalization rate of 7.91% is derived.

Improved Sale Three

This comparable represents the sale of a 120-unit apartment community located at 302 Belle Meadows Drive in Bellefontaine, Ohio. The property was constructed in 1989 and was considered to be in average overall condition at the time of the sale. The property features 120 1BR/1BA units measuring 670-square feet. The property sold in December 2024 for $6,850,000, or $57,083 per unit. Net operating income at the time of the time of the transfer was reported to be $479,500, which implies an overall capitalization rate of 7.00%. It is indicated the buyer plans to update the units including upgrades to the roof and windows.

Improved Sale Four

The Beechwood Manor Apartments are located at 720 29th Street in Parkersburg, WV. The garden style apartment complex is comprised for four two-story buildings which were constructed in 1975. The unit mix includes 40 one-bedroom units and 6 two-bedroom units. There is surface parking on site and laundry facilities. At the time of our research the complex was 100% occupied. According to the selling broker, the average monthly rents in place for the one bedroom and two bedroom units ranges from $690 to $700 per month. The tenants are responsible for electric and landlord pays water, sewer, and trash. The property was listed for sale for $3,000,000, or $65,217 per unit, in April 2024. The property sold in June 2024 for $2,725,000, or $59,239 per unit. This equates to a 9% discount to asking price. The potential gross income is $371,064. We estimate a 5% vacancy rate and market oriented expenses of 40% including reserves. This equates to a capitalization rate of 7.76%.

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Improved Sale Five

This comparable represent Clear View Townhomes, which is located at Cadiz, PA. It is a 48-unit multifamily property built in 1976. The property offers multistory town bedroom units. The property sold in October 2023 for $2,499,000 or $52,063 per unit. The property was reportedly 80% occupied at time of sale. There are minimal community amenities. The construction was of fair quility only.

Improved Sale Six

This comparable represents Hamilton House, a 52 unit multifamily property, located at 375 - 381 Front Street in Berea, OH. The property consists of three total buildings, two brick buildings containing 24 units each and a 4-unit building. Overall, there are 48 one-bedroom units and 4 two-bedroom units. In February 2025, the property was sold for $3,175,000 or $61,058/unit. The property was sold by Baldwin Wallace University who had been operating the property as student housing since 2008. The buyer was a local investment group. The property was marketed by CBRE. Following the 2024-2025 academic year, the buyer is free to convert the property to any residential use.

Summary of Adjustments

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

MULTIFAMILY SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	6	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Mar-25	Jul-24	Dec-24	Jun-24	Oct-23	Feb-25	---
Interest Transferred	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	---
Year Built/Renovated	1951	1978	1989	1975	1976	1963 / 2008	1967 /
Property Type	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily	Multifamily
No. Units	220	69	120	46	48	52	337
Avg. Unit Size	745	476	672	804	826	615	641
Actual Sale Price	$16,300,000	$3,450,000	$6,850,000	$2,725,000	$2,499,000	$3,175,000	---
Adjusted Sale Price [1]	$16,300,000	$3,450,000	$6,850,000	$2,725,000	$2,499,000	$3,175,000	---
Price Per Unit [1]	$74,091	$50,000	$57,083	$59,239	$52,063	$61,058	---
Occupancy	93%		98%	100%	80%	95%	93%
NOI Per Unit	$6,706	$3,953		$4,598	$0		$5,492
OAR	9.05%	7.91%		7.76%	N/A		---
Adj. Price Per Unit	$74,091	$50,000	$57,083	$59,239	$52,063	$61,058	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	-5%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	5%	0%	
Market Conditions (Time)	0%	1%	0%	1%	2%	0%	
Subtotal - Price Per Unit	$74,091	$50,500	$57,083	$56,840	$55,759	$61,058	
Location	-5%	0%	0%	5%	0%	-5%	
Project Size	0%	0%	0%	-5%	-5%	-5%	
Age/Condition	0%	5%	5%	10%	10%	0%	
Quality of Construction	0%	5%	0%	0%	0%	0%	
Avg. Unit Size	0%	10%	0%	-5%	-5%	0%	
Project Amenities	0%	5%	5%	5%	5%	5%	
Parking	0%	0%	0%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	-5%	25%	10%	10%	5%	-5%	
Indicated Value Per Unit	**$70,386**	**$63,125**	**$62,792**	**$62,524**	**$58,547**	**$58,005**	
Absolute Adjustment	*5%*	*26%*	*10%*	*36%*	*32%*	*15%*	

[1] Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

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Sales Comparison Approach Conclusion

It is noted that the most heavily weighted comparables are Comparable 1, 2, 3 and 4 due to their recency and overall physical similarity. The following table presents the estimated value for the subject as indicated by the sales comparison approach.

SALES COMPARISON APPROACH

Total Units	X	Value Per Unit	=	Value
337	X	$63,000	=	$21,231,000
337	X	$70,000	=	$23,590,000

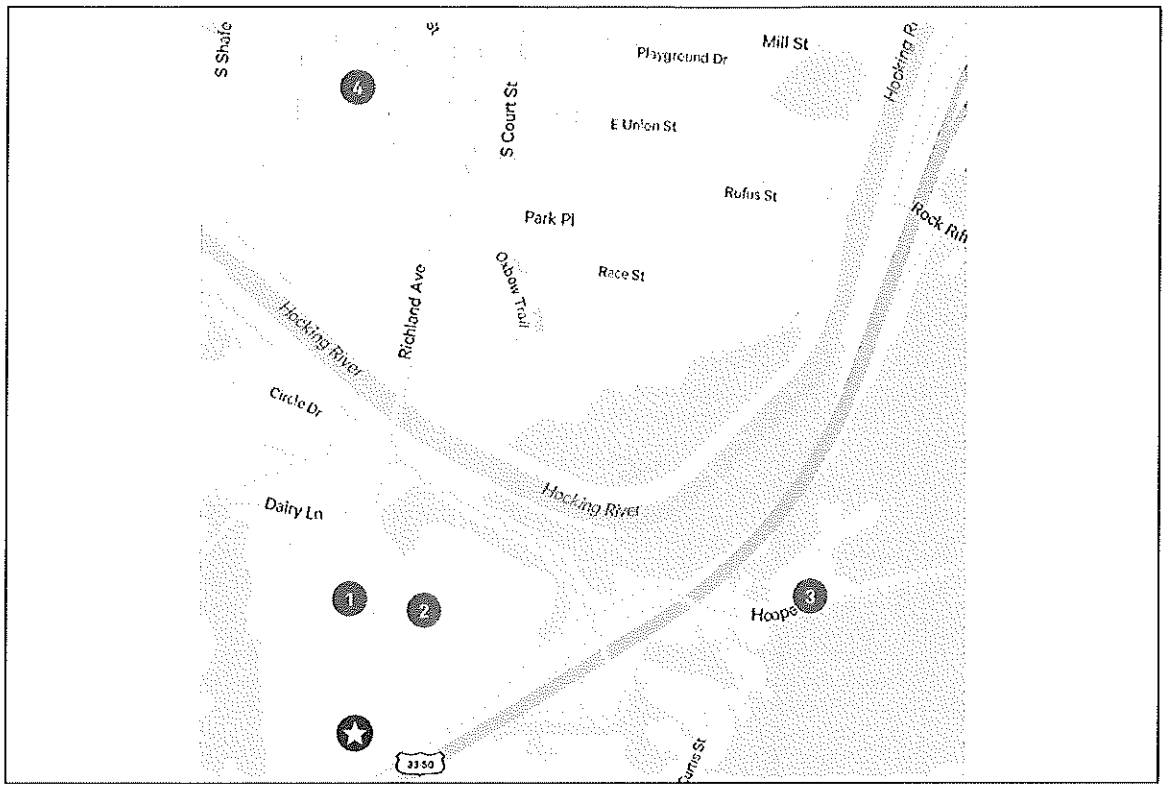
VALUE CONCLUSION	
As Is Value	$23,000,000
Rounded	**$23,000,000**
Value Per Unit	**$68,249**

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Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE MULTIFAMILY RENTALS

No.	Property Name	Location	YOC / Reno'd	Property Type	Occ.	No. Units	Distance from Subj
1	The Summit at Coates Run	363 Richland Avenue Athens, OH 45701	2009	Residential	90%	239	0.3 Miles
2	University Courtyard	366 Richland Avenue Athens, OH 45701	2001	Residential	100%	182	0.3 Miles
3	Monticello Village	6 Monticello Drive Athens, OH 45701	1969	Residential	99%	68	0.8 Miles
4	Athens Station	22 Station Street Athens, OH 45701	1984	Residential	100%	112	1.1 Miles
Subj.	Campus Heights Apartments	115 Carriage Hill Dr Athens, OH 45701	1967	Multifamily	0%	337	---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the greater Athens area.

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Rent Comparable One

This comparable represents a 239-unit/856-bed student apartment complex known as The Summit at Coates Run in Athens, OH. The property caters to students attending Ohio University. Currently, the property is reported to be 93.6% leased. Rents include water, sewer, electric heat, trash, cable TV/Internet and furniture. All units have washer/dryer sets in-unit. Rents range from $1,500 for 1BD units; $2,500 for 2BD units; $2,355 to $2,685 for 3BD units and $3,196 to $3,560 for 4BD units. These rates reflect monthly per unit rates. Property quotes on a per bed basis.

Rent Comparable Two

This comparable represents a 182-unit/580-bed student apartment complex known as University Courtyard in Athens, OH. The property caters to students attending Ohio University. The property is reported to be 100% leased for Fall 2025. The rental rates displayed reflect per unit monthly rents. The property markets on a per bed basis.

Rent Comparable Three

The comparable represents the 68 unit community known as Monticello Village. The apartment is located at 6 Monticello Drive in Athens, Ohio. The improvements were constructed in 1969 and consist of seven, two-story garden style buildings. The improvements is afforded one-, two- and three-bedroom units, ranging in size from 600 to 1,700 square feet. The comparable is presently 100% occupied and not presently offering any concessions. Water, sewer, gas and trash are included within the quoted rental rates. Onsite parking is available to the residents for free. The comparable is afforded amenities such as laundry facilities, sundeck, picnic area and playground.

Rent Comparable Four

This property is located on Station Street, just south of Union Street in Athens, Ohio. This comparable is a market rent apartment community that was constructed around 1984, and includes 112 units. There are three floorplans available at this property, ranging from one-bedroom to two-bedroom apartments. Base rental rates range from $896 to $1,176 per month, and unit sizes range from 595 to 988 square feet. Amenities include a basketball court, business center, clubhouse, pool, and children's playground. Concessions are not being offered. At the time of the survey, the property was 100% occupied. The tenant pays for water, sewer, and trash through a 3rd party billing company based on usage.

Subject Rental Information

The following table shows the subject's unit mix and quoted rental rates.

SUBJECT RENTAL INFORMATION

Type	No. of Units	Unit Size (SF)	Avg. Quoted $/Unit	Rent Per SF
1 BR 1 BA	149	570	$975	$1.71
2 BR 1 BA	159	719	$1,050	$1.46
3 BR 1 BA	20	790	$1,275	$1.61
Studio	9	346	$930	$2.69
Total/Average:	337	641	$1,027	$1.60

Compiled by CBRE

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Market Rent Estimate

In order to estimate the market rates for the various floor plans, the subject unit types have been compared with similar units in the comparable projects. The following is a discussion of each unit type.

Studio/One-Bedroom Units

SUMMARY OF COMPARABLE RENTALS
ONE BEDROOM UNITS

Comparable	Plan Type	Size (SF)	Rental Rates $/Mo.	Rental Rates $/SF
Monticello Village	1 BR, 1 BA	600 SF	$750-$850	$1.33
Subject (Concluded)	***Studio***	***346 SF***	***$930***	***$2.69***
Subject (Avg. Quoted)	***Studio***	***346 SF***	***$930***	***$2.69***
Monticello Village	1 BR, 1 BA	704 SF	$880-$980	$1.32
Subject (Concluded)	***1 BR 1 BA***	***570 SF***	***$975***	***$1.89***
Subject (Avg. Quoted)	***1 BR 1 BA***	***570 SF***	***$975***	***$1.89***
Athens Station	1 BR, 1 BA	595 SF	$1,074-$1,084	$1.81
The Summit at Coates Run	1 BR, 1 BA	675 SF	$1,500	$2.22
University Courtyard	1 BR, 1 BA	629 SF	$1,725	$2.74

Compiled by CBRE

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS
TWO BEDROOM UNITS

Comparable	Plan Type	Size (SF)	Rental Rates $/Mo.	Rental Rates $/SF
Subject (Concluded)	***2 BR 1 BA***	***719 SF***	***$1,050***	***$1.39***
Subject (Avg. Quoted)	***2 BR 1 BA***	***719 SF***	***$1,050***	***$1.39***
Monticello Village	2 BR ,1 BA	936 SF	$1,075-$1,175	$1.20
Athens Station	2 BR, 1 BA	757 SF	$1,234-$1,254	$1.64
Monticello Village	2 BR, 1.5 BA	966 SF	$1,210-$1,310	$1.30
Athens Station	2 BR, 1 BA TH	988 SF	$1,284-$1,294	$1.30
University Courtyard	2 BR, 2 BA	915 SF	$1,900	$2.08
University Courtyard	2 BR, 2 BA	949 SF	$1,940	$2.04
The Summit at Coates Run	2 BR, 2 BA	922 SF	$2,500	$2.71

Compiled by CBRE

Three-Bedroom Units

SUMMARY OF COMPARABLE RENTALS
THREE BEDROOM UNITS

Comparable	Plan Type	Size (SF)	Rental Rates $/Mo.	Rental Rates $/SF
Subject (Avg. Quoted)	***3 BR 1 BA***	***790 SF***	***$1,250***	***$1.58***
Subject (Concluded)	***3 BR 1 BA***	***790 SF***	***$1,250***	***$1.58***
Monticello Village	3 BR, 1.5 BA	1,150 SF	$1,375-$1,475	$1.24
Monticello Village	3 BR, 2 BA	1,700 SF	$1,595-$1,695	$0.97
The Summit at Coates Run	3 BR, 3 BA	1,178 SF	$2,355-$2,685	$2.14

Compiled by CBRE

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The subject's quoted rental rates are within the range indicated by the rent comparables on a per square foot basis and below the range on a gross basis. Therefore, we have utilized a projection in line with current asking at the subject.

Market Rent Conclusions

The following chart shows the market rent conclusions for the subject:

RENT CONCLUSIONS

No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent $/Unit	Monthly Rent $/SF	Monthly Rent PRI	Annual Rent $/Unit	Annual Rent $/SF	Annual Total
149	1 BR 1 BA	570	76,853	$975	$1.89	$145,275	$11,700	$22.68	$1,743,300
159	2 BR 1 BA	719	120,212	$1,050	$1.39	$166,950	$12,600	$16.67	$2,003,400
20	3 BR 1 BA	790	15,800	$1,275	$1.61	$25,500	$15,300	$19.37	$306,000
9	Studio	346	3,114	$930	$2.69	$8,370	$11,160	$32.25	$100,440
337		641	215,979	$1,027	$1.60	$346,095	$12,324	$19.23	$4,153,140

Compiled by CBRE

Potential Rental Income Conclusion

Within this analysis, potential rental income is estimated based upon:

POTENTIAL RENTAL INCOME

	Total	$/Unit/Yr
CBRE Estimate	**$4,153,140**	**$12,324**

Compiled by CBRE

We have concluded $12,324 per unit for the subject's potential rental income; however, there is insufficient comparable data to indicate an estimated range.

Operating History

We requested but were not provided with the historical income/expenses for the previous three years and year to date for the subject

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OPERATING HISTORY		
Year-Occupancy	Pro Forma	92.0%
	Total	$/Unit
INCOME		
Potential Rental Income	$4,153,140	$12,324
Loss to Lease	(62,297)	(185)
Concessions	-	-
Adjusted Rental Income	**$4,090,843**	**$12,139**
Vacancy	(286,359)	(850)
Credit Loss	(40,908)	(121)
Net Rental Income	**$3,763,575**	**$11,168**
Other Income	50,550	150
Parking Income	1,500	4
Cable Income	-	-
RUBS/Utility Income	-	-
Subtotal Other Income (Net)	**52,050**	**$154**
Effective Gross Income	**$3,815,625**	**$11,322**
EXPENSE		
Real Estate Taxes	$391,206	$1,161
Property Insurance	101,100	300
Utilities	569,750	1,690
Administrative & General	84,250	250
Repairs & Maintenance	286,450	850
Landscaping & Security	-	-
Management Fee	114,424	340
Payroll	278,025	825
Non-Revenue Units	-	-
Advertising & Leasing	33,700	100
Other	-	-
Replacement Reserves	84,250	250
Total Operating Expenses	**$1,963,154**	**$5,825**
Net Operating Income	**$1,850,971**	**$5,492**
Management Fee (% of EGI)	3.0%	

Source: Operating statements

Loss to Lease

Market participants typically forecast a loss to lease over the next twelve months to account for leases that do not reflect current market rates. Therefore, we have underwritten a loss to lease of 1.5% in our projection.

Concessions

Rent concessions are currently not prevalent in the local market nor are they present at the subject.

Vacancy & Credit Loss

We have concluded a vacancy and collection loss figure for the subject of 8.0%.

Other Income

Other income is supplemental to that derived from leasing of the improvements. This includes categories such as forfeited deposits, laundry income, late charges, after-hour utility charges, etc. The subject's income is detailed as follows:

OTHER INCOME		
	Total	$/Unit/Yr
CBRE Estimate	**$50,550**	**$150**
Compiled by CBRE		

We have concluded $150 per unit for the subject's other income; however, there is insufficient comparable data to indicate an estimated range.

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Effective Gross Income

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
	Total	$/Unit/Yr
CBRE Estimate	**$3,814,125**	**$11,318**
Compiled by CBRE		

We have concluded $11,318 per unit for the subject's effective gross income, which is above the range of the expense comparables.

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Operating Expense Analysis

Expense Comparables

The following chart summarizes expenses obtained from recognized industry publications and/or comparable properties.

EXPENSE COMPARABLES

Comparable Number	1	2	3	4	Subject
Location	Ohio	Ohio	Ohio	Ohio	Athens, OH
Units	209	190	258	90	337
Year Built	1969-1976	1966	1987	1970	1967
Period	2024	2024	2024 T12	2024 T12	Pro Forma
Revenues	$/Unit	$/Unit	$/Unit	$/Unit	$/Unit
Effective Gross Income	**$7,461**	**$9,336**	**$7,446**	**$7,331**	**$11,318**
Expenses					
Real Estate Taxes	$801	$581	$1,194	$389	$1,161
Property Insurance	213	309	271	146	300
Utilities	838	915	595	894	1,750
Administrative & General	164	233	170	361	250
Repairs & Maintenance	2,622	480	2,162	273	850
Landscaping & Security	-	-	-	-	-
Management Fee	-	-	-	1,059	340
Payroll	828	1,282	507	-	825
Non-Revenue Units	-	-	-	-	-
Advertising & Leasing	36	119	49	-	100
Other	-	-	-	-	-
Replacement Reserves	366	-	-	-	250
Total Operating Expenses	**$5,867**	**$3,918**	**$4,949**	**$3,122**	**$5,825**
Operating Expenses Excluding Taxes	5,066	3,337	3,755	2,733	4,665
Operating Expense Ratio	78.6%	42.0%	66.5%	42.6%	51.5%
Management Fee (% of EGI)	*0.0%*	*0.0%*	*0.0%*	*14.4%*	*3.0%*

[2] The median total differs from the sum of the individual amounts.

Compiled by CBRE

A discussion of each expense category is presented on the following pages.

Real Estate Taxes

The comparable data and projections for the subject are summarized as follows:

REAL ESTATE TAXES

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$801
Expense Comparable 2	---	$581
Expense Comparable 3	---	$1,194
Expense Comparable 4	---	$389
CBRE Estimate	**$391,206**	**$1,161**

Compiled by CBRE

We have concluded $1,161 per unit for the subject's real estate taxes, which is within the range of the expense comparables.

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Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The comparable data and projections for the subject are summarized as follows:

PROPERTY INSURANCE

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$213
Expense Comparable 2	---	$309
Expense Comparable 3	---	$271
Expense Comparable 4	---	$146
CBRE Estimate	**$101,100**	**$300**

Compiled by CBRE

We have concluded $300 per unit for the subject's property insurance, which is within the range of the expense comparables.

Utilities

Utility expenses include electricity, natural gas, water, trash and sewer. The comparable data and projections for the subject are summarized as follows:

UTILITIES

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$838
Expense Comparable 2	---	$915
Expense Comparable 3	---	$595
Expense Comparable 4	---	$894
CBRE Estimate	**$589,750**	**$1,750**

Compiled by CBRE

We have concluded $1,750 per unit for the subject's utilities, which is above the range of the expense comparables. We also considered the expense history of two student multifamily rentals in the region that include all utilities similar to the subject. These properties have a utility expense of $1,650 and $1,800 per unit, respectively.

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Administrative & General

Administrative expenses typically include legal costs, accounting, telephone, supplies, furniture, temporary help and items that are not provided by off-site management. The comparable data and projections for the subject are summarized as follows:

ADMINISTRATIVE & GENERAL

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$164
Expense Comparable 2	---	$233
Expense Comparable 3	---	$170
Expense Comparable 4	---	$361
CBRE Estimate	**$84,250**	**$250**

Compiled by CBRE

We have concluded $250 per unit for the subject's administrative & general, which is within the range of the expense comparables.

Repairs and Maintenance

Repairs and maintenance expenses typically include all outside maintenance service contracts and the cost of maintenance and repairs supplies. The comparable data and projections for the subject are summarized as follows:

REPAIRS & MAINTENANCE

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$2,622
Expense Comparable 2	---	$480
Expense Comparable 3	---	$2,162
Expense Comparable 4	---	$273
CBRE Estimate	**$286,450**	**$850**

Compiled by CBRE

We have concluded $850 per unit for the subject's repairs & maintenance, which is within the range of the expense comparables.

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Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The comparable data and projections for the subject are summarized as follows:

MANAGEMENT FEE

Year	Total	% of EGI
Expense Comparable 1	---	0.0%
Expense Comparable 2	---	0.0%
Expense Comparable 3	---	0.0%
Expense Comparable 4	---	14.4%
CBRE Estimate	**$114,424**	**3.0%**

Compiled by CBRE

We have concluded 3.0% of EGI for the subject's management fee; however, there is insufficient comparable data to indicate an estimated range.

Advertising and Promotion

Advertising and promotion expenses typically include all costs associated with the promotion of the subject including advertisements in local publications, trade publications, internet sites, et cetera. The comparable data and projections for the subject are summarized as follows:

ADVERTISING & LEASING

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$36
Expense Comparable 2	---	$119
Expense Comparable 3	---	$49
Expense Comparable 4	---	$0
CBRE Estimate	**$33,700**	**$100**

Compiled by CBRE

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Reserves for Replacement

Reserves for replacement have been estimated based on market parameters. The comparable data and projections for the subject are summarized as follows:

REPLACEMENT RESERVES

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$366
Expense Comparable 2	---	$0
Expense Comparable 3	---	$0
Expense Comparable 4	---	$0
CBRE Estimate	**$84,250**	**$250**

Compiled by CBRE

We have concluded $250 per unit for the subject's replacement reserves; however, there is insufficient comparable data to indicate an estimated range.

Operating Expense Conclusion

The comparable data and projections for the subject are summarized as follows:

TOTAL OPERATING EXPENSES

Year	Total	$/Unit/Yr
Expense Comparable 1	---	$5,867
Expense Comparable 2	---	$3,918
Expense Comparable 3	---	$4,949
Expense Comparable 4	---	$3,122
CBRE Estimate	**$1,963,154**	**$5,825**

Compiled by CBRE

We have concluded $5,825 per unit for the subject's total operating expenses, which is within the range of the expense comparables.

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Net Operating Income Conclusion

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME

	Total	$/Unit/Yr
CBRE Estimate	**$1,850,971**	**$5,492**

Compiled by CBRE

Summary of Conclusions

The following chart summarizes the subject's historical operating history and/or budget, along with expenses obtained from recognized industry publications and/or comparable properties. CBRE's conclusions are also included:

COMPARABLE EXPENSE ANALYSIS

		Comparables					Subject
Period		Comp 1	Comp 2	Comp 3	Comp 4		Conclusion
	Location	Ohio	Ohio	Ohio	Ohio		
	Units	209	190	258	90		
	Year Built	1969-1976	1966	1987	1970		
	Period	2024	2024	2024 T12	2024 T12		
Category Name		$/Unit/Yr	$/Unit/Yr	$/Unit/Yr	$/Unit/Yr		$/Unit/Yr
Effective Gross Income		**$7,461**	**$9,336**	**$7,446**	**$7,331**		**$11,318**
Expenses							
Real Estate Taxes		$601	$581	$1,194	$389		$1,161
Property Insurance		213	309	271	146		300
Utilities		638	915	595	694		1,750
Administrative & General		164	233	170	361		250
Repairs & Maintenance		2,622	480	2,152	273		850
Management Fee		-	-	-	1,059	3.00%	340
Payroll		828	1,282	607	-		825
Advertising & Leasing		36	119	49	-		100
Replacement Reserves		366	-	-	-		250
Total Operating Expenses		**$5,867**	**$3,918**	**$4,949**	**$3,122**		**$5,825**
Operating Expenses Excluding Taxes		$5,066	$3,337	$3,755	$2,733		$4,665
Operating Expense Ratio		78.6%	42.0%	66.5%	42.6%		51.5%
Management Fee		*0.0%*	*0.0%*	*0.0%*	*14.4%*		*3.0%*

Compiled by CBRE

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Direct Capitalization

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES

Sale	Sale Date	Sale Price $/Unit	Occupancy	Buyer's Primary Analysis	Operating Expense Ratio	OAR
1	Mar-25	$74,091	93%	Pro Forma (Stabilized)	42.47	9.05%
2	Jul-24	$50,000	n/a	Pro Forma (Stabilized)	51.44	7.91%
4	Jun-24	$59,239	100%	Pro Forma (Stabilized)	40.00	7.76%
Indicated OAR:			92%			**7.76%-9.05%**

Compiled by CBRE

The overall capitalization rates for these sales were derived based upon the actual or pro-forma income characteristics of the property. Sale Nos. One, transpired within the past six months, while the remaining sales represent slightly older transaction dates. Therefore, primary emphasis has been placed upon the more recent data, which is generally reflective of current market trends, interest rates, and buyer's expectations and motivation in the market.

We have also included the following comparables which reflect recent student housing property sales in similar university settings for further consideration:

COMPARABLE CAPITALIZATION RATES

Secondary Sale	Sale Date	Sale Price $/SF	Occupancy	Buyer's Primary Analysis	Operating Expense Ratio	OAR
7	May-25	$28,649	n/a	Pro Forma (Stabilized)	70.27	10.87%
8	Sep-24	$140,909	95%	Pro Forma (Stabilized)	46.02	10.15%
9	Apr-25	$50,278	90%	Pro Forma (Stabilized)	68.64	9.54%
10	Apr-25	$27,871	76%	Pro Forma (Stabilized)	67.46	10.10%
11	Mar-24	$67,956	100%	Pro Forma (Stabilized)	38.82	7.26%
12	Jun-24	$42,776	60%	Pro Forma (Stabilized)	58.28	9.67%
Indicated OAR:			92%			**7.26%-10.87%**

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Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
CBRE Apartments (H2 2024)		
Class A	4.00% - 7.00%	5.31%
Class B	4.50% - 7.50%	5.69%
Class C	5.00% - 8.50%	6.38%
RealtyRates.com - Apartments (2nd Qtr. 2025)		
Apartments	5.22% - 12.05%	8.36%
Garden/Suburban TH	5.22% - 11.04%	7.70%
Hi-Rise/Urban TH	5.66% - 12.05%	8.47%
PwC Apartment (2nd Qtr. 2025)		
National Data	4.00% - 6.25%	5.30%
Indicated OAR:		**6.38%-8.50%**
Compiled by CBRE		

Band of Investment

The band of investment technique has been utilized as a crosscheck to the foregoing techniques. The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table.

BAND OF INVESTMENT					
Mortgage Interest Rate	6.50%				
Mortgage Term (Amortization Period)	30 Years				
Mortgage Ratio (Loan-to-Value)	75%				
Mortgage Constant (monthly payments)	0.07585				
Equity Dividend Rate (EDR)	9.00%				
Mortgage Requirement	75%	x	0.07585	=	0.05689
Equity Requirement	25%	x	0.09000	=	0.02250
	100%				0.07939
Indicated OAR:					**7.90%**
Compiled by CBRE					

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Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	7.76%-9.05%
Comparable Sales (Secondary)	7.26%-10.87%
Published Surveys	6.38%-8.50%
Band of Investment	7.90%
CBRE Estimate	**8.00%**
Compiled by CBRE	

Overall, an OAR in the middle portion of the range is considered appropriate. We have also considered recent events and prevailing market conditions with respect to capitalization rates. This includes a combination of inflationary pressures, higher cost of capital (considering interest rates as well as risk spreads), and the recent geopolitical events. While the overall long-term outlook for commercial real estate remains positive, the full effect of these factors may not yet be reflected in transactional data. Overall, we view uncertainty and the higher cost of capital to have an upward influence on capitalization rates which is considered with respect to our conclusion herein.

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DIRECT CAPITALIZATION SUMMARY

		$/Unit/Yr	Total
Income			
Potential Rental Income		$12,324	$4,153,140
Loss to Lease	1.50%	(185)	(62,297)
Concessions	0.00%	0	0
Adjusted Rental Income		**$12,139**	**$4,090,843**
Vacancy	7.00%	(850)	(286,359)
Credit Loss	1.00%	(121)	(40,908)
Net Rental Income		**$11,168**	**$3,763,575**
Other Income		150	50,550
Subtotal Other Income (Net)		**$150**	**$50,550**
Effective Gross Income		**$11,318**	**$3,814,125**
Expenses			
Real Estate Taxes		$1,161	391,206
Property Insurance		300	101,100
Utilities		1,750	589,750
Administrative & General		250	84,250
Repairs & Maintenance		850	286,450
Management Fee	3.00%	340	114,424
Payroll		825	278,025
Advertising & Leasing		100	33,700
Replacement Reserves		250	84,250
Total Operating Expenses		**$5,825**	**$1,963,154**
Operating Expenses Excluding Taxes		$4,665	1,571,949
Operating Expense Ratio			51.47%
Net Operating Income		**$5,492**	**$1,850,971**
OAR		÷	**8.00%**
As Is Value	**May 5, 2025**		**$23,137,139**
Rounded			**$23,140,000**
Value Per Unit			**$68,665**

Compiled by CBRE

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Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS				
Appraisal Premise	Date of Value	Sales Comparison Approach	Income Approach	Reconciled Value
As Is	May 5, 2025	$23,000,000	$23,140,000	$23,140,000
Compiled by CBRE				

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered highly comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on similar properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing investment properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	May 5, 2025	$23,140,000
Compiled by CBRE			

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Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
   (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
   (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
   (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
   (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
   (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
   (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
   (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
   (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
   (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
   (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
   (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

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Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

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12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
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Addenda

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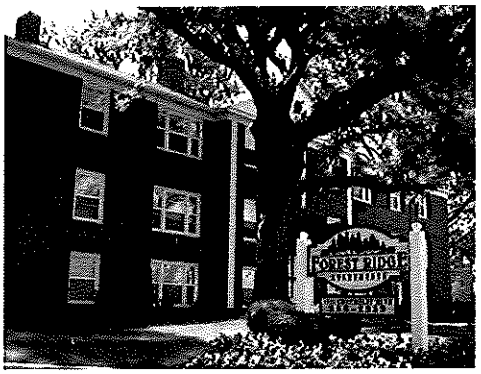
Addendum A

Improved Sale Data Sheets

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Sale — Residential - Multi-unit Garden — No. 1

Property Name	Forest Ridge
Address	5531-5601 Chevrolet Boulevard Parma, OH 44130 United States
Government Tax Agency	Cuyahoga
Govt./Tax ID	442-35-031, et al



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	60	27%	616	$899	$1.46
2 BR, 1 BA	160	73%	787	$1,099	$1.40
Totals/Avg	220			$1,044	$1.41

Improvements

Land Area	6.000 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1951
Total # of Units	220 Unit	Year Renovated	N/A
Average Unit Size	740 sf	Condition	Average
Floor Count	N/A	Exterior Finish	Masonry
Property Features	N/A		
Project Amenities	Playground, Pool		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	Forest Ridge Owner ILC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	HJ Forest Ridge III LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Confidential
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multifamily	Date	3/1/2025
Proposed Use	Multifamily	Sale Price	$16,300,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$16,300,000
Doc #	202503010106	Capital Adjustment	$0
		Adjusted Price	$16,300,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
03/2025	Sale	Forest Ridge Owner ILC	HJ Forest Ridge III LLC	$16,300,000	$74,091 / N/A

Sale — Residential - Multi-unit Garden — No. 1

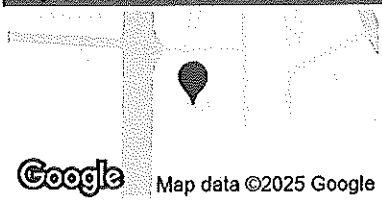
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	6.36
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	42.47%
Net Initial Yield/Cap. Rate	9.05%	Adjusted Price / sf	N/A
Projected IRR	N/A	Adjusted Price / Unit	$74,091
Actual Occupancy at Sale	93%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	12/31/2025
Source	Appraiser
Price	$16,300,000
Potential Gross Income	$2,757,360
Economic Occupancy	93%
Economic Loss	$193,015
Effective Gross Income	$2,564,345
Expenses	$1,089,081
Net Operating Income	$1,475,264
NOI / sf	N/A
NOI / Unit	$6,706
EGIM	6.36
OER	42.47%
Net Initial Yield/Cap. Rate	9.05%

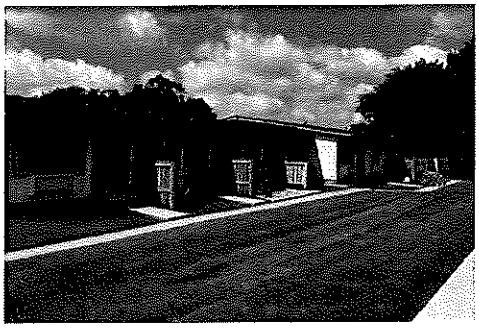
Map & Comments



This comparable represents Forest Ridge Apartments, a 220-unit multifamily property located at 5531 Chevrolet Boulevard in Parma, OH. The property offers one and two bedroom units and was constructed in 1951 with renovations completed in 2023. Amenities include a swimming pool and playground. In March 2025, the property sold for $16,300,000 or $74,091 per unit. The property was actively marketed by Marcus & Millichap and multiple offers were reported. The buyer is from New Jersey and the seller was local. Based on a market rent of $899 for 1 BR unit and $1,099 for 2 BR units, vacancy of 7.0%, expenses of $3,100 per unit, a $250 per unit replacement reserves and property taxes assessed at 80% of the purchase price, the derived cap rate is 9.05%.

Sale — Residential - Multi-unit Garden — No. 2

Property Name	Charing Cross Apartments
Address	1017 South Main Street Bowling Green, OH 43402 United States
Government Tax Agency	Wood
Govt./Tax ID	B07-511-300304004000



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	25	36%	288	$600	$2.08
1 BR/1 BA	43	62%	576	$775	$1.35
2 BR/1 BA	1	1%	864	$950	$1.10
Totals/Avg	69			$714	$1.50

Improvements

Land Area	3.538 ac	Status	Existing
Net Rentable Area (NRA)	32,832 sf	Year Built	1978
Total # of Units	69 Unit	Year Renovated	N/A
Average Unit Size	476 sf	Condition	Average
Floor Count	1	Exterior Finish	Wood
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	Charing Cross Gardens LP	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Charing Cross Communities LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Public Records
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multifamily	Date	7/31/2024
Proposed Use	Multifamily	Sale Price	$3,450,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$3,450,000
Doc #	1191	Capital Adjustment	$0
		Adjusted Price	$3,450,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
07/2024	Sale	Charing Cross Gardens LP	Charing Cross Communities LLC	$3,450,000	$50,000 / $105.08

Sale — Residential - Multi-unit Garden — No. 2

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	6.14
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	51.44%
Net Initial Yield/Cap. Rate	7.91%	Adjusted Price / sf	$105.08
Projected IRR	0.00%	Adjusted Price / Unit	$50,000
Actual Occupancy at Sale	N/A		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	12/31/2024
Source	Appraiser
Price	$3,450,000
Potential Gross Income	$591,300
Economic Occupancy	95%
Economic Loss	$29,565
Effective Gross Income	$561,735
Expenses	$288,974
Net Operating Income	$272,761
NOI / sf	$8.31
NOI / Unit	$3,953
EGIM	6.14
OER	51.44%
Net Initial Yield/Cap. Rate	7.91%

Map & Comments



This comparable represents a Cardinal-built property (modular construction). The project was constructed in 1978 and offers studio and one-bedroom floor plans and caters mainly to students. There is one two-bedroom unit. The complex offers a community laundry room but no in-suite hook-ups. In addition to rent, tenant pays all utilities; electricity is separately metered, W/S/T is reimbursed. Heat is provided by electric thru-wall units. In July 2024, the property sold for $3,450,000 or $50,000 per unit. Based on market rents, $3,100 in expenses per unit, $250 per unit in replacement reserves and reassessment of taxes to 80% of the purchase price a capitalization rate of 7.91% is derived.

Sale — Residential - Multi-unit Garden — No. 3

Property Name	Belle Meadows Apartments
Address	302 Belle Meadows Drive Bellefontaine, OH 43311 United States
Government Tax Agency	Logan
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Yearly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BD/ 1 BA	120	100%	672	$445	$0.66
Totals/Avg	120			$445	$0.66

Improvements

Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	80,640 sf	Year Built	1989
Total # of Units	120 Units	Year Renovated	N/A
Average Unit Size	672 sf	Condition	Good
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	BELLE MEADOWS APARTMENTS LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	BELLEFONTAINE PARTNERSHIP I LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	COMPS, Public Records
Interest Transferred	Leased Fee	Type	Sale
Current Use	N/A	Date	12/4/2024
Proposed Use	N/A	Sale Price	$6,850,000
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	$6,850,000
Doc #	1089	Capital Adjustment	$0
		Adjusted Price	$6,850,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
12/2024	Sale	BELLE MEADOWS APARTMENTS LLC	BELLEFONTAINE PARTNERSHIP I LLC	$6,850,000	$57,083 / $84.95

Sale — Residential - Multi-unit Garden — No. 3

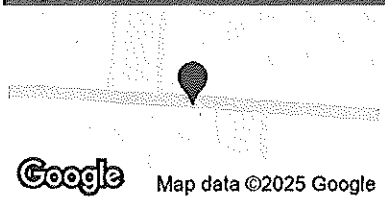
Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$84.95
Projected IRR	N/A	Adjusted Price / Unit	$57,083
Actual Occupancy at Sale	98%		

Financial

Revenue Type	Trailing Actuals
Period Ending	12/1/2024
Source	Broker
Price	$6,850,000
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	$479,500
NOI / sf	$5.95
NOI / Unit	$3,996
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	7.00%

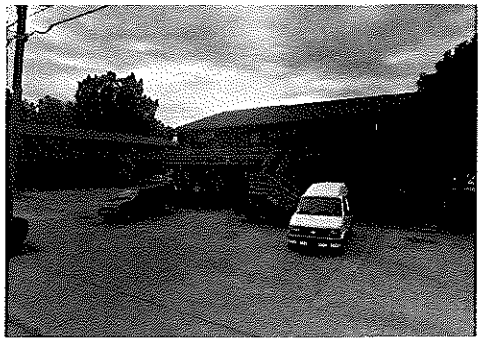
Map & Comments



This comparable represents the sale of a 120-unit apartment community located at 302 Belle Meadows Drive in Bellefontaine, Ohio. The property was constructed in 1989 and was considered to be in average overall condition at the time of the sale. The property features 120 1BR/1BA units measuring 670-square feet. The property sold in December 2024 for $6,850,000, or $57,083 per unit. Net operating income at the time of the time of the transfer was reported to be $479,500, which implies an overall capitalization rate of 7.00%. It is indicated the buyer plans to update the units including upgrades to the roof and windows.

Sale — Residential - Multi-unit Garden — No. 4

Property Name	Beechwood Manor
Address	720 29th Street Parkersburg, WV 26101 United States
Government Tax Agency	Wood
Govt./Tax ID	05-38-01020000



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	40	87%	773	$690	$0.89
2BR/1BA	6	13%	1,009	$700	$0.69
Totals/Avg	46			$691	$0.86

Improvements

Land Area	0.110 ac	Status	Existing
Net Rentable Area (NRA)	36,974 sf	Year Built	1975
Total # of Units	46 Unit	Year Renovated	N/A
Average Unit Size	804 sf	Condition	Average
Floor Count	2	Exterior Finish	Brick
Property Features	Pitched Roofs, Surface Parking		
Project Amenities	Laundry Facility		
Unit Amenities	Carpeted Flooring, Laminate Countertops, Range / Oven, Refrigerator, Vinyl Flooring, White / Beige Appliances		

Sale Summary

Recorded Buyer	Midwest Estates LLC	Marketing Time	3 Month(s)
True Buyer	Aspen Property Management	Buyer Type	Private Investor
Recorded Seller	Bobby E Hundley	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Bobby Hundley
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multifamily	Date	6/18/2024
Proposed Use	Multifamily	Sale Price	$2,725,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	PMC Realty Services	Cash Equivalent	$2,725,000
Doc #	001376000604	Capital Adjustment	$0
		Adjusted Price	$2,725,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
06/2024	Sale	Midwest Estates LLC	Bobby E Hundley	$2,725,000	$59,239 / $73.70

Sale — Residential - Multi-unit Garden — No. 4

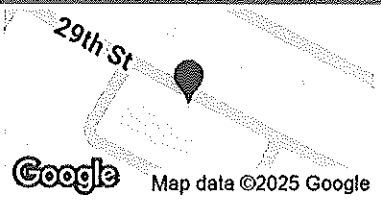
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	7.73
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	40.00%
Net Initial Yield/Cap. Rate	7.76%	Adjusted Price / sf	$73.70
Projected IRR	N/A	Adjusted Price / Unit	$59,239
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	N/A
Price	$2,725,000
Potential Gross Income	$371,064
Economic Occupancy	95%
Economic Loss	$18,553
Effective Gross Income	$352,511
Expenses	$141,004
Net Operating Income	$211,507
NOI / sf	$5.72
NOI / Unit	$4,598
EGIM	7.73
OER	40.00%
Net Initial Yield/Cap. Rate	7.76%

Map & Comments



The Beechwood Manor Apartments are located at 720 29th Street in Parkersburg, WV. The garden style apartment complex is comprised for four two-story buildings which were constructed in 1975. The unit mix includes 40 one-bedroom units and 6 two-bedroom units. There is surface parking on site and laundry facilities. At the time of our research the complex was 100% occupied. According to the selling broker, the average monthly rents in place for the one bedroom and two bedroom units ranges from $690 to $700 per month. The tenants are responsible for electric and landlord pays water, sewer, and trash. The property was listed for sale for $3,000,000, or $65,217 per unit, in April 2024. The property sold in June 2024 for $2,725,000, or $59,239 per unit. This equates to a 9% discount to asking price. The potential gross income is $371,064. We estimate a 5% vacancy rate and market oriented expenses of 40% including reserves. This equates to a capitalization rate of 7.76%.

Sale — Residential - Multi-unit Garden — No. 5

Property Name	Clearview Townhomes
Address	201 Burton Drive Cadiz, OH 43907 United States
Government Tax Agency	Harrison
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2 BR, 1 BA	48	100%	826	$810-$820	$0.99
Totals/Avg	48			$815	$0.99

Improvements

Land Area	6.950 ac	Status	Existing
Net Rentable Area (NRA)	39,660 sf	Year Built	1976
Total # of Units	48 Unit	Year Renovated	N/A
Average Unit Size	826 sf	Condition	Average
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	Anadels Grounds LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Clear View Townhomes LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Sarah Omaits
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multifamily	Date	10/20/2023
Proposed Use	Multifamily	Sale Price	$2,499,000
Listing Broker	Sarah Omaits formerly with Cedar Realty	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$2,499,000
Doc #	3401	Capital Adjustment	$0
		Adjusted Price	$2,499,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
10/2023	Sale	Anadels Grounds LLC	Clear View Townhomes LLC	$2,499,000	$52,063 / $63.01

Sale — Residential - Multi-unit Garden — No. 5

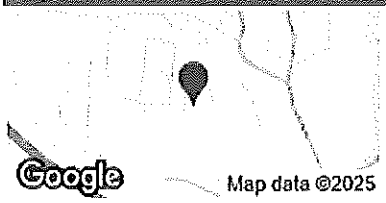
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	0.00%	Adjusted Price / sf	$63.01
Projected IRR	N/A	Adjusted Price / Unit	$52,063
Actual Occupancy at Sale	80%		

Financial

No information recorded

Map & Comments



This comparable represent Clear View Townhomes, which is located at Cadiz, PA. It is a 48-unit multifamily property built in 1976. The property offers multistory town bedroom units. The property sold in October 2023 for $2,499,000 or $52,063 per unit. The property was reportedly 80% occupied at time of sale. There are minimal community amenities. The construction was of fair quility only.

Sale — Residential - Multi-unit Garden — No. 6

Property Name	Hamilton House
Address	375-381 Front Street Berea, OH 44017 United States
Government Tax Agency	Cuyahoga
Govt./Tax ID	Multiple



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR / 1 BA	48	92%	600	$1,095	$1.82
2 BR / 1 BA	4	8%	800	$1,495	$1.87
Totals/Avg	52			$1,126	$1.83

Improvements

Land Area	0.883 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1963
Total # of Units	52 Units	Year Renovated	2008
Average Unit Size	615 sf	Condition	Good
Floor Count	3	Exterior Finish	Brick
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	Hamilton House Berea LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	Baldwin Wallace University	Seller Type	Other
True Seller	N/A	Primary Verification	Buyer's Press Release
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multifamily	Date	2/14/2025
Proposed Use	Multifamily	Sale Price	$3,175,000
Listing Broker	CBRE	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$3,175,000
Doc #	202502140220	Capital Adjustment	$0
		Adjusted Price	$3,175,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
02/2025	Sale	Hamilton House Berea LLC	Baldwin Wallace University	$3,175,000	$61,058 / N/A

Sale — Residential - Multi-unit Garden — No. 6

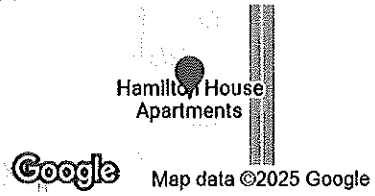
Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	N/A
Projected IRR	N/A	Adjusted Price / Unit	$61,058
Actual Occupancy at Sale	95%		

Financial

No information recorded

Map & Comments



This comparable represents Hamilton House, a 52 unit multifamily property, located at 375 - 381 Front Street in Berea, OH. The property consists of three total buildings, two brick buildings containing 24 units each and a 4-unit building. Overall, there are 48 one-bedroom units and 4 two-bedroom units. In February 2025, the property was sold for $3,175,000 or $61,058/unit. The property was sold by Baldwin Wallace University who had been operating the property as student housing since 2008. The buyer was a local investment group. The property was marketed by CBRE. Following the 2024-2025 academic year, the buyer is free to convert the property to any residential use.

Under Contract — Residential - Multi-unit Walk-up — No. 7

Property Name	CONFIDENTIAL
Address	CONFIDENTIAL
Government Tax Agency	N/A
Govt./Tax ID	CONFIDENTIAL

No image to display.

Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	139	94%	170-250	$850-$1,245	$4.99
Studio	9	6%	285-400	$820-$1,156	$2.88
Totals/Avg	148			$1,044	$4.79

Improvements

Land Area	0.291 ac	Status	Existing
Net Rentable Area (NRA)	35,850 sf	Year Built	1912
Total # of Units	148 Unit	Year Renovated	2016
Average Unit Size	242 sf	Condition	Good
Floor Count	9	Exterior Finish	Brick
Property Features	Central Boiler and Chiller / Cooling Tower, Elevators, Flat Roofs, Interior Stairwells, On-Site Management, Thru-The-Wall Systems		
Project Amenities	Billiards, Clubhouse, Cyber Café, Fitness Center, Laundry Facility		
Unit Amenities	8-Foot Ceilings, Laminate Countertops, Range / Oven, Refrigerator, Vinyl Flooring, White / Beige Appliances		

Sale Summary

Recorded Buyer	CONFIDENTIAL	Marketing Time	N/A
True Buyer	CONFIDENTIAL	Buyer Type	N/A
Recorded Seller	CONFIDENTIAL	Seller Type	N/A
True Seller	CONFIDENTIAL	Primary Verification	CONFIDENTIAL
Interest Transferred	Leased Fee	Type	Under Contract
Current Use	Multifamily	Date	5/20/2025
Proposed Use	Multifamily	Sale Price	$4,250,000
Listing Broker	CONFIDENTIAL	Financing	Cash to Seller
Selling Broker	CONFIDENTIAL	Cash Equivalent	$4,250,000
Doc #	CONFIDENTIAL	Capital Adjustment	$-10,000
		Adjusted Price	$4,240,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
05/2025	Under Contract	CONFIDENTIAL	CONFIDENTIAL	$4,250,000	$28,716 / $118.55

Under Contract — Residential - Multi-unit Walk-up — No. 7

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	2.74
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	70.27%
Net Initial Yield/Cap. Rate	10.87%	Adjusted Price / sf	$118.27
Projected IRR	N/A	Adjusted Price / Unit	$28,649
Actual Occupancy at Sale	N/A		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	12/31/2025
Source	Appraiser
Price	$4,240,000
Potential Gross Income	$1,664,915
Economic Occupancy	93%
Economic Loss	$114,843
Effective Gross Income	$1,550,072
Expenses	$1,089,190
Net Operating Income	$460,882
NOI / sf	$12.86
NOI / Unit	$3,114
EGIM	2.74
OER	70.27%
Net Initial Yield/Cap. Rate	10.87%

Map & Comments

CONFIDENTIAL

Sale — Residential - Multi-unit Student — No. 8

Property Name	University Gate Apartments
Address	5086 Station Rd Erie, PA 16510 United States
Government Tax Agency	Erie
Govt./Tax ID	Multiple



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
3BR/2BA - Standard	39	30%	1,061	N/A	N/A
3BR/2BA - Upgraded	2	2%	1,061	N/A	N/A
2BR/1BA - Standard	1	1%	1,100	N/A	N/A
4BR/2BA - Standard	72	55%	1,156	N/A	N/A
4BR/2BA - Upgraded	18	14%	1,156	N/A	N/A
Totals/Avg	132			$0	$0.00

Improvements

Land Area	12.604 ac	Status	Existing
Net Rentable Area (NRA)	148,641 sf	Year Built	2006
Total # of Units	132 Unit	Year Renovated	N/A
Average Unit Size	1,126 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Individual Split Systems, On-Site Management, Pitched Roofs, Surface Parking		
Project Amenities	Business Center, Clubhouse, Fitness Center, Laundry Facility		
Unit Amenities	Carpeted Flooring, Dishwasher, Laminate Countertops, Microwave Oven, Plank Flooring, Range / Oven, Refrigerator, Stainless Steel Appliances, White / Beige Appliances		

Sale Summary

Recorded Buyer	Station Road Associates PA, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	BMC Ugate, LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	CBRE Appraisal Records
Interest Transferred	Leased Fee	Type	Sale
Current Use	Student Housing	Date	9/6/2024
Proposed Use	N/A	Sale Price	$18,600,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	$18,600,000
Doc #	2022 / 002727	Capital Adjustment	$0
		Adjusted Price	$18,600,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
09/2024	Sale	Station Road Associates PA, LLC	BMC Ugate, LLC	$18,600,000	$140,909 / $125.13
02/2022	Sale	N/A	N/A	$13,770,000	$104,318 / $92.64

Sale — Residential - Multi-unit Student — No. 8

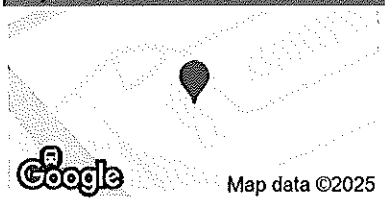
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	5.32
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	46.02%
Net Initial Yield/Cap. Rate	10.15%	Adjusted Price / sf	$125.13
Projected IRR	N/A	Adjusted Price / Unit	$140,909
Actual Occupancy at Sale	95%		

Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	N/A	N/A
Source	Buyer	Seller
Price	$18,600,000	$18,600,000
Potential Gross Income	N/A	N/A
Economic Occupancy	N/A	N/A
Economic Loss	N/A	N/A
Effective Gross Income	$3,496,915	$3,191,112
Expenses	$1,609,279	$1,480,449
Net Operating Income	$1,887,636	$1,710,663
NOI / sf	$12.70	$11.51
NOI / Unit	$14,300	$12,960
EGIM	5.32	5.83
OER	46.02%	46.39%
Net Initial Yield/Cap. Rate	10.15%	9.20%

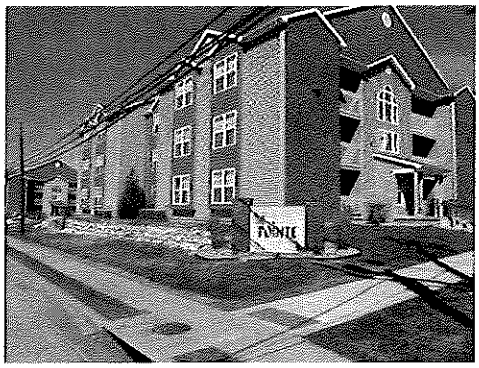
Map & Comments



The comparable is a 132-unit (485-bed) student housing property located at 5086 Station Road in Harbor Creek Township, Erie County, Pennsylvania. The improvements include (8) three-story apartment buildings along with (1) clubhouse/commercial building that contains a common area for students, a pizza shop, the leasing office, a fitness center, and shared laundry facilities. The improvements were constructed in 2006 and 2008 and are situated on a 12.677-acre site. The property went under contract September 6, 2024 for $18,600,000, or $140,909 per unit / $38,351 per bed. It closed in December 2024. The proforma capitalization rate was 10.15%, based on the buyer's 2025/2026 proforma.

Under Contract — Residential - Multi-unit Student — No. 9

Property Name	The Pointe at SIU
Address	900 East Park Street Carbondale, IL 62901 United States
Government Tax Agency	Jackson
Govt./Tax ID	Multiple



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2BR, 2BA	48	27%	849	$1,218	$1.43
3BR, 3BA	132	73%	1,049	$1,542	$1.47
Totals/Avg	180			$1,456	$1.46

Improvements

Land Area	9.350 ac	Status	Existing
Gross Building Area (GBA)	246,434 sf	Year Built	2009
Total # of Units	180 Unit	Year Renovated	N/A
Average Unit Size	1,057 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	THE POINTE AT SIU LLC	Seller Type	Developer
True Seller	N/A	Primary Verification	PSA, Buyer
Interest Transferred	Leased Fee	Type	Under Contract
Current Use	Student Apartments	Date	4/7/2025
Proposed Use	Student Apartments	Sale Price	$9,050,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$9,050,000
Doc #	N/A	Capital Adjustment	$0
		Adjusted Price	$9,050,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
04/2025	Under Contract	N/A	THE POINTE AT SIU LLC	$9,050,000	$50,278 / $36.72

Under Contract — Residential - Multi-unit Student — No. 9

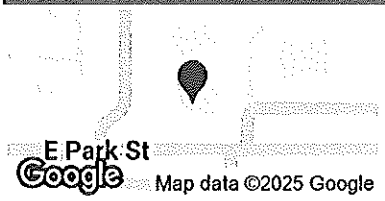
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	3.29
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	68.64%
Net Initial Yield/Cap. Rate	9.54%	Adjusted Price / sf	$36.72
Projected IRR	N/A	Adjusted Price / Unit	$50,278
Actual Occupancy at Sale	90%		

Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	N/A	N/A
Source	Buyer	N/A
Price	$9,050,000	$9,050,000
Potential Gross Income	$3,072,240	$2,608,041
Economic Occupancy	N/A	N/A
Economic Loss	N/A	N/A
Effective Gross Income	$2,753,237	$2,780,151
Expenses	$1,889,903	$2,277,634
Net Operating Income	$863,334	$502,517
NOI / sf	$3.50	$2.04
NOI / Unit	$4,796	$2,792
EGIM	3.29	3.26
OER	68.64%	81.92%
Net Initial Yield/Cap. Rate	9.54%	5.55%

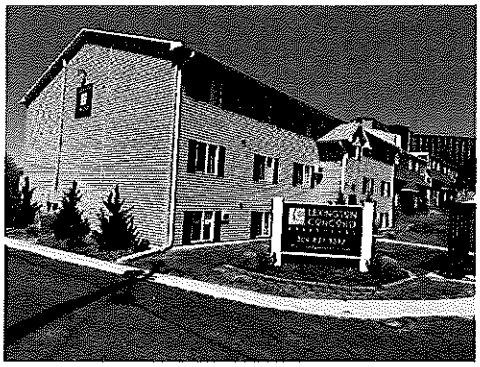
Map & Comments



This property is a 492-bed student housing property that caters to students at Southern Illinois University -Carbondale. The property went under contract in January 2025 for $9,050,000, or $18,394 per bed. The property was 25% pre-leased for fall 2025 when going under contract. Buyer's pro forma is inclusive of reserves and indicated a 9.54% cap rate. This student housing complex is off-campus and is not within walking distance of the university, a complimentary shuttle is provided to students. Additional amenities include a resort-style pool, fitness center, clubhouse, game room, community lounge and study rooms, outside grilling area. The units come fully furnished.

Under Contract — Residential - Multi-unit Student — No. 10

Property Name	Lexington Concord Apartments
Address	902 N Charles St & 900 Linden Ln Macomb, IL 61455 United States
Government Tax Agency	McDonough County
Govt./Tax ID	Multiple



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio - Concord	38	11%	450	$668	$1.48
Studio-Lexington	4	1%	480	$613	$1.28
1BR/1BA - Concord	41	11%	600	$693	$1.16
1BR/1BA - Lexington	26	7%	600	$655	$1.09
2BR/1.5BA - Concord	8	2%	900	$765	$0.85
2BR/1.5BA - Lexington	65	18%	900	$749	$0.83
2BR/2BA - Concord	35	10%	950	$771	$0.81
2BR/2BA - Lexington	76	21%	950	$701	$0.74
2BR/1.5BA TH - Concord	37	10%	1,020	$843	$0.83
3BR/2BA - Concord	27	8%	1,100	$956	$0.87
Totals/Avg	357			$743	$0.89

Improvements

Land Area	14.786 ac	Status	Existing
Net Rentable Area (NRA)	297,810 sf	Year Built	1972
Total # of Units	357 Unit	Year Renovated	2024
Average Unit Size	439 sf	Condition	Average
Floor Count	3	Exterior Finish	Vinyl Siding
Property Features	Individual Split Systems, Pitched Roofs, Surface Parking		
Project Amenities	Clubhouse, Game Room, Sports Court, Study Rooms		
Unit Amenities	9-Foot Ceilings, Carpeted Flooring, Laminate Countertops, Range / Oven, Refrigerator, Vinyl Flooring, White / Beige Appliances		

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	Arthur Goldner or nominee	Buyer Type	Private Syndicator
Recorded Seller	%LAKESHORE MANAGEMENT LLC EDISON 356 LLC	Seller Type	Corporation
True Seller	Lakeshore Management	Primary Verification	Appraisal
Interest Transferred	Leased Fee	Type	Under Contract
Current Use	Apartments	Date	4/8/2025
Proposed Use	Apartments	Sale Price	$9,950,000
Listing Broker	Marcus and Millichap	Financing	Market Rate Financing
Selling Broker	Marcus and Millichap	Cash Equivalent	$9,950,000
Doc #	TBD	Capital Adjustment	$0
		Adjusted Price	$9,950,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
04/2025	Under Contract	N/A	%LAKESHORE MANAGEMENT LLC EDISON 356 LLC	$9,950,000	$27,871 / $33.41
06/2021	Sale	%LAKESHORE MANAGEMENT LLC EDISON 356 LLC	C/O RIALTO CAPITAL ADVISORS LLC	$5,112,500	$14,862 / $33.88

Under Contract — Residential - Multi-unit Student — No. 10

Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	3.22
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	67.46%
Net Initial Yield/Cap. Rate	10.10%	Adjusted Price / sf	$33.41
Projected IRR	N/A	Adjusted Price / Unit	$27,871
Actual Occupancy at Sale	76%		

Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	N/A	N/A
Source	N/A	N/A
Price	$9,950,000	$9,950,000
Potential Gross Income	N/A	N/A
Economic Occupancy	N/A	N/A
Economic Loss	N/A	N/A
Effective Gross Income	$3,087,046	$2,603,863
Expenses	$2,082,369	$1,485,801
Net Operating Income	$1,004,677	$1,118,062
NOI / sf	$3.37	$3.75
NOI / Unit	$2,814	$3,132
EGIM	3.22	3.82
OER	67.46%	57.06%
Net Initial Yield/Cap. Rate	10.10%	11.24%

Map & Comments



Concord Lexington is a 357-unit multi-family garden property located at 902 N Charles St & 900 Linden Ln in Macomb, Illinois. The property consists of two non-contiguous sites approximately one mile apart from one another that are separated by the Western Illinois University campus. The subject tailors to students at Western Illinois University; however, according to on-site management, the property is approximately 60% student and 40% conventional. As such, the property leases by the unit as opposed to by the bed. Cumulatively, the property consists of 29 two and three-story residential buildings. The improvements were constructed in 1972 and extensively renovated between 2021 and 2024 ($3,543,471 in capital invested). The property had not operated above 80% occupancy over the past three years, however, management states that the property is 85% preleased for the 2025/2026 academic year. Based on 2024 operating historicals, the property sold with a 11.24% capitalization rate. Based on appraisers pro forma (inclusive of $250 per unit in reserves), the property sold with a 10.1% capitalization rate.

Sale — Residential - Multi-unit Student — No. 11

Property Name	Squire Hill
Address	1443 Devon Lane Harrisonburg, VA 22801 United States
Government Tax Agency	Harrisonburg City
Govt./Tax ID	004 B 1



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
shh-4ta	240	48%	338	$525	$1.55
shh-3ga	48	10%	396	$469	$1.18
shh-3ta	96	19%	396	$475	$1.20
shh-2ga	26	5%	476	$519	$1.09
shh-2ta	52	10%	476	$549	$1.15
shh-1ga	27	5%	737	$869	$1.18
shh-1gb	15	3%	737	$869	$1.18
Totals/Avg	504			$541	$1.32

Improvements

Land Area	16.890 ac	Status	Existing
Net Rentable Area (NRA)	204,402 sf	Year Built	1970
Total # of Units	504 Bed	Year Renovated	N/A
Average Unit Size	406 sf	Condition	Average
Floor Count	3	Exterior Finish	Brick
Property Features	N/A		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Conference Room, Cyber Café, Dog Park / Run, Fitness Center, Game Room, Jacuzzi / Hot Tub, Pool, Study Rooms		
Unit Amenities	8-Foot Ceilings, Black Appliances, Carpeted Flooring, Laminate Countertops, Vinyl Flooring, Washer / Dryer		

Sale Summary

Recorded Buyer	Squire Hill Apartments LLC	Marketing Time	N/A
True Buyer	The Michaels Organization & Verde Capital	Buyer Type	Private Investor
Recorded Seller	Squire Hill Harrisonburg Associates LLC	Seller Type	Private Investor
True Seller	Weinstein	Primary Verification	Party to Sale
Interest Transferred	Leased Fee	Type	Sale
Current Use	Student	Date	3/20/2024
Proposed Use	Student	Sale Price	$34,250,000
Listing Broker	Berkadia	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$34,250,000
Doc #	N/A	Capital Adjustment	$0
		Adjusted Price	$34,250,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
03/2024	Sale	Squire Hill Apartments LLC	Squire Hill Harrisonburg Associates LLC	$34,250,000	$67,956 / $167.56

Sale — Residential - Multi-unit Student — No. 11

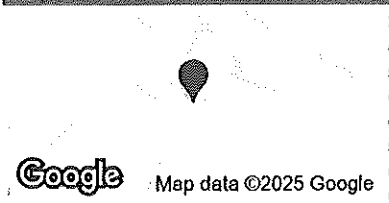
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	8.42
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	38.82%
Net Initial Yield/Cap. Rate	7.26%	Adjusted Price / sf	$167.56
Projected IRR	N/A	Adjusted Price / Bed	$67,956
Actual Occupancy at Sale	100%		

Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	12/31/2024	10/31/2023
Source	Other(See Comments)	Buyer
Price	$34,250,000	$34,250,000
Potential Gross Income	N/A	N/A
Economic Occupancy	N/A	N/A
Economic Loss	N/A	N/A
Effective Gross Income	$4,065,865	$4,077,724
Expenses	$1,578,235	$1,534,238
Net Operating Income	$2,487,630	$2,543,486
NOI / sf	$12.17	$12.44
NOI / Bed	$4,936	$5,047
EGIM	8.42	8.40
OER	38.82%	37.62%
Net Initial Yield/Cap. Rate	7.26%	7.43%

Map & Comments



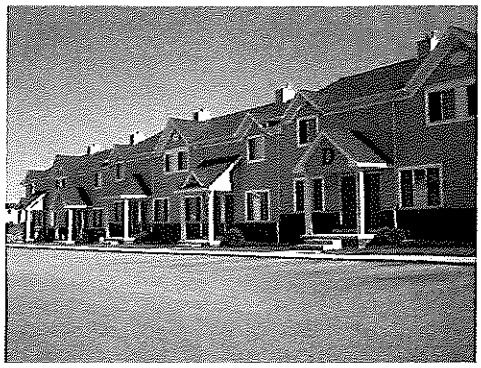
Squire Hill is a Class C student housing garden apartment property serving James Madison University and is located about one mile from campus. The property consists of 504 bedrooms (189 units) and is situated on an 16.89 acre site at 1443 Devon Lane in Harrisonburg, VA. The improvements were originally constructed in 1970 and were considered in average condition at the time of sale. Property amenities include a renovated clubhouse with multiple study rooms, business center and printing services, complimentary 24-hour coffee bar, and a fitness center with strength training and cardio. Other amenities include a large pool with sundeck and hot tub, picnic pavilion with gas grills, package lockers, and a dog park. The property is also located on the JMU bus line. Unit interiors feature maple kitchen and bath cabinets, upgraded laminate counters, black appliances and a mix of vinyl and carpet flooring. Each unit also includes a washer and dryer.

The property sold in March 2024 for $34,250,000, or $67,956 per bedroom; the recording information is not yet available from Harrisonburg real estate assessment records. Year-1 pro forma net operating income at the time of sale was $2,487,630, or $4,936 per bedroom, for an overall capitalization rate of 7.26%. The property's EGIM was calculated as 8.42 and occupancy at the time of sale was 99.6%. The Year-1 NOI reflects EGI roughly in line with T3 actuals and trended T12 expenses with taxes adjusted to reflect current assessment, which equates to 74% of the purchase price, plus a $125/bedroom replacement reserve allowance and a 3.0% management fee.

The trailing NOI reflects the T3 income and T12 expenses with taxes adjusted to reflect the current assessment, plus a 125/bedroom replacement reserve allowance and a 3.0% management fee and indicates a 7.43% OAR.

Sale — Residential - Multi-unit Student — No. 12

Property Name	Deerfield Village Student Apartments
Address	3400 E Deerfield Rd Mt Pleasant, MI 48858 United States
Government Tax Agency	Union Township
Govt./Tax ID	Multiple



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2BR/1BA	26	10%	800	$633	$0.79
3BR/1BA	2	1%	1,000	$1,110	$1.11
4BR/2BA	175	67%	1,536	$1,110	$0.72
5BR/2BA	58	22%	1,560	$1,170	$0.75
7BR/3BA	1	0%	1,800	$1,900	$1.06
12BR/7BA	1	0%	3,000	$2,200	$0.73
Totals/Avg	263			$1,083	$0.74

Improvements

Land Area	20.000 ac	Status	Existing
Net Rentable Area (NRA)	386,880 sf	Year Built	2002
Total # of Units	263 Unit	Year Renovated	N/A
Average Unit Size	1,471 sf	Condition	Average
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	N/A		
Project Amenities	Clubhouse		
Unit Amenities	N/A		

Sale Summary

Recorded Buyer	Heights of Mount Pleasant Apts LLC	Marketing Time	N/A
True Buyer	Heights of Mount Pleasant Apts LLC	Buyer Type	Private Investor
Recorded Seller	Deerfield Village LLC	Seller Type	Private Investor
True Seller	United Apartments	Primary Verification	Broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	Apartments	Date	6/14/2024
Proposed Use	Apartments	Sale Price	$11,250,000
Listing Broker	Marcus & Millichap	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$11,250,000
Doc #	01906/03644	Capital Adjustment	$0
		Adjusted Price	$11,250,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/unit and /sf
06/2024	Sale	Heights of Mount Pleasant Apts LLC	Deerfield Village LLC	$11,250,000	$42,776 / $29.08

Sale — Residential - Multi-unit Student — No. 12

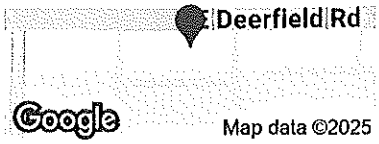
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	4.31
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	58.28%
Net Initial Yield/Cap. Rate	9.67%	Adjusted Price / sf	$29.08
Projected IRR	N/A	Adjusted Price / Unit	$42,776
Actual Occupancy at Sale	60%		

Financial

Revenue Type	Pro Forma Stabilized	Trailing Actuals
Period Ending	N/A	N/A
Source	Broker	Broker
Price	$11,250,000	$11,250,000
Potential Gross Income	$2,607,713	$2,243,923
Economic Occupancy	100%	100%
Economic Loss	$0	$0
Effective Gross Income	$2,607,713	$2,243,923
Expenses	$1,519,705	$1,512,429
Net Operating Income	$1,088,008	$731,494
NOI / sf	$2.81	$1.89
NOI / Unit	$4,137	$2,781
EGIM	4.31	5.01
OER	58.28%	67.40%
Net Initial Yield/Cap. Rate	9.67%	6.50%

Map & Comments



Deerfield Village is a 263-unit/1,067-bed student housing apartment community that caters to Central Michigan University Students located at 3400 E Deerfield Rd in Mount Pleasant, Isabella County, MI. The improvements consist primarily of 17 two-story buildings and a clubhouse constructed in 2002 and are situated on two contiguous parcels that total 20-acres. The unit mix consists of a blend of two-, three-, four-, five-, and six-bed configurations in a blend of stacked flats and townhomes. Units have standard finishes with a full appliance package. There are few amenities on site. The landlord is responsible for water, sewer, trash removal, and Internet. Occupancy has historically been in the 60%+/- range. The property sold in June 2024 for a consideration of $11,250,000, or $42,776 per unit and $10,544 per bed. The OAR was 9.67% using the broker's Year 1 pro forma or 6.50% using the trailing income and expenses with uncapped taxes. The property was renamed Heights of Mount Pleasant following the sale.

Addendum B

Rent Comparable Data Sheets

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Comparable Residential - Multi-unit Student No. 1

Property Name	The Summit at Coates Run
Address	363 Richland Avenue Athens, OH 45701 United States
Government Tax Agency	Athens
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	0	N/A	675	$1,500	$2.22
2 BR, 2 BA	0	N/A	922	$2,500	$2.71
3 BR, 3 BA	0	N/A	1,178	$2,355-$2,685	$2.14
4 BR, 4 BA	0	N/A	1,444	$3,196	$2.21
4 BR, 4 BA	0	N/A	1,491	$3,360-$3,500	$2.30
4 BR, 4 BA	0	N/A	1,519	$3,480-$3,560	$2.32
Totals/Avg	0			N/A	N/A

Improvements

Land Area	0.000 ac	Status	N/A
Net Rentable Area (NRA)	N/A	Year Built	2009
Total # of Units	239 Unit	Year Renovated	N/A
Average Unit Size	sf	Condition	N/A
Floor Count	3	Exterior Finish	N/A
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Rental Survey

Occupancy	90%	Utilities Included in Rent	W,S,T, H, TV/ Int, Furn
Lease Term	12 Mo(s).	Rent Premiums	Floor
Tenant Profile	Students	Concessions	$375 gift card or $30/month rent disocunt
Survey Date	07/2025	Owner	N/A
Survey Notes	N/A	Management	Peak Campus

Comparable Residential - Multi-unit Student No. 1

Map & Comments

This comparable represents a 239-unit/856-bed student apartment complex known as The Summit at Coates Run in Athens, OH. The property caters to students attending Ohio University. Currently, the property is reported to be 93.6% leased. Rents include water, sewer, electric heat, trash, cable TV/Internet and furniture. All units have washer/dryer sets in-unit. Rents range from $1,500 for 1BD units; $2,500 for 2BD units; $2,355 to $2,685 for 3BD units and $3,196 to $3,560 for 4BD units. These rates reflect monthly per unit rates. Property quotes on a per bed basis.

Comparable Residential - Multi-unit Student No. 2

Property Name	University Courtyard
Address	366 Richland Avenue Athens, OH 45701 United States
Government Tax Agency	Athens
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
0 BR, 1 BA	0	N/A	348	$1,250	$3.59
1 BR, 1 BA	0	N/A	629	$1,725	$2.74
2 BR, 2 BA	0	N/A	915	$1,900	$2.08
2 BR, 2 BA	0	N/A	949	$1,940	$2.04
4 BR, 2 BA	0	N/A	1,243	$2,640	$2.12
4 BR, 4 BA	0	N/A	1,405	$2,960	$2.11
Totals/Avg	0			N/A	N/A

Improvements

Land Area	0.000 ac	Status	N/A
Net Rentable Area (NRA)	N/A	Year Built	2001
Total # of Units	182 Unit	Year Renovated	N/A
Average Unit Size	sf	Condition	N/A
Floor Count	3	Exterior Finish	N/A
Property Features	N/A		
Project Amenities	N/A		
Unit Amenities	N/A		

Rental Survey

Occupancy	100%	Utilities Included in Rent	W,S,T, H, TV/ Int, Furn
Lease Term	12 Mo(s).	Rent Premiums	Floor
Tenant Profile	Students	Concessions	None
Survey Date	07/2025	Owner	N/A
Survey Notes	N/A	Management	Ambling

Comparable Residential - Multi-unit Student No. 2

Map & Comments

This comparable represents a 182-unit/580-bed student apartment complex known as University Courtyard in Athens, OH. The property caters to students attending Ohio University. The property is reported to be 100% leased for Fall 2025. The rental rates displayed reflect per unit monthly rents. The property markets on a per bed basis.

Comparable Residential - Multi-unit Walk-up No. 3

Property Name	Monticello Village
Address	6 Monticello Drive Athens, OH 45701 United States
Government Tax Agency	Athens
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	5	7%	600	$750-$850	$1.33
1 BR, 1 BA	4	6%	704	$880-$980	$1.32
2 BR ,1 BA	12	18%	936	$1,075-$1,175	$1.20
2 BR, 1.5 BA	25	37%	966	$1,210-$1,310	$1.30
3 BR, 1.5 BA	15	22%	1,150	$1,375-$1,475	$1.24
3 BR, 2 BA	7	10%	1,700	$1,595-$1,695	$0.97
Totals/Avg	68			$1,259	$1.22

Improvements

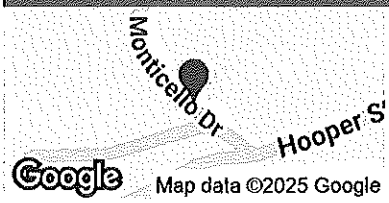
Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1969
Total # of Units	68 Unit	Year Renovated	N/A
Average Unit Size	1,035 sf	Condition	Average
Floor Count	2	Exterior Finish	Brick
Property Features	Surface Parking		
Project Amenities	Laundry Facility, Playground, Pool		
Unit Amenities	Dishwasher, Garbage Disposal, Range / Oven, Refrigerator		

Rental Survey

Occupancy	99%	Utilities Included in Rent	water, sewer, gas and trash
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Mixed	Concessions	$250 Security Deposit
Survey Date	07/2025	Owner	N/A
Survey Notes	N/A	Management	N/A

Comparable Residential - Multi-unit Walk-up No. 3

Map & Comments



The comparable represents the 68 unit community known as Monticello Village. The apartment is located at 6 Monticello Drive in Athens, Ohio. The improvements were constructed in 1969 and consist of seven, two-story garden style buildings. The improvements is afforded one-, two- and three-bedroom units, ranging in size from 600 to 1,700 square feet. The comparable is presently 100% occupied and not presently offering any concessions. Water, sewer, gas and trash are included within the quoted rental rates. Onsite parking is available to the residents for free. The comparable is afforded amenities such as laundry facilities, sundeck, picnic area and playground.

Comparable Residential - Multi-unit Walk-up No. 4

Property Name	Athens Station
Address	22 Station Street Athens, OH 45701 United States
Government Tax Agency	Athens
Govt./Tax ID	N/A



Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	0	N/A	595	$1,074-$1,084	$1.81
2 BR, 1 BA	0	N/A	757	$1,234-$1,254	$1.64
2 BR, 1 BA TH	0	N/A	988	$1,284-$1,294	$1.30
Totals/Avg	0			N/A	N/A

Improvements

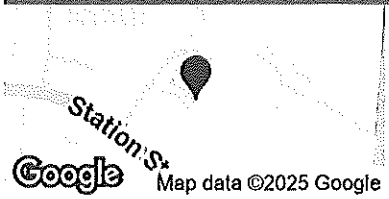
Land Area	0.000 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1984
Total # of Units	112 Unit	Year Renovated	N/A
Average Unit Size	sf	Condition	Good
Floor Count	1	Exterior Finish	Brick
Property Features	Surface Parking		
Project Amenities	Basketball Court, Business Center, Clubhouse, Playground, Pool		
Unit Amenities	Dishwasher, Garbage Disposal, Range / Oven, Refrigerator		

Rental Survey

Occupancy	100%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	N/A	Concessions	None
Survey Date	07/2025	Owner	N/A
Survey Notes	N/A	Management	Athens Station Management

Comparable Residential - Multi-unit Walk-up No. 4

Map & Comments



This property is located on Station Street, just south of Union Street in Athens, Ohio. This comparable is a market rent apartment community that was constructed around 1984, and includes 112 units. There are three floorplans available at this property, ranging from one-bedroom to two-bedroom apartments. Base rental rates range from $896 to $1,176 per month, and unit sizes range from 595 to 988 square feet. Amenities include a basketball court, business center, clubhouse, pool, and children's playground. Concessions are not being offered. At the time of the survey, the property was 100% occupied. The tenant pays for water, sewer, and trash through a 3rd party billing company based on usage.

Addendum C

Operating Data

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Addendum D

Legal Description

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Addendum E

Client Contract Information

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VALUATION & ADVISORY SERVICES

Proposal and Contract for Services

CBRE

CBRE, Inc.
200 Civic Center Drive, 14th
Columbus, OH 43215
www.cbre.us/valuation

Mason Shelby, MAI, AI-GRS
Managing Director

June 4, 2025

Andrew Rankin
Partner
DENTONS BINGHAM GREENBAUM
10 W Market St. Suite 270
Indianapolis, IN 46204
Phone: 317-968-5452
Email: andrew.rankin@dentons.com

RE: Assignment Agreement | CB25US054991
Residential
Campus Heights Apartments,
115 Carriage Hill Dr
Athens, OH 45701

Dear Mr. Rankin:

CBRE, Inc. ("CBRE") is pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate and the Insurable Value
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	Internal Decisions/Other
Intended Use Comments:	Potential Foreclosure
Intended User:	The intended user is DENTONS BINGHAM GREENBAUM ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as intended users (each an "Intended Users" and collectively the "Intended Users") provided that any Intended User's use of, and reliance upon, any report produced by CBRE under this Agreement shall be subject to the Terms and Conditions attached hereto and incorporated herein (including, without limitation, any limitations of liability set forth in the attached Terms and Conditions).

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Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof, whether as a result of its direct dissemination or by any other means, may not use or rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith. Unless otherwise expressly identified in this Agreement, there are no third-party beneficiaries of this Agreement pertaining to this appraisal assignment or any reports produced by CBRE under this Agreement, and no other person or entity shall have any right, benefit or interest under this Agreement or with respect to any reports produced by CBRE under this Agreement.
Scope of Inspection:	CBRE will not conduct a physical inspection of the interior and exterior of the subject property, or its surrounding environs on the effective date of appraisal. The subject property was inspected during a recent, previous engagement. Information from the previous site visit will be utilized for this appraisal. If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.
Valuation Approaches:	All three traditional approaches to value will be considered.
Report Type:	Appraisal Report
Appraisal Standards:	USPAP/FIRREA
Appraisal Fee:	$5,000 – base fee for appraisal $450/hour for testimony and prep (if necessary) If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.
Expenses:	Fee includes all associated expenses except to the extent otherwise provided in the attached Terms and Conditions.
Retainer:	A retainer is not required for this assignment.
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.

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Delivery Instructions:	CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report. An Adobe PDF file via email will be delivered to andrew.rankin@dentons.com.The client has requested 0 bound final copy (ies).
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	15 business days after the Start Date
Final Report:	Upon Client's request
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification or withdrawal if this proposal is not accepted within 5 business days from the date of this letter. When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

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VALUATION & ADVISORY SERVICES

Proposal and Contract for Services

CBRE

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,
CBRE, Inc.
Valuation & Advisory Services



Mason Shelby, MAI, AI-GRS
Managing Director
As Agent for CBRE, Inc.
T 614.781.5159
mason.shelby@cbre.com

Enclosures:

PROPERTY LIST

Property Name	Property Location	Report Type	Appraisal Fees
Campus Heights Apartments	115 Carriage Hill Dr, Athens, OH 45701	Appraisal Report	$5,000.00
Assignment Total:			**$5,000.00**

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Proposal and Contract for Services

CBRE

AGREED AND ACCEPTED

FOR DENTONS BINGHAM GREENBAUM ("CLIENT"):

Signature	Date: 6.6.25
Andrew Rankin Name	Partner Title
317-968-5452 Phone Number	andrew.rankin@dentons.com E-Mail Address

ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports, ALTA Surveys, and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at **ACSProposals@cbre.com**. We will route your request to the appropriate manager. For more information, please visit **www.cbre.com/assessment.**

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TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an assignment agreement (the "Agreement") for appraisal services ("Services") between CBRE, Inc. ("CBRE") and the client signing this Agreement and for whom the Services will be performed (the "Client") for the property identified herein (the "Property") and shall be deemed a part of such Agreement as though fully set forth therein. In addition, with respect to any appraisal report prepared by CBRE pursuant to the Agreement (the "Report"), any use of, or reliance on, the Report by any Intended User constitutes acceptance of these Terms and Conditions as well as acceptance of all qualifying statements, limiting conditions, and assumptions stated in the Report. The Agreement shall be governed and construed by the laws of the state where the CBRE office executing this Agreement is located without regard to conflicts of laws principles.

2. Client shall be responsible for the payment of all fees stipulated in this Agreement. Payment of the fees and preparation of the Report are not contingent upon any predetermined value or on any action or event resulting from the analyses, opinions, conclusions, or use of the Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft Report is requested, the fee is considered earned upon delivery of the draft Report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed Report. In such event, the Client is obligated to pay CBRE for the time and expenses incurred (including, but not limited to, travel expenses to and from the job site) prior to the effective date of cancellation, with a minimum charge of $500. Hard copies of the Reports are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping fees of $30 per Report.

3. If CBRE is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls and conferences (except routine meetings, phone calls and conferences with the Client for the sole purpose of preparing the Report), litigation, or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this assignment, the Report, CBRE's expertise, or the Property, Client shall pay CBRE's additional out-of-pocket costs and expenses, including but not limited to CBRE's reasonable attorneys' fees, and additional time incurred by CBRE based on CBRE's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Report), meeting participation, and CBRE's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional Services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed Report has been delivered to Client at the time of such request.

4. CBRE shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.

5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the CBRE office executing this Agreement is located. **EACH PARTY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION IN ANY WAY RELATED TO THIS AGREEMENT.**

6. CBRE assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for CBRE to prepare a valid Report hereunder. Client acknowledges that such additional expertise is not covered in the fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.

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7. Client acknowledges that CBRE is being retained hereunder as an independent contractor to perform the Services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and CBRE. Unless otherwise stated in this Agreement, Client shall not designate or disclose CBRE or any of its agents or employees as an expert or opinion witness in any court, arbitration, or other legal proceedings without the prior written consent of CBRE.

8. This assignment shall be deemed concluded and the Services hereunder completed upon delivery to Client of the Report discussed herein.

9. All statements of fact in the Report which are used as the basis of CBRE's analyses, opinions, and conclusions will be true and correct to CBRE's actual knowledge and belief. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to CBRE by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, CBRE DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO CBRE. Furthermore, the conclusions and any permitted reliance on and use of the Report shall be subject to the assumptions, limitations, and qualifying statements contained in the Report.

10. CBRE shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Report will not constitute a survey of the Property analyzed.

11. Client shall provide CBRE with such materials with respect to the assignment as are requested by CBRE and in the possession or under the control of Client. Client shall provide CBRE with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.

12. The data gathered in the course of the assignment (except data furnished by Client, "Client Information") and the Report prepared pursuant to the Agreement are, and will remain, the property of CBRE. With respect to Client Information provided by Client, CBRE shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential and proprietary Client Information furnished to CBRE. Notwithstanding the foregoing to the contrary, CBRE is authorized by Client to disclose all or any portion of the Report and related data as may be required by applicable law, statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CBRE or its employees and agents to comply with the Bylaws and Regulations of the Appraisal Institute as now or hereafter in effect.

13. Unless specifically noted, in preparing the Report CBRE will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Materials") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there are no major or significant repairs, improvements or deferred maintenance of the Property that would require the expertise of a professional cost estimator, engineer, architect or contractor. If any such repairs, improvements or maintenance are needed, the estimates for such repairs, improvements or maintenance are to be prepared by other parties pursuant to a separate written agreement in Client's sole discretion and direction, and are not deemed part of the Services or otherwise covered as part of the fee hereunder.

14. In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that CBRE provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that CBRE shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other

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compensation from CBRE relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.

15. LIMITATION OF LIABILITY. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY:

(A) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER PARTY, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR OTHER EXEMPLARY LOSSES OR DAMAGES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, REGARDLESS OF THE FORESEEABILITY OR THE CAUSE THEREOF.

(B) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES AND COSTS REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO CBRE UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS ($10,000).

(C) CBRE SHALL HAVE NO LIABILITY WITH RESPECT TO ANY LOSS, DAMAGE, CLAIM OR EXPENSE INCURRED BY OR ASSERTED AGAINST CLIENT ARISING OUT OF, BASED UPON OR RESULTING FROM CLIENT'S OR ANY INTENDED USER'S FAILURE TO PROVIDE ACCURATE OR COMPLETE INFORMATION OR DOCUMENTATION PERTAINING TO ANY SERVICES OR REPORT ORDERED UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING CLIENT'S OR ANY INTENDED USER'S FAILURE, OR THE FAILURE OF ANY OF CLIENT'S OR ANY INTENDER USER'S RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, PRINCIPALS, AGENTS OR EMPLOYEES, TO PROVIDE A COMPLETE AND ACCURATE COPY OF THE REPORT TO ANY THIRD PARTY. CBRE SHALL HAVE NO LIABILITY WHATSOEVER FOR REPORTS OR DELIVERABLES THAT ARE SUBMITTED IN DRAFT FORM.

(D) THE LIMITATIONS OF LIABILITY IN SUBSECTIONS 15(A) AND 15(B) ABOVE SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. (a) Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other third parties) except (i) to any third party (a) identified in the Agreement as an Intended User subject to the terms and conditions of this Agreement or (b) otherwise expressly acknowledged in a separate writing executed by CBRE, such third party and Client, setting forth that such third party is an "Intended User" of the Report and providing CBRE with an acceptable release from such third party with respect to such Report or wherein Client provides acceptable indemnity protections to CBRE against any claims resulting directly from the distribution of the Report to such third party; (ii) to any third party service provider (including accountants, attorneys, rating agencies and auditors) using the Report in the course of providing Services for the sole benefit of an Intended User and limited to the Intended Use of the Report as defined in this Agreement, or (iii) to the extent required by applicable law, statute, government regulation, legal process, or judicial decree.

(b) In the event CBRE consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such other materials available to any such parties unless and until Client has provided CBRE with complete copies of such offering or other materials and CBRE has approved the inclusion of the Report, or reference to the Report and/or CBRE, in such offering and other materials in writing. Further, CBRE's consent to such inclusion of the Report, or reference to the Report and/or CBRE, in any securities offering is subject to (i) CBRE's and CBRE's securities counsel's review and approval, in writing, of any inclusion of the Report, or reference to the Report and/or CBRE, in such securities offering; (ii) Client shall not modify the Report, any such inclusion of or reference to the Report and/or CBRE in such securities offering once approved

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by CBRE and its securities counsel in writing; and (iii) Client shall reimburse CBRE for its out-of-pocket costs and expenses, including attorneys' fees, arising from legal review of such securities offering and related materials on CBRE's behalf.

(c) In the absence of satisfying the conditions of this Section 16 with respect to any party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such Report, and CBRE shall have no liability for such unauthorized use and reliance on any Report.

(d) In the event Client breaches the provisions of this Section 16, Client shall indemnify, defend and hold CBRE and its affiliates and their officers, directors, employees, contractors, agents and other representatives (CBRE and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.

17. In the event Client incorporates or references the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the Report or the engagement of or performance of Services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of CBRE (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with Section16 and Section 17, CBRE and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement, (b) any Services or Reports under this Agreement or (c) any acts or conduct relating to such Services or Reports, shall be filed within two (2) years from the date of delivery to Client of the Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

19. Miscellaneous.

(a) This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by written agreement of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement

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transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

(b) Neither party shall assign this Agreement in whole or in part (other than by operation of law) to any person or entity without the prior written consent of the other party. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

(c) No consent or waiver, either expressed or implied, by a party to or of any breach or default, shall be construed to be a consent or waiver to or of any other breach or default in the performance of any obligations hereunder. Failure of a party to complain or declare the other party in default shall not constitute a waiver by such party of rights and remedies hereunder.

(d) Except as hereinafter provided, no delay or failure in performance by a party shall constitute a default hereunder to the extent caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, CBRE promptly shall notify Client. Once the Force Majeure event ceases, CBRE shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the Party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, fire, acts of terrorism, catastrophes, changes in laws, condemnation of property, governmental actions or delays, national emergency, war, civil disturbance, floods, unusually severe weather conditions, endemic or pandemic, or other acts of God. Inability to pay or financial hardship shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a party's control.

(e) Any provision of this Agreement that, by its language, contemplates performance or observation subsequent to any termination or expiration of this Agreement shall survive such termination or expiration and shall continue in full force and effect.

(f) If any provision of this Agreement, or application thereof to any person or circumstance, shall to any extent be invalid, then such provision shall be modified, if possible, to fulfill the intent of the parties reflected in the original provision. The remainder of this Agreement, or the application of such provision to person or circumstance other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

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Addendum F

Qualifications

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Brandon Petiya, MAI

Vice President, Cleveland



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M 440-590-3383
brandon.petiya@cbre.com

950 Main Avenue
Suite 200
Cleveland, OH 44113

Clients Represented

- US Bank
- Fifth Third Bank
- Key Bank
- Huntington National Bank
- PNC Bank

Experience

Brandon Petiya has more than 10 years of experience in real estate commercial appraisals including the following property types: multi-family, land, retail, industrial, medical and office buildings, bowling alleys, churches, veterinary offices, self-storage, special-use, funeral homes, recreational and golf courses.

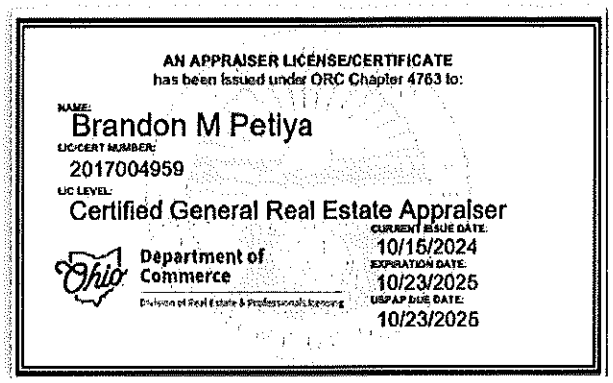
Professional Certifications

- State Certified General Real Estate Appraiser
  - Ohio #2017004959
  - Pennsylvania #GA004711
- MAI Member, Appraisal Institute

Education

- Bachelor of Science in Business Administration, Marketing / Fisher College of Business
  - The Ohio State University, Columbus, Ohio

CBRE



AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Brandon M Petiya

LIC/CERT NUMBER:
2017004959

LIC LEVEL:
Certified General Real Estate Appraiser

Department of Commerce
Division of Real Estate & Professional Licensing

CURRENT ISSUE DATE:
10/15/2024

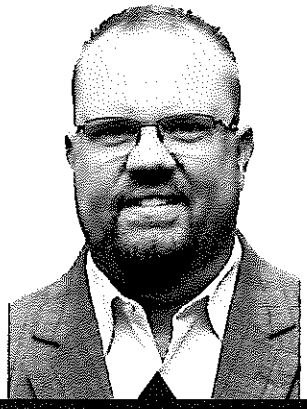
EXPIRATION DATE:
10/23/2025

USPAP DUE DATE:
10/23/2025

Mason Shelby, MAI, AI-GRS

Managing Director, Columbus, Ohio

CBRE



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Mason.Shelby@cbre.com

200 Civic Center Dr.
14th Floor
Columbus, OH 43215

Clients Represented

- KeyBank
- PNC
- Berkadia
- Berkeley Point
- First Commonwealth Bank
- Bank of the Ozarks
- Hunt Mortgage
- Huntington Bank
- Western & Southern
- 5/3rd Bank
- Old Fort Bank
- ORIX Capital
- LNR Partners
- US Bank
- First Financial
- C-III Asset Management
- CW Capital
- Associated Bank
- Walker and Dunlop
- Bellwether Enterprises
- United Midwest Savings

Experience

Mason Shelby is a Managing Director of the Valuation & Advisory Services within the Midwest region in the Columbus, Ohio Office. Located in the CBRE Columbus office since 2003, Mr. Shelby has over 18 years of real estate appraisal and consulting experience throughout the State of Ohio, Kentucky, Indiana, Pennsylvania, and West Virginia. Mr. Shelby is a designated member of the Appraisal Institute (MAI) and is licensed as a Certified General Real Estate Appraiser in the States of Ohio, Indiana and Kentucky.

Mr. Shelby's appraisal experience includes appraisal of many property types, including multi-family, retail, office, industrial, mixed-use, golf courses, self-storage, hotels, subdivisions and others.

As Managing Director, Mr. Shelby leads a valuation and advisory staff in Ohio, Kentucky and Western Pennsylvania, with offices in Columbus, Cincinnati, Cleveland, Pittsburgh and Lexington. Mr. Shelby and the staff provide exceptional quality appraisal work and are very client service focused.

Professional Affiliations / Accreditations

- Member of the Appraisal Institute #453869
- State Certified General Appraiser
  - Ohio – #2008000978
  - Kentucky - #5251
  - Indiana – CG41900040
  - Pennsylvania – GA004591
  - West Virginia – CG3374

Education

- Ohio Northern University – Ada, Ohio
  - B.S. Business Management
- Real Estate Related Courses
  - Appraisal Institute Course 110 – Appraisal Principles
  - Appraisal Institute Course 310 – Basic Income Capitalization
  - Appraisal Institute Course 410 – National USPAP
  - Appraisal Institute Course 510 – Advanced Income Capitalization
  - Appraisal Institute Course 520 – Highest and Best Use
  - Appraisal Institute Course 530 – Advanced Sales and Cost Approaches
  - Appraisal Institute Course 540 – Report Writing
  - Appraisal Institute Course – Advanced Concepts and Case Studies
  - Hondros College – Fair Housing
  - Hondros College – Real Estate Law
  - Hondros College – Real Estate Finance
  - Hondros College – Real Estate Appraisal
  - Columbus State Community College – Real Estate Principles and Practices

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Mason W Shelby

LICENSE NUMBER:
2008000978

LIC. LEVEL:
Certified General Real Estate Appraiser

CURRENT ISSUE DATE:
08/30/2024

EXPIRATION DATE:
09/22/2025

WALL/POCKET ISSUE DATE:
09/22/2026

Ohio Department of Commerce
Division of Real Estate & Professional Licensing

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90+	80K+	600k+	200+
U.S. Valuation Offices	U.S. Yearly Assignments	Global Yearly Assignments	Global Valuation Offices

EXHIBIT F

MULTIFAMILY LOAN AND SECURITY AGREEMENT
(LIMITED-RECOURSE)

BY AND BETWEEN

LUCAS URBAN HOLDINGS LLC, an Ohio limited liability company

AND

M&T REALTY CAPITAL CORPORATION, a Maryland corporation

DATED AS OF

June 30, 2022

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MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Limited-Recourse)

This MULTIFAMILY LOAN AND SECURITY AGREEMENT (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Loan Agreement**") is made as of the Effective Date (as hereinafter defined) by and between **LUCAS URBAN HOLDINGS LLC**, an Ohio limited liability company ("**Borrower**"), and **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation ("**Lender**").

RECITALS:

WHEREAS, Borrower desires to obtain the Mortgage Loan (as hereinafter defined) from Lender to be secured by the Mortgaged Property (as hereinafter defined); and

WHEREAS, Lender is willing to make the Mortgage Loan on the terms and conditions contained in this Loan Agreement and in the other Loan Documents (as hereinafter defined);

NOW, THEREFORE, in consideration of the making of the Mortgage Loan by Lender and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereby covenant, agree, represent, and warrant as follows:

AGREEMENTS:

ARTICLE 1 - DEFINITIONS; SUMMARY OF MORTGAGE LOAN TERMS

Section 1.01 Defined Terms.

Capitalized terms not otherwise defined in the body of this Loan Agreement shall have the meanings set forth in the Definitions Schedule attached as Schedule 1 to this Loan Agreement.

Section 1.02 Schedules, Exhibits, and Attachments Incorporated.

The schedules, exhibits, and any other addenda or attachments are incorporated fully into this Loan Agreement by this reference and each constitutes a substantive part of this Loan Agreement.

ARTICLE 2 - GENERAL MORTGAGE LOAN TERMS

Section 2.01 Mortgage Loan Origination and Security.

(a) Making of Mortgage Loan.

Subject to the terms and conditions of this Loan Agreement and the other Loan Documents, Lender hereby makes the Mortgage Loan to Borrower, and Borrower hereby accepts the Mortgage Loan from Lender. Borrower covenants and agrees that it shall:

(1) pay the Indebtedness, including the Prepayment Premium, if any (whether in connection with any voluntary prepayment or in connection with an acceleration by Lender of the Indebtedness), in accordance with the terms of this Loan Agreement and the other Loan Documents; and

(2) perform, observe, and comply with this Loan Agreement and all other provisions of the other Loan Documents.

(b) Security for Mortgage Loan.

The Mortgage Loan is made pursuant to this Loan Agreement, is evidenced by the Note, and is secured by the Security Instrument, this Loan Agreement, and the other Loan Documents that are expressly stated to be security for the Mortgage Loan.

(c) Protective Advances.

As provided in the Security Instrument, Lender may take such actions or disburse such funds as Lender reasonably deems necessary to perform the obligations of Borrower under this Loan Agreement and the other Loan Documents and to protect Lender's interest in the Mortgaged Property.

Section 2.02 Payments on Mortgage Loan.

(a) Debt Service Payments.

(1) Short Month Interest.

If the date the Mortgage Loan proceeds are disbursed is any day other than the first day of the month, interest for the period beginning on the disbursement date and ending on and including the last day of the month in which the disbursement occurs shall be payable by Borrower on the date the Mortgage Loan proceeds are disbursed. In the event that the disbursement date is not the same as the Effective Date, then:

(A) the disbursement date and the Effective Date must be in the same month, and

(B) the Effective Date shall not be the first day of the month.

(2) Interest Accrual and Computation.

Except as provided in Section 2.02(a)(1), interest shall be paid in arrears. Interest shall accrue as provided in the Schedule of Interest Rate Type Provisions and shall be computed in accordance with the Interest Accrual Method. If the Interest Accrual Method is "Actual/360," Borrower acknowledges and agrees that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(3) Monthly Debt Service Payments.

Consecutive monthly debt service installments (comprised of either interest only or principal and interest, depending on the Amortization Type), each in the amount of the applicable Monthly Debt Service Payment, shall be due and payable on the First Payment Date, and on each Payment Date thereafter until the Maturity Date, at which time all Indebtedness shall be due. Any regularly scheduled Monthly Debt Service Payment that is received by Lender before the applicable Payment Date shall be deemed to have been received on such Payment Date solely for the purpose of calculating interest due. All payments made by Borrower under this Loan Agreement shall be made without set-off, counterclaim, or other defense.

(4) Payment at Maturity.

The unpaid principal balance of the Mortgage Loan, any Accrued Interest thereon and all other Indebtedness shall be due and payable on the Maturity Date.

(5) Interest Rate Type.

See the Schedule of Interest Rate Type Provisions for additional provisions, if any, specific to the Interest Rate Type.

(b) Capitalization of Accrued But Unpaid Interest.

Any accrued and unpaid interest on the Mortgage Loan remaining past due for thirty (30) days or more may, at Lender's election, be added to and become part of the unpaid principal balance of the Mortgage Loan.

(c) Late Charges.

(1) If any Monthly Debt Service Payment due hereunder is not received by Lender within ten (10) days (or fifteen (15) days for any Mortgaged Property located in Mississippi or North Carolina to comply with applicable law) after the applicable Payment Date, or any amount payable under this Loan Agreement (other than the payment due on

the Maturity Date for repayment of the Mortgage Loan in full) or any other Loan Document is not received by Lender within ten (10) days (or fifteen (15) days for any Mortgaged Property located in Mississippi or North Carolina to comply with applicable law) after the date such amount is due, inclusive of the date on which such amount is due, Borrower shall pay to Lender, immediately without demand by Lender, the Late Charge.

The Late Charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 2.02(d).

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan;

(B) it is extremely difficult and impractical to determine those additional expenses;

(C) Lender is entitled to be compensated for such additional expenses; and

(D) the Late Charge represents a fair and reasonable estimate, taking into account all circumstances existing on the date hereof, of the additional expenses Lender will incur by reason of any such late payment.

(d) **Default Rate.**

(1) Default interest shall be paid as follows:

(A) If any amount due in respect of the Mortgage Loan (other than amounts due on the Maturity Date) remains past due for thirty (30) days or more, interest on such unpaid amount(s) shall accrue from the date payment is due at the Default Rate and shall be payable upon demand by Lender.

(B) If any Indebtedness due is not paid in full on the Maturity Date, then interest shall accrue at the Default Rate on all such unpaid amounts from the Maturity Date until fully paid and shall be payable upon demand by Lender.

Absent a demand by Lender, any such amounts shall be payable by Borrower in the same manner as provided for the payment of Monthly Debt Service Payments. To the extent permitted by applicable law, interest shall also accrue at the Default Rate on any judgment obtained by Lender against Borrower in connection with the Mortgage Loan. To the extent Borrower or any other Person is vested with a right of redemption, interest shall continue to accrue at the Default Rate during any redemption period until such time as the Mortgaged Property has been redeemed.

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan; and

(B) in connection with any failure to timely pay all amounts due in respect of the Mortgage Loan on the Maturity Date, or during the time that any amount due in respect of the Mortgage Loan is delinquent for more than thirty (30) days:

(i) Lender's risk of nonpayment of the Mortgage Loan will be materially increased;

(ii) Lender's ability to meet its other obligations and to take advantage of other investment opportunities will be adversely impacted;

(iii) Lender will incur additional costs and expenses arising from its loss of the use of the amounts due;

(iv) it is extremely difficult and impractical to determine such additional costs and expenses;

(v) Lender is entitled to be compensated for such additional risks, costs, and expenses; and

(vi) the increase from the Interest Rate to the Default Rate represents a fair and reasonable estimate of the additional risks, costs, and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquency on the Mortgage Loan (taking into account all circumstances existing on the Effective Date).

(e) Address for Payments.

All payments due pursuant to the Loan Documents shall be payable at Lender's Payment Address, or such other place and in such manner as may be designated from time to time by written notice to Borrower by Lender.

(f) Application of Payments.

If at any time Lender receives, from Borrower or otherwise, any payment in respect of the Indebtedness that is less than all amounts due and payable at such time, then Lender may apply such payment to amounts then due and payable in any manner and in any order determined by Lender or hold in suspense and not apply such payment at Lender's election. Neither Lender's

acceptance of a payment that is less than all amounts then due and payable, nor Lender's application of, or suspension of the application of, such payment, shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such payment to the Indebtedness, Borrower's obligations under this Loan Agreement and the other Loan Documents shall remain unchanged.

Section 2.03 Lockout/Prepayment.

(a) Prepayment; Prepayment Lockout; Prepayment Premium.

(1) Borrower shall not make a voluntary partial prepayment on the Mortgage Loan at any time during the Loan Term, or a voluntary full prepayment on the Mortgage Loan at any time during any Prepayment Lockout Period. Except as expressly provided in this Loan Agreement (including as provided in the Prepayment Premium Schedule), a Prepayment Premium calculated in accordance with the Prepayment Premium Schedule shall be payable in connection with any prepayment of the Mortgage Loan.

(2) If a Prepayment Lockout Period applies to the Mortgage Loan, and during such Prepayment Lockout Period Lender accelerates the unpaid principal balance of the Mortgage Loan or otherwise applies collateral held by Lender to the repayment of any portion of the unpaid principal balance of the Mortgage Loan, the Prepayment Premium shall be due and payable and equal to the amount obtained by multiplying the percentage indicated (if at all) in the Prepayment Premium Schedule by the amount of principal being prepaid at the time of such acceleration or application.

(b) Voluntary Prepayment in Full.

At any time after the expiration of any Prepayment Lockout Period, Borrower may voluntarily prepay the Mortgage Loan in full on a Permitted Prepayment Date so long as:

(1) Borrower delivers to Lender a Prepayment Notice specifying the Intended Prepayment Date not more than sixty (60) days, but not less than thirty (30) days (if given via U.S. Postal Service) or twenty (20) days (if given via facsimile, e-mail, or overnight courier) prior to such Intended Prepayment Date; and

(2) Borrower pays to Lender an amount equal to the sum of:

(A) the entire unpaid principal balance of the Mortgage Loan; plus

(B) all Accrued Interest (calculated through the last day of the month in which the prepayment occurs); plus

(C) the Prepayment Premium; plus

(D) all other Indebtedness.

In connection with any such voluntary prepayment, Borrower acknowledges and agrees that interest shall always be calculated and paid through the last day of the month in which the prepayment occurs (even if the Permitted Prepayment Date for such month is not the last day of such month, or if Lender approves prepayment on an Intended Prepayment Date that is not a Permitted Prepayment Date). Borrower further acknowledges that Lender is not required to accept a voluntary prepayment of the Mortgage Loan on any day other than a Permitted Prepayment Date. However, if Lender does approve an Intended Prepayment Date that is not a Permitted Prepayment Date and accepts a prepayment on such Intended Prepayment Date, such prepayment shall be deemed to be received on the immediately following Permitted Prepayment Date. If Borrower fails to prepay the Mortgage Loan on the Intended Prepayment Date for any reason (including on any Intended Prepayment Date that is approved by Lender) and such failure either continues for five (5) Business Days, or into the following month, Lender shall have the right to recalculate the payoff amount. If Borrower prepays the Mortgage Loan either in the following month or more than five (5) Business Days after the Intended Prepayment Date that was approved by Lender, Lender shall also have the right to recalculate the payoff amount based upon the amount of such payment and the date such payment was received by Lender. Borrower shall immediately pay to Lender any additional amounts required by any such recalculation.

(c) Acceleration of Mortgage Loan.

Upon acceleration of the Mortgage Loan, Borrower shall pay to Lender:

(1) the entire unpaid principal balance of the Mortgage Loan;

(2) all Accrued Interest (calculated through the last day of the month in which the acceleration occurs);

(3) the Prepayment Premium; and

(4) all other Indebtedness.

(d) Application of Collateral.

Any application by Lender of any collateral or other security to the repayment of all or any portion of the unpaid principal balance of the Mortgage Loan prior to the Maturity Date in accordance with the Loan Documents shall be deemed to be a prepayment by Borrower. Any such prepayment shall require the payment to Lender by Borrower of the Prepayment Premium calculated on the amount being prepaid in accordance with this Loan Agreement.

(e) Casualty and Condemnation.

Notwithstanding any provision of this Loan Agreement to the contrary, no Prepayment Premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or amounts received in connection with a Condemnation Action in accordance with this Loan Agreement.

(f) No Effect on Payment Obligations.

Unless otherwise expressly provided in this Loan Agreement, any prepayment required by any Loan Document of less than the entire unpaid principal balance of the Mortgage Loan shall not extend or postpone the due date of any subsequent Monthly Debt Service Payments, Monthly Replacement Reserve Deposit, or other payment, or change the amount of any such payments or deposits.

(g) Loss Resulting from Prepayment.

In any circumstance in which a Prepayment Premium is due under this Loan Agreement, Borrower acknowledges that:

(1) any prepayment of the unpaid principal balance of the Mortgage Loan, whether voluntary or involuntary, or following the occurrence of an Event of Default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional risk, expense, and frustration or impairment of Lender's ability to meet its commitments to third parties;

(2) it is extremely difficult and impractical to ascertain the extent of such losses, risks, and damages;

(3) the formula for calculating the Prepayment Premium represents a reasonable estimate of the losses, risks, and damages Lender will incur as a result of a prepayment; and

(4) the provisions regarding the Prepayment Premium contained in this Loan Agreement are a material part of the consideration for the Mortgage Loan, and that the terms of the Mortgage Loan are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to such prepayment provisions.

Section 2.04 Exit Fee/Designated Financing Program.

In the event the Borrower elects to repay or refinance the Loan, whether through financing provided by (a) a government sponsored entity (such as, by way of example only, Fannie Mae, Freddie Mac, or FHA/HUD), (b) conduit or commercial mortgage backed securities lender, (c) any bank, other financial institution, or life insurance company, or (d) otherwise (each and all hereinafter referred to as a "Designated Financing Program"), the Borrower shall notify Lender in writing, and the Borrower hereby gives the Lender and any of its affiliates the right of first refusal to arrange such financing for a period of forty-five (45) days (hereinafter referred to as the "45-Day Period") following the date on which Lender receives such notice. In the event that Lender or any of its affiliates delivers a commitment for the refinance of the Loan at market terms typical of the applicable Designated Financing Program transactions for similar projects during the "45-Day

Period", and the Borrower rejects such commitment, the Borrower shall provide Lender with a true, correct and complete copy of any subsequent refinancing offer (hereinafter referred to as a "Competing Offer") from any Designated Financing Program (which Competing Offer shall be on the letterhead of the party making such Competing Offer). Lender and its affiliates shall have thirty (30) days following its receipt of the Competing Offer to match, as determined in Lender's reasonable discretion, the material business and legal terms of such Competing Offer. If the Borrower engages any lender other than Lender or its affiliates to obtain a refinancing loan under any Designated Financing Program without providing Lender the above-referenced opportunity to issue a commitment and/or to match the Competing Offer, the Borrower shall pay to Lender an exit fee equal to one percent (1%) of the principal amount refinanced (hereinafter referred to as the "Exit Fee"). If Lender or its affiliates are unable or unwilling to match the Competing Offer, in its sole discretion, the Exit Fee shall be waived. The Borrower acknowledges and agrees that any breach of its obligations hereunder shall constitute an Event of Default.

Section 2.05 Extension of Loan Term.

Borrower shall have the right, by written notice delivered to Lender not earlier than one hundred twenty (120) days nor later than sixty (60) days prior to the Maturity Date, to extend the Loan Term, on the same terms and conditions, for six (6) months from the scheduled Maturity Date, provided

(a) the Property is generating cash flow sufficient to provide a 1.00 amortizing Debt Service Coverage Ratio. Net Cash Flow for the purposes of this test in this subsection only will be based on T-3 Revenue and the greater of (i) actual annualized operating expenses at the time of the test or (ii) appraisal stabilized operating expenses (subject to that for the purposes of this test only, operating expenses will be assumed to include a management fee of the greater of (i) 3.75% or (ii) the actual in place management fee and will also include deposits of $300 per unit per annum to a replacement reserve escrow account). The interest rate for the Debt Service Coverage Ratio test in this sub section only will be the greater of (i) the actual quoted take-out financing interest rate, or (ii) the sum of (y) the current Ten-Year U.S. Treasury Rate and (z) two hundred (200) basis points. The amortization period for the purposes of this test only shall be three hundred sixty (360) months;

(b) the Property is generating net operating income sufficient to provide a debt yield of 7% (for the purposes of this test only, operating expenses will be assumed to include a management fee of the greater of (i) 3.75% or (ii) the actual in place management fee and will also include deposits of $300 per unit per annum to a replacement reserve escrow account);

(c) receipt of an appraisal acceptable to Lender in its sole discretion that confirms the loan will not exceed a seventy-three and one tenth (73.1%) percent loan to value test, on an as is basis;

(d) receipt of a take-out analysis acceptable to Lender in its sole discretion that shows a refinancing permanent loan can be arranged at current market interest rates and conditions to fully repay the Loan;

(e) no Event of Default shall have occurred and be continuing on the date such notice is given by Borrower to Lender nor on the date the Loan Term is to be extended;

(f) payment of an extension fee of twenty-five (25) basis points of the outstanding principal balance of the Loan;

(g) Borrower acknowledges that the Margin on the Loan will increase by 25 basis points (.25%) to be applied beginning on the first month of any such approved extension continuing through the extended Maturity Date; and

(h) Lender has approved the extension of the Loan Term.

ARTICLE 3 - PERSONAL LIABILITY

Section 3.01 Limited-Recourse Mortgage Loan; Exceptions.

Except as otherwise provided in this Article 3 or in any other Loan Document, none of Borrower, or any director, officer, manager, member, partner, shareholder, trustee, trust beneficiary, or employee of Borrower, shall have personal liability under this Loan Agreement or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of such Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. Notwithstanding the forgoing and in addition to and as otherwise provided in this Article 3 or in any other Loan Document, Borrower shall be personally liable with respect to the original principal portion of the Indebtedness in an amount not to exceed $3,656,000.00. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against Guarantor under any Loan Document.

Section 3.02 Personal Liability of Borrower (Exceptions to Limited-Recourse Provision).

(a) Personal Liability Based on Lender's Loss.

Borrower shall be personally liable to Lender for the repayment of the portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of, subject to any notice and cure period, if any:

(1) failure to pay as directed by Lender upon demand after an Event of Default (to the extent actually received by Borrower):

(A) all Rents to which Lender is entitled under the Loan Documents; and

(B) the amount of all security deposits then held or thereafter collected by Borrower from tenants and not properly applied pursuant to the applicable Leases;

(2) failure to maintain all insurance policies required by the Loan Documents, except to the extent Lender has the obligation to pay the premiums pursuant to Section 12.03(c);

(3) failure to apply all insurance proceeds received by Borrower or any amounts received by Borrower in connection with a Condemnation Action, as required by the Loan Documents;

(4) failure to comply with any provision of this Loan Agreement or any other Loan Document relating to the delivery of books and records, statements, schedules, and reports;

(5) except to the extent directed otherwise by Lender pursuant to Section 3.02(a)(1), failure to apply Rents to the ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts, as and when each is due and payable, except that Borrower will not be personally liable with respect to Rents that are distributed by Borrower in any calendar year if Borrower has paid all ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts for such calendar year;

(6) waste or abandonment of the Mortgaged Property;

(7) grossly negligent or reckless unintentional material misrepresentation or omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or

(8) any claims, actions, suits or proceedings arising from any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, including costs, attorneys' fees, and expenses incurred in connection with such claims, actions, suits or proceedings.

Notwithstanding the foregoing, Borrower shall not have personal liability under clauses (1), (3), or (5) above to the extent that Borrower lacks the legal right to direct the disbursement of the applicable funds due to an involuntary Bankruptcy Event that occurs without the consent, encouragement, or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate.

(b) **Full Personal Liability for Mortgage Loan.**

Borrower shall be personally liable to Lender for the repayment of all of the Indebtedness, and the Mortgage Loan shall be fully recourse to Borrower, upon the occurrence of any of the following:

(1) failure by Borrower to comply with the single-asset entity requirements of Section 4.02(d) of this Loan Agreement;

(2) a Transfer (other than a conveyance of the Mortgaged Property at a Foreclosure Event pursuant to the Security Instrument and this Loan Agreement) that is not permitted under this Loan Agreement or any other Loan Document;

(3) the occurrence of any Bankruptcy Event (other than an acknowledgement in writing as described in clause (b) of the definition of "Bankruptcy Event"); provided, however, in the event of an involuntary Bankruptcy Event, Borrower shall only be personally liable if such involuntary Bankruptcy Event occurs with the consent, encouragement, or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate;

(4) fraud, written material misrepresentation, or material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with any application for or creation of the Indebtedness;

(5) fraud, written intentional material misrepresentation, or intentional material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with ongoing financial or other reporting required by the Loan Documents, or any request for action or consent by Lender; or

(6) a Division that is not permitted under this Loan Agreement or any other Loan Document.

Section 3.03 Personal Liability for Indemnity Obligations.

Borrower shall be personally and fully liable to Lender for Borrower's indemnity obligations under Section 13.01(e) of this Loan Agreement, the Environmental Indemnity Agreement, and any other express indemnity obligations provided by Borrower under any Loan Document. Borrower's liability for such indemnity obligations shall not be limited by the amount of the Indebtedness, the repayment of the Indebtedness, or otherwise, provided that Borrower's liability for such indemnities shall not include any loss caused by the gross negligence or willful misconduct of Lender as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

Section 3.04 Lender's Right to Forego Rights Against Mortgaged Property.

To the extent that Borrower has personal liability under this Loan Agreement or any other Loan Document, Lender may exercise its rights against Borrower personally to the fullest extent permitted by applicable law without regard to whether Lender has exercised any rights against the Mortgaged Property, the UCC Collateral, or any other security, or pursued any rights against Guarantor, or pursued any other rights available to Lender under this Loan Agreement, any other Loan Document, or applicable law. For purposes of this Section 3.04 only, the term "Mortgaged Property" shall not include any funds that have been applied by Borrower as required or permitted by this Loan Agreement prior to the occurrence of an Event of Default, or that Borrower was unable to apply as required or permitted by this Loan Agreement because of a Bankruptcy Event. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Article 3, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

ARTICLE 4 - BORROWER STATUS

Section 4.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 4.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Due Organization and Qualification; Organizational Agreements.

(1) Borrower is validly existing and qualified to transact business, and in good standing in:

(A) the state in which it is formed or organized;

(B) the Property Jurisdiction; and

(C) each other jurisdiction that qualification or good standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to be so qualified or in good standing would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document.

(2) True, correct and complete organizational documents of Borrower, Guarantor and Key Principal have been delivered to Lender prior to the Effective Date. The Ownership Interests Schedule attached hereto as Schedule 8 to this Loan Agreement sets forth:

(A) the direct owners of Borrower and their respective interests;

(B) the indirect owners (and any non-member managers) of Borrower that Control Borrower and their respective interests (excluding any Publicly-Held Corporations or Publicly-Held Trusts); and

(C) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower and their respective interests (excluding any Publicly-Held Corporations or Publicly-Held Trusts).

(b) Location.

Borrower's General Business Address is Borrower's principal place of business and principal office.

(c) Power and Authority.

Borrower has the requisite power and authority:

(1) to own the Mortgaged Property and to carry on its business as now conducted and as contemplated to be conducted in connection with the performance of its obligations under this Loan Agreement and under the other Loan Documents to which it is a party; and

(2) to execute and deliver this Loan Agreement and the other Loan Documents to which it is a party, and to carry out the transactions contemplated by this Loan Agreement and the other Loan Documents to which it is a party.

(d) Due Authorization.

The execution, delivery, and performance of this Loan Agreement and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of Borrower, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of Borrower as a condition to the valid execution, delivery, and performance by Borrower of this Loan Agreement or any of the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Loan Documents and routine filings to maintain good standing and its existence.

(e) Valid and Binding Obligations.

This Loan Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by Borrower and constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(f) **Effect of Mortgage Loan on Borrower's Financial Condition.**

The Mortgage Loan will not render Borrower Insolvent. Borrower has sufficient working capital, including proceeds from the Mortgage Loan, cash flow from the Mortgaged Property, or other sources, not only to adequately maintain the Mortgaged Property, but also to pay all of Borrower's outstanding debts as they come due, including all Debt Service Amounts, exclusive of Borrower's ability to refinance or pay in full the Mortgage Loan on the Maturity Date. In connection with the execution and delivery of this Loan Agreement and the other Loan Documents (and the delivery to, or for the benefit of, Lender of any collateral contemplated thereunder), and the incurrence by Borrower of the obligations under this Loan Agreement and the other Loan Documents, Borrower did not receive less than reasonably equivalent value in exchange for the incurrence of the obligations of Borrower under this Loan Agreement and the other Loan Documents.

(g) **Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.**

(1) None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or

(D) that is deemed a Sanctioned Person.

(3) Borrower, Guarantor, and Key Principal are in compliance with all applicable Economic Sanctions laws and regulations.

(h) Borrower Single Asset Status.

Borrower:

(1) does not own or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property) that (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date, do not exceed, in the aggregate, four percent (4%) of the original principal balance of the Mortgage Loan;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) has not commingled its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations;

(7) has not assumed, guaranteed, or pledged its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person;

(8) has not made loans or advances to any other Person;

(9) has not entered into, and is not a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party; and

(10) has not sought and has no plans to Divide at any time during the Loan Term.

(i) No Bankruptcies or Judgments.

None of Borrower, Guarantor, or Key Principal, or to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is currently:

(1) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership or other insolvency proceeding;

(2) preparing or intending to be the subject of a Bankruptcy Event;

(3) the subject of any judgment unsatisfied of record or docketed in any court; or

(4) Insolvent.

(j) No Actions or Litigation.

(1) Other than residential eviction actions in the ordinary course of business, there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending against or, to Borrower's knowledge, threatened against or affecting Borrower or the Mortgaged Property not otherwise covered by insurance (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, equal opportunity, or any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, which shall always be disclosed); and

(2) there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending or, to Borrower's knowledge, threatened against or affecting Guarantor or Key Principal, which claims, actions, suits, or proceedings, if adversely determined (individually or in the aggregate) reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal or the condition, operation, or ownership of the Mortgaged Property (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(k) Payment of Taxes, Assessments, and Other Charges.

Borrower confirms that:

(1) it has filed all federal, state, county, and municipal tax returns and reports required to have been filed by Borrower;

(2) it has paid, before any fine, penalty interest, lien, or costs may be added thereto, all taxes, governmental charges, and assessments due and payable with respect to such returns and reports;

(3) there is no controversy or objection pending, or to the knowledge of Borrower, threatened in respect of any tax returns of Borrower; and

(4) it has made adequate reserves on its books and records for all taxes that have accrued but which are not yet due and payable.

(l) Not a Foreign Person.

Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(m) ERISA.

Borrower represents and warrants that:

(1) Borrower is not an Employee Benefit Plan;

(2) no asset of Borrower constitutes "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(3) no asset of Borrower is subject to any laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(4) neither Borrower nor any ERISA Affiliate is subject to any obligation or liability with respect to any ERISA Plan.

(n) **Default Under Other Obligations.**

(1) The execution, delivery, and performance of the obligations imposed on Borrower under this Loan Agreement and the Loan Documents to which it is a party will not cause Borrower to be in default under the provisions of any agreement, judgment, or order to which Borrower is a party or by which Borrower is bound.

(2) None of Borrower, Guarantor, or Key Principal is in default under any obligation to Lender.

(o) **Prohibited Person.**

None of Borrower, Guarantor, or Key Principal is a Prohibited Person. To Borrower's knowledge, none of the following is a Prohibited Person:

(1) Any Person Controlling Borrower, Guarantor, or Key Principal; or

(2) Any Person Controlled by and having a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal.

(p) **No Contravention.**

None of the (1) execution and delivery of this Loan Agreement and the other Loan Documents to which Borrower is a party, (2) fulfillment of or compliance with the terms and conditions of this Loan Agreement and the other Loan Documents to which Borrower is a party, or (3) performance of the obligations of Borrower under this Loan Agreement and the other Loan Documents does or will conflict with or result in any breach or violation of, or constitute a default under, any of the terms, conditions, or provisions of Borrower's organizational documents, or any indenture, existing agreement, or other instrument to which Borrower is a party or to which Borrower, the Mortgaged Property, or other assets of Borrower are subject.

(q) **Lockbox Arrangement.**

Borrower is not party to any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower is party to any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing.

Section 4.02 Covenants.

(a) **Maintenance of Existence; Organizational Documents.**

Borrower shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable). Borrower shall continue

to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability, or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document. Neither Borrower nor any partner, member, manager, officer, or director of Borrower shall:

(1) make or allow any material change to the organizational documents or organizational structure of Borrower, including changes relating to the Control of Borrower, or

(2) file any action, complaint, petition, or other claim to:

(A) divide, partition, or otherwise compel the sale of the Mortgaged Property, or

(B) otherwise change the Control of Borrower.

(b) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) Borrower, Guarantor, Key Principal, and any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) At no time shall Borrower, Guarantor, or Key Principal, or any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, be a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1);

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the

type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or

(D) that is deemed a Sanctioned Person.

(3) Borrower, Guarantor, and Key Principal shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.

(c) Payment of Taxes, Assessments, and Other Charges.

Borrower shall file all federal, state, county, and municipal tax returns and reports required to be filed by Borrower and shall pay, before any fine, penalty interest, or cost may be added thereto, all taxes payable with respect to such returns and reports.

(d) Borrower Single Asset Status.

Until the Indebtedness is fully paid, Borrower:

(1) shall not acquire or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred,

and (3) as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(D) obligations under the Permitted Encumbrances;

(6) shall not assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(7) shall not make loans or advances to any other Person;

(8) shall not enter into, or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party; or

(9) shall not Divide.

(e) **ERISA.**

Borrower covenants that:

(1) no asset of Borrower shall constitute "plan assets" (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3-101) of an Employee Benefit Plan;

(2) no asset of Borrower shall be subject to the laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(3) neither Borrower nor any ERISA Affiliate shall incur any obligation or liability with respect to any ERISA Plan.

(f) Notice of Litigation or Insolvency.

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity (including any insolvency, bankruptcy, or receivership proceeding) by or before any Governmental Authority pending or, to Borrower's knowledge, threatened against or affecting Borrower, Guarantor, Key Principal, or the Mortgaged Property, which claims, actions, suits, or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal, or the condition, operation, or ownership of the Mortgaged Property (including any claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, equal opportunity, or any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property, which shall always be deemed material).

(g) Payment of Costs, Fees, and Expenses.

In addition to the payments specified in this Loan Agreement, Borrower shall pay, on demand, all of Lender's out-of-pocket fees, costs, charges, or expenses (including the reasonable fees and expenses of attorneys, accountants, and other experts) incurred by Lender in connection with:

(1) any amendment to, or consent, or waiver required under, this Loan Agreement or any of the Loan Documents (whether or not any such amendment, consent, or waiver is entered into);

(2) defending or participating in any litigation arising from actions by third parties and brought against or involving Lender with respect to:

(A) the Mortgaged Property;

(B) any event, act, condition, or circumstance in connection with the Mortgaged Property; or

(C) the relationship between or among Lender, Borrower, Key Principal, and Guarantor in connection with this Loan Agreement or any of the transactions contemplated by this Loan Agreement;

(3) the administration or enforcement of, or preservation of rights or remedies under, this Loan Agreement or any other Loan Documents including or in connection with any litigation or appeals, any Foreclosure Event or other disposition of any collateral granted pursuant to the Loan Documents; and

(4) any Bankruptcy Event or Guarantor Bankruptcy Event.

(h) Restrictions on Distributions.

No distributions or dividends of any nature with respect to Rents or other income from the Mortgaged Property shall be made to any Person having a direct ownership interest in Borrower if an Event of Default has occurred and is continuing.

(i) Lockbox Arrangement.

Borrower shall not enter into any type of lockbox agreement or similar cash management arrangement that has not been approved by Lender in writing, and no direct or indirect owner of Borrower shall enter into any type of lockbox agreement or similar cash management arrangement with respect to Rents or other income from the Mortgaged Property that has not been approved by Lender in writing. Lender's approval of any such cash management arrangement may be conditioned upon requiring Borrower to enter into a lockbox agreement or similar cash management arrangement with Lender in form and substance acceptable to Lender with regard to Rents and other income from the Mortgaged Property.

ARTICLE 5 - THE MORTGAGE LOAN

Section 5.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 5.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Receipt and Review of Loan Documents.

Borrower has received and reviewed this Loan Agreement and all of the other Loan Documents.

(b) No Default.

No default exists under any of the Loan Documents.

(c) No Defenses.

The Loan Documents are not currently subject to any right of rescission, set-off, counterclaim, or defense by either Borrower or Guarantor, including the defense of usury, and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim, or defense with respect thereto.

(d) Loan Document Taxes.

All mortgage, mortgage recording, stamp, intangible, or any other similar taxes required to be paid by any Person under applicable law currently in effect in connection with the execution,

delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents, including the Security Instrument, have been paid or will be paid in the ordinary course of the closing of the Mortgage Loan.

Section 5.02 Covenants.

(a) Ratification of Covenants; Estoppels; Certifications.

Borrower shall:

(1) promptly notify Lender in writing upon any violation of any covenant set forth in any Loan Document of which Borrower has notice or knowledge; provided, however, any such written notice by Borrower to Lender shall not relieve Borrower of, or result in a waiver of, any obligation under this Loan Agreement or any other Loan Document; and

(2) within ten (10) days after a request from Lender, provide a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement:

(A) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications);

(B) the unpaid principal balance of the Mortgage Loan;

(C) the date to which interest on the Mortgage Loan has been paid;

(D) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail);

(E) whether or not there are then-existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and

(F) any additional facts reasonably requested in writing by Lender.

(b) Further Assurances.

(1) Other Documents As Lender May Require.

Within ten (10) days after request by Lender, Borrower shall, subject to Section 5.02(d) below, execute, acknowledge, deliver, and, if necessary, file or record, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements,

transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Loan Agreement and the other Loan Documents.

(2) **Corrective Actions.**

Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Mortgage Loan.

(3) **Compliance with Investor Requirements.**

Without limiting the generality of subsections (1) and (2) above, Borrower shall, subject to Section 5.02(d) below, take all reasonable actions necessary to comply with the requirements of Lender to enable Lender to sell any MBS backed by the Mortgage Loan or create or maintain the expected federal income tax treatment of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a Fixed Investment Trust or REMIC, as the case may be, within the meaning of the Treasury Regulations.

(c) **Sale of Mortgage Loan.**

Borrower shall, subject to Section 5.02(d) below:

(1) comply with the reasonable requirements of Lender or any Investor of the Mortgage Loan or provide, or cause to be provided, to Lender or any Investor of the Mortgage Loan within ten (10) days after the request, at Borrower's cost and expense, such further documentation or information as Lender or Investor may reasonably require, in order to:

(A) enable Lender to sell the Mortgage Loan or participation interests therein to such Investor;

(B) enable Lender to obtain a refund of any commitment fee from any such Investor;

(C) enable any such Investor to further sell or securitize the Mortgage Loan; or

(D) create or maintain the expected federal income tax treatment of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a

Fixed Investment Trust or REMIC, as the case may be, within the meaning of the Treasury Regulations;

(2) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date;

(3) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and

(4) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to this Loan Agreement or other Loan Document(s) as is reasonably required by Lender or such Investor.

(d) Limitations on Further Acts of Borrower.

Nothing in Section 5.02(b) and Section 5.02(c) shall require Borrower to do any further act that has the effect of:

(1) changing the economic terms of the Mortgage Loan set forth in the related commitment letter between Borrower and Lender;

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender; or

(3) materially changing the rights and obligations of Borrower or Guarantor under the commitment letter.

(e) Financing Statements; Record Searches.

(1) Borrower shall pay all costs and expenses associated with:

(A) any filing or recording of any financing statements, including all continuation statements, termination statements, and amendments or any other filings related to security interests in or liens on collateral; and

(B) any record searches for financing statements that Lender may require.

(2) Borrower hereby authorizes Lender to file any financing statements, continuation statements, termination statements, and amendments (including an "all

assets" or "all personal property" collateral description or words of similar import) in form and substance as Lender may require in order to protect and preserve Lender's lien priority and security interest in the Mortgaged Property (and to the extent Lender has filed any such financing statements, continuation statements, or amendments prior to the Effective Date, such filings by Lender are hereby authorized and ratified by Borrower).

(f) Loan Document Taxes.

Borrower shall pay, on demand, any transfer taxes, documentary taxes, assessments, or charges made by any Governmental Authority in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents or the Mortgage Loan.

ARTICLE 6 - PROPERTY USE, PRESERVATION, AND MAINTENANCE

Section 6.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 6.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Law; Permits and Licenses.

(1) To Borrower's knowledge, all improvements to the Land and the use of the Mortgaged Property comply with all applicable laws, ordinances, statutes, rules, and regulations, including all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing (including all applicable source of income laws, ordinances, statutes, rules and regulations), and rent control, and Borrower has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

(2) To Borrower's knowledge, there is no evidence of any illegal activities on the Mortgaged Property.

(3) To Borrower's knowledge, no permits or approvals from any Governmental Authority, other than those previously obtained and furnished to Lender, are necessary for the commencement and completion of the Repairs or Replacements, as applicable, other than those permits or approvals which will be timely obtained in the ordinary course of business.

(4) All required permits, licenses, and certificates to comply with all zoning and land use statutes, laws, ordinances, rules, and regulations, and all applicable health, fire, safety, and building codes, and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

(5) No portion of the Mortgaged Property has been purchased with the proceeds of any illegal activity.

(6) All required rights, permissions, consents, and express irrevocable waivers from each tenant necessary to comply with all applicable privacy laws, to provide such tenant's personal data (including similar terms under applicable law) to Lender, sufficient to permit Lender to lawfully use and process such personal data for the purposes of servicing, enforcement, evaluation, reporting, auditing, loan selling or purchasing, securitization, compliance and risk analysis and assessments, and any other purpose identified in the Lender's privacy notice have been obtained and are in full force and effect.

(b) Property Characteristics.

(1) The Mortgaged Property contains at least:

(A) the Property Square Footage;

(B) the Total Parking Spaces; and

(C) the Total Residential Units.

(2) No part of the Land is included or assessed under or as part of another tax lot or parcel, and no part of any other property is included or assessed under or as part of the tax lot or parcels for the Land.

(c) Property Ownership.

Borrower is sole owner or ground lessee of the Mortgaged Property.

(d) Condition of the Mortgaged Property.

(1) Borrower has not made any claims, and to Borrower's knowledge, no claims have been made, against any contractor, engineer, architect, or other party with respect to the construction or condition of the Mortgaged Property or the existence of any structural or other material defect therein; and

(2) neither the Land nor the Improvements have sustained any damage other than damage which has been fully repaired in all material respects, or is fully insured and is being repaired in the ordinary course of business.

(e) Personal Property.

Borrower owns (or, to the extent disclosed on the Exceptions to Representations and Warranties Schedule, leases) all of the Personal Property and all of the Personalty (as defined in the UCC) that is material to and is used in connection with the management, ownership, and operation of the Mortgaged Property.

Section 6.02 Covenants.

(a) **Use of Property.**

From and after the Effective Date, Borrower shall not, unless required by applicable law or Governmental Authority:

(1) change the use of all or any part of the Mortgaged Property;

(2) convert any individual dwelling units or common areas to commercial use, or convert any common area or commercial use to individual dwelling units;

(3) initiate or acquiesce in a change in the zoning classification of the Land;

(4) establish any condominium or cooperative regime with respect to the Mortgaged Property;

(5) subdivide the Land; or

(6) suffer, permit, or initiate the joint assessment of any Mortgaged Property with any other real property constituting a tax lot separate from such Mortgaged Property which could cause the part of the Land to be included or assessed under or as part of another tax lot or parcel, or any part of any other property to be included or assessed under or as part of the tax lot or parcels for the Land.

(b) **Property Maintenance.**

Borrower shall:

(1) pay the expenses of operating, managing, maintaining, and repairing the Mortgaged Property (including insurance premiums, utilities, Repairs, and Replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added;

(2) keep the Mortgaged Property in good repair and marketable condition (ordinary wear and tear excepted) (including the replacement of Personalty and Fixtures with items of equal or better function and quality) and subject to Section 9.03(b)(3) and Section 10.03(d) restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition or condition immediately prior to the damage (if improved after the Effective Date), whether or not any insurance proceeds received upon an event of loss or any amounts received in connection with a Condemnation Action are available to cover any costs of such restoration or repair;

(3) commence all Required Repairs, Additional Lender Repairs, and Additional Lender Replacements as follows:

(A) with respect to any Required Repairs, promptly following the Effective Date (subject to Force Majeure, if applicable), in accordance with the timelines set forth on the Required Repair Schedule, or if no timelines are provided, as soon as practical following the Effective Date;

(B) with respect to Additional Lender Repairs, in the event that Lender determines that Additional Lender Repairs are necessary from time to time or pursuant to Section 6.03(c), promptly following Lender's written notice of such Additional Lender Repairs (subject to Force Majeure, if applicable), commence any such Additional Lender Repairs in accordance with Lender's timelines, or if no timelines are provided, as soon as practical; and

(C) with respect to Additional Lender Replacements, in the event that Lender determines that Additional Lender Replacements are necessary from time to time or pursuant to Section 6.03(c), promptly following Lender's written notice of such Additional Lender Replacements (subject to Force Majeure, if applicable), commence any such Additional Lender Replacements in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(4) make, construct, install, diligently perform, and complete all Replacements, Repairs, Restoration, and any other work permitted under the Loan Documents:

(A) in a good and workmanlike manner as soon as practicable following the commencement thereof, free and clear of any Liens, including mechanics' or materialmen's liens and encumbrances (except Permitted Encumbrances and mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials);

(B) in accordance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority, including applicable building codes, special use permits, and environmental regulations;

(C) in accordance with all applicable insurance and bonding requirements; and

(D) within all timeframes required by Lender, and Borrower acknowledges that it shall be an Event of Default if Borrower abandons or ceases work on any Repair at any time prior to the completion of the Repairs for a period of longer than twenty (20) days (except when Force Majeure exists and Borrower is diligently pursuing the reinstitution of such work, provided, however, any such

abandonment or cessation shall not in any event allow the Repair to be completed after the Completion Period, subject to Force Majeure);

(5) subject to the terms of Section 6.03(a), provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender under a contract approved by Lender in writing;

(6) give written notice to Lender of, and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security for the Mortgage Loan, or Lender's rights under this Loan Agreement; and

(7) upon Lender's written request, submit to Lender any contracts or work orders described in Section 13.02(b).

(c) Property Preservation.

Borrower shall:

(1) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of the Mortgaged Property;

(2) not (or otherwise permit any other Person to) demolish, make any change in the unit mix, otherwise alter the Mortgaged Property or any part of the Mortgaged Property, or remove any Personalty or Fixtures from the Mortgaged Property, except for: (A) alterations required in connection with Repairs, Replacements, or Restoration; or (B) the replacement of tangible Personalty or Fixtures, provided (i) such Personalty or Fixtures are replaced with items of equal or better function and quality, and (ii) such replacement does not result in any disruption in occupancy (other than in connection with the routine re-leasing of units);

(3) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Land or otherwise materially impair the lien created by the Security Instrument or Lender's interest in the Mortgaged Property;

(4) not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage required by this Loan Agreement; or

(5) not subject the Mortgaged Property to any voluntary, elective, or non-compulsory tax lien or assessment (or opt in to any voluntary, elective, or non-compulsory special tax district or similar regime).

(d) Property Inspections.

Borrower shall:

(1) permit Lender, its agents, representatives, and designees to enter upon and inspect the Mortgaged Property (including in connection with any Replacement, Repair, or Restoration, or to conduct any Environmental Inspection pursuant to the Environmental Indemnity Agreement), and shall cooperate and provide access to all areas of the Mortgaged Property (subject to the rights of tenants under the Leases):

(A) during normal business hours;

(B) at such other reasonable time upon reasonable notice of not less than one (1) Business Day;

(C) at any time when exigent circumstances exist; or

(D) at any time after an Event of Default has occurred and is continuing; and

(2) pay for reasonable costs or expenses incurred by Lender or its agents in connection with any such inspections.

(e) Compliance with Laws.

Borrower shall:

(1) comply with all laws, ordinances, statutes, rules, and regulations of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, statutes, rules and regulations, and covenants pertaining to construction of improvements on the Land, fair housing (including all applicable source of income laws, ordinances, statutes, rules and regulations), and requirements for equal opportunity, anti-discrimination, and Leases;

(2) procure and maintain all required permits, licenses, charters, registrations, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent;

(3) comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits;

(4) at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 6.02(e);

(5) promptly after receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to the Mortgaged Property;

(6) cooperate fully with Lender with respect to any proceedings before any court, board, or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings; and

(7) procure and maintain all required rights, permissions, consents, and express irrevocable waivers from each tenant necessary to comply with all applicable privacy laws, to provide such tenant's personal data (including similar terms under applicable law) to Lender, sufficient to permit Lender to lawfully use and process such personal data for the purposes of servicing, enforcement, evaluation, reporting, auditing, loan selling or purchasing, securitization, compliance and risk analysis and assessments, and any other purpose identified in the Lender's privacy policy as amended from time to time.

Section 6.03 Mortgage Loan Administration Matters Regarding the Property.

(a) Property Management.

From and after the Effective Date, each property manager and each property management agreement must be approved by Lender. If, in connection with the making of the Mortgage Loan, or at any later date, Lender waives in writing the requirement that Borrower enter into a written contract for management of the Mortgaged Property, and Borrower later elects to enter into a written contract or change the management of the Mortgaged Property, such new property manager or the property management agreement must be approved by Lender. As a condition to any approval by Lender, Lender may require that Borrower and such new property manager enter into a collateral assignment of the property management agreement on a form approved by Lender.

(b) Subordination of Fees to Affiliated Property Managers.

Any property manager that is a Borrower Affiliate to whom fees are payable for the management of the Mortgaged Property must enter into an assignment of management agreement or other agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(c) Property Condition Assessment.

If, in connection with any inspection of the Mortgaged Property, Lender determines that the condition of the Mortgaged Property has deteriorated (ordinary wear and tear excepted) since the Effective Date, Lender may obtain, at Borrower's expense, a property condition assessment of the Mortgaged Property. Lender's right to obtain a property condition assessment pursuant to this Section 6.03(c) shall be in addition to any other rights available to Lender under this Loan

Agreement in connection with any such deterioration. Any such inspection or property condition assessment may result in Lender requiring Additional Lender Repairs or Additional Lender Replacements as further described in Section 13.02(a)(9)(B).

ARTICLE 7 - LEASES AND RENTS

Section 7.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 7.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Assignment of Rents.

Borrower has not executed any:

(1) prior assignment of Rents (other than an assignment of Rents securing prior indebtedness that has been paid off and discharged or will be paid off and discharged with the proceeds of the Mortgage Loan); or

(2) instrument which would prevent Lender from exercising its rights under this Loan Agreement, the Security Instrument, or any other Loan Document.

(b) Prepaid Rents.

Borrower has not accepted, and does not expect to receive prepayment of, any Rents for more than two (2) months prior to the due dates of such Rents.

Section 7.02 Covenants.

(a) Leases.

Borrower shall:

(1) comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits;

(2) surrender possession of the Mortgaged Property, including all Leases and all security deposits and prepaid Rents, immediately upon appointment of a receiver or Lender's entry upon and taking of possession and control of the Mortgaged Property, as applicable;

(3) require that all Residential Leases have initial terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the Mortgaged Property, Residential Leases

with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent), provided however, Short-Term Rentals (regardless of the duration of the term) shall not be permitted unless otherwise expressly approved by Lender in writing; and

(4) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b)) and, upon Lender's written request, promptly provide Lender a copy of any Residential Lease then in effect.

(b) Commercial Leases.

(1) With respect to Material Commercial Leases, Borrower shall not:

(A) enter into any Material Commercial Lease except with the prior written consent of Lender; or

(B) modify the terms of, extend, or terminate any Material Commercial Lease (including any Material Commercial Lease in existence on the Effective Date) without the prior written consent of Lender.

(2) With respect to any non-Material Commercial Lease, Borrower shall not:

(A) enter into any non-Material Commercial Lease that materially alters the use and type of operation of the premises subject to the Lease in effect as of the Effective Date or reduces the number or size of residential units at the Mortgaged Property; or

(B) modify the terms of any non-Material Commercial Lease (including any non-Material Commercial Lease in existence on the Effective Date) in any way that materially alters the use and type of operation of the premises subject to such non-Material Commercial Lease in effect as of the Effective Date, reduces the number or size of residential units at the Mortgaged Property, or results in such non-Material Commercial Lease being deemed a Material Commercial Lease.

(3) With respect to any Material Commercial Lease or non-Material Commercial Lease, Borrower shall cause the applicable tenant to provide within ten (10) days after a request by Borrower, a certificate of estoppel, or if not provided by tenant within such ten (10) day period, Borrower shall provide such certificate of estoppel, certifying:

(A) that such Material Commercial Lease or non-Material Commercial Lease is unmodified and in full force and effect (or if there have been modifications, that such Material Commercial Lease or non-Material Commercial Lease is in full force and effect as modified and stating the modifications);

(B) the term of the Lease including any extensions thereto;

(C) the dates to which the Rent and any other charges hereunder have been paid by tenant;

(D) the amount of any security deposit delivered to Borrower as landlord;

(E) whether or not Borrower is in default (or whether any event or condition exists which, with the passage of time, would constitute an event of default) under such Lease;

(F) the address to which notices to tenant should be sent; and

(G) any other information as may be reasonably required by Lender.

(c) Payment of Rents.

Borrower shall:

(1) pay to Lender upon demand all Rents after an Event of Default has occurred and is continuing;

(2) cooperate with Lender's efforts in connection with the assignment of Rents set forth in the Security Instrument; and

(3) not accept Rent under any Lease (whether a Residential Lease or a non-Residential Lease) for more than two (2) months in advance.

(d) Assignment of Rents.

Borrower shall not:

(1) perform any acts or execute any instrument that would prevent Lender from exercising its rights under the assignment of Rents granted in the Security Instrument or in any other Loan Document; or

(2) interfere with Lender's collection of such Rents.

(e) Further Assignments of Leases and Rents.

Borrower shall execute and deliver any further assignments of Leases and Rents as Lender may reasonably require.

(f) **Options to Purchase by Tenants.**

No Lease (whether a Residential Lease or a non-Residential Lease) shall contain an option to purchase, right of first refusal to purchase or right of first offer to purchase, except as required by applicable law.

Section 7.03 Mortgage Loan Administration Regarding Leases and Rents.

(a) **Material Commercial Lease Requirements.**

Each Material Commercial Lease, including any renewal or extension of any Material Commercial Lease in existence as of the Effective Date, shall provide, directly or pursuant to a subordination, non-disturbance and attornment agreement approved by Lender, that:

(1) the tenant shall, upon written notice from Lender after the occurrence of an Event of Default, pay all Rents payable under such Lease to Lender;

(2) such Lease and all rights of the tenant thereunder are expressly subordinate to the lien of the Security Instrument;

(3) the tenant shall attorn to Lender and any purchaser at a Foreclosure Event (such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a Foreclosure Event or by Lender in any manner);

(4) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a Foreclosure Event may from time to time request; and

(5) such Lease shall not terminate as a result of a Foreclosure Event unless Lender or any other purchaser at such Foreclosure Event affirmatively elects to terminate such Lease pursuant to the terms of the subordination, non-disturbance and attornment agreement.

(b) **Residential Lease Form.**

All Residential Leases entered into from and after the Effective Date shall be on forms substantially in the form approved by Lender.

ARTICLE 8 - BOOKS AND RECORDS; FINANCIAL REPORTING

Section 8.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 8.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) **Financial Information.**

All financial statements and data, including statements of cash flow and income and operating expenses, that have been delivered to Lender in respect of the Mortgaged Property:

(1) are true, complete, and correct in all material respects; and

(2) accurately represent the financial condition of the Mortgaged Property as of such date.

(b) **No Change in Facts or Circumstances.**

All information in the Loan Application and in all financial statements, rent rolls, reports, certificates, and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

Section 8.02 Covenants.

(a) **Obligation to Maintain Accurate Books and Records.**

Borrower shall keep and maintain at all times at the Mortgaged Property or the property management agent's offices or Borrower's General Business Address and, upon Lender's written request, shall make available to Lender:

(1) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property; and

(2) copies of all written contracts, Leases, and other instruments that affect Borrower or the Mortgaged Property.

(b) **Items to Furnish to Lender.**

Borrower shall furnish to Lender the following, which shall be deemed certified by Borrower, as true, complete, and accurate, in all material respects as of the time of delivery and binding upon Borrower (or Guarantor, as applicable) and in such form and with such detail as Lender reasonably requires:

(1) within forty-five (45) days after the end of each first, second, and third calendar quarter, a statement of income and expenses for Borrower on a year-to-date basis as of the end of each calendar quarter;

(2) within one hundred twenty (120) days after the end of each calendar year:

(A) for any Borrower that is an entity, a statement of income and expenses and a statement of cash flows for such calendar year;

(B) for any Borrower that is an individual or a trust established for estate-planning purposes, a personal financial statement for such calendar year;

(C) when requested in writing by Lender, balance sheet(s) showing all assets and liabilities of Borrower and a statement of all contingent liabilities as of the end of such calendar year;

(D) if an energy consumption metric for the Mortgaged Property is required to be reported to any Governmental Authority, the Fannie Mae Energy Performance Metrics report, as generated by ENERGY STAR® Portfolio Manager, for the Mortgaged Property for such calendar year, which report must include the ENERGY STAR score, the Source Energy Use Intensity (EUI), the month and year ending period for such ENERGY STAR score and such Source Energy Use Intensity, and the ENERGY STAR Portfolio Manager Property Identification Number; provided that, if the Governmental Authority does not require the use of ENERGY STAR Portfolio Manager for the reporting of the energy consumption metric and Borrower does not use ENERGY STAR Portfolio Manager, then Borrower shall furnish to Lender the Source Energy Use Intensity for the Mortgaged Property for such calendar year;

(E) a written certification ratifying and affirming that:

(i) Borrower has taken no action in violation of Section 4.02(d) regarding its single asset status;

(ii) Borrower has received no notice of any building code violation, or if Borrower has received such notice, evidence of remediation;

(iii) Borrower has made no application for rezoning or received any notice that the Mortgaged Property has been or is being rezoned; and

(iv) Borrower has taken no action and has no knowledge of any action that would violate the provisions of Section 11.02(b)(1)(F) regarding liens encumbering the Mortgaged Property;

(F) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

(G) written confirmation of:

(i) any changes occurring since the Effective Date (or that no such changes have occurred since the Effective Date) in (1) the direct owners of Borrower, (2) the indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), or (3) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), and their respective interests;

(ii) the names of all officers and directors of (1) any Borrower which is a corporation, (2) any corporation which is a general partner of any Borrower which is a partnership, or (3) any corporation which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(iii) the names of all managers who are not members of (1) any Borrower which is a limited liability company, (2) any limited liability company which is a general partner of any Borrower which is a partnership, or (3) any limited liability company which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(H) if not already provided pursuant to Section 8.02(b)(2)(A) above, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each calendar year;

(3) within forty-five (45) days after the end of each first, second, and third calendar quarter and within one hundred twenty (120) days after the end of each calendar year, and at any other time upon Lender's written request, a rent schedule for the Mortgaged Property showing the name of each tenant and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;

(4) upon Lender's written request, thereafter furnish to Lender within ten (10) Business Days after the end of each month, until the end of the Loan Term, complete and accurate rent schedule data for the Mortgaged Property;

(5) within thirty (30) days after Lender's written request (but, absent an Event of Default, no more frequently than once in any six (6) month period):

(A) any item described in Section 8.02(b)(1) or Section 8.02(b)(2);

(B) a property management or leasing report for the Mortgaged Property, showing the number of rental applications received from tenants or

prospective tenants and deposits received from tenants or prospective tenants, and any other information requested by Lender for such period as requested by Lender;

(C) a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each month for such period as requested by Lender;

(D) a statement of real estate owned directly or indirectly by Borrower and Guarantor for such period as requested by Lender;

(E) for any Guarantor:

(i) that is an entity, a statement of income and expenses and a statement of cash flows for the most recent available calendar year and any calendar quarters ending between the available year and the date of the request;

(ii) that is an individual, or a trust established for estate-planning purposes, a personal financial statement for the most recent available calendar year and any calendar quarters ending between the available year and the date of the request; and

(iii) balance sheet(s) showing all assets and liabilities of Guarantor and a statement of all contingent liabilities as of the end of the most recent available calendar year; and

(F) a statement that identifies the following for such period as requested by Lender:

(i) direct owners of Borrower and their respective interests;

(ii) indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests;

(iii) indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and

(iv) to the extent that the Persons identified in (i)-(iii) above do not own, in the aggregate, at least fifty percent (50%) of the indirect ownership interests in Borrower, additional indirect owners of Borrower sufficient to show an aggregate ownership interest of at least fifty percent (50%).

(c) **Audited Financials.**

In the event Borrower or Guarantor receives or obtains any audited financial statements and such financial statements are required to be delivered to Lender under Section 8.02(b), Borrower shall deliver or cause to be delivered to Lender the audited versions of such financial statements.

(d) **Delivery of Books and Records.**

If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender, upon written demand, all books and records relating to the Mortgaged Property or its operation.

Section 8.03 Mortgage Loan Administration Matters Regarding Books and Records and Financial Reporting.

(a) **Lender's Right to Obtain Audited Books and Records.**

Lender may require that Borrower's or Guarantor's books and records be audited, at Borrower's expense, by an independent certified public accountant selected by Lender in order to produce or audit any statements, schedules, and reports of Borrower, Guarantor, or the Mortgaged Property required by Section 8.02, if:

(1) Borrower or Guarantor fails to provide in a timely manner the statements, schedules, and reports required by Section 8.02 and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c);

(2) the statements, schedules, and reports submitted to Lender pursuant to Section 8.02 are not full, complete, and accurate in all material respects as determined by Lender and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c); or

(3) an Event of Default has occurred and is continuing.

Notwithstanding the foregoing, the ability of Lender to require the delivery of audited financial statements shall be limited to not more than once per Borrower's fiscal year so long as no Event of Default has occurred during such fiscal year (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing). Borrower shall cooperate with Lender in order to satisfy the provisions of this Section 8.03(a). All related costs and expenses of Lender shall become due and payable by Borrower within ten (10) Business Days after demand therefor.

(b) Credit Reports; Credit Score.

No more often than once in any twelve (12) month period, Lender is authorized to obtain a credit report (if applicable) on Borrower or Guarantor, the cost of which report shall be paid by Borrower. Lender is authorized to obtain a Credit Score (if applicable) for Borrower or Guarantor at any time at Lender's expense.

ARTICLE 9 - INSURANCE

Section 9.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 9.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Insurance Requirements.

Borrower is in compliance with Lender's insurance requirements (or has obtained a written waiver from Lender for any non-compliant coverage) and has timely paid all premiums on all required insurance policies.

(b) Property Condition.

(1) The Mortgaged Property has not been damaged by fire, water, wind, or other cause of loss; or

(2) if previously damaged, any previous damage to the Mortgaged Property has been repaired and the Mortgaged Property has been fully restored.

Section 9.02 Covenants.

(a) Insurance Requirements.

(1) As required by Lender and applicable law, and as may be modified from time to time, Borrower shall:

(A) keep the Improvements insured at all times against any hazards, which insurance shall include coverage against loss by fire and all other perils insured by the "special causes of loss" coverage form, general boiler and machinery coverage, business income coverage, and flood (if any of the Improvements are located in an area identified by the Federal Emergency Management Agency (or any successor) as an area having special flood hazards and to the extent flood insurance is available in that area), and may include sinkhole insurance, mine subsidence insurance, earthquake insurance, terrorism insurance, windstorm

insurance and, if the Mortgaged Property does not conform to applicable building, zoning, or land use laws, ordinance and law coverage;

(B) maintain at all times commercial general liability insurance, workmen's compensation insurance, and such other liability, errors and omissions, and fidelity insurance coverage; and

(C) maintain builder's risk and public liability insurance, and other insurance in connection with completing the Repairs or Replacements, as applicable.

(b) Delivery of Policies, Renewals, Notices, and Proceeds.

Borrower shall:

(1) cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender's assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each required insurance policy under this Article 9 has been renewed not less than fifteen (15) days prior to the applicable expiration date, and (if such evidence is other than an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original insurance policy;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower's receipt of any insurance proceeds under any insurance policy required by Section 9.02(a)(1) above and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Article 9.

Section 9.03 Mortgage Loan Administration Matters Regarding Insurance

(a) Lender's Ongoing Insurance Requirements.

Borrower acknowledges that Lender's insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Loan Agreement shall be:

(1) in the form and with the terms required by Lender;

(2) in such amounts, with such maximum deductibles and for such periods required by Lender; and

(3) issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH IN SECTION 9.02(a) OR SECTION 9.02(b)(3) ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH THE MORTGAGED PROPERTY. IF LENDER PURCHASES INSURANCE FOR THE MORTGAGED PROPERTY AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE AS REQUIRED BY THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(b) Application of Proceeds on Event of Loss.

(1) Upon an event of loss, Lender may, at Lender's option:

(A) hold such proceeds in the Restoration Reserve Account to be applied to reimburse Borrower for the cost of Restoration in accordance with Article 13 and Lender's then-current policies relating to the restoration of casualty damage on similar multifamily residential properties; or

(B) apply such proceeds to the payment of the Indebtedness, whether or not then due; provided, however, Lender shall not apply insurance proceeds to the payment of the Indebtedness and shall permit Restoration pursuant to Section 9.03(b)(1)(A) if all of the following conditions are met:

(i) no Event of Default has occurred and is continuing (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing);

(ii) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(iii) Lender determines that the Net Cash Flow generated by the Mortgaged Property after completion of the Restoration will be sufficient to support a debt service coverage ratio not less than the debt service coverage ratio immediately prior to the event of loss, but in no event less than 1.0x (the debt service coverage ratio shall be calculated on a thirty (30) year amortizing basis (if applicable, on a *proforma* basis approved by Lender) in all events and shall include all operating costs and other expenses, Imposition Deposits, deposits to Collateral Accounts, and Mortgage Loan repayment obligations);

(iv) Lender determines that the Restoration will be completed before the earlier of (1) one (1) year before the stated Maturity Date, or (2) one (1) year after the date of the loss or casualty; and

(v) Borrower provides Lender, upon written request, evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Loan Agreement.

(2) Notwithstanding the foregoing, if any loss is estimated to be in an amount equal to or less than $75,000, Lender shall not exercise its rights and remedies as power-of-attorney herein and shall allow Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such policies of property damage insurance, and to collect and receive the proceeds of property damage insurance; provided that each of the following conditions shall be satisfied:

(A) Borrower shall immediately notify Lender of the casualty giving rise to the claim;

(B) no Event of Default has occurred and is continuing (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing);

(C) the Restoration will be completed before the earlier of (i) one (1) year before the stated Maturity Date, or (ii) one (1) year after the date of the loss or casualty;

(D) Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;

(E) all proceeds of property damage insurance shall be issued in the form of joint checks to Borrower and Lender;

(F) all proceeds of property damage insurance shall be applied to the Restoration;

(G) Borrower shall deliver to Lender evidence satisfactory to Lender of completion of the Restoration and obtainment of all lien releases;

(H) Borrower shall have complied to Lender's satisfaction with the foregoing requirements on any prior claims subject to this provision, if any; and

(I) Lender shall have the right to inspect the Mortgaged Property (subject to the rights of tenants under the Leases).

(3) If Lender elects to apply insurance proceeds to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall not be obligated to restore or repair the Mortgaged Property. Rather, Borrower shall restrict access to the damaged portion of the Mortgaged Property and, at its expense and regardless of whether such costs are covered by insurance, clean up any debris resulting from the casualty event, and, if required or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 9.03(b) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.

(c) Payment Obligations Unaffected.

The application of any insurance proceeds to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document. Notwithstanding the foregoing, if Lender applies insurance proceeds to the Indebtedness in connection with a casualty of less than the entire Mortgaged Property, and after such application of proceeds the debt service coverage ratio (as determined by Lender) is less than 1.25x based on the then-applicable Monthly Debt Service Payment and the anticipated ongoing Net Cash Flow of the Mortgaged Property after such casualty

event, then Lender may, at its discretion, permit an adjustment to the Monthly Debt Service Payments that become due and owing thereafter, based on Lender's then-current underwriting requirements. In no event shall the preceding sentence obligate Lender to make any adjustment to the Monthly Debt Service Payments.

(d) Foreclosure Sale.

If the Mortgaged Property is transferred pursuant to a Foreclosure Event or Lender otherwise acquires title to the Mortgaged Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to the Mortgaged Property and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such Foreclosure Event or such acquisition.

(e) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

ARTICLE 10 - CONDEMNATION

Section 10.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 10.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Condemnation Action.

No part of the Mortgaged Property has been taken in connection with a Condemnation Action.

(b) Pending Condemnation Actions.

No Condemnation Action is pending or, to Borrower's knowledge, is threatened for the partial or total condemnation or taking of the Mortgaged Property.

Section 10.02 Covenants.

(a) Notice of Condemnation.

Borrower shall:

(1) promptly notify Lender of any Condemnation Action of which Borrower has knowledge;

(2) appear in and prosecute or defend, at its own cost and expense, any action or proceeding relating to any Condemnation Action, including any defense of Lender's interest in the Mortgaged Property tendered to Borrower by Lender, unless otherwise directed by Lender in writing; and

(3) execute such further evidence of assignment of any condemnation award in connection with a Condemnation Action as Lender may require.

(b) Condemnation Proceeds.

Borrower shall pay to Lender all awards or proceeds of a Condemnation Action promptly upon receipt.

Section 10.03 Mortgage Loan Administration Matters Regarding Condemnation.

(a) Application of Condemnation Awards.

Lender may apply any awards or proceeds of a Condemnation Action, after the deduction of Lender's expenses incurred in the collection of such amounts, to:

(1) the restoration or repair of the Mortgaged Property, if applicable;

(2) the payment of the Indebtedness, with the balance, if any, paid to Borrower; or

(3) Borrower.

(b) Payment Obligations Unaffected.

The application of any awards or proceeds of a Condemnation Action to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(d) Preservation of Mortgaged Property.

If a Condemnation Action results in or from damage to the Mortgaged Property and Lender elects to apply the proceeds or awards from such Condemnation Action to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall not be obligated to restore or repair the Mortgaged Property. Rather, Borrower shall restrict access to any portion of the Mortgaged Property which has been damaged or destroyed in connection with such Condemnation

Action and, at Borrower's expense and regardless of whether such costs are covered by insurance, clean up any debris resulting in or from the Condemnation Action, and, if required by any Governmental Authority or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section 10.03(d) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.

ARTICLE 11 - LIENS, TRANSFERS, AND ASSUMPTIONS

Section 11.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 11.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) No Labor or Materialmen's Claims.

All parties furnishing labor and materials on behalf of Borrower have been paid in full. There are no mechanics' or materialmen's liens (whether filed or unfiled) outstanding for work, labor, or materials (and no claims or work outstanding that under applicable law could give rise to any such mechanics' or materialmen's liens) affecting the Mortgaged Property, whether prior to, equal with, or subordinate to the lien of the Security Instrument.

(b) No Other Interests.

No Person:

(1) other than Borrower has any possessory ownership or interest in the Mortgaged Property or right to occupy the same except under and pursuant to the provisions of existing Leases, the material terms of all such Leases having been previously disclosed in writing to Lender; or

(2) has an option, right of first refusal, or right of first offer (except as required by applicable law) to purchase the Mortgaged Property, or any interest in the Mortgaged Property.

Section 11.02 Covenants.

(a) Liens; Encumbrances.

Borrower shall not permit the grant, creation, or existence of any Lien, whether voluntary, involuntary, or by operation of law, on all or any portion of the Mortgaged Property (including

any voluntary, elective, or non-compulsory tax lien or assessment pursuant to a voluntary, elective, or non-compulsory special tax district or similar regime) other than:

(1) Permitted Encumbrances;

(2) the creation of:

(A) any tax lien, municipal lien, utility lien, mechanics' lien, materialmen's lien, or judgment lien against the Mortgaged Property if bonded off, released of record, or otherwise remedied to Lender's satisfaction within sixty (60) days after the earlier of the date Borrower has actual notice or constructive notice of the existence of such lien; or

(B) any mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(3) the lien created by the Loan Documents.

(b) Transfers.

(1) Mortgaged Property.

Borrower shall not Transfer, or cause or permit a Transfer of, all or any part of the Mortgaged Property (including any interest in the Mortgaged Property) other than:

(A) a Transfer to which Lender has consented in writing;

(B) Leases permitted pursuant to the Loan Documents;

(C) the grant of an easement solely for cable and internet services, provided such easement is a standard form of cable and internet service easement used by nationally recognized cable and internet service providers, and provided further that such easement terminates automatically when the service agreement expires;;

(D) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality which are free of Liens (other than those created by the Loan Documents);

(E) the grant of an easement, servitude, or restrictive covenant to which Lender has consented, and Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request

(including reasonable attorneys' fees and a $5,000 review fee, which shall be in lieu of any other Review Fee or Transfer Fee);

(F) a lien permitted pursuant to Section 11.02(a) of this Loan Agreement; or

(G) the conveyance of the Mortgaged Property following a Foreclosure Event.

(2) Interests in Borrower, Key Principal, or Guarantor.

Other than a Transfer to which Lender has consented in writing, Borrower shall not Transfer, or cause or permit to be Transferred:

(A) any direct or indirect ownership interest in Borrower, Key Principal, or Guarantor (if applicable) if such Transfer would cause a change in Control;

(B) a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor (if applicable);

(C) fifty percent (50%) or more of Key Principal's or Guarantor's direct or indirect ownership interests in Borrower that existed on the Effective Date (individually or on an aggregate basis);

(D) any direct or indirect ownership interest in Borrower, Key Principal, or Guarantor (if applicable) if such transfer would result in a violation of Section 4.02(b); or

(E) the economic benefits or rights to cash flows attributable to any ownership interests in Borrower, Key Principal, or Guarantor (if applicable) separate from the Transfer of the underlying ownership interests if the Transfer of the underlying ownership interest is prohibited by this Loan Agreement.

Notwithstanding the foregoing, if a Publicly-Held Corporation or a Publicly-Held Trust Controls Borrower, Key Principal, or Guarantor, or owns a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor, a Transfer of any ownership interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Loan Agreement as long as (i) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (ii) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the ownership interests in such Publicly-Held Corporation or Publicly-Held Trust.

(3) **Transfers of Non-Controlling Interests.**

Transfers of direct or indirect limited partnership or non-managing member interests in Borrower that result in a Transfer of fifty percent (50%) or more of the limited partnership or non-managing membership interests shall be consented to by Lender if such Transfer satisfies the following conditions:

(A) Key Principal or Guarantor (as applicable) Controls Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer;

(B) such Transfer does not violate the requirements of Section 11.02(b)(2)(C) or Section 11.02(b)(2)(D);

(C) Borrower shall provide Lender not less than thirty (30) days prior written notice of the proposed Transfer and obtain Lender's approval;

(D) Borrower shall provide with its notice to Lender an organizational chart reflecting, and all organizational documents relevant to, the proposed Transfer;

(E) Borrower shall provide with its notice to Lender a certification that no change of Control of Borrower, Key Principal, or Guarantor (as applicable) shall occur as a result of such Transfer;

(F) if any Person will own twenty-five percent (25%) or more of the direct or indirect ownership interests in Borrower that did not own twenty-five percent (25%) or more before the Transfer, such Person shall not, as of the date of the Transfer, be a Prohibited Person;

(G) Borrower shall pay to Lender:

(i) concurrently with its notice to Lender, the Review Fee plus a transfer fee of $25,000, which shall be in lieu of any other Transfer Fee; and

(ii) upon demand, any out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, incurred by Lender in connection with its review of the Transfer request; and

(H) Borrower shall execute upon demand such documents or certifications as Lender reasonably requires in order to confirm the post-transfer ownership structure, compliance with the stated conditions, and any other relevant factual matter.

(4) **Name Change or Entity Conversion.**

Lender shall consent to Borrower changing its name, changing its jurisdiction of organization, or converting from one type of legal entity into another type of legal entity for any lawful purpose, provided that:

(A) Lender receives written notice at least thirty (30) days prior to such change or conversion, which notice shall include organizational charts that reflect the structure of Borrower both prior to and subsequent to such name change or entity conversion;

(B) such Transfer is not otherwise prohibited under the provisions of Section 11.02(b)(2);

(C) Borrower executes an amendment to this Loan Agreement and any other Loan Documents required by Lender documenting the name change or entity conversion;

(D) Borrower agrees and acknowledges, at Borrower's expense, that (i) Borrower will execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such name change or entity conversion (or provide Lender with written confirmation from the title company (via electronic mail or letter) that no such instrument is required), (ii) Borrower will execute any additional documents required by Lender, including the amendment to this Loan Agreement, and allow such documents to be recorded or filed in the land records of the Property Jurisdiction, (iii) Lender will obtain a "date down" endorsement to the Lender's Title Policy (or obtain a new Title Policy if a "date down" endorsement is not available in the Property Jurisdiction), evidencing title to the Mortgaged Property being in the name of the successor entity and the Lien of the Security Instrument against the Mortgaged Property, and (iv) Lender will file any required UCC-3 financing statement and make any other filing deemed necessary to maintain the priority of its Liens on the Mortgaged Property; and

(E) no later than ten (10) days subsequent to such name change or entity conversion, Borrower shall provide Lender (i) the documentation filed with the appropriate office in Borrower's state of formation evidencing such name change or entity conversion, (ii) copies of the organizational documents of Borrower, including any amendments, filed with the appropriate office in Borrower's state of formation reflecting the post-conversion Borrower name, form of organization, and structure, and (iii) if available, new certificates of good standing or valid formation for Borrower.

(5) No Delaware Statutory Trust or Series LLC Conversion.

Notwithstanding any provisions herein to the contrary, no Borrower, Guarantor, or Key Principal shall convert to a Delaware Statutory Trust or a series limited liability company.

(6) Plans of Division.

Borrower shall not Divide. Lender shall consent to a Division by Guarantor or Key Principal provided that:

(A) Lender receives written notice at least thirty (30) days prior to the effective date of such Division, which notice shall include (i) a certification acceptable to Lender that such Division is not otherwise prohibited under the provisions of Article 11, (ii) a copy of the plan of division, and (iii) organizational charts that reflect the organizational structure of Borrower, Guarantor, and Key Principal both prior to and subsequent to such Division;

(B) no later than ten (10) days subsequent to such Division, Borrower shall provide Lender (i) the certificate of division or such other documentation filed with the appropriate office evidencing such Division, (ii) copies of the organizational documents of Borrower (if amended), Guarantor, and Key Principal, including any amendments thereto, that reflect the post-Division organizational structure, and (iii) new certificates of good standing or valid formation for Borrower (if amended), Guarantor, and Key Principal; and

(C) Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request (including reasonable attorneys' fees and a $25,000 review fee, which shall be in lieu of any other Review Fee or Transfer Fee).

(c) No Other Indebtedness.

Other than the Mortgage Loan, Borrower shall not incur or be obligated at any time with respect to any loan or other indebtedness (except trade payables as otherwise permitted in this Loan Agreement), including any indebtedness secured by a Lien on, or the cash flows from, the Mortgaged Property.

(d) No Mezzanine Financing or Preferred Equity.

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Debt other than Permitted Mezzanine Debt; (2) issue any Preferred Equity other than Permitted Preferred Equity; or (3) incur any similar indebtedness or issue any similar equity.

Section 11.03 Mortgage Loan Administration Matters Regarding Liens, Transfers, and Assumptions.

(a) Assumption of Mortgage Loan.

Lender shall consent to a Transfer of the Mortgaged Property to and an assumption of the Mortgage Loan by a new borrower if each of the following conditions is satisfied prior to the Transfer:

(1) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(a);

(2) no Event of Default has occurred and is continuing, and no event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing;

(3) Lender determines that:

(A) the proposed new borrower, new key principal, and any other new guarantor fully satisfy all of Lender's then-applicable borrower, key principal, or guarantor eligibility, credit, management, and other loan underwriting standards, which shall include an analysis of (i) the previous relationships between Lender and the proposed new borrower, new key principal, new guarantor, and any Person in Control of them, and the organization of the new borrower, new key principal, and new guarantor (if applicable), and (ii) the operating and financial performance of the Mortgaged Property, including physical condition and occupancy;

(B) none of the proposed new borrower, new key principal, and any new guarantor, or any owners of the proposed new borrower, new key principal, and any new guarantor, are a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(C) none of the proposed new borrower, new key principal, and any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date;

(4) [reserved];

(5) the proposed new borrower has:

(A) executed an assumption agreement acceptable to Lender that, among other things, requires the proposed new borrower to assume and perform all obligations of Borrower (or any other transferor), and that may require that the new borrower comply with any provisions of any Loan Document which previously may have been waived by Lender for Borrower, subject to the terms of Section 11.03(g);

(B) if required by Lender, delivered to the title company for filing and/or recording in all applicable jurisdictions, all applicable Loan Documents including the assumption agreement to correctly evidence the assumption and the confirmation, continuation, perfection, and priority of the Liens created hereunder and under the other Loan Documents; and

(C) delivered to Lender a "date-down" endorsement to the Title Policy acceptable to Lender (or a new title insurance policy if a "date-down" endorsement is not available);

(6) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(A) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(B) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender;

(7) Lender has reviewed and approved the Transfer documents;

(8) Lender has received the fees described in Section 11.03(g); and

(9) with respect to any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS that are outstanding, the Transfer shall not result in an Adverse Tax Event.

(b) **Transfers to Key Principal-Owned Affiliates or Guarantor-Owned Affiliates.**

(1) Except as otherwise covered in Section 11.03(b)(2) below, Transfers of direct or indirect ownership interests in Borrower to Key Principal or Guarantor, or to a transferee through which Key Principal or Guarantor (as applicable) Controls Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer, shall be consented to by Lender if such Transfer satisfies the applicable requirements of Section 11.03(a) as they would relate to such transferee, other than Section 11.03(a)(5).

(2) Transfers of direct or indirect interests in Borrower held by a Key Principal or Guarantor to other Key Principals or Guarantors, as applicable, shall be consented to by Lender if such Transfer satisfies the following conditions:

(A) the Transfer does not cause a change in the Control of Borrower; and

(B) the transferor Key Principal or Guarantor maintains the same right and ability to Control Borrower as existed prior to the Transfer.

If the conditions set forth in this Section 11.03(b) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(c) **Estate Planning.**

Notwithstanding the provisions of Section 11.02(b)(2), so long as (1) the Transfer does not cause a change in the Control of Borrower, and (2) Key Principal and Guarantor, as applicable, maintain the same right and ability to Control Borrower as existed prior to the Transfer, Lender shall consent to Transfers of direct or indirect ownership interests in Borrower and Transfers of direct or indirect ownership interests in an entity Key Principal or entity Guarantor to:

(A) Immediate Family Members of such transferor, each of whom must have obtained the legal age of majority;

(B) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor; or

(C) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of (i) such transferor and Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, (ii) Immediate Family Members (each of whom must have obtained the legal age of majority) of such transferor, or (iii) United States domiciled trusts established for the benefit of the transferor or Immediate Family Members of the transferor.

If the conditions set forth in this Section 11.03(c) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(d) **Termination or Revocation of Trust.**

If any of Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust is an unpermitted Transfer; provided that the termination or revocation of the trust due to the death of an individual trustor shall not be considered an unpermitted Transfer so long as:

(1) Lender is notified within thirty (30) days of the death; and

(2) such Borrower, Guarantor, Key Principal, or other Person, as applicable, is replaced with an individual or entity acceptable to Lender, in accordance with the

provisions of Section 11.03(a) within ninety (90) days of the date of the death causing the termination or revocation.

If the conditions set forth in this Section 11.03(d) are satisfied, the Transfer Fee shall be waived; provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(e) **Death of Key Principal or Guarantor; Transfer Due to Death.**

(1) If a Key Principal or Guarantor that is a natural person dies, or if Control of Borrower, Guarantor, or Key Principal is Transferred, or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred as a result of the death of a Person (except in the case of trusts which is addressed in Section 11.03(d)), Borrower must notify Lender in writing within ninety (90) days in the event of such death. Unless waived in writing by Lender, the deceased shall be replaced by an individual or entity within one hundred eighty (180) days, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(e);

(B) Lender determines that, if applicable:

(i) any proposed new key principal and any other new guarantor (or Person Controlling such new key principal or new guarantor) fully satisfies all of Lender's then-applicable key principal or guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new key principal and new guarantor (or Person Controlling such new key principal or new guarantor) and the organization of the new key principal and new guarantor);

(ii) none of any proposed new key principal or any new guarantor, or any owners of the proposed new key principal or any new guarantor, is a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(iii) none of any proposed new key principal or any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) if applicable, one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Key Principal, Guarantor, or other Person is required by Lender due to the death described in this Section 11.03(e), and such replacement has not occurred within such period, the period for replacement may be extended by Lender to a date not more than one (1) year from the date of such death; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(e) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(f) Bankruptcy of Guarantor.

(1) Upon the occurrence of any Guarantor Bankruptcy Event, unless waived in writing by Lender, the applicable Guarantor shall be replaced by an individual or entity within ninety (90) days of such Guarantor Bankruptcy Event, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(f);

(B) Lender determines that:

(i) the proposed new guarantor fully satisfies all of Lender's then-applicable guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new guarantor and the organization of the new guarantor (if applicable));

(ii) no new guarantor is a Prohibited Person, and such Transfer would not result in a violation of the requirements of Section 11.02(b)(2)(D); and

(iii) no new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Guarantor is required by Lender due to the Guarantor Bankruptcy Event described in this Section 11.03(f), and such replacement has not occurred within such period, the period for replacement may be extended by Lender in its discretion; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(f) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(g) Further Conditions to Transfers and Assumption.

(1) In connection with any Transfer of the Mortgaged Property, or an ownership interest in Borrower, Key Principal, or Guarantor for which Lender's approval is required under this Loan Agreement (including Section 11.03(a)), Lender may, as a condition to any such approval, require:

(A) additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property;

(B) amendment of the Loan Documents to delete or modify any specially negotiated terms or provisions previously granted for the exclusive benefit of original Borrower, Key Principal, or Guarantor and to restore the original provisions of the Lender's form multifamily loan documents, to the extent such provisions were previously modified or to avoid the occurrence of an Adverse Tax Event;

(C) a modification to the amounts required to be deposited into the Reserve/Escrow Account pursuant to the terms of Section 13.02(a)(3)(B);

(D) with respect to any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS that are outstanding, the Transfer shall not result in an Adverse Tax Event; or

(E) the Transfer would not violate the requirements of Section 11.02(b)(2)(D).

(2) In connection with any request by Borrower for consent to a Transfer, Borrower shall pay to Lender upon demand:

(A) the Transfer Fee (to the extent charged by Lender);

(B) the Review Fee (regardless of whether Lender approves or denies such request); and

(C) all of Lender's out-of-pocket costs (including reasonable attorneys' fees) incurred in reviewing the Transfer request, regardless of whether Lender approves or denies such request.

ARTICLE 12 - IMPOSITIONS

Section 12.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 12.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Payment of Taxes, Assessments, and Other Charges.

Borrower has:

(1) paid (or with the approval of Lender, established an escrow fund sufficient to pay when due and payable) all amounts and charges relating to the Mortgaged Property that have become due and payable before any fine, penalty interest, lien, or costs may be added thereto, including Impositions, leasehold payments, and ground rents;

(2) paid all Taxes for the Mortgaged Property that have become due before any fine, penalty interest, lien, or costs may be added thereto pursuant to any notice of assessment received by Borrower and any and all taxes that have become due against Borrower before any fine, penalty interest, lien, or costs may be added thereto;

(3) no knowledge of any basis for any additional assessments;

(4) no knowledge of any presently pending special assessments against all or any part of the Mortgaged Property, or any presently pending special assessments against Borrower; and

(5) not received any written notice of any contemplated special assessment against the Mortgaged Property, or any contemplated special assessment against Borrower.

Section 12.02 Covenants.

(a) Imposition Deposits, Taxes, and Other Charges.

Borrower shall:

(1) deposit the Imposition Deposits with Lender on each Payment Date (or on another day designated in writing by Lender) in amount sufficient, in Lender's discretion, to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added, plus an amount equal to no more than one-sixth (or the amount permitted by applicable law) of the Impositions for the trailing twelve (12) months (calculated based on the aggregate annual Imposition costs divided by twelve (12) and multiplied by two (2));

(2) deposit with Lender, within ten (10) days after written notice from Lender (subject to applicable law), such additional amounts estimated by Lender to be reasonably necessary to cure any deficiency in the amount of the Imposition Deposits held for payment of a specific Imposition;

(3) except as set forth in Section 12.03(c) below, pay all Impositions, leasehold payments, ground rents, and Taxes when due and before any fine, penalty interest, lien, or costs may be added thereto;

(4) promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and, if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments; and

(5) promptly deliver to Lender a copy of all notices of any special assessments and contemplated special assessments against the Mortgaged Property or Borrower.

Section 12.03 Mortgage Loan Administration Matters Regarding Impositions.

(a) Maintenance of Records by Lender.

Lender shall maintain records of the monthly and aggregate Imposition Deposits held by Lender for the purpose of paying Taxes, insurance premiums, and each other obligation of Borrower for which Imposition Deposits are required.

(b) Imposition Accounts.

All Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency and which accounts meet the standards for custodial accounts as required by Lender from time to time. Lender shall not be obligated to open additional accounts, or deposit Imposition Deposits in additional institutions, when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. No interest, earnings, or profits on the Imposition Deposits shall be paid to Borrower unless applicable law so requires. Imposition Deposits shall not be trust funds or operate to reduce the Indebtedness, unless applied by Lender for that purpose in accordance with this Loan Agreement. For the purposes of 9-104(a)(3) of the UCC, Lender is the owner of the Imposition Deposits and shall be deemed a "customer" with sole control of the account holding the Imposition Deposits.

(c) Payment of Impositions; Sufficiency of Imposition Deposits.

Lender may pay an Imposition according to any bill, statement, or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement, or estimate or into the validity of the Imposition. Imposition Deposits shall be required to be used by Lender to pay Taxes, insurance premiums and any other individual Imposition only if:

(1) no Event of Default exists;

(2) Borrower has timely delivered to Lender all applicable bills or premium notices that it has received; and

(3) sufficient Imposition Deposits are held by Lender for each Imposition at the time such Imposition becomes due and payable.

Lender shall have no liability to Borrower or any other Person for failing to pay any Imposition if any of the conditions are not satisfied. If at any time the amount of the Imposition Deposits held for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender to be held in connection with such Imposition, the excess may be credited against future installments of Imposition Deposits for such Imposition.

(d) Imposition Deposits Upon Event of Default.

If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in such amount and in such order as Lender determines, to pay any Impositions or as a credit against the Indebtedness.

(e) Contesting Impositions.

Other than insurance premiums, Borrower may contest, at its expense, by appropriate legal proceedings, the amount or validity of any Imposition if:

(1) Borrower notifies Lender of the commencement or expected commencement of such proceedings;

(2) Lender determines that the Mortgaged Property is not in danger of being sold or forfeited;

(3) Borrower deposits with Lender (or the applicable Governmental Authority if required by applicable law) reserves sufficient to pay the contested Imposition, if required by Lender (or the applicable Governmental Authority);

(4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Lender; and

(5) Borrower commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

(f) Release to Borrower.

Upon payment in full of all sums secured by the Security Instrument and this Loan Agreement and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower the balance of any Imposition Deposits then on deposit with Lender.

ARTICLE 13 – REPLACEMENTS, REPAIRS, AND RESTORATION

Section 13.01 Covenants.

(a) Initial Deposits to Replacement Reserve Account, Repairs Escrow Account, and Restoration Reserve Account.

(1) On the Effective Date, Borrower shall pay to Lender:

(A) the Initial Replacement Reserve Deposit for deposit into the Replacement Reserve Account; and

(B) the Repairs Escrow Deposit for deposit into the Repairs Escrow Account.

(2) After an event of loss (except as set forth in Section 9.03(b)(2)), Borrower shall deliver or cause to be delivered to Lender any insurance proceeds received under any insurance policy required to be maintained in accordance with Article 9.

(b) **Monthly Replacement Reserve Deposits.**

Borrower shall deposit the applicable Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(c) **Payment and Deliverables for Replacements, Repairs, and Restoration.**

Borrower shall:

(1) pay all invoices for Replacements, Repairs, and Restoration, regardless of whether funds on deposit in the applicable Reserve/Escrow Account are sufficient to pay the full amount of such invoices, prior to any request for disbursement from such Reserve/Escrow Account (unless Lender has agreed to issue joint checks in connection with a particular Replacement, Repair, or Restoration);

(2) pay all applicable fees and charges of any Governmental Authority on account of the Replacements, Repairs, and Restoration, as applicable;

(3) provide evidence satisfactory to Lender of completion of the Replacements, Restoration (within the period required under Section 9.03(b)(1)(B)(iv) or such other period required by Lender), and any Required Repairs (within the Completion Period or within such other period or by such other date set forth in the Required Repair Schedule and any Borrower Requested Repairs and Additional Lender Repairs (by the date specified by Lender for any such Borrower Requested Repairs or Additional Lender Repairs)); and

(4) prior to commencement of any Restoration, Borrower shall deliver to Lender, for Lender's review and approval:

(A) a copy of the plans and specifications for the Restoration; and

(B) a copy of all building and other permits and authorizations required by any law, ordinance, statute, rule or regulation of the Governmental Authority to carry out the Restoration.

(d) Assignment of Contracts for Replacements, Repairs, and Restoration.

Borrower shall collaterally assign to Lender as additional security any contract or subcontract for Replacements, Repairs, or Restoration, upon Lender's written request, on a form of assignment approved by Lender.

(e) Indemnification.

If Lender elects to exercise its rights under Section 14.03 due to Borrower's failure to timely commence or complete any Replacements, Repairs, or Restoration, Borrower shall indemnify and hold Lender harmless for, from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Replacements, Repairs, or Restoration or the investment of the Reserve/Escrow Account Funds; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees, or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(f) Amendments to Loan Documents.

Subject to Section 5.02, Borrower shall execute and deliver to Lender, upon written request, an amendment to this Loan Agreement, the Security Instrument, and any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of the Mortgaged Property for which Reserve/Escrow Account Funds were expended.

(g) Administrative Fees and Expenses.

Borrower shall pay to Lender:

(1) by the date specified in the applicable invoice, the Repairs Escrow Account Administration Fee, the Replacement Reserve Account Administration Fee, and the Restoration Reserve Account Administration Fee for Lender's services in administering the Reserve/Escrow Accounts and investing the Reserve/Escrow Account Funds;

(2) upon demand, a reasonable inspection fee, not exceeding the Maximum Inspection Fee, for each inspection of the Mortgaged Property by Lender in connection with a Repair, Replacement, or Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections; and

(3) upon demand, all reasonable fees charged by any engineer, architect, inspector or other person inspecting the Mortgaged Property on behalf of Lender for each inspection of the Mortgaged Property in connection with a Repair, Replacement, or

Restoration item, plus all other reasonable costs and out-of-pocket expenses relating to such inspections.

Section 13.02 Mortgage Loan Administration Matters Regarding Reserves.

(a) Accounts, Deposits, and Disbursements.

(1) Custodial Accounts.

(A) The Replacement Reserve Account shall be an interest-bearing account that meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the Replacement Reserve Deposits or for obtaining any specific level or percentage of earnings on such investment. All interest, if any, earned on the Replacement Reserve Deposits shall be added to and become part of the Replacement Reserve Account; provided, however, if applicable law requires, and so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the Replacement Reserve Account not less frequently than the Replacement Reserve Account Interest Disbursement Frequency.

(B) Lender shall not be obligated to deposit the Repairs Escrow Deposits or any funds held in the Restoration Reserve Account into an interest-bearing account.

(C) In no event shall Lender be obligated to disburse funds from any Reserve/Escrow Account if an Event of Default has occurred and is continuing.

(2) Disbursements by Lender Only.

Only Lender or a designated representative of Lender may make disbursements from the Reserve/Escrow Accounts. Disbursements shall only be made upon Borrower request and after satisfaction of all conditions for disbursement.

(3) Adjustment to Deposits.

(A) Mortgage Loan Terms Exceeding Ten (10) Years.

If the Loan Term exceeds ten (10) years (or five (5) years in the case of any Mortgaged Property that is an "affordable housing property" as indicated on the Summary of Loan Terms), a property condition assessment shall be ordered by Lender for the Mortgaged Property at the expense of Borrower (which expense may be paid out of the Replacement Reserve Account if excess funds are available). The property condition assessment shall be performed no earlier than the sixth (6th) month and no later than the ninth month of the tenth Loan Year and every tenth

Loan Year thereafter if the Loan Term exceeds twenty (20) years (or the fifth Loan Year in the case of any Mortgaged Property that is an "affordable housing property" as indicated on the Summary of Loan Terms and every fifth Loan Year thereafter if the Loan Term exceeds ten (10) years). After review of the property condition assessment, the amount of the Monthly Replacement Reserve Deposit may be adjusted by Lender for the remaining Loan Term by written notice to Borrower so that the Monthly Replacement Reserve Deposits are sufficient to fund the Replacements as and when required and/or the amount to be held in the Repairs Escrow Account may be adjusted by Lender so that the Repairs Escrow Deposit is sufficient to fund the Repairs as and when required.

(B) **Transfers.**

In connection with any Transfer of the Mortgaged Property, or any Transfer of an ownership interest in Borrower, Guarantor, or Key Principal that requires Lender's consent, Lender may review the amounts on deposit, if any, in the Reserve/Escrow Accounts, the amount of the Monthly Replacement Reserve Deposit and the likely repairs and replacements required by the Mortgaged Property, and the related contingencies which may arise during the remaining Loan Term. Based upon that review, Lender may require an additional deposit to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit as a condition to Lender's consent to such Transfer.

(4) Insufficient Funds.

Lender may, upon ten (10) days' prior written notice to Borrower, require an additional deposit(s) to the Replacement Reserve Account, the Repairs Escrow Account, or the Restoration Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit, if Lender determines that the amounts on deposit in any of the Reserve/Escrow Accounts are not sufficient to cover the costs for Required Repairs, Required Replacements, or the Restoration or, pursuant to the terms of Section 13.02(a)(9), not sufficient to cover the costs for Borrower Requested Repairs, Additional Lender Repairs, Borrower Requested Replacements, or Additional Lender Replacements. Borrower's agreement to complete the Replacements, the Repairs, or the Restoration as required by this Loan Agreement shall not be affected by the insufficiency of any balance in the Reserve/Escrow Accounts.

(5) Disbursements for Replacements, Repairs, and Restoration.

(A) With respect to Replacements, disbursement requests may only be made after completion of the applicable Replacements and only to reimburse Borrower for the actual approved costs of the Replacements. Lender shall not disburse from the Replacement Reserve Account the costs of routine maintenance to the Mortgaged Property or for costs which are to be reimbursed from any other

Reserve/Escrow Account. Disbursement from the Replacement Reserve Account shall not be made more frequently than the Maximum Replacement Reserve Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Replacement Reserve Account shall not be less than the Minimum Replacement Reserve Disbursement Amount.

(B) With respect to Repairs, disbursement requests may only be made after completion of the applicable Repairs and only to reimburse Borrower for the actual cost of the Repairs, up to the Maximum Repair Cost. Lender shall not disburse any amounts which would cause the funds remaining in the Repairs Escrow Account after any disbursement (other than with respect to the final disbursement) to be less than the Maximum Repair Cost of the then-current estimated cost of completing all remaining Repairs. Lender shall not disburse from the Repairs Escrow Account the costs of routine maintenance to the Mortgaged Property or for costs which are to be reimbursed from any other Reserve/Escrow Account. Disbursement from the Repairs Escrow Account shall not be made more frequently than the Maximum Repair Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Repairs Escrow Account shall not be less than the Minimum Repairs Disbursement Amount.

(C) With respect to Restoration, disbursement requests may only be made after completion of the applicable Restoration and only to pay for or reimburse Borrower for the actual approved costs of the Restoration. Each disbursement shall be equal to the amount of the actual approved costs of the Restoration items covered by the disbursement request. In addition, Lender shall not disburse any amounts which would cause the funds remaining in the Restoration Reserve Account after any disbursement (other than with respect to the final disbursement) to be less than the then-current estimated cost of completing all remaining Restoration. Lender shall not disburse from the Restoration Reserve Account the costs of routine maintenance to the Mortgaged Property or for costs which are to be reimbursed from any other Reserve/Escrow Account. Disbursement from the Restoration Reserve Account shall not be made more frequently than the Maximum Restoration Reserve Disbursement Interval. Other than in connection with a final request for disbursement, disbursements from the Restoration Reserve Account shall not be less than the Minimum Restoration Reserve Disbursement Amount.

(6) Disbursement Requests.

Borrower must submit a disbursement request in writing for each disbursement from a Reserve/Escrow Account, which disbursement request must specify the items of Replacement, Repairs, or Restoration for which reimbursement is requested (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional

Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9)), and must:

(A) if applicable, specify the quantity and price of the items or materials purchased, grouped by type or category;

(B) if applicable, specify the cost of all contracted labor or other services, including architectural services, involved in the Replacement, Repair, or Restoration for which such request for disbursement is made;

(C) if applicable, include copies of invoices for all items or materials purchased and all contracted labor or services provided;

(D) include evidence of payment of such Replacement, Repair, or Restoration satisfactory to Lender (unless Lender has agreed to issue joint checks in connection with a particular Repair, Replacement, or Restoration item as provided in this Loan Agreement);

(E) if applicable, contain a certification by Borrower that the Repair, Replacement, or Restoration has been completed lien free and in a good and workmanlike manner, in accordance with any plans and specifications previously approved by Lender (if applicable) and in compliance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority having jurisdiction over the Mortgaged Property, and otherwise in accordance with the provisions of this Loan Agreement; and

(F) if applicable, include evidence that any certificates of occupancy required by applicable laws or any Governmental Authority have been issued.

(7) **Conditions to Disbursement.**

In addition to each disbursement request and information required in connection with such disbursement request, Lender may require any or all of the following at the expense of Borrower as a condition to disbursement of Reserve/Escrow Account Funds (provided that for any Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, and Additional Lender Repairs, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements or repairs pursuant to the terms of Section 13.02(a)(9)):

(A) an inspection by Lender of the Mortgaged Property and the applicable Replacement, Repair, or Restoration item;

(B) an inspection or certificate of completion by an appropriate independent qualified professional (such as an architect, engineer or property

inspector, depending on the nature of the Repair, Replacement, or Restoration) selected by Lender;

(C) either:

(i) a search of title to the Mortgaged Property effective to the date of disbursement; or

(ii) a "date-down" endorsement to Lender's Title Policy (or a new Lender's Title Policy if a "date-down" is not available) extending the effective date of such policy to the date of disbursement, and showing no Liens other than (1) Permitted Encumbrances, (2) liens which Borrower is diligently contesting in good faith that have been bonded off to the satisfaction of Lender, or (3) mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(D) an acknowledgement of payment, waiver of claims, and release of lien for work performed and materials supplied from each contractor, subcontractor or materialman in accordance with the requirements of applicable law and covering all work performed and materials supplied (including equipment and fixtures) for the Mortgaged Property by that contractor, subcontractor, or materialman through the date covered by the disbursement request (or, in the event that payment to such contractor, subcontractor, or materialman is to be made by a joint check, the release of lien shall be effective through the date covered by the previous disbursement).

(8) Joint Checks for Periodic Disbursements.

Lender may, upon Borrower's written request, issue joint checks, payable to Borrower and the applicable supplier, materialman, mechanic, contractor, subcontractor, or other similar party, if:

(A) the cost of the Replacement, Repair, or Restoration item exceeds the Replacement Threshold, the Repair Threshold, or the Restoration Threshold, as applicable, and the contractor performing such Replacement, Repair, or Restoration requires periodic payments pursuant to the terms of the applicable written contract;

(B) the contract for such Replacement, Repair, or Restoration item requires payment upon completion of the applicable portion of the work;

(C) Borrower makes the disbursement request after completion of the applicable portion of the work required to be completed under such contract;

(D) the materials for which the request for disbursement has been made are on site at the Mortgaged Property and are properly secured or installed;

(E) Lender determines that the remaining funds in the Reserve/Escrow Account are sufficient to pay the cost of the Replacement, Repair, or Restoration item, as applicable, and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender;

(F) each supplier, materialman, mechanic, contractor, subcontractor, or other similar party receiving payments shall have provided, if requested in writing by Lender, a waiver of liens with respect to amounts which have been previously paid to them; and

(G) all other conditions for disbursement have been satisfied.

(9) Replacements and Repairs Other than Required Replacements or Required Repairs.

(A) Borrower Requested Replacements and Borrower Requested Repairs.

Borrower may submit a disbursement request from the Replacement Reserve Account or the Repairs Escrow Account to reimburse Borrower for any Borrower Requested Replacement or Borrower Requested Repair. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements for Borrower Requested Replacements or Borrower Requested Repairs if:

(i) they are of the type intended to be covered by the Replacement Reserve Account or the Repairs Escrow Account, as applicable;

(ii) the costs are commercially reasonable;

(iii) the amount of funds in the Replacement Reserve Account or Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements or Additional Lender Repairs that have been previously approved by Lender; and

(iv) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Loan Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit in connection with any such Borrower Requested Replacements, or an additional deposit to the Repairs Escrow Account for any such Borrower Requested Repairs.

(B) Additional Lender Replacements and Additional Lender Repairs.

Lender may require, as set forth in Section 6.02(b), Section 6.03(c), or otherwise from time to time, upon written notice to Borrower, that Borrower make Additional Lender Replacements or Additional Lender Repairs. Lender shall make disbursements from the Replacement Reserve Account for Additional Lender Replacements or from the Repairs Escrow Account for Additional Lender Repairs, as applicable, if:

(i) the costs are commercially reasonable;

(ii) the amount of funds in the Replacement Reserve Account or the Repairs Escrow Account, as applicable, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(iii) all conditions for disbursement from the Replacement Reserve Account or Repairs Escrow Account, as applicable, have been satisfied.

Nothing in this Loan Agreement shall limit Lender's right to require an additional deposit to the Replacement Reserve Account or an increase to the Monthly Replacement Reserve Deposit for any such Additional Lender Replacements or an additional deposit to the Repairs Escrow Account for any such Additional Lender Repair.

(10) Excess Costs.

In the event any Replacement or Repair exceeds the approved cost set forth on the Required Replacement Schedule for Replacements, or the Maximum Repair Cost for Repairs, as applicable, or any Restoration item exceeds the initial cost approved by Lender

for Restoration, Borrower may submit a disbursement request to reimburse Borrower for such excess cost. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements from the applicable Reserve/Escrow Account, if:

(A) the excess cost is commercially reasonable;

(B) the amount of funds in the applicable Reserve/Escrow Account is sufficient to pay such excess costs and the then-current estimated cost of completing all remaining Required Replacements, Restoration, or Required Repairs (at the Maximum Repair Cost), as applicable, and any other Borrower Requested Replacements, Borrower Requested Repairs, Additional Lender Replacements, or Additional Lender Repairs that have been previously approved by Lender; and

(C) all conditions for disbursement from the applicable Reserve/Escrow Account have been satisfied.

(11) Final Disbursements.

Upon completion and satisfaction of all conditions for disbursements for any Repairs and Restoration, and further provided no Event of Default has occurred and is continuing, Lender shall disburse to Borrower any amounts then remaining in the Repairs Escrow Account or the Restoration Reserve Account, as applicable. Upon payment in full of the Indebtedness and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower any and all amounts then remaining in the Reserve/Escrow Accounts (if not previously released).

(b) Approvals of Contracts; Assignment of Claims.

Lender retains the right to approve all contracts or work orders with materialmen, mechanics, suppliers, subcontractors, contractors, or other parties providing labor or materials in connection with the Replacements, Repairs, or Restoration. Notwithstanding Borrower's assignment (in the Security Instrument) of its rights and claims against all Persons supplying labor or materials in connection with the Replacements, Repairs, or Restoration, Lender will not pursue any such right or claim unless an Event of Default has occurred and is continuing or as otherwise provided in Section 14.03(c).

(c) Delays and Workmanship.

If any work for any Replacement, Repair, or Restoration item has not timely commenced, has not been timely performed in a workmanlike manner, or has not been timely completed in a workmanlike manner, Lender may, without notice to Borrower:

(1) withhold disbursements from the applicable Reserve/Escrow Account;

(2) proceed under existing contracts or contract with third parties to make or complete such Replacements, Repairs, or Restoration item;

(3) apply the funds in the applicable Reserve/Escrow Account toward the labor and materials necessary to make or complete such Replacements, Repairs, or Restoration items, as applicable; or

(4) exercise any and all other remedies available to Lender under this Loan Agreement or any other Loan Document, including any remedies otherwise available upon an Event of Default pursuant to the terms of Section 14.02.

To facilitate Lender's completion and performance of such Replacements, Repairs, or Restoration items, Lender shall have the right to enter onto the Mortgaged Property and perform any and all work and labor necessary to make or complete the Replacements, Repairs, or Restoration and employ watchmen to protect the Mortgaged Property from damage. All funds so expended by Lender shall be deemed to have been advanced to Borrower, and included as part of the Indebtedness and secured by the Security Instrument and this Loan Agreement.

(d) **Appointment of Lender as Attorney-In-Fact.**

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(e) **No Lender Obligation.**

Nothing in this Loan Agreement shall:

(1) make Lender responsible for making or completing the Replacements, Repairs, or Restoration;

(2) require Lender to expend funds, whether from any Reserve/Escrow Account, or otherwise, to make or complete any Replacement, Repair, or Restoration item;

(3) obligate Lender to proceed with the Replacements, Repairs, or Restoration; or

(4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement, Repair, or Restoration item.

(f) **No Lender Warranty.**

Lender's approval of any plans for any Replacement, Repair, or Restoration, release of funds from any Reserve/Escrow Account, inspection of the Mortgaged Property by Lender or its agents, representatives, or designees, or other acknowledgment of completion of any Replacement, Repair, or Restoration in a manner satisfactory to Lender shall not be deemed an acknowledgment

or warranty to any Person that the Replacement, Repair, or Restoration has been completed in accordance with applicable building, zoning, or other codes, ordinances, statutes, laws, regulations, or requirements of any Governmental Authority, such responsibility being at all times exclusively that of Borrower.

ARTICLE 14 - DEFAULTS/REMEDIES

Section 14.01 Events of Default.

The occurrence of any one or more of the following in this Section 14.01 shall constitute an Event of Default under this Loan Agreement.

(a) Automatic Events of Default.

Any of the following shall constitute an automatic Event of Default:

(1) any failure by Borrower to pay or deposit when due any amount required by the Note, this Loan Agreement or any other Loan Document;

(2) any failure by Borrower to maintain the insurance coverage required by any Loan Document;

(3) any failure by Borrower to comply with the provisions of Section 4.02(d) relating to its single asset status;

(4) if any warranty, representation, certification, or statement of Borrower or Guarantor in this Loan Agreement or any of the other Loan Documents is false, inaccurate, or misleading in any material respect when made;

(5) fraud, gross negligence, willful misconduct, or material misrepresentation or material omission by or on behalf of Borrower, Guarantor, or Key Principal or any of their officers, directors, trustees, partners, members, or managers in connection with:

(A) the application for, or creation of, the Indebtedness;

(B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Mortgage Loan; or

(C) any request for Lender's consent to any proposed action, including a request for disbursement of Reserve/Escrow Account Funds or Collateral Account Funds;

(6) the occurrence of any Transfer not permitted by the Loan Documents;

(7) the occurrence of a Bankruptcy Event;

(8) the commencement of a forfeiture action or other similar proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Loan Agreement or the Security Instrument or Lender's interest in the Mortgaged Property;

(9) if Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust, except as set forth in Section 11.03(d);

(10) any failure by Borrower to complete any Repair related to fire, life, or safety issues in accordance with the terms of this Loan Agreement within the Completion Period (or such other date set forth on the Required Repair Schedule or otherwise required by Lender in writing for such Repair); or

(11) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust, or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable.

(b) Events of Default Subject to a Specified Cure Period.

Any of the following shall constitute an Event of Default subject to the cure period set forth in the Loan Documents:

(1) if Key Principal or Guarantor is a natural person, the death of such individual, unless all requirements of Section 11.03(e) are met;

(2) the occurrence of a Guarantor Bankruptcy Event, unless requirements of Section 11.03(f) are met;

(3) any failure by Borrower, Key Principal, or Guarantor to comply with the provisions of Section 5.02(b) and Section 5.02(c); or

(4) any failure by Borrower to perform any obligation under this Loan Agreement or any Loan Document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth herein or in the applicable Loan Document.

(c) Events of Default Subject to Extended Cure Period.

The following shall constitute an Event of Default if the existence of such condition or event, or such failure to perform or default in performance continues for a period of thirty (30) days after written notice by Lender to Borrower of the existence of such condition or event, or of such failure to perform or default in performance, provided, however, such period may be extended

for up to an additional thirty (30) days if Borrower, in the discretion of Lender, is diligently pursuing a cure of such; provided, further, however, no such written notice, grace period, or extension shall apply if, in Lender's discretion, immediate exercise by Lender of a right or remedy under this Loan Agreement or any Loan Document is required to avoid harm to Lender or impairment of the Mortgage Loan (including the Loan Documents), the Mortgaged Property or any other security given for the Mortgage Loan:

(1) any failure by Borrower to perform any of its obligations under this Loan Agreement or any Loan Document (other than those specified in Section 14.01(a) or Section 14.01(b) above) as and when required; or

(2) if Lender incurs any costs or expenses or suffers any loss or damage as a result of any claims, actions, suits or proceedings arising from any tenant opportunity to purchase act applicable to and affecting the Mortgaged Property.

Section 14.02 Remedies.

(a) Acceleration; Foreclosure.

If an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any Accrued Interest, interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other Indebtedness, at the option of Lender, shall immediately become due and payable, without any prior written notice to Borrower, unless applicable law requires otherwise (and in such case, after any required written notice has been given). Lender may exercise this option to accelerate regardless of any prior forbearance. In addition, Lender shall have all rights and remedies afforded to Lender hereunder and under the other Loan Documents, including, foreclosure on and/or the power of sale of the Mortgaged Property, as provided in the Security Instrument, and any rights and remedies available to Lender at law or in equity (subject to Borrower's statutory rights of reinstatement, if any). Any proceeds of a Foreclosure Event may be held and applied by Lender as additional collateral for the Indebtedness pursuant to this Loan Agreement. Notwithstanding the foregoing, the occurrence of any Bankruptcy Event shall automatically accelerate the Mortgage Loan and all obligations and Indebtedness shall be immediately due and payable without written notice or further action by Lender.

(b) Loss of Right to Disbursements from Collateral Accounts.

If an Event of Default has occurred and is continuing, Borrower shall immediately lose all of its rights to receive disbursements from the Reserve/Escrow Accounts and any Collateral Accounts. During the continuance of any such Event of Default, Lender may use the Reserve/Escrow Account Funds and any Collateral Account Funds (or any portion thereof) for any purpose, including:

(1) repayment of the Indebtedness, including principal prepayments and the Prepayment Premium applicable to such full or partial prepayment, as applicable (however, such application of funds shall not cure or be deemed to cure any Event of Default);

(2) reimbursement of Lender for all losses and expenses (including reasonable legal fees) suffered or incurred by Lender as a result of such Event of Default;

(3) completion of the Replacement, Repair, Restoration, or for any other replacement or repair to the Mortgaged Property; and

(4) payment of any amount expended in exercising (and the exercise of) all rights and remedies available to Lender at law or in equity or under this Loan Agreement or under any of the other Loan Documents.

Nothing in this Loan Agreement shall obligate Lender to apply all or any portion of the Reserve/Escrow Account Funds or Collateral Account Funds on account of any Event of Default by Borrower or to repayment of the Indebtedness or in any specific order of priority.

(c) **Remedies Cumulative.**

Each right and remedy provided in this Loan Agreement is distinct from all other rights or remedies under this Loan Agreement or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of additional default by Borrower in order to exercise any of its remedies with respect to an Event of Default.

Section 14.03 Additional Lender Rights; Forbearance.

(a) **No Effect Upon Obligations.**

Lender may, but shall not be obligated to, agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, Guarantor, Key Principal, or other third party obligor, to take any of the following actions:

(1) the time for payment of the principal of or interest on the Indebtedness may be extended, or the Indebtedness may be renewed in whole or in part;

(2) the rate of interest on or period of amortization of the Mortgage Loan or the amount of the Monthly Debt Service Payments payable under the Loan Documents may be modified;

(3) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(4) any or all payments due under this Loan Agreement or any other Loan Document may be reduced;

(5) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Mortgage Loan;

(6) any amounts under this Loan Agreement or any other Loan Document may be released;

(7) any security for the Indebtedness may be modified, exchanged, released, surrendered, or otherwise dealt with, or additional security may be pledged or mortgaged for the Indebtedness;

(8) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; or

(9) any other terms of the Loan Documents may be modified.

(b) No Waiver of Rights or Remedies.

Any waiver of an Event of Default or forbearance by Lender in exercising any right or remedy under this Loan Agreement or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of any other Event of Default or preclude the exercise or failure to exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise or failure to exercise of any other right available to Lender. Lender's receipt of any insurance proceeds or amounts in connection with a Condemnation Action shall not operate to cure or waive any Event of Default.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, to:

(1) use any Reserve/Escrow Account Funds for the purpose of making or completing the Replacements, Repairs, or Restoration;

(2) make such additions, changes, and corrections to the Replacements, Repairs, or Restoration as shall be necessary or desirable to complete the Replacements, Repairs, or Restoration;

(3) employ such contractors, subcontractors, agents, architects, and inspectors as shall be required for such purposes;

(4) pay, settle, or compromise all bills and claims for materials and work performed in connection with the Replacements, Repairs, or Restoration, or as may be necessary or desirable for the completion of the Replacements, Repairs, or Restoration, or for clearance of title;

(5) adjust and compromise any claims under any and all policies of insurance required pursuant to this Loan Agreement and any other Loan Document, subject only to Borrower's rights under this Loan Agreement;

(6) appear in and prosecute any action arising from any insurance policies;

(7) collect and receive the proceeds of insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds;

(8) commence, appear in, and prosecute, in Lender's or Borrower's name, any Condemnation Action;

(9) settle or compromise any claim in connection with any Condemnation Action;

(10) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;

(11) prosecute and defend all actions or proceedings in connection with the Mortgaged Property or the rehabilitation and repair of the Mortgaged Property;

(12) take such actions as are permitted in this Loan Agreement and any other Loan Documents;

(13) execute such financing statements and other documents and to do such other acts as Lender may require to perfect and preserve Lender's security interest in, and to enforce such interests in, the collateral; and

(14) carry out any remedy provided for in this Loan Agreement and any other Loan Documents, including endorsing Borrower's name to checks, drafts, instruments and other items of payment and proceeds of the collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of Borrower,

changing the address of Borrower to that of Lender, opening all envelopes addressed to Borrower, and applying any payments contained therein to the Indebtedness.

Borrower hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 14.03(c) shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Loan Agreement and any other Loan Documents.

Notwithstanding the foregoing provisions, Lender shall not exercise its rights as set forth in this Section 14.03(c) unless: (A) an Event of Default has occurred and is continuing, or (B) Lender determines, in its discretion, that exigent circumstances exist or that such exercise is necessary or prudent in order to protect and preserve the Mortgaged Property, or Lender's lien priority and security interest in the Mortgaged Property.

(d) Borrower Waivers.

If more than one Person signs this Loan Agreement as Borrower, each Borrower, with respect to any other Borrower, hereby agrees that Lender, in its discretion, may:

(1) bring suit against Borrower, or any one or more of Borrower, jointly and severally, or against any one or more of them;

(2) compromise or settle with any one or more of the persons constituting Borrower, for such consideration as Lender may deem proper;

(3) release one or more of the persons constituting Borrower, from liability; or

(4) otherwise deal with Borrower, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from any Borrower the full amount of the Indebtedness.

Section 14.04 Waiver of Marshaling.

Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Loan Agreement, any other Loan Document or applicable law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security

interest in the Mortgaged Property and who has actual or constructive notice of this Loan Agreement waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Loan Agreement or any other Loan Documents.

Lender shall account for any moneys received by Lender in respect of any foreclosure on or disposition of collateral hereunder and under the other Loan Documents provided that Lender shall not have any duty as to any collateral, and Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers. NONE OF LENDER OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL BE RESPONSIBLE TO BORROWER (a) FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE COURT ORDER BY A COURT OF COMPETENT JURISDICTION, OR (b) FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE 15 - MISCELLANEOUS

Section 15.01 Governing Law; Consent to Jurisdiction and Venue.

(a) Governing Law.

This Loan Agreement and any other Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction without regard to the application of choice of law principles.

(b) Venue.

Any controversy arising under or in relation to this Loan Agreement or any other Loan Document shall be litigated exclusively in the Property Jurisdiction without regard to conflicts of laws principles. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Loan Agreement or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence, or otherwise.

Section 15.02 Notice.

(a) Process of Serving Notice.

Except as otherwise set forth herein or in any other Loan Document, all notices under this Loan Agreement and any other Loan Document shall be:

(1) in writing and shall be:

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;

(C) sent by overnight courier; or

(D) sent by electronic mail with originals to follow by overnight courier;

(2) addressed to the intended recipient at Borrower's Notice Address and Lender's Notice Address, as applicable; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Change of Address.

Any party to this Loan Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified on the Summary of Loan Terms in accordance with this Section 15.02.

(c) Default Method of Notice.

Any required notice under this Loan Agreement or any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 15.02.

(d) Receipt of Notices.

Neither Borrower nor Lender shall refuse or reject delivery of any notice given in accordance with this Loan Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Section 15.03 Successors and Assigns Bound; Sale of Mortgage Loan.

(a) Binding Agreement.

This Loan Agreement shall bind, and the rights granted by this Loan Agreement shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower. However, a Transfer not permitted by this Loan Agreement shall be an Event of Default and shall be void ab initio.

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(b) **Sale of Mortgage Loan; Change of Servicer.**

Nothing in this Loan Agreement shall limit Lender's (including its successors and assigns) right to sell or transfer the Mortgage Loan or any interest in the Mortgage Loan. The Mortgage Loan or a partial interest in the Mortgage Loan (together with this Loan Agreement and the other Loan Documents) may be sold one or more times without prior written notice to Borrower. A sale may result in a change of the Loan Servicer.

Section 15.04 Counterparts.

This Loan Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

Section 15.05 Joint and Several (or Solidary) Liability.

If more than one Person signs this Loan Agreement as Borrower, the obligations of such Persons shall be joint and several (solidary instead for purposes of Louisiana law).

Section 15.06 Relationship of Parties; No Third Party Beneficiary.

(a) **Solely Creditor and Debtor.**

The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Loan Agreement shall create any other relationship between Lender and Borrower. Nothing contained in this Loan Agreement shall constitute Lender as a joint venturer, partner, or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations, or contracts of Borrower.

(b) **No Third Party Beneficiaries.**

No creditor of any party to this Loan Agreement and no other Person shall be a third party beneficiary of this Loan Agreement or any other Loan Document or any account created or contemplated under this Loan Agreement or any other Loan Document. Nothing contained in this Loan Agreement shall be deemed or construed to create an obligation on the part of Lender to any third party and no third party shall have a right to enforce against Lender any right that Borrower may have under this Loan Agreement. Without limiting the foregoing:

(1) any Servicing Arrangement between Lender and any Loan Servicer shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness;

(2) Borrower shall not be a third party beneficiary of any Servicing Arrangement; and

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(3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

Section 15.07 Severability; Entire Agreement; Amendments.

The invalidity or unenforceability of any provision of this Loan Agreement or any other Loan Document shall not affect the validity or enforceability of any other provision of this Loan Agreement or of any other Loan Document, all of which shall remain in full force and effect, including the Guaranty. All of the Loan Documents contain the complete and entire agreement among the parties as to the matters covered, rights granted, and the obligations assumed in this Loan Agreement and the other Loan Documents. This Loan Agreement may not be amended or modified except by written agreement signed by the parties hereto.

Section 15.08 Construction.

(a) The captions and headings of the sections of this Loan Agreement and the Loan Documents are for convenience only and shall be disregarded in construing this Loan Agreement and the Loan Documents.

(b) Any reference in this Loan Agreement to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Loan Agreement or to a Section or Article of this Loan Agreement.

(c) Any reference in this Loan Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(d) Use of the singular in this Loan Agreement includes the plural and use of the plural includes the singular.

(e) As used in this Loan Agreement, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only and not a limitation.

(f) Whenever Borrower's knowledge is implicated in this Loan Agreement or the phrase "to Borrower's knowledge" or a similar phrase is used in this Loan Agreement, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(g) Unless otherwise provided in this Loan Agreement, if Lender's approval, designation, determination, selection, estimate, action, or decision is required, permitted, or contemplated hereunder, such approval, designation, determination, selection, estimate, action, or decision shall be made in Lender's sole and absolute discretion.

(h) All references in this Loan Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

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(i) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

(j) If the Mortgage Loan proceeds are disbursed on a date that is later than the Effective Date, as described in Section 2.02(a)(1), the representations and warranties in the Loan Documents with respect to the ownership and operation of the Mortgaged Property shall be deemed to be made as of the disbursement date.

Section 15.09 Mortgage Loan Servicing.

All actions regarding the servicing of the Mortgage Loan, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives written notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such written notice from Lender shall govern. The Loan Servicer may change from time to time (whether related or unrelated to a sale of the Mortgage Loan). If there is a change of the Loan Servicer, Borrower will be given written notice of the change.

Section 15.10 Disclosure of Information.

Lender may furnish information regarding Borrower, Key Principal, or Guarantor, or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase, or securitization of the Mortgage Loan, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

Section 15.11 Waiver; Conflict.

No specific waiver of any of the terms of this Loan Agreement shall be considered as a general waiver. If any provision of this Loan Agreement is in conflict with any provision of any other Loan Document, the provision contained in this Loan Agreement shall control.

Section 15.12 No Reliance.

Borrower acknowledges, represents, and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Loan Agreement and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Mortgaged Property;

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(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into, or otherwise in connection with this Loan Agreement, any other Loan Document, or any of the matters contemplated hereby or thereby.

Section 15.13 Subrogation.

If, and to the extent that, the proceeds of the Mortgage Loan are used to pay, satisfy, or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust, or other lien encumbering the Mortgaged Property, such Mortgage Loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall be subrogated automatically, and without further action on its part, to the rights, including lien priority, of the owner or holder of the obligation secured by such prior lien, whether or not such prior lien is released.

Section 15.14 Counting of Days.

Except where otherwise specifically provided, any reference in this Loan Agreement to a period of "days" means calendar days, not Business Days. If the date on which Borrower is required to perform an obligation under this Loan Agreement is not a Business Day, Borrower shall be required to perform such obligation by the Business Day immediately preceding such date; provided, however, in respect of any Payment Date, or if the Maturity Date is other than a Business Day, Borrower shall be obligated to make such payment by the Business Day immediately following such date.

Section 15.15 Revival and Reinstatement of Indebtedness.

If the payment of all or any part of the Indebtedness by Borrower, Guarantor, or any other Person, or the transfer to Lender of any collateral or other property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Insolvency Laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection therewith, and the Indebtedness shall be automatically revived, reinstated, and restored by such amount and shall exist as though such Voidable Transfer had never been made.

Section 15.16 Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Loan Agreement and the other Loan Documents, time is of the essence.

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Section 15.17 Final Agreement.

THIS LOAN AGREEMENT ALONG WITH ALL OF THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Loan Agreement and the other Loan Documents. This Loan Agreement, the other Loan Documents, and any of their provisions may not be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

Section 15.18 WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT BY A JURY, AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 15.19 Tax Savings Clause.

Notwithstanding anything to the contrary herein, no modification to the Loan Documents (whether in connection with a Transfer or otherwise) shall result in an Adverse Tax Event.

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IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Loan Agreement under seal (where applicable) or have caused this Loan Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower and Lender intend that this Loan Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

LUCAS URBAN HOLDINGS LLC,
an Ohio limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

LENDER:

M&T REALTY CAPITAL CORPORATION,
a Maryland corporation

By: _____
Wendy LeBlanc
Senior Vice President

Borrower hereby acknowledges and agrees that the Schedules and Exhibits referenced above are hereby incorporated fully into this Loan Agreement by this reference and each constitutes a substantive part of this Loan Agreement.

Borrower Initials

SCHEDULES AND EXHIBITS

Schedules

Schedule 1	Definitions Schedule (required)
Schedule 2	Summary of Loan Terms (required) Addenda – Housing Assistance Payments Contract
Schedule 3	Schedule of Interest Rate Type Provisions (required)
Schedule 4	Prepayment Premium Schedule (required)
Schedule 5	Required Replacement Schedule (required)
Schedule 6	Required Repair Schedule (required)
Schedule 7	Exceptions to Representations and Warranties Schedule (required)
Schedule 8	Ownership Interests Schedule

Exhibits

Exhibit A	Modifications to Loan Agreement – Section 8 HAP Contract
Exhibit B	Modifications to Loan Agreement – Legal Non-Conforming Status

SCHEDULE 1
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Definitions Schedule
(Interest Rate Type –ARM (SOFR))

Capitalized terms used in the Loan Agreement have the meanings given to such terms in this Definitions Schedule.

"**30-Day Average SOFR**" means the "30-Day Average SOFR" published by the SOFR Administrator on the SOFR Administrator Website.

"**Accrued Interest**" means unpaid interest, if any, on the Mortgage Loan that has not been added to the unpaid principal balance of the Mortgage Loan pursuant to Section 2.02(b) (Capitalization of Accrued But Unpaid Interest) of the Loan Agreement.

"**Additional Lender Repairs**" means repairs of the type listed on the Required Repair Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Additional Lender Replacements**" means replacements of the type listed on the Required Replacement Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Adjustable Rate**" has the meaning set forth in the Summary of Loan Terms.

"**Adverse Tax Event**" means any event that will (a) adversely affect the federal income tax status of any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS as a Fixed Investment Trust or REMIC, as the case may be, or (b) result in the imposition of a "prohibited transaction" tax, within the meaning of Section 860F(a)(1) of the Internal Revenue Code, on any MBS trust that directly or indirectly holds the Mortgage Loan and issues MBS.

"**Amortization Period**" has the meaning set forth in the Summary of Loan Terms.

"**Amortization Type**" has the meaning set forth in the Summary of Loan Terms.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "Bankruptcy" as now and hereafter in effect, or any successor statute.

"**Bankruptcy Event**" means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower;

(b) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by Borrower;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or

(e) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Bankruptcy Event until the ninetieth day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation of Borrower, Guarantor, Key Principal, or any Borrower Affiliate (in which event such case or proceeding shall be a Bankruptcy Event immediately).

"**Borrower**" means, individually (and jointly and severally (solidarily instead for purposes of Louisiana law) if more than one), the entity (or entities) identified as "Borrower" in the first paragraph of the Loan Agreement.

"**Borrower Affiliate**" means, as to Borrower, Guarantor or Key Principal:

(a) any Person that owns any direct ownership interest in Borrower, Guarantor or Key Principal;

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in Borrower, Guarantor or Key Principal;

(c) any Person Controlled by, under common Control with, or which Controls, Borrower, Guarantor or Key Principal;

(d) any entity in which Borrower, Guarantor or Key Principal directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in such entity; or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower, Guarantor or Key Principal.

"**Borrower Requested Repairs**" means repairs not listed on the Required Repair Schedule requested by Borrower to be reimbursed from the Repairs Escrow Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Borrower Requested Replacements**" means replacements not listed on the Required Replacement Schedule requested by Borrower to be reimbursed from the Replacement Reserve Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

"**Borrower's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Borrower's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Business Day**" means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

"**Collateral Account**" means any account designated as such by Lender pursuant to a Collateral Agreement or as established pursuant to the Loan Agreement, including the Reserve/Escrow Account.

"**Collateral Account Funds**" means, collectively, the funds on deposit in any Collateral Account, including the Reserve/Escrow Account Funds.

"**Collateral Agreement**" means any separate agreement between Borrower and Lender and any other party (if applicable) for the establishment of any other fund, reserve or account related to the Mortgage Loan or the Mortgaged Property.

"**Completion Period**" has the meaning set forth in the Summary of Loan Terms.

"**Condemnation Action**" has the meaning set forth in the Security Instrument.

"**Control**" (including with correlative meanings, such as "Controlling," "Controlled by" and "under common Control with") means, as applied to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of such entity, whether through the ownership of voting securities or other ownership interests, by contract or otherwise.

"**Corresponding Tenor**" with respect to an Index Replacement means a tenor (including overnight) having approximately the same length (disregarding Business Day adjustment) as the tenor for the Current Index.

"**Credit Score**" means a numerical value or a categorization derived from a statistical tool or modeling system used to measure credit risk and predict the likelihood of certain credit behaviors, including default.

"**Current Index**" has the meaning set forth in the Summary of Loan Terms.

"**Debt Service Amounts**" means the Monthly Debt Service Payments and all other amounts payable under the Loan Agreement, the Note, the Security Instrument or any other Loan Document.

"**Debt Service Coverage Ratio**" means the ratio of (a) the Net Cash Flow of the Mortgaged Property, to (b) the underwritten debt service for the Mortgage Loan at the proposed Fixed Rate for the trailing twelve (12) month period from the date of the most recently received quarterly financial statements prepared by Borrower for the Mortgaged Property, provided that (1) the interest rate used in determining such ratio shall be the greater of (A) the Fixed Rate, or (B) the Underwriting Interest Rate (if any), and (2) an Amortization Period of three hundred sixty (360) months shall be used in determining such ratio.

"**Default Rate**" means an interest rate equal to the lesser of:

(a) the sum of the Interest Rate plus four (4) percentage points; or

(b) the maximum interest rate which may be collected from Borrower under applicable law.

"**Definitions Schedule**" means this Schedule 1 (Definitions Schedule) to the Loan Agreement.

"**Division**" means the filing of a certificate of division, adoption of a plan of division, amending of any organizational documents, or any other actions taken, permitted, or consented to in order to divide a Person 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. The term "**Divide**" shall have a correlative meaning.

"**Economic Sanctions**" means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by OFAC at http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx), the U.S. Department of Commerce, or the U.S. Department of State.

"**Effective Date**" has the meaning set forth in the Summary of Loan Terms.

"**Employee Benefit Plan**" means a plan described in Section 3(3) of ERISA, regardless of whether the plan is subject to ERISA, or a "plan" as defined in Section 4975(e)(1) of the Internal Revenue Code.

"**Enforcement Costs**" has the meaning set forth in the Security Instrument.

"**Environmental Indemnity Agreement**" means that certain Environmental Indemnity Agreement dated as of the Effective Date made by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

"**Environmental Inspections**" has the meaning set forth in the Environmental Indemnity Agreement.

"**Environmental Laws**" has the meaning set forth in the Environmental Indemnity Agreement.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated thereunder.

"**ERISA Affiliate**" shall mean, with respect to Borrower, any entity that, together with Borrower, would be treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or Section 4001(a)(14) of ERISA, or the regulations thereunder.

"**ERISA Plan**" means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (or related trust) that is subject to the requirements of Title IV of ERISA, Sections 430 or 431 of the Internal Revenue Code, or Sections 302, 303, or 304 of ERISA, which is maintained or contributed to by Borrower or its ERISA Affiliates.

"**Event of Default**" means the occurrence of any event listed in Section 14.01 (Events of Default) of the Loan Agreement.

"**Exceptions to Representations and Warranties Schedule**" means that certain Schedule 7 (Exceptions to Representations and Warranties Schedule) to the Loan Agreement.

"**First Payment Date**" has the meaning set forth in the Summary of Loan Terms.

"**First Principal and Interest Payment Date**" has the meaning set forth in the Summary of Loan Terms, if applicable.

"**Fixed Investment Trust**" means an investment trust as defined in Section 301.7701-4 of the Treasury Regulations.

"**Fixed Monthly Principal Component**" has the meaning set forth in the Summary of Loan Terms.

"**Fixed Rate**" means an interest rate per annum equal to the sum of the Investor Yield, the Servicing Fee and the Guaranty Fee.

"**Fixed Rate Amortization Factor**" has the meaning set forth in the Summary of Loan Terms.

"**Fixtures**" has the meaning set forth in the Security Instrument.

"**Force Majeure**" shall mean acts of God, acts of war, civil disturbance, governmental action (including the revocation or refusal to grant licenses or permits, where such revocation or refusal is not due to the fault of Borrower), strikes, lockouts, fire, unavoidable casualties or any other causes beyond the reasonable control of Borrower (other than lack of financing), and of which Borrower shall have notified Lender in writing within ten (10) days after its occurrence.

"**Foreclosure Event**" means:

(a) foreclosure under the Security Instrument;

(b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including Insolvency Laws) as holder of the Mortgage Loan and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of the Mortgaged Property;

(c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower's interest in the Mortgaged Property in lieu of any of the foregoing; or

(d) in Louisiana, any dation en paiement.

"**Goods**" has the meaning set forth in the Security Instrument.

"**Governmental Authority**" means any court, board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any court, board, commission, department or body of any municipal, county, state or federal governmental unit, that has or acquires jurisdiction over Borrower or the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

"**Guarantor**" means, individually and collectively, any guarantor of the Indebtedness or any other obligation of Borrower under any Loan Document.

"**Guarantor Bankruptcy Event**" means any one or more of the following:

(a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Guarantor;

(b) the acknowledgment in writing by Guarantor (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;

(c) the making of a general assignment for the benefit of creditors by Guarantor;

(d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Guarantor; or

(e) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Guarantor or any substantial part of the assets of Guarantor, as applicable;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Guarantor Bankruptcy Event until the ninetieth day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation

of Borrower, Guarantor, Key Principal, or any Borrower Affiliate (in which event such case or proceeding shall be a Guarantor Bankruptcy Event immediately).

"**Guarantor's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Guarantor's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Guaranty**" means, individually and collectively, any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Guarantor in connection with the Mortgage Loan.

"**Guaranty Fee**" means the guaranty fee offered by Fannie Mae for a new or converted Fannie Mae mortgage loan with the same or substantially similar loan terms and credit characteristics as the Mortgage Loan at the time of conversion of the Mortgage Loan.

"**Immediate Family Members**" means a child, stepchild, grandchild, spouse, sibling, or parent, each of whom is not a Prohibited Person.

"**Imposition Deposits**" has the meaning set forth in the Security Instrument.

"**Impositions**" has the meaning set forth in the Security Instrument.

"**Improvements**" has the meaning set forth in the Security Instrument.

"**Indebtedness**" has the meaning set forth in the Security Instrument.

"**Index**" has the meaning set forth in the Summary of Loan Terms.

"**Index Floor**" has the meaning set forth in the Summary of Loan Terms.

"**Index Replacement**" means, for any Interest Period, the sum determined by Lender as of the Index Replacement Date of (a) the alternate rate of interest that has been selected by Lender as the replacement for the Current Index for the applicable Corresponding Tenor giving due consideration to (1) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the SOFR Administrator at such time or (2) any evolving or then-prevailing market convention for determining a rate of interest as a replacement for the Current Index for U.S. dollar-denominated syndicated or bilateral credit facilities at such time, and (b) the Index Replacement Adjustment. If the Index Replacement as determined pursuant to this definition would be less than zero, the Index Replacement shall be deemed to be zero.

"**Index Replacement Adjustment**" means, for any Interest Period, the first alternative set forth in the order below that can be determined by Lender as of the Index Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the SOFR Administrator for the applicable Unadjusted Index Replacement;

(b) the spread adjustment (which may be a positive or negative value or zero) that would apply to the fallback rate for derivative transactions utilizing the ISDA Definitions to be effective upon an index cessation event with respect to the Current Index; or

(c) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender for the applicable Corresponding Tenor giving due consideration to (1) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Current Index with the applicable Unadjusted Index Replacement by the SOFR Administrator at such time or (2) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Current Index with the applicable Unadjusted Index Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

"**Index Replacement Conforming Changes**" means, with respect to any Index Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters, as well as the determination of the effective date for any such changes) that Lender decides may be appropriate to reflect the adoption and implementation of such Index Replacement and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of the Index Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with administration of the Mortgage Loan).

"**Index Replacement Date**" means the earliest to occur of the following events with respect to the Current Index:

(a) in the case of clause (a) or (b) of the definition of "Index Transition Event," the date on which the administrator of the Index permanently or indefinitely ceases to provide the Index; or

(b) in the case of clause (c) of the definition of "Index Transition Event," the date of the public statement or publication of information referenced therein.

"**Index Transition Event**" means the occurrence of one or more of the following events with respect to the Current Index, including comparable events that affect the published spread adjustment or other components used in the calculation of the Index:

(a) a public statement or publication of information by or on behalf of the administrator of the Index announcing that such administrator has ceased or will cease to provide the Index, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Index;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Index, the central bank for the currency of the Index, an insolvency official with jurisdiction over the administrator for the Index, a resolution authority with jurisdiction over the administrator for the Index or a court or an entity with similar insolvency or resolution authority over the administrator for the Index, which states that the administrator of the Index has ceased or will cease to provide the Index permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Index; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Index announcing that the Index is no longer representative.

"**Initial Adjustable Rate**" has the meaning set forth in the Summary of Loan Terms.

"**Initial Monthly Debt Service Payment**" has the meaning set forth in the Summary of Loan Terms.

"**Initial Replacement Reserve Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Insolvency Laws**" means the Bankruptcy Code, together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors' rights, as amended from time to time.

"**Insolvent**" means:

(a) that the sum total of all of a specified Person's liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of such Person's non-exempt assets, i.e., all of the assets of such Person that are available to satisfy claims of creditors; or

(b) such Person's inability to pay its debts as they become due.

"**Intended Prepayment Date**" means the date upon which Borrower intends to make a prepayment on the Mortgage Loan, as set forth in the Prepayment Notice.

"**Interest Accrual Method**" has the meaning set forth in the Summary of Loan Terms.

"**Interest Only Term**" has the meaning set forth in the Summary of Loan Terms.

"**Interest Period**" means each period for the determination of the Interest Rate commencing on the Effective Date and ending on each Rate Change Date thereafter until the Mortgage Loan is fully paid.

"**Interest Rate**" means the Initial Adjustable Rate or the Adjustable Rate, as applicable, and after any Conversion, the Fixed Rate.

"**Interest Rate Type**" has the meaning set forth in the Summary of Loan Terms.

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

"**Investor**" means any Person to whom Lender intends to (a) sell, transfer, deliver or assign the Mortgage Loan in the secondary mortgage market, or (b) sell an MBS backed by the Mortgage Loan.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**Key Principal**" means, collectively:

(a) the Person that Controls Borrower that Lender determines is critical to the successful operation and management of Borrower and the Mortgaged Property, as identified as such in the Summary of Loan Terms; or

(b) any Person who becomes a Key Principal after the date of the Loan Agreement and is identified as such in an assumption agreement, or another amendment or supplement to the Loan Agreement.

"**Key Principal's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Key Principal's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Land**" means the land described in Exhibit A to the Security Instrument.

"**Last Interest Only Payment Date**" has the meaning set forth in the Summary of Loan Terms, if applicable.

"**Late Charge**" means an amount equal to the delinquent amount then due under the Loan Documents multiplied by five percent (5%).

"**Leases**" has the meaning set forth in the Security Instrument.

"**Lender**" means the entity identified as "Lender" in the first paragraph of the Loan Agreement and its transferees, successors and assigns, or any subsequent holder of the Note.

"**Lender's General Business Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lender's Notice Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lender's Payment Address**" has the meaning set forth in the Summary of Loan Terms.

"**Lien**" has the meaning set forth in the Security Instrument.

"**Loan Agreement**" means the Multifamily Loan and Security Agreement dated as of the Effective Date executed by and between Borrower and Lender to which this Definitions Schedule is attached, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Loan Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Loan Application**" means the application for the Mortgage Loan submitted by Borrower to Lender.

"**Loan Documents**" means the Note, the Loan Agreement, the Security Instrument, the Environmental Indemnity Agreement, the Guaranty, all guaranties, all indemnity agreements, all Collateral Agreements, all O&M Plans, and any other documents now or in the future executed by Borrower, Guarantor, Key Principal, any other guarantor or any other Person in connection with the Mortgage Loan, as such documents may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Loan Servicer**" means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, the Loan Agreement, the Security Instrument and any other Loan Document, and otherwise to service the Mortgage Loan for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer shall be the Lender originally named on the Summary of Loan Terms.

"**Loan Term**" has the meaning set forth in the Summary of Loan Terms, as the same may be extended following a Conversion.

"**Loan Year**" has the meaning set forth in the Summary of Loan Terms.

"**Margin**" has the meaning set forth in the Summary of Loan Terms.

"**Material Commercial Lease**" means:

(a) any Lease that, individually or in the aggregate with other Leases entered into with the same tenant, comprises five percent (5%) or more of the total gross income at the Mortgaged Property on an annualized basis; or

(b) regardless of the percentage of the total gross income at the Mortgaged Property that it comprises, any Lease relating to:

(1) solar power, thermal power generation, or co-power generation, or for the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or

(2) any dwelling unit at the Mortgaged Property leased to Guarantor, Key Principal, or another Borrower Affiliate.

"**Maturity Date**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Fixed Rate**" means, in connection with the exercise of the Conversion Option, the maximum Fixed Rate to which the Mortgage Loan may be converted, as determined by Lender, so that the Debt Service Coverage Ratio of the Mortgage Loan is not less than the Minimum Conversion Debt Service Coverage Ratio.

"**Maximum Inspection Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Repair Cost**" shall be the amount(s) set forth in the Required Repair Schedule, if any.

"**Maximum Repair Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Replacement Reserve Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**Maximum Restoration Reserve Disbursement Interval**" has the meaning set forth in the Summary of Loan Terms.

"**MBS**" means an investment security that represents an undivided beneficial interest in a pool of mortgage loans or participation interests in mortgage loans held in trust pursuant to the terms of a governing trust document.

"**Mezzanine Debt**" means a loan to a direct or indirect owner of Borrower secured by a pledge of such owner's interest in an entity owning a direct or indirect interest in Borrower.

"**Minimum Repairs Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Minimum Replacement Reserve Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Minimum Restoration Reserve Disbursement Amount**" has the meaning set forth in the Summary of Loan Terms.

"**Monthly Debt Service Payment**" has the meaning set forth in the Summary of Loan Terms.

"**Monthly Replacement Reserve Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Mortgage Loan**" means the mortgage loan made by Lender to Borrower in the principal amount of the Note made pursuant to the Loan Agreement, evidenced by the Note and secured by the Loan Documents that are expressly stated to be security for the Mortgage Loan.

"**Mortgaged Property**" has the meaning set forth in the Security Instrument.

"**Multifamily Project**" has the meaning set forth in the Summary of Loan Terms.

"**Multifamily Project Address**" has the meaning set forth in the Summary of Loan Terms.

"**Net Cash Flow**" means, for any specified period, the total of (a) the net rental income for the Mortgaged Property, plus (b) other allowable income for the Mortgaged Property, if any, minus (c) operating expenses for the Mortgaged Property, minus (d) the full amount underwritten for the Replacement Reserve Account (regardless of whether deposits have been or will be waived or reduced), and as adjusted for economic vacancy and other factors by Lender for the specific asset class or loan type.

"**Non-Recourse Guaranty**" means, if applicable, that certain Guaranty of Limited-Recourse Obligations of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Note**" means that certain Multifamily Note of even date herewith in the original principal amount of the stated Loan Amount made by Borrower in favor of Lender, and all schedules, riders, allonges and addenda attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**O&M Plan**" has the meaning set forth in the Environmental Indemnity Agreement.

"**OFAC**" means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

"**Ownership Interests Schedule**" means that certain Schedule 8 (Ownership Interests Schedule) to the Loan Agreement.

"**Payment Change Date**" has the meaning set forth in the Summary of Loan Terms.

"**Payment Date**" means the First Payment Date and the first day of each month thereafter until the Mortgage Loan is fully paid.

"**Payment Guaranty**" means, if applicable, that certain Guaranty (Payment) of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Permitted Encumbrance**" has the meaning set forth in the Security Instrument.

"**Permitted Mezzanine Debt**" means Mezzanine Debt incurred by a direct or indirect owner or owners of Borrower where the exercise of any of the rights and remedies by the holder or holders of the Mezzanine Debt would not in any circumstance cause (a) a change in Control in Borrower, Key Principal, or Guarantor, or (b) a Transfer of a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor.

"**Permitted Preferred Equity**" means Preferred Equity that does not (a) require mandatory dividends, distributions, payments or returns (including at maturity or in connection with a redemption), or (b) provide the Preferred Equity owner with rights or remedies on account of a failure to receive any preferred dividends, distributions, payments or returns (or, if such rights are provided, the exercise of such rights do not violate the Loan Documents or are otherwise exercised with the prior written consent of Lender in accordance with Article 11 (Liens, Transfers and Assumptions) of the Loan Agreement and the payment of all applicable fees and expenses as set forth in Section 11.03(g) (Further Conditions to Transfers and Assumption) of the Loan Agreement).

"**Permitted Prepayment Date**" means the last Business Day of a calendar month.

"**Person**" means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

"**Personal Property**" means the Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

"**Personalty**" has the meaning set forth in the Security Instrument.

"**Preferred Equity**" means a direct or indirect equity ownership interest in, economic interests in, or rights with respect to, Borrower that provide an equity owner preferred dividend, distribution, payment, or return treatment relative to other equity owners.

"**Prepayment Lockout Period**" has the meaning set forth in the Summary of Loan Terms.

"**Prepayment Notice**" means the written notice that Borrower is required to provide to Lender in accordance with Section 2.03 (Lockout/Prepayment) of the Loan Agreement in order to make a

prepayment on the Mortgage Loan, which shall include, at a minimum, the Intended Prepayment Date.

"**Prepayment Premium**" means the amount payable by Borrower in connection with a prepayment of the Mortgage Loan, as provided in Section 2.03 (Lockout/Prepayment) of the Loan Agreement and calculated in accordance with the Prepayment Premium Schedule.

"**Prepayment Premium Schedule**" means that certain Schedule 4 (Prepayment Premium Schedule) to the Loan Agreement.

"**Prepayment Premium Term**" has the meaning set forth in the Summary of Loan Terms.

"**Prohibited Person**" means:

(a) any Person with whom Lender or Fannie Mae is prohibited from doing business pursuant to any law, rule, regulation, judicial proceeding or administrative directive; or

(b) any Person identified on the United States Department of Housing and Urban Development's "Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List," or on the General Services Administration's "System for Award Management (SAM)" exclusion list, each of which may be amended from time to time, and any successor or replacement thereof; or

(c) any Person that is determined by Fannie Mae to pose an unacceptable credit risk due to the aggregate amount of debt of such Person owned or held by Fannie Mae; or

(d) any Person that has caused any unsatisfactory experience of a material nature with Fannie Mae or Lender, such as a default, fraud, intentional misrepresentation, litigation, arbitration or other similar act.

"**Property Jurisdiction**" has the meaning set forth in the Security Instrument.

"**Property Square Footage**" has the meaning set forth in the Summary of Loan Terms.

"**Publicly-Held Corporation**" means a corporation, the outstanding voting stock of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

"**Publicly-Held Trust**" means a real estate investment trust, the outstanding voting shares or beneficial interests of which are registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

"**Rate Change Date**" has the meaning set forth in the Summary of Loan Terms.

"**REMIC**" means a real estate mortgage investment conduit as defined in Section 860D of the Internal Revenue Code.

"**Rents**" has the meaning set forth in the Security Instrument.

"**Repair Threshold**" has the meaning set forth in the Summary of Loan Terms.

"**Repairs**" means, individually and collectively, the Required Repairs, Borrower Requested Repairs, and Additional Lender Repairs.

"**Repairs Escrow Account**" means the account established by Lender into which the Repairs Escrow Deposit is deposited to fund the Repairs.

"**Repairs Escrow Account Administration Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Repairs Escrow Deposit**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Account**" means the account established by Lender into which the Replacement Reserve Deposits are deposited to fund the Replacements.

"**Replacement Reserve Account Administration Fee**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Account Interest Disbursement Frequency**" has the meaning set forth in the Summary of Loan Terms.

"**Replacement Reserve Deposits**" means the Initial Replacement Reserve Deposit, Monthly Replacement Reserve Deposits and any other deposits to the Replacement Reserve Account required by the Loan Agreement.

"**Replacement Threshold**" has the meaning set forth in the Summary of Loan Terms.

"**Replacements**" means, individually and collectively, the Required Replacements, Borrower Requested Replacements and Additional Lender Replacements.

"**Required Repair Schedule**" means that certain Schedule 6 (Required Repair Schedule) to the Loan Agreement.

"**Required Repairs**" means those items listed on the Required Repair Schedule.

"**Required Replacement Schedule**" means that certain Schedule 5 (Required Replacement Schedule) to the Loan Agreement.

"**Required Replacements**" means those items listed on the Required Replacement Schedule.

"**Reserve/Escrow Account Funds**" means, collectively, the funds on deposit in the Reserve/Escrow Accounts.

"**Reserve/Escrow Accounts**" means, individually and collectively, the Replacement Reserve Account, the Repairs Escrow Account, and the Restoration Reserve Account.

"**Residential Lease**" means a Lease of an individual dwelling unit.

"**Restoration**" means any work and improvements required to be performed to the Mortgaged Property following a casualty or event of loss as set forth in plans and specifications approved by Lender.

"**Restoration Reserve Account**" means, if applicable, the account established by Lender into which insurance proceeds are deposited in order to fund a Restoration following a casualty or event of loss.

"Restoration Reserve Account Administration Fee" has the meaning set forth in the Summary of Loan Terms.

"Restoration Threshold" has the meaning set forth in the Summary of Loan Terms.

"**Restricted Ownership Interest**" means, with respect to any entity, the following:

(a) if such entity is a general partnership or a joint venture, fifty percent (50%) or more of all general partnership or joint venture interests in such entity;

(b) if such entity is a limited partnership:

(1) the interest of any general partner; or

(2) fifty percent (50%) or more of all limited partnership interests in such entity;

(c) if such entity is a limited liability company or a limited liability partnership:

(1) the interest of any managing member or the contractual rights of any non-member manager; or

(2) fifty percent (50%) or more of all membership or other ownership interests in such entity;

(d) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, fifty percent (50%) or more of voting stock in such corporation;

(e) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, the amount of shares of voting stock sufficient to have the power to elect the majority of directors of such corporation; or

(f) if such entity is a trust (other than a land trust or a Publicly-Held Trust), the power to Control such trust vested in the trustee of such trust or the ability to remove, appoint or substitute the trustee of such trust (unless the trustee of such trust after such removal, appointment or substitution is a trustee identified in the trust agreement approved by Lender).

"**Review Fee**" means the non-refundable fee of $3,000 payable to Lender.

"**Sanctioned Country**" means a country or territory subject to either a targeted or comprehensive country-wide sanctions program administered and enforced by OFAC, which list is updated from time to time.

"**Sanctioned Person**" means:

(a) a Person named on the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC, available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time;

(b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a Person resident in a Sanctioned Country, to the extent any Person described in clauses (1), (2) or (3) is the subject of a sanctions program administered by OFAC;

(c) a Person whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC consistent with the guidance issued by OFAC; or

(d) any Person that meets (a) or (b) of the definition of "Prohibited Person."

"**Schedule of Interest Rate Type Provisions**" means that certain Schedule 3 (Schedule of Interest Rate Type Provisions) to the Loan Agreement.

"**Security Instrument**" means that certain multifamily mortgage, deed to secure debt or deed of trust executed and delivered by Borrower as security for the Mortgage Loan and encumbering the Mortgaged Property, including all riders or schedules attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Servicing Arrangement**" means any arrangement between Lender and the Loan Servicer for loss sharing or interim advancement of funds.

"**Servicing Fee**" means the servicing fee offered by Fannie Mae for a new or converted Fannie Mae mortgage loan with the same or substantially similar loan terms and credit characteristics as the Mortgage Loan at the time of conversion of the Mortgage Loan.

"**Short-Term Rental**" means any Lease or master Lease (including subleases, licenses, and other possessory interests, whether oral or written) of an individual dwelling unit, for which the intended

occupancy of the dwelling unit is for a period or periods of less than thirty (30) days, irrespective of the stated term of the Lease, including any Lease:

(a) for corporate tenant and guest suite purposes; or

(b) with an agreement or arrangement between either:

(1) Borrower and a tenant whereby the tenant may enter into a separate agreement or arrangement with a Short-Term Rental Provider to offer Short-Term Rentals at the Mortgaged Property; or

(2) Borrower and a Short-Term Rental Provider, pursuant to which tenants may offer Short-Term Rentals at the Mortgaged Property.

"**Short-Term Rental Provider**" means any platform or provider (including any internet or online service platform or provider) that offers Short-Term Rental services and arrangements, including booking and reservation services to guests and customers.

"**SOFR**" means, with respect to any day, the secured overnight financing rate last published for such day by the SOFR Administrator on the SOFR Administrator Website.

"**SOFR Administrator**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York, or any successor publisher of SOFR.

"**SOFR Administrator Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or such other source generally used by commercial lenders to obtain SOFR for any day.

"**Software**" has the meaning set forth in the Security Instrument.

"**Summary of Loan Terms**" means that certain Schedule 2 (Summary of Loan Terms) to the Loan Agreement.

"**Taxes**" has the meaning set forth in the Security Instrument.

"**Title Policy**" means the mortgagee's loan policy of title insurance issued in connection with the Mortgage Loan and insuring the lien of the Security Instrument as set forth therein, as approved by Lender.

"**Total Parking Spaces**" has the meaning set forth in the Summary of Loan Terms.

"**Total Residential Units**" has the meaning set forth in the Summary of Loan Terms.

"**Transfer**" means:

(a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), other than Residential Leases, Material Commercial Leases or non-Material Commercial Leases permitted by the Loan Agreement;

(b) a granting, pledging, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law);

(c) an issuance or other creation of a direct or indirect ownership interest;

(d) a withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity; or

(e) a merger, consolidation, dissolution, Division or liquidation of a legal entity.

"**Transfer Fee**" means a fee equal to one percent (1%) of the unpaid principal balance of the Mortgage Loan payable to Lender.

"**Treasury Regulations**" means regulations, revenue rulings and other public interpretations of the Internal Revenue Code by the Internal Revenue Service, as such regulations, rulings and interpretations may be amended or otherwise revised from time to time.

"**UCC**" has the meaning set forth in the Security Instrument.

"**UCC Collateral**" has the meaning set forth in the Security Instrument.

"**Unadjusted Index Replacement**" means the Index Replacement excluding the Index Replacement Adjustment.

"**Voidable Transfer**" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

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SCHEDULE 2
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Summary of Loan Terms
(Interest Rate Type - ARM (SOFR))

I. GENERAL PARTY AND MULTIFAMILY PROJECT INFORMATION	
Borrower	**LUCAS URBAN HOLDINGS LLC**, an Ohio limited liability company
Lender	**M&T REALTY CAPITAL CORPORATION**, a Maryland Corporation
Key Principal	**FREDRICK SCHULMAN**
Guarantor	**FREDRICK SCHULMAN**
Multifamily Project	Ashland Manor Apartments
ADDRESSES	
Borrower's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Borrower's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873 Jonathan@nbaffordable.com
Multifamily Project Address	2030 Ashland Avenue, Toledo, OH 43620
Multifamily Project County	Lucas
Key Principal's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Key Principal's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873 Jonathan@nbaffordable.com

Guarantor's General Business Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Guarantor's Notice Address	100 Franklin Square Drive Suite 401 Somerset, NJ 08873 Jonathan@nbaffordable.com
Lender's General Business Address	One Light Street, 12th Floor Baltimore, MD 21202
Lender's Notice Address	One Light Street, 12th Floor Baltimore, MD 21202 Attn: Wendy LeBlanc E-Mail: wleblanc@mtb.com
Lender's Payment Address	P.O. Box 64269 Baltimore, MD 21264-4269

II. MULTIFAMILY PROJECT INFORMATION	
Property Square Footage	100,184
Total Parking Spaces	102
Total Residential Units	188
Affordable Housing Property	⊘ Yes ☐ No

III. MORTGAGE LOAN INFORMATION	
Adjustable Rate	Until the first Rate Change Date, the Initial Adjustable Rate, and from and after each Rate Change Date following the first Rate Change Date until the next Rate Change Date, a per annum interest rate that is the sum of (i) the Current Index, and (ii) the Margin, which sum is then rounded to the nearest three (3) decimal places;

	provided, however, the Adjustable Rate shall never be less than the sum of the Margin and the Index Floor
Amortization Period	Zero (0) months
Amortization Type	☐ Amortizing ⊘ Full Term Interest Only ☐ Partial Interest Only
Current Index	The Index that is effective on the Business Day immediately preceding the applicable Rate Change Date
Effective Date	June 30, 2022
First Payment Date	The first day of August, 2022
Fixed Rate Amortization Factor	0% per annum
Index	30-Day Average SOFR; provided that, if an Index Transition Event and its related Index Replacement Date have occurred, then the Index shall mean the Index Replacement determined pursuant to the terms of the Loan Agreement
Index Floor	One Hundred Basis Points (1%)
Initial Adjustable Rate	3.15 % per annum
Initial Monthly Debt Service Payment	$24,792.25
Interest Accrual Method	Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Mortgage Loan by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying

	the quotient obtained by the actual number of days elapsed in the applicable month)
Interest Only Term	Twenty-Four (24) months
Interest Rate Type	ARM
Loan Amount	$9,140,000.00
Loan Term	Twenty-Four (24) months
Loan Year	The period beginning on the Effective Date and ending on the last day of June, 2023, and each successive twelve (12) month period thereafter
Margin	Two Hundred Fifteen Basis Points (2.15%)
Maturity Date	The first day of July, 2024, or any later date to which the Maturity Date may be extended (if at all) in connection with Borrower's exercise of the Conversion Option or any earlier date on which the Indebtedness becomes due and payable by acceleration or otherwise
Monthly Debt Service Payment	(i) for the First Payment Date, the Initial Monthly Debt Service Payment; and (ii) for each Payment Date thereafter until the Mortgage Loan is fully paid, the amount obtained by multiplying the unpaid principal balance of the Mortgage Loan by the Adjustable Rate, dividing the product by three hundred sixty (360), and multiplying the quotient by the actual number of days elapsed in the applicable month

Payment Change Date	The first day of the month following each Rate Change Date until the Mortgage Loan is fully paid
Prepayment Lockout Period	The first Loan Year of the Loan Term
Rate Change Date	The First Payment Date and the first day of each month thereafter until the Mortgage Loan is fully paid, subject to any Index Replacement Conforming Changes required upon implementation of any Index Replacement

IV. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Prepayment Premium Term	N/A

V. RESERVE INFORMATION	
Completion Period	Within Twelve (12) months after the Effective Date or as otherwise shown on the Required Repair Schedule
Initial Replacement Reserve Deposit	$0.00
Maximum Inspection Fee	$300.00
Maximum Repair Disbursement Interval	One time per calendar quarter
Maximum Replacement Reserve Disbursement Interval	One time per calendar quarter
Maximum Restoration Reserve Disbursement Interval	One time per calendar quarter
Minimum Repairs Disbursement Amount	$5,000.00
Minimum Replacement Reserve Disbursement Amount	$5,000.00

Minimum Restoration Reserve Disbursement Amount	$5,000.00
Monthly Replacement Reserve Deposit	$4,903.67
Repair Threshold	$10,000.00
Repairs Escrow Account Administration Fee	$0.00, payable one time
Repairs Escrow Deposit	$1,012,900.00
Replacement Reserve Account Administration Fee	$0.00 payable one time
Replacement Reserve Account Interest Disbursement Frequency	quarterly
Replacement Threshold	$10,000.00
Restoration Reserve Account Administration Fee	$0.00 payable one time
Restoration Threshold	$10,000.00

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MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

ADDENDA TO SCHEDULE 2 – SUMMARY OF LOAN TERMS
(Section 8 HAP Contract)

VI. SECTION 8 HAP CONTRACT	
HAP Contract Number	**OH12-M000-121**
HAP Contract Recording Information	N/A
HUD Project Number	**OH12-M000-121**
HAP Contract Documents Delivered	• Housing Assistance Payments Contract dated May 31, 1983 • Housing Assistance Payments Basic Renewal Contract dated July 1, 2008 • Housing Assistance Payments Basic Renewal Contract dated July 1, 2009 • Housing Assistance Payments Basic Renewal Contract dated January 1, 2010 • Housing Assistance Payments Renewal Contract for Mark-up-to-Market Project dated July 1, 2010 • Assignment of HAP Contract, Assignment, Assumption, and Amendment Agreement – Section 8 HAP Contract dated December 1, 2010 • Housing Assistance Payments Renewal Contract for Mark-up-to-Market Project dated May 1, 2019 • Housing Assistance Payments Renewal Contract for Mark-up-to-Market Project dated July 1, 2022

SCHEDULE 3
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Schedule of Interest Rate Type Provisions (ARM (SOFR))

(1) Defined Terms.

Capitalized terms not otherwise defined in this Schedule have the meanings given to such terms in the Definitions Schedule to the Loan Agreement.

(2) Interest Accrual.

Except as otherwise provided in the Loan Agreement, interest shall accrue at the Adjustable Rate until the Mortgage Loan is fully paid.

(3) Adjustable Rate; Index Replacement.

a. Adjustments.

The Initial Adjustable Rate shall be effective until the first Rate Change Date. Thereafter, the Adjustable Rate shall change on each Rate Change Date based on fluctuations in the Current Index as determined by Lender, which determination shall be conclusive absent manifest error.

b. Index Replacement.

(1) Index Replacement Date.

Notwithstanding anything to the contrary herein or in any other Loan Document, if an Index Transition Event and its related Index Replacement Date have occurred with respect to the Current Index, then the Index Replacement will replace the Current Index on such Index Replacement Date and all subsequent dates. The Index Replacement will become effective on the Index Replacement Date without any amendment or further action or consent of any other party to the Loan Agreement or any other Loan Document.

(2) Index Replacement Conforming Changes.

(i) In connection with the implementation of an Index Replacement, Lender shall have the right to make Index Replacement Conforming Changes from time to time. Notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Index Replacement Conforming Changes shall become effective without any further action or consent of Borrower.

(ii) Lender shall notify Borrower of (A) the occurrence of any Index Transition Event and its related Index Replacement Date, (B) the Index

Replacement determined by Lender, and (C) any required Index Replacement Conforming Changes. Any determination, decision, or election made by Lender pursuant to this Section 3, including any determination by Lender with respect to tenor, rate, or adjustment, or of the occurrence or non-occurrence of an event, circumstance, or date, and any decision to take or refrain from taking any action or any selection, shall be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Borrower.

(3) Federal Income Tax Treatment.

For federal income tax purposes, Lender intends to effect the replacement of the Current Index with the Index Replacement in connection with an Index Transition Event such that the replacement will not result in a tax realization event under Section 1001 of the Internal Revenue Code of 1986, as amended, and relevant Treasury Regulations promulgated thereunder.

(4) Fixed Monthly Principal Component.

Each amortizing Monthly Debt Service Payment shall include a principal payment equal to the Fixed Monthly Principal Component, which shall be determined using the Fixed Rate Amortization Factor.

(5) Notification of Interest Rate Change and Monthly Debt Service Payment.

Before each Payment Change Date, Lender shall notify Borrower of any change in the Adjustable Rate and the amount of the next Monthly Debt Service Payment.

(6) Correction to Monthly Debt Service Payments.

If Lender determines at any time that it has miscalculated the amount of a Monthly Debt Service Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the Monthly Debt Service Payment (and the corrected Adjustable Rate, if applicable) and a. if the corrected amount of the Monthly Debt Service Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated, or b. if the corrected amount of the Monthly Debt Service Payment represents a decrease and Borrower is not otherwise in default under any of the Loan Documents, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Monthly Debt Service Payment not been miscalculated.

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SCHEDULE 4
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Prepayment Premium Schedule
(No Prepayment Premium – ARM)

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in the Loan Agreement.

2. Prepayment Premium.

Notwithstanding the provisions of Section 2.03 (Lockout/Prepayment) of the Loan Agreement or anything to the contrary in this Prepayment Premium Schedule, no Prepayment Premium shall be payable with respect to any prepayment made prior to the Maturity Date.

SCHEDULE 5 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Required Replacement Schedule

Section No.	Item	Capital Expense Category
3.1	SITE COMPONENTS	
3.1.2	Pavement Seal, Stripe, Minor Repair	Parking / Paving / Sidewalks
3.2	STRUCTURAL FRAME AND BUILDING ENVELOPE (A	
3.2.3	Exterior walls, Repaint and Recaulk, mortar pointing	Building / Exterior
3.2.4	EPDM Roof, Replace	Roofing
3.3	MECHANICAL / ELECTRICAL / PLUMBING SYSTEMS	
3.3.1	Water Heating Boiler, Replace	Electrical / Plumbing
3.3.2	Boiler (Gas unit), Refurbish/replace	HVAC and Other Building Systems
3.3.2	Packaged Terminal Air Conditioner (PTAC), Replace (1 ton)	HVAC and Other Building Systems
3.3.2	Baseboard Finned-tube Hot Water Radiation Terminal Unit, Replace	HVAC and Other Building Systems
3.4	INTERIOR ELEMENTS (DWELLING UNITS / COMMON	
3.4.6	Vinyl flooring, Replace	Carpeting and Vinyl Expense
3.4.3	Unit Vinyl Flooring, Replace	Carpeting and Vinyl Expense
3.4.5	Unit Refrigerator, Replace	Appliance Capital Expenditures RR

Section No.	Item	Capital Expense Category
3.4.5	Range, Replace	Appliance Capital Expenditures RR

SCHEDULE 6 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Required Repair Schedule

Property Address	Loan Number
2030 Ashland Avenue, Toledo, OH 43620	

Life Safety: Items that may require life safety plan review, coordination						
Item	Quantity	Unit	Unit Cost	Total Cost	Brief Description	Section Reference
Clean Unit 101, mold cleanup and reconstruction	1	Allow	$35,000.00	$35,000.00	Microbial growth and water damage were reported in Unit 101. It was reported that Unit 101 was closed due to a plumbing leak in unit 202, overhead. Access to Unit 101 was not provided. It was reported that Unit 101 has a significant amount of microbial growth. Repair the leak in Unit 202, professionally clean microbial growth, remove, and replace the affected porous material, including all drywall surfaces in unit 101 and return to a rent-ready condition. (RE: Phase I for add costs)	4.1
Subtotal: Life Safety				$35,000		

Critical Repair: Items recommended for completion within the next 12 months						
Damaged Concrete Walkway, Replace/Repair	1,200	SF	$7.00	$8,400.00	Localized areas of cracking, surface deterioration and pitching were observed on the south and east sides of the building, causing possible trip hazards. Repair or sectional replacement of damaged sections is recommended.	3.1.3
Water infiltration assessment and repair/Basement	1	Allow	$7,000.00	$7,000.00	ASI recommends that property management verify that the roof drainage slopes away from the foundations to direct all storm water away from the foundations. Regrade slopes as necessary if positive slope away from the foundations is not present, seal any gaps, cracks or joints in the foundation/concrete for all systems and have a licensed professional engineer provide a water intrusion assessment.	3.2.1
Clean Unit 102 refurbishment and mold cleanup	1	Allow	$5,000.00	$5,000.00	Visual evidence of suspected microbial growth and/or water damage was observed by ASI in Unit 102 at the kitchen wall, behind the oven and on the wall of the living room. It was reported that Unit 101 and 102 were closed due to a minor flood from a plumbing leak in unit 202, overhead. ASI recommends repairing the leak in Unit 202, professionally cleaning suspected microbial growth and refurbishing unit 102 to rent-ready condition. (Costs for Mold remediation are included in the Phase I)	4.1
Subtotal: Critical Repair				$20,400		

Deferred Maintenance: Non-recurring capital items typically recommended for completion within 12 months						
Asphalt Pavement, Mill and Overlay	27,500	SF	$1.00	$27,500.00	There are isolated areas of failure and deterioration, such as alligator cracking, linear cracking, and localized depressions, located in the main section of the parking area to the south and east of the building. Based on the age, observed wear, and structural damage that currently exist, the pavement is considered to be near the end of its EUL. Repairs and sectional replacements are recommended for approximately 75% of the parking and driving area paving.	3.1.2
Subtotal: Deferred Maintenance				$27,500		

Total Immediate Repairs	$72,900

CAPEX – To be completed prior to the Maturity Date

Capex Budget - Ashland Manor

Item	Price Per Unit	Total Units	Total Cost
Asphalt Pavement, Mill and Overlay			$ 27,500.00
Damaged Concrete Sidwalks/Walkways			$ 8,400.00
Down Unit Renovation (Unit 102)			$ 15,000.00
Down Unit Renovation (Unit 101) & Mold Remediation			$ 25,000.00
Water/Mold and Moisture Infiltration Repairs			$ 7,000.00
Remaining Unit Renovations (in addition to down units)	$ 5,000.00	186	$ 930,000.00
Refinish Kitchen Cabinets and Countertops	*$2,500*		
New Vinyl Flooring	*$750*		
Bathroom Vanities and Fixtures	*$750*		
Appliances	*$1,000*		
Totals			$ 1,012,900.00

*Note - Per unit cost is based on average as unit conditions vary. Not all upgrades may be neceessary in every unit while other may require additional upgrades

** Unit Renovations are anticipated at approximately 8-10 units per month with all unit upgrades complete within 18-24 months.

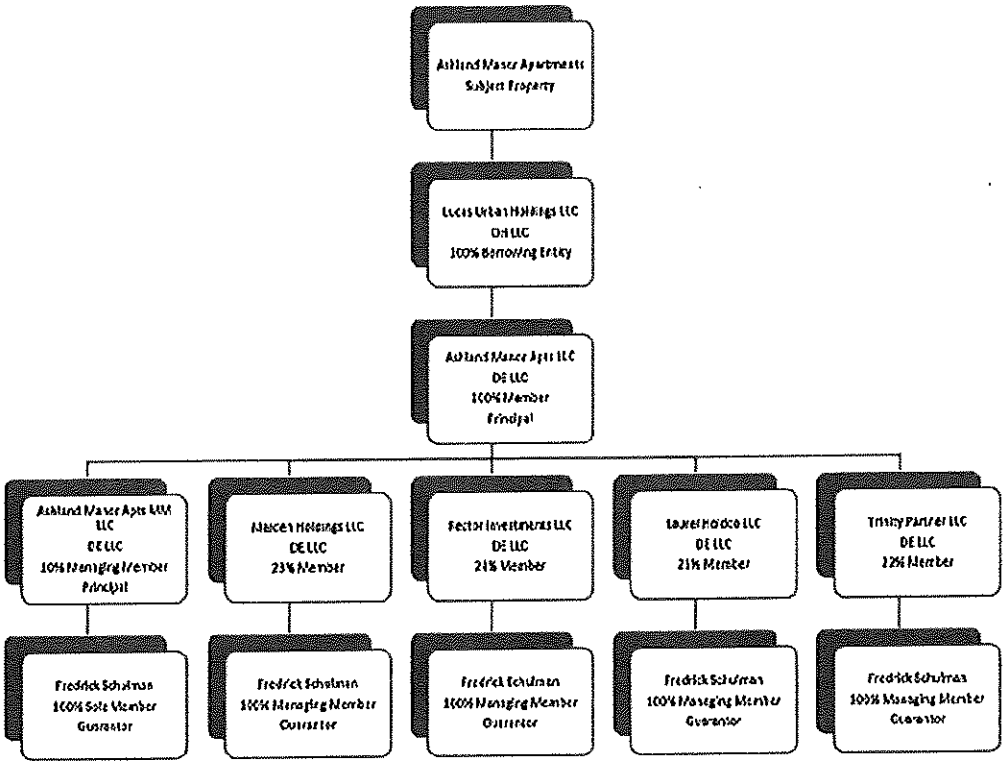
SCHEDULE 7 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Exceptions to Representations and Warranties Schedule

NONE.

SCHEDULE 8 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Ownership Interests Schedule



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EXHIBIT A

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT (Section 8 HAP Contract)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"**Assignment of HAP Contract**" means that certain Assignment of Housing Assistance Payments Contract dated as of the Effective Date from Borrower to Lender.

"**HAP Contract**" means that certain Housing Assistance Payments Contract by and between Borrower and HUD more particularly identified on the Summary of Loan Terms, and as collaterally assigned to Lender pursuant to the Assignment of HAP Contract.

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

3. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Loan Agreement is hereby amended by adding the following provisions at the end thereof:

(9) in the event that the HAP Contract documents delivered to Lender are not complete or do not include fully executed copies of all renewals, replacements, extensions and modifications of the original HAP Contract issued by HUD in connection with the Mortgaged Property (any missing documents are referred to herein, collectively, as the "**Missing HAP Contracts**"); any adverse impact to Lender that results from HUD's exercise of its rights relating to any surviving covenants, conditions or requirements contained in the Missing HAP Contracts (that are not otherwise contained in the HAP Contract documents delivered to Lender);

(10) any payments made to Borrower under the HAP Contract to the extent such payments are not made to Lender as provided for under that certain Assignment of HAP Contract; or

(11) the occurrence of any default, event of default, or breach (however such terms may be defined) under the HAP Contract or the Assignment of HAP Contract.

4. Section 14.01(a) (Events of Default – Automatic Events of Default) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

> (12) any default, event of default, or breach (however such terms may be defined) under the HAP Contract or the Assignment of HAP Contract.

5. The following article is hereby added to the Loan Agreement as Article 16 (HAP Contracts):

ARTICLE 16 – HAP CONTRACTS

Section 16.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 16.01 are made as of the Effective Date, and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

Borrower is a party to the HAP Contract, has at all times been and is in full compliance with the HAP Contract, and has not in the past defaulted and is not in default under the HAP Contract. Borrower has provided to Lender a complete, fully executed copy of the HAP Contract, including all renewals, replacements, extensions, and modifications of the original HAP Contract.

Section 16.02 Covenants.

Borrower shall at all times remain a party to, and in full compliance with, the HAP Contract. Borrower covenants to exercise and otherwise avail itself of any options, rights, and opportunities to renew and extend the term of the HAP Contract, provided the rents payable at commencement of the renewal term are at least the lower of (a) current HAP Contract rents, or (b) maximum rents imposed on low-income units pursuant to Section 42(g)(2) of the Internal Revenue Code.

Section 16.03 Protection of Security Interest.

Any costs, damages or other amounts, including reasonable attorneys' fees incurred by Lender as a result of any default by Borrower under the HAP Contract or Assignment of HAP Contract, including amounts paid to cure any default, event of default or breach under the HAP Contract or under the Assignment of HAP Contract, shall be an obligation of Borrower and become a part of the Indebtedness secured by the Security Instrument and this Loan Agreement.

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EXHIBIT B

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Legal Non-Conforming Status)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. Section 3.02(a) (Personal Liability Based on Lender's Loss) of the Loan Agreement is hereby amended by adding the following subsection to the end thereof:

(12) any casualty or Condemnation Action affecting the Mortgaged Property if:

(A) the Mortgaged Property is a legal non-conforming use or has legally non-conforming status under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws; and

(B) the affected Improvements cannot be rebuilt to their pre-casualty or pre-condemnation condition under any applicable law, ordinance, rule, or regulation, including any building, zoning, or land use laws.

FIRST AMENDMENT TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT MULTIFAMILY LOAN AND SECURITY AGREEMENT (this "**First Amendment**"), is made and entered into effective as of January 15, 2025 (the "**First Amendment Effective Date**"), by and between LUCAS URBAN HOLDINGS LLC, an Ohio limited liability company ("**Borrower**"), and M&T REALTY CAPITAL CORPORATION, a Maryland corporation ("**Lender**").

RECITALS

WHEREAS, Borrower and Lender entered into that certain Multifamily Loan and Security Agreement dated June 30, 2022 (the "**Loan Agreement**"), pursuant to which Lender extended the Mortgage Loan to Borrower, and Borrower accepted the Mortgage Loan from Lender, with such Mortgage Loan secured by the Mortgaged Property;

WHEREAS, LAGSP, LLC, a Delaware limited liability company, acts as the asset manager of Borrower under the Loan Agreement, including all related rights, obligations, and liabilities therein; and

WHEREAS, Borrower and Lender desire to amend the Loan Agreement on the terms and conditions as provided below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree to amend the Loan Agreement as follows:

AGREEMENT

1. **Recitals and Defined Terms**. The recitals set forth hereinabove are fully incorporated into this First Amendment. All capitalized and other terms used but not otherwise defined in this First Amendment shall have the same meaning as set forth in the Loan Agreement.

2. **Acknowledgment of Event of Default and Reservation of Rights**. Borrower acknowledges and agrees that, by virtue of prior actions or inactions of Borrower, one or more Events of Default has occurred and is continuing under Section 14.01 of the Loan Agreement (collectively, the "**Existing Default**"). Borrower further acknowledges that such Existing Default remains uncured as of the First Amendment Effective Date. Lender acknowledges and agrees that, as of the First Amendment Effective Date, it has refrained from exercising its remedies under Section 14.02 of the Loan Agreement in connection with the Existing Default, which include acceleration of all Indebtedness and/or initiation of foreclosure proceedings towards the Mortgaged Property. Notwithstanding the foregoing, Lender expressly reserves all rights and remedies available to it under the Loan Agreement, at law, and in equity, in connection with the

Existing Default. Nothing in this Section shall be construed as a waiver, release, or limitation of any such rights or remedies, all of which are hereby expressly reserved by Lender.

3. **Repairs Disbursement**. Lender agrees to disburse the sum of Forty-Two Thousand Five Hundred Eighty-Six and No/100 Dollars ($42,586.00) (the "**Disbursed Funds**"), from the Replacement Reserve Account to fund specific improvements to the Mortgaged Property (collectively, the "**Improvements**"). The Improvements shall be strictly limited to, but may not fully pay for: (i) the replacement and installation of exterior doors and (ii) the purchase and installation of a new motor for the trash compactor serving the Mortgaged Property. For the avoidance of doubt, the Disbursed Funds shall be deemed part of the Mortgage Loan, shall have the same priority as the Mortgage Loan, and shall be subject to all applicable terms and conditions set forth in the Loan Agreement. Upon request, Borrower agrees to provide Lender with documentation evidencing the completion of the Improvements and the proper application of the disbursed funds, including invoices, receipts, and any other documentation reasonably requested.

4. **Headings**. The headings contained in this First Amendment have been inserted and used solely for ease of reference and will not be considered in the interpretation or construction of this First Amendment.

5. **Full Force and Effect**. Except as specifically amended or modified by this First Amendment, all terms and conditions contained in the Loan Agreement shall remain in full force and effect as provided therein. In the event of any conflict between this First Amendment and the Loan Agreement, this First Amendment shall control. Any further and future amendments or modifications to the Loan Agreement must be in writing.

6. **Authority**. Each signatory hereto has all requisite power and authority to enter into this First Amendment and to carry out its obligations hereunder.

7. **Counterparts; Successors and Assigns**. This First Amendment may be executed in several counterparts, by separate signature pages, and/or by electric, digital, or facsimile signatures, each of which may be deemed an original, and all such counterparts, separate signature pages, and electric, digital, or facsimile signatures together shall constitute one and the same agreement. This First Amendment shall bind and inure to the benefit of the parties hereto and their successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have executed this First Amendment to Multifamily Loan and Security Agreement to be effective as of the First Amendment Effective Date.

"BORROWER"

Lucas Urban Holdings, LLC,
an Ohio limited liability company,

by its asset manager
LAGSP, LLC,
a Delaware limited liability company

By: _____
Printed: Justin Utz
Title: Authorized Signatory

"LENDER"

M&T Realty Capital Corporation,
a Maryland corporation

By: _____
Printed: Richard Marion
Title: Senior Vice President

EXHIBIT G

MULTIFAMILY NOTE

US $9,140,000.00 as of June 30, 2022

FOR VALUE RECEIVED, the undersigned ("**Borrower**") promises to pay to the order of **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation ("**Lender**"), the principal amount of Nine Million One Hundred Forty Thousand and NO/100 Dollars (US $9,140,000.00) (the "**Mortgage Loan**"), together with interest thereon accruing at the Interest Rate on the unpaid principal balance from the date the Mortgage Loan proceeds are disbursed until fully paid in accordance with the terms hereof and of that certain Multifamily Loan and Security Agreement dated as of the date hereof, by and between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**").

1. Defined Terms.

Capitalized terms used and not specifically defined in this Multifamily Note (this "**Note**") have the meanings given to such terms in the Loan Agreement.

2. Repayment.

Borrower agrees to pay the principal amount of the Mortgage Loan and interest on the principal amount of the Mortgage Loan from time to time outstanding at the Interest Rate or such other rate or rates and at the times specified in the Loan Agreement, together with all other amounts due to Lender under the Loan Documents. The outstanding balance of the Mortgage Loan and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date, together with all other amounts due to Lender under the Loan Documents.

3. Security.

The Mortgage Loan evidenced by this Note, together with all other Indebtedness is secured by, among other things, the Security Instrument, the Loan Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Security Instrument and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

4. Acceleration.

In accordance with the Loan Agreement, if an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any accrued and unpaid interest, including interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other amounts payable under this Note, the Loan Agreement and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to

Borrower, unless applicable law requires otherwise (and in such case, after satisfactory notice has been given).

5. Personal Liability.

The provisions of Article 3 (Personal Liability) of the Loan Agreement are hereby incorporated by reference into this Note to the same extent and with the same force as if fully set forth herein.

6. Governing Law.

This Note shall be governed in accordance with the terms and provisions of Section 15.01 (Governing Law; Consent to Jurisdiction and Venue) of the Loan Agreement.

7. Waivers.

Presentment, demand for payment, notice of nonpayment and dishonor, protest and notice of protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, and grace and diligence in collecting the Indebtedness are waived by Borrower, for and on behalf of itself, Guarantor and Key Principal, and all endorsers and guarantors of this Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

8. Commercial Purpose.

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

9. Construction; Joint and Several (or Solidary, as applicable) Liability.

(a) Section 15.08 (Construction) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Note.

(b) If more than one Person executes this Note as Borrower, the obligations of each such Person executing this Note shall be joint and several (solidary instead for purposes of Louisiana law).

10. Notices.

All Notices required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 15.02 (Notice) of the Loan Agreement.

11. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Note, time is of the essence.

12. **Loan Charges Savings Clause.**

Borrower agrees to pay an effective rate of interest equal to the sum of the Interest Rate and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Mortgage Loan and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note, the Loan Agreement nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with all applicable laws governing the maximum rate or amount of interest payable on the Indebtedness evidenced by this Note and the other Loan Documents. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any interest or other charge or amount provided for in any Loan Document, whether considered separately or together with other charges or amounts provided for in any other Loan Document, or otherwise charged, taken, reserved or received in connection with the Mortgage Loan, or on acceleration of the maturity of the Mortgage Loan or as a result of any prepayment by Borrower or otherwise, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate any such violation. Amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of the Mortgage Loan without the payment of any prepayment premium (or, if the Mortgage Loan has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of the Loan Agreement and any other Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Agreement and any other Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, and any amount paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness, shall be deemed to be allocated and spread ratably over the stated term of the Mortgage Loan. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Mortgage Loan.

13. **WAIVER OF TRIAL BY JURY.**

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

14. Receipt of Loan Documents.

Borrower acknowledges receipt of a copy of each of the Loan Documents.

15. Incorporation of Schedules.

The schedules, if any, attached to this Note are incorporated fully into this Note by this reference and each constitutes a substantive part of this Note.

ATTACHED SCHEDULE. The following Schedule is attached to this Note:

☐ Schedule 1 Modifications to Note

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has signed and delivered this Note under seal (where applicable) or has caused this Note to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this Note shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

LUCAS URBAN HOLDINGS LLC,
an Ohio limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

EXHIBIT H

20220705-0029913
7/5/2022 9:15 AM
Pages:24 Fee:$210.00
T20220023557
Michael D. Ashford
Lucas County Recorder MORT

OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(OHIO)

FIDELITY TITLE INSURANCE CO.
ORDER NO. 2153610L-71

OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

This OPEN-END MULTIFAMILY MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Security Instrument**") dated as of June 30, 2022, is executed by **LUCAS URBAN HOLDINGS LLC**, a limited liability company organized and existing under the laws of Ohio, as mortgagor ("**Borrower**"), to and for the benefit of **M&T REALTY CAPITAL CORPORATION**, a Corporation organized and existing under the laws of Maryland, as mortgagee ("**Lender**").

Borrower, in consideration of (i) the loan in the original principal amount of $9,140,000.00 (the "**Mortgage Loan**") evidenced by that certain Multifamily Note dated as of the date of this Security Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Note**"), and (ii) that certain Multifamily Loan and Security Agreement dated as of the date of this Security Instrument, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), and to secure to Lender the repayment of the Indebtedness (as defined in this Security Instrument), and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (as defined in the Loan Agreement), excluding the Environmental Indemnity Agreement (as defined in this Security Instrument), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, warrants and conveys to and for the benefit of Lender the Mortgaged Property (as defined in this Security Instrument), including the real property located in the County of Lucas, State of Ohio, and described in Exhibit A attached to this Security Instrument and incorporated by reference (the "**Land**"), to have and to hold such Mortgaged Property unto Lender and Lender's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined in this Security Instrument), if applicable.

If Borrower keeps, observes and performs all of the covenants and conditions of this Security Instrument on its part to be kept and performed and pays, or causes to be paid, to Lender the Note as to both principal and interest, the last payment of which is due July 1, 2024 as provided in the Loan Agreement, and all extensions and renewals thereof, and all of the other Indebtedness, and repays any loans and advances hereafter made by Lender under the terms hereof, then this Security Instrument will be void; otherwise it will remain in effect. The intent

of the preceding sentence is that if all of the Indebtedness is paid in full, then this Security Instrument will be void; otherwise the Security Instrument will remain in effect.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, assign, remise, release, warrant and convey the Mortgaged Property, and that the Mortgaged Property is not encumbered by any Lien (as defined in this Security Instrument) other than Permitted Encumbrances (as defined in this Security Instrument). Borrower covenants that Borrower will warrant and defend the title to the Mortgaged Property against all claims and demands other than Permitted Encumbrances.

Borrower and Lender, by its acceptance hereof, each covenants and agrees as follows:

1. **Defined Terms.**

Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement. All terms used and not specifically defined herein, but which are otherwise defined by the UCC, shall have the meanings assigned to them by the UCC. The following terms, when used in this Security Instrument, shall have the following meanings:

"**Condemnation Action**" means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

"**Enforcement Costs**" means all expenses and costs, including reasonable attorneys' fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default under the Loan Agreement or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the Loan Agreement or any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or Foreclosure Event) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.

"**Environmental Indemnity Agreement**" means that certain Environmental Indemnity Agreement dated as of the date of this Security Instrument, executed by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

"**Environmental Laws**" has the meaning set forth in the Environmental Indemnity Agreement.

"**Event of Default**" has the meaning set forth in the Loan Agreement.

"**Fixtures**" means all Goods that are so attached or affixed to the Land or the Improvements as to constitute a fixture under the laws of the Property Jurisdiction.

"**Goods**" means all of Borrower's present and hereafter acquired right, title and interest in all goods which are used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements, including inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers, and other appliances; light fixtures, awnings, storm windows, and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees, and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs, and social network pages; computer equipment (hardware and software); and other tangible personal property which is used now or in the future in connection with the ownership, management, or operation of the Land or the Improvements or are located on the Land or in the Improvements.

"**Imposition Deposits**" means deposits in an amount sufficient to accumulate with Lender the entire sum required to pay the Impositions when due.

"**Impositions**" means

(a) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property;

(b) the premiums for fire and other casualty insurance, liability insurance, rent loss insurance and such other insurance as Lender may require under the Loan Agreement;

(c) Taxes; and

(d) amounts for other charges and expenses assessed against the Mortgaged Property which Lender at any time reasonably deems necessary to protect the Mortgaged Property, to prevent the imposition of liens on the Mortgaged Property, or otherwise to protect Lender's interests, all as reasonably determined from time to time by Lender.

"**Improvements**" means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities, and additions and other construction on the Land.

"**Indebtedness**" means the principal of, interest on, and all other amounts due at any time under the Note, the Loan Agreement, this Security Instrument or any other Loan Document (other than the Environmental Indemnity Agreement and Guaranty), including Prepayment Premiums, late charges, interest charged at the Default Rate, and accrued interest as provided in the Loan Agreement and this Security Instrument, advances, costs and expenses to perform the obligations of Borrower or to protect the Mortgaged Property or the security of this Security Instrument, all other monetary obligations of Borrower under the Loan Documents (other than the Environmental Indemnity Agreement), including amounts due as a result of any indemnification obligations, and any Enforcement Costs.

"**Land**" means the real property described in Exhibit A.

"**Leases**" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals thereof.

"**Lien**" means any claim or charge against property for payment of a debt or an amount owed for services rendered, including any mortgage, deed of trust, deed to secure debt, security interest, tax lien, any materialman's or mechanic's lien, or any lien of a Governmental Authority, including any lien in connection with the payment of utilities, or any other encumbrance.

"**Mortgaged Property**" means all of Borrower's present and hereafter acquired right, title and interest, if any, in and to all of the following:

(a) the Land;

(b) the Improvements;

(c) the Personalty;

(d) current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefitting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(e) insurance policies relating to the Mortgaged Property (and any unearned premiums) and all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirements;

(f) awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property, including any awards or settlements resulting from (1) Condemnation Actions, (2) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation Action, or (3) the total or partial taking of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(g) contracts, options and other agreements for the sale of the Land, the Improvements, the Personalty, or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(h) Leases and Lease guaranties, letters of credit and any other supporting obligation for any of the Leases given in connection with any of the Leases, and all Rents;

(i) earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the Mortgage Loan and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(j) Imposition Deposits;

(k) refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Security Instrument is dated);

(l) tenant security deposits;

(m) names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

(n) Collateral Accounts and all Collateral Account Funds;

(o) products, and all cash and non-cash proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; and

(p) all of Borrower's right, title and interest in the oil, gas, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Mortgaged Property and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized.

"**Permitted Encumbrance**" means only the easements, restrictions and other matters listed in a schedule of exceptions to coverage in the Title Policy and Taxes for the current tax year that are not yet due and payable.

"**Personalty**" means all of Borrower's present and hereafter acquired right, title and interest in all Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements now or in the future, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

"**Prepayment Premium**" has the meaning set forth in the Loan Agreement.

"**Property Jurisdiction**" means the jurisdiction in which the Land is located.

"**Rents**" means all rents (whether from residential or non-residential space), revenues and other income from the Land or the Improvements, including subsidy payments received from any sources, including payments under any "Housing Assistance Payments Contract" or other rental subsidy agreement (if any), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and tenant security deposits.

"**Software**" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include any computer program that is included in the definition of Goods.

"Taxes" means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, may become a lien, on the Land or the Improvements or any taxes upon any Loan Document.

"Title Policy" has the meaning set forth in the Loan Agreement.

"UCC" means the Uniform Commercial Code in effect in the Property Jurisdiction, as amended from time to time.

"UCC Collateral" means any or all of that portion of the Mortgaged Property in which a security interest may be granted under the UCC and in which Borrower has any present or hereafter acquired right, title or interest.

2. Security Agreement; Fixture Filing.

(a) To secure to Lender, the repayment of the Indebtedness, and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower hereby pledges, assigns, and grants to Lender a continuing security interest in the UCC Collateral. This Security Instrument constitutes a security agreement and a financing statement under the UCC. This Security Instrument also constitutes a financing statement pursuant to the terms of the UCC with respect to any part of the Mortgaged Property that is or may become a Fixture under applicable law, and will be recorded as a "fixture filing" in accordance with the UCC. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest without the signature of Borrower. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the UCC or otherwise provided at law or in equity, in addition to all remedies provided by this Security Instrument and in any Loan Document. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies. For purposes of the UCC, the debtor is Borrower and the secured party is Lender. The name and address of the debtor and secured party are set forth after Borrower's signature below which are the addresses from which information on the security interest may be obtained.

(b) Borrower represents and warrants that: (1) Borrower maintains its chief executive office at the location set forth after Borrower's signature below, and Borrower will notify Lender in writing of any change in its chief executive office within five (5) days of such change; (2) Borrower is the record owner of the Mortgaged Property; (3) Borrower's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Security

Instrument; (4) Borrower's exact legal name is as set forth on Page 1 of this Security Instrument; (5) Borrower's organizational identification number, if applicable, is as set forth after Borrower's signature below; (6) Borrower is the owner of the UCC Collateral subject to no liens, charges or encumbrances other than the lien hereof; (7) except as expressly provided in the Loan Agreement, the UCC Collateral will not be removed from the Mortgaged Property without the consent of Lender; and (8) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.

(c) All property of every kind acquired by Borrower after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further conveyance or assignment become subject to the lien and security interest created by this Security Instrument. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further deeds of trust, mortgages, deeds to secure debt, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Security Instrument and to comply with the rerecording requirements of the UCC.

3. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Leases and Rents. It is the intention of Borrower to establish present, absolute and irrevocable transfers and assignments to Lender of all Leases and Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Mortgaged Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Mortgaged Property, and it is the intention of Borrower, in such circumstance, that this Security Instrument create and perfect a lien on each of the Leases and Rents in favor of Lender, which liens shall be effective as of the date of this Security Instrument.

(b) Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the

Monthly Debt Service Payments and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities and Impositions (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Security Instrument.

(c) If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower pursuant to Section 3(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Mortgaged Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing this assignment of Rents, protecting the Mortgaged Property or the security of this Security

Instrument and the Mortgage Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(e) Notwithstanding any other right provided Lender under this Security Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in Section 3. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Mortgaged Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Mortgaged Property, possession of the Mortgaged Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Mortgaged Property, Lender or receiver may exclude Borrower and its representatives from the Mortgaged Property.

(f) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Lender to take any action under any Loan Document or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Mortgaged Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender shall not be:

(1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);

(2) obligated to appear in or defend any action or proceeding relating to any Lease or the Mortgaged Property; or

(3) responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property.

The execution of this Security Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property

is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Land and Improvements.

(g) Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Mortgaged Property by Lender or the receiver, and any application of Rents as provided in this Security Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Security Instrument or any Loan Document.

4. Protection of Lender's Security.

If Borrower fails to perform any of its obligations under this Security Instrument or any other Loan Document, or any action or proceeding is commenced that purports to affect the Mortgaged Property, Lender's security, rights or interests under this Security Instrument or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Mortgaged Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Mortgaged Property or Lender's security, rights or interests in the Mortgaged Property or the Mortgage Loan, including:

(a) paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;

(b) entering upon the Mortgaged Property to make repairs or secure the Mortgaged Property;

(c) obtaining (or force-placing) the insurance required by the Loan Documents; and

(d) paying any amounts required under any of the Loan Documents that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate from the date of disbursement until fully paid. The provisions of this Section 4 shall not be deemed to obligate or require Lender to incur any expense or take any action.

5. Default; Acceleration; Remedies.

(a) If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Indebtedness to be immediately due and payable without further demand, and may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (1) to enforce payment of the Mortgage Loan; (2) to foreclose this Security Instrument judicially or non-judicially; (3) to enforce or exercise any right under any Loan Document; and (4) to pursue any one (1) or more other remedies provided in this Security Instrument or in any other Loan Document or otherwise afforded by applicable law. Each right and remedy provided in this Security Instrument or any other Loan Document is distinct from all other rights or remedies under this Security Instrument or any other Loan Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

(b) In connection with any sale made under or by virtue of this Security Instrument, the whole of the Mortgaged Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times, all as Lender may determine in its sole discretion. Lender shall have the right to become the purchaser at any such sale. In the event of any such sale, the outstanding principal amount of the Mortgage Loan and the other Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Mortgaged Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. To the extent not prohibited by applicable law, Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

(c) Borrower acknowledges and agrees that the proceeds of any sale shall be applied as determined by Lender unless otherwise required by applicable law.

(d) In connection with the exercise of Lender's rights and remedies under this Security Instrument and any other Loan Document, there shall be allowed and included as Indebtedness: (1) all expenditures and expenses authorized by applicable law and all other

expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; (2) all expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the exercise of Lender's rights and remedies under the Loan Documents; and (3) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies under the Loan Documents) of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Mortgaged Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies under the Loan Documents. All expenditures and expenses of the nature mentioned in this Section 5, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and rents and income therefrom and the maintenance of the lien of this Security Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Security Instrument, the Note, the other Loan Documents, or the Mortgaged Property, including bankruptcy proceedings, any Foreclosure Event, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate until paid.

(e) Any action taken by Lender pursuant to the provisions of this Section 5 shall comply with the laws of the Property Jurisdiction. Such applicable laws shall take precedence over the provisions of this Section 5, but shall not invalidate or render unenforceable any other provision of any Loan Document that can be construed in a manner consistent with any applicable law. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), or a receiver appointed pursuant to the provisions of this Security Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.

6. Waiver of Statute of Limitations and Marshaling.

Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce any Loan Document. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order

in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Security Instrument and/or any other Loan Document or by applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower, for itself and all who may claim by, through or under it, and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Security Instrument, waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Security Instrument or any other Loan Document, or afforded by applicable law.

7. Waiver of Redemption; Rights of Tenants.

(a) Borrower hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisement, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Security Instrument. Without limiting the foregoing:

(1) Borrower, for itself and all Persons who may claim by, through or under Borrower, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Security Instrument, it being the intent hereof that any and all such "Moratorium Laws", and all rights of reinstatement and redemption of Borrower and of all other Persons claiming by, through or under Borrower are and shall be deemed to be hereby waived to the fullest extent permitted by the laws of the Property Jurisdiction;

(2) Borrower shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to Lender but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(3) If Borrower is a trust, Borrower represents that the provisions of this Section 7 (including the waiver of reinstatement and redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower, and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons mentioned above.

(b) Lender shall have the right to foreclose subject to the rights of any tenant or tenants of the Mortgaged Property having an interest in the Mortgaged Property prior to that of

Lender. The failure to join any such tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

8. Notice.

(a) All notices under this Security Instrument shall be:

(1) in writing, and shall be (A) delivered, in person, (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested, or (C) sent by overnight express courier;

(2) addressed to the intended recipient at its respective address set forth at the end of this Security Instrument; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Any party to this Security Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 8.

(c) Any required notice under this Security Instrument which does not specify how notices are to be given shall be given in accordance with this Section 8.

9. Mortgagee-in-Possession.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Security Instrument shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

10. Release.

Upon payment in full of the Indebtedness, Lender shall cause the release of this Security Instrument and Borrower shall pay Lender's costs incurred in connection with such release.

11. Ohio State Specific Provisions.

(a) Lender is authorized and empowered to take all actions that a mortgagee is permitted to take under Section 1311.14 of the Revised Code of Ohio, as amended, for the protection of Lender's interest in the Mortgaged Property.

(b) Borrower and Lender confirm that all amounts disbursed by Lender under Section 4 for payment of Taxes, insurance premiums and other costs and expenses in connection with the operation, protection or preservation of the Mortgaged Property or in this Security Instrument are intended to comply with Section 5301.233 of the Revised Code of Ohio.

(c) With respect to any agreement by Borrower in this Security Instrument or the other Loan Documents to pay Lender's attorneys' fees and disbursements incurred in connection with the Mortgage Loan, Borrower agrees that each Loan Document is a "contract of indebtedness" and that the attorneys' fees and disbursements referenced are those which are a reasonable amount, all as contemplated by Ohio Revised Code Section 1319.02, as such section may hereafter be amended. Borrower further agrees that the indebtedness incurred in connection with the Mortgage Loan is not incurred for purposes that are primarily personal, family or household and confirms that the total amount owed on the contract of indebtedness exceeds One Hundred Thousand and No/100 Dollars ($100,000.00).

(d) Advances by Lender.

This Security Instrument will secure unpaid balances of any loan advances, whether obligatory or not, made by Lender to Borrower, or, if more than one (1), any one (1) of them, after this Security Instrument is delivered for record to the extent that the total unpaid Indebtedness, exclusive of interest thereon, does not exceed the maximum unpaid Indebtedness which may be outstanding at any time, which amount shall not exceed $18,280,000.00; provided that this Security Instrument shall also secure taxes, insurance premiums, fees, expenses, and other obligations paid or to be paid by Lender pursuant to this Security Instrument or the other Loan Documents. Borrower further covenants and agrees to repay all such loan advances with interest, and that the covenants contained in this Security Instrument will apply to such loan advances as well.

(e) Other Liens.

It is agreed that the Lien hereby created will take precedence over and be a prior Lien to any other lien of any character whether vendors', materialmen's or mechanics' lien hereafter created on the Mortgaged Property, and in the event Lender's own funds or the proceeds of the Indebtedness secured hereby are used to pay off and satisfy any Liens heretofore existing on the Mortgaged Property, then Lender is, and will be, subrogated to all of the rights, liens and remedies of the holders of such indebtedness so paid.

12. Governing Law; Consent to Jurisdiction and Venue.

This Security Instrument shall be governed by the laws of the Property Jurisdiction without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Borrower agrees that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies that arise under or in relation to any security for the Indebtedness. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

13. Miscellaneous Provisions.

(a) This Security Instrument shall bind, and the rights granted by this Security Instrument shall benefit, the successors and assigns of Lender. This Security Instrument shall bind, and the obligations granted by this Security Instrument shall inure to, any permitted successors and assigns of Borrower under the Loan Agreement. If more than one (1) person or entity signs this Security Instrument as Borrower, the obligations of such persons and entities shall be joint and several. The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Security Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Security Instrument and no other person shall be a third party beneficiary of this Security Instrument or any other Loan Document.

(b) The invalidity or unenforceability of any provision of this Security Instrument or any other Loan Document shall not affect the validity or enforceability of any other provision of this Security Instrument or of any other Loan Document, all of which shall remain in full force and effect. This Security Instrument contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Security Instrument. This Security Instrument may not be amended or modified except by written agreement signed by the parties hereto.

(c) The following rules of construction shall apply to this Security Instrument:

(1) The captions and headings of the sections of this Security Instrument are for convenience only and shall be disregarded in construing this Security Instrument.

(2) Any reference in this Security Instrument to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Security Instrument or to a Section or Article of this Security Instrument.

(3) Any reference in this Security Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Security Instrument includes the plural and use of the plural includes the singular.

(5) As used in this Security Instrument, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.

(6) Whenever Borrower's knowledge is implicated in this Security Instrument or the phrase "to Borrower's knowledge" or a similar phrase is used in this Security Instrument, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower's knowledge after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Security Instrument, if Lender's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender's sole and absolute discretion.

(8) All references in this Security Instrument to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(9) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

14. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Security Instrument and the other Loan Documents, time is of the essence.

15. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (BY ITS ACCEPTANCE HEREOF) (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS SECURITY INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH OF BORROWER AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

ATTACHED EXHIBITS. The following Exhibits are attached to this Security Instrument and incorporated fully herein by reference:

[X]	Exhibit A	Description of the Land (required)
[_]	Exhibit B	Modifications to Security Instrument –

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has signed and delivered this Security Instrument under seal (where applicable) or has caused this Security Instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where applicable law so provides, Borrower intends that this Security Instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

LUCAS URBAN HOLDINGS LLC,
an Ohio limited liability company

By: _____
Fredrick Schulman
Authorized Signatory

Acknowledgment

STATE OF New York

COUNTY OF Rockland

The foregoing instrument was acknowledged before me this May 10, 2022 by Fredrick Schulman, Authorized Signatory of LUCAS URBAN HOLDINGS LLC, an Ohio limited liability company, on behalf of the limited liability company. This is an acknowledgment certificate; no oath or affirmation was administered to the signer with regard to this notarial act.

_____
Notary Public

Printed Name: Eliezer Martin

My Commission Expires: 12/14/2023

ELIEZER MARTIN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01MA6334362
Qualified in Rockland County
Commission Expires Dec. 14, 2023

The name, chief executive office and organizational identification number of Borrower (as Debtor under any applicable Uniform Commercial Code) are:
Debtor Name/Record Owner: **LUCAS URBAN HOLDINGS LLC**
Debtor Chief Executive Office Address:
100 Franklin Square Drive Suite 401 Somerset, NJ 08873
Debtor Organizational ID Number: 1937978

The name and chief executive office of Lender (as Secured Party) are:
Secured Party Name: **M&T REALTY CAPITAL CORPORATION**, a Maryland corporation
Secured Party Chief Executive Office Address:
One Light Street, 12th Floor
Baltimore, MD 21202

Prepared by, and after recording
return to:
Sameer Upadhya, Esq.
Krooth & Altman LLP
1850 M ST NW
Suite: 400
Washington, DC 20036

EXHIBIT A

[DESCRIPTION OF THE LAND]

Situated in the City of Toledo, County of Lucas and State of Ohio and known as being part of Lots 71 and 72, all of Lots 73 thru 84 both inclusive and the North 1/2 of Lots 85 and 86, together with part of vacated Plum and Hazel alleys abutting the above described Lots, all the above being in Hill's Addition, a Subdivision in the City of Toledo, Lucas County, Ohio and being more particularly described as follows:

Beginning at the Northeast corner of said Lot 81, said point of beginning also known as the intersection of the South line of Floyd Street, 66.0 feet wide, with the West line of Putnam Street, 66.0 feet wide, said South line of Floyd Street and said West line of Putnam Street forming an interior angle of 90° 09' 00";

Thence South along the West line of said Putnam Street, a distance of 264.20 feet to its intersection with the North line of Irving Street, 66.0 feet wide;

Thence West along the North line of said Irving Street and forming an interior angle of 89° 51' 00", a distance of 349.52 feet to its intersection with the Northeasterly line of Ashland Avenue, 66.0 feet wide;

Thence Northwesterly along the Northeasterly line of said Ashland Avenue and forming an interior angle of 118° 07' 00", a distance of 149.77 feet to a point on the centerline of said vacated Plum Alley;

Thence East along the centerline of said vacated Plum Alley and forming an interior angle of 61° 53' 00", a distance of 90.75 feet to a point in a line being the extension South of the East line of said Lot 85;

Thence North along the extension South of the East line of said Lot 85 and the East line of said Lot 85 and forming an interior angle of 270° 09' 00", a distance of 70.05 feet to a point on the South line of the North 1/2 of said Lot 85;

Thence West along the South line of North 1/2 of said Lot 85 and the South line of the North 1/2 of said Lot 86 and forming an interior angle of 269° 51' 00", a distance of 98.77 feet to a point on the East line of Fulton Street, 66.0 feet wide;

Thence North along the East line of said Fulton Street and forming an interior angle of 85° 53' 00", a distance of 62.05 feet to its intersection with the South line of said Floyd Street;

Thence East along the South line of Floyd Street and forming an interior angle of 90° 07' 00" a distance of 427.48 feet to the point of beginning.

Parcel No.: 07-23994

EXHIBIT I

SECOND AMENDED AND RESTATED OPERATING AGREEMENT OF LUCAS URBAN HOLDINGS LLC

This **SECOND AMENDED AND RESTATED OPERATING AGREEMENT** (this "**Agreement**") of **LUCAS URBAN HOLDINGS LLC**, an Ohio limited liability company (the "**Company**) is entered into as of this June 30, 2022, by **ASHLAND MANOR APTS LLC**, a Delaware limited liability company, its sole member (referred to herein as the "**Member**").

RECITALS:

WHEREAS, the Company was previously formed and operates as a limited liability company under the Ohio Revised Limited Liability Company Act (Ohio Revised Code Chapter 1706), as amended from time to time (the "**Ohio Act**"), and pursuant to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member, intending to be legally bound, hereby agrees as follows:

ARTICLE I - DEFINITIONS

1.1 **Definitions.** Each of the following capitalized terms shall have the meaning specified in this Article I. Other terms are defined in the text of this Agreement and those terms shall have the meanings respectively ascribed to them throughout this Agreement.

(a) "**Agreement**" means this Amended and Restated Operating Agreement and the Exhibits annexed hereto, all as amended, restated or supplemented from time to time in accordance with the provisions hereof. This Agreement supersedes all prior operating agreements for this Company.

(b) "**Articles of Organization**" means the Articles of Organization of the Company, as filed with the Ohio Secretary of State on May 19, 2010, as the same may be amended or amended and restated from time to time.

(c) "**Capital Account**" has the meaning set forth in Section 5.3 of this Agreement.

(d) "**Capital Contribution**" means the total amount of cash and the fair market value of any other assets contributed to the Company by a Member, net of liabilities assumed or to which the assets are subject, as determined by the Member.

(e) "**Company**" has the meaning set forth in the preamble to this Agreement.

(f) "**Distribution**" means any cash and other property paid to a Member by the Company from the operations or assets of the Company, including assets received upon the sale of the Property.

(g) "**Fiscal Year**" means the fiscal year of the Company, which shall be the year ending December 31.

(h) **"Legal Proceeding"** means any action, suit, claim or investigation, or any legal, administrative or arbitration proceeding.

(i) "**Member**" has the meaning set forth in the preamble to this Agreement.

(j) "**Ohio Act**" has the meaning set forth in the recitals of this Agreement.

(k) "**Person**" means a natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization or a governmental entity.

(l) "**Property**" means that certain property known as Ashland Manor Apartments, more commonly known as 2030 Ashland Avenue, Toledo, Ohio.

ARTICLE II- ORGANIZATION

2.1 **Formation.** The Company was formed upon the filing of the Articles of Organization with the Ohio Secretary of State pursuant to the Ohio Act. As of the date hereof the Member became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Ohio Act. The Member or any officer appointed as such pursuant to Section 4.2 hereof shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

2.2 **Name.** The name of the Company is **LUCAS URBAN HOLDINGS LLC**.

2.3 **Principal Place of Business.** The principal place of business of the Company shall be located c/o Rhodium Capital Advisors LLC, 46 Main Street, Suite 339, Monsey, New York 10952. The Company may establish any other places of business as the Member may from time to time deem advisable.

2.4 **Registered Offices; Registered Agents**. The registered office and registered agent of the Company in the State of Ohio is Vcorp Agent Services, Inc., is 4400 Easton Commons Way Suite 125, Columbus, OH 43219, Franklin County.

2.5 **Term.** The Company commenced its existence upon the filing of the Articles of Organization and shall continue in existence until the Company is dissolved pursuant to this Agreement or the Ohio Act.

2.6 **Purposes.** The purpose to be conducted or promoted by the Company is to acquire, own, entitle, renovate, develop, manage, operate, lease, improve, finance, refinance, market, sell and otherwise deal with and dispose of the Property, and to act on behalf of the Member and any other members admitted in accordance with the terms of this Agreement in connection with the foregoing and to engage in any and all activities necessary or incidental to the foregoing purposes. Legal title to all property of the Company shall be held, vested and conveyed in the

name of the Company and no real or personal property of the Company shall be deemed to be owned by the Member individually. The Membership Interests of the Member shall constitute personal property.

ARTICLE III - MEMBERS

3.1 **Initial Member.** The name, address and initial capital contribution of the Member is set forth on Exhibit A attached hereto. The Member was admitted to the Company as a Member upon its execution of the signature page to this Agreement.

3.2 **Additional Members.** One or more additional members of the Company may be admitted to the Company with the written consent of the Member. As a condition to admission as an additional member, each additional member must execute a copy of this Agreement. The name, address and initial capital contribution of each additional member will be recited on an amendment to Exhibit A.

3.3 **Voting Rights of Members.** Except as otherwise specifically provided herein or in the Ohio Act, the members shall have no right to vote or consent with respect to the management and affairs of the Company.

3.4 **Books and Records.** The Company shall keep complete and accurate books and records of accounts and records with respect to the Company's business, including without limitation the minutes of all meetings of the Member. Such books and records shall be maintained on a cash basis in accordance with this Agreement.

3.5 **Limitation of Member's Liability.** Except as specifically set forth herein or in the Ohio Act, the Member shall not be personally liable for any indebtedness, liability or obligation of the Company, whether arising in contract, tort or otherwise, all of which shall be the debts, obligations and liabilities solely of the Company.

3.6 **Waiver of Partition.** The Member irrevocably waives during the term of the Company any right to maintain any action for partition with respect to any Company property.

3.7 **Effect of Death, Dissolution or Bankruptcy of a Member.** Upon the death, incompetence, bankruptcy, liquidation or dissolution of the Member, the rights and obligations of the Member under this Agreement will inure to the benefit of, and will be binding upon, the Member's successor(s), estate or legal representative.

ARTICLE IV - MANAGEMENT

4.1 **Management.**

(a) **Management**. The Member shall have the sole right to manage and conduct the Company's business. Actions by the Member relating to the management of the Company may be memorialized in written resolutions signed by the Member, but written resolutions are not required to authorize action by the Member.

(b) **Member as Agent**. To the extent of its powers set forth in this Agreement, the Member is an agent of the Company for the purpose of the Company's business, and the actions of the Member taken in accordance with such powers set forth in this Agreement shall bind the Company.

4.2 **Officers and Agents.** The Member may from time to time designate such officers and agents as it may deem necessary to carry out the day-to-day operations of the Company. Such officers and agents shall have such duties, powers, responsibilities and authority as may from time to time be prescribed by the Member, and may be removed at any time, with or without cause, by the Member.

4.3 **Limited Liability of Member**. Except as otherwise specifically set forth herein, neither the Member nor any of its affiliates nor any of their respective officers, directors, employees, agents, representatives, owners or principals, partners and/or members shall be liable to the Company or to any other member by reason of the performance of or the omission to perform any act, the effect of which may cause or result in loss or damage to the Company, if performed or omitted in good faith and in accordance with the terms of this Agreement.

4.4 **Statutory Waiver of Fiduciary Duties**. To the fullest extent permitted by law, to the extent that, at law or in equity, the Member owes any fiduciary duty to the Company pursuant to this Agreement, such duty is hereby eliminated pursuant to Section 18-1101(c) of the Ohio Act, it being the express intent of the Member that the Member shall not owe any fiduciary duties of any nature whatsoever to the Company; provided, however, that, notwithstanding any provision hereof, the Member shall be subject to the implied contractual covenant of good faith and fair dealing.

ARTICLE V - CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

5.1 **Capital Contributions.** The Member has contributed to the Company property of an agreed value as listed on Exhibit A attached hereto.

5.2 **Additional Contributions.** Notwithstanding anything contained in this Agreement to the contrary, the Member shall not be required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Exhibit A accordingly.

5.3 **Capital Accounts**. The Company shall maintain a separate capital account for the

Member and each other member, if any, in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv) (each a "**Capital Account**"). The Company's net profits and net losses shall be allocated to the Capital Accounts so as to comply with the requirements of the Internal Revenue Code and the Regulations of the U.S. Treasury Department.

ARTICLE VI - DISTRIBUTIONS

6.1 **Distributions.** Subject to the restrictions governing Distributions under the Ohio Act, the Company may make Distributions of cash or property to the Member from time to time, as the Member directs.

6.2 **Interest on and Return of Capital Contributions.** Neither the Member nor any other member, if any, shall be entitled to interest on its Capital Account or to a return of such member's Capital Contribution, except as specifically set forth in this Agreement.

6.3 **Accounting Period.** The accounting period of the Company shall be the Fiscal Year.

ARTICLE VII - TAXES

7.1 **Tax Returns.** The Member shall cause to be prepared and filed all necessary federal, state and local income tax returns for the Company. The Member and each other member, if any, shall each furnish to the Company all pertinent information in its possession that is necessary to enable the Company's income tax returns to be prepared and filed.

7.2 **Tax Elections.** The Company shall make the following elections on the appropriate tax returns:

(i) To adopt the calendar year as the Fiscal Year; and

(ii) Any other election that the Member may deem appropriate and in the best interests of the Member and the other members, if any.

ARTICLE VIII - TRANSFERABILITY

8.1 **Transfers of Membership Interests.** Neither the Member nor any other member, if any, may gift, bequeath, sell, assign, pledge, hypothecate, exchange or otherwise transfer ("**Transfer**") to another Person all or any portion of such member's interest in the Company without the written consent of the Member. Any Transfer that is not in compliance with the terms of this Agreement is void ab initio. The Member shall not be charged with actual or constructive notice of any such purported assignment and is expressly prohibited from making allocations and distributions hereunder in accordance with any such purported

8.2 **Admission of Transferee as Member.** The transferee of a member's interest in the Company with the permission of the Member will be admitted as a member of the Company upon the consummation of such Transfer. Upon its admission as a member of the Company, the transferee will succeed to all of the rights, obligations, assets and liabilities of the transferring member.

ARTICLE IX - DISSOLUTION

9.1 **Dissolution.** The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) The date on which the Company has no members; or

(b) The written consent to dissolution by the Member.

Neither the bankruptcy of the Member nor the assignment of the Member's entire membership interest will dissolve the Company.

9.2 **Winding Up.** In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Ohio Act. Upon winding up of the Company, the assets shall be distributed as follows:

(a) First, to creditors, including any Member who is a creditor, to the extent permitted by law, in satisfaction of liabilities of the Company, whether by payment or by establishment of adequate reserves, other than liabilities for distributions to members under the Ohio Act;

(b) Next, to current members and former members in satisfaction of liabilities for Distributions under the Ohio Act; and

(c) Any balance remaining to the members in accordance with their respective Capital Account balances.

9.3 **Negative Capital Account.** If any member has a negative Capital Account upon liquidation of the Company, such member will have no obligation to make any contribution to the capital of the Company to make up the deficit, and the deficit will not be considered a debt owed to the Company or to any other person for any purpose.

ARTICLE X- GENERAL PROVISION

10.1 **Notices.** Any notice, demand or other communication required or permitted to be given pursuant to this Agreement shall have been sufficiently given for all purposes (a) when delivered personally to the party or to a manager or an executive officer of the party to whom such notice, demand or other communication is directed or (b) three (3) days after being sent by registered or certified mail, postage prepaid, addressed to the applicable member or the Company at his, her or its address set forth in this Agreement.

10.2 **Indemnification of Members & Officers.** Except to the extent otherwise provided in a written agreement between the Company and such Mandatory Indemnified Party, the Company, its receiver or its trustee shall indemnify, defend and hold harmless each Mandatory Indemnified Party from and against any expense, loss, damage or liability (including reasonable attorneys' fees) incurred or connected with, or any Legal Proceeding arising from or related to, the Company or any act or omission of such Person on behalf of the Company (exclusive of acts taken as an independent contractor for the Company), provided that the same was not the result

of fraud, gross negligence, or reckless or intentional misconduct on the part of the Person against whom a claim is asserted. As used herein, "***Mandatory Indemnified Party***" means any Person (and the partners, members, directors, stockholders, employees, agents, heirs, personal representatives, and successors of such Person) (x) who is or was a Member or officer of the Company, (y) who is or was serving at the request of the Company as a director, manager or officer of another Person, or (z) who was a director, manager or officer of a Person which was a predecessor of the Company or of another enterprise at the request of such Person.

10.3 **Waiver.** No failure of a Member to exercise, and no delay by a Member in exercising, any right or remedy under this Agreement shall constitute a waiver of such right or remedy. No waiver by a Member of any such right or remedy under this Agreement shall be effective unless made in a writing duly executed by all of the Members and specifically referring to each such right or remedy being waived.

10.4 **Binding.** This Agreement shall be binding upon and inure to the benefit of all Members, and each of the successors and assigns of the Members, except such right or obligation of a Member under this Agreement that may not be assigned by such Member to another Person without first obtaining the written consent of the Member.

10.5 **Governing Law.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of Ohio, without regard to principles of conflict of laws.

10.6 **Single Asset Status.** So long as that certain mortgage loan from M&T Realty Capital Corporation, a Maryland corporation ("**Lender**"), to the Company in the amount of $9,140,000.00 (the "**Loan**") remains outstanding, the Company:

(a) shall not acquire or lease any real property, personal property, or assets other than the Mortgaged Property;

(b) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(c) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(d) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower's assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(e) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(i) unsecured trade payables incurred in the ordinary course of the

operation of the Mortgaged Property (exclusive of amounts to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables are not evidenced by a promissory note, are payable within sixty (60) days of the date incurred, and as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(ii) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate;

(iii) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents; and

(iv) obligations under the Permitted Encumbrances;

(f) shall not assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(g) shall not make loans or advances to any other Person;

(h) shall not enter into, or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party; or

(b) shall not Divide.

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the undersigned hereby executes this Second Amended and Restated Operating Agreement of Lucas Urban Holdings LLC effective as of the date first above written.

MEMBER:

ASHLAND MANOR APTS LLC,
a Delaware limited liability company

By: **Ashland Manor Apts MM LLC,**
a Delaware limited liability company,
its managing member

By: _____
Name: Fredrick Schulman
Title: Sole Member

EXHIBIT A

Initial Members and Capital Contributions

Name	Address	Capital Contribution
ASHLAND MANOR APTS LLC	c/o Rhodium Capital Advisors One World Trade Center, Suite 8500 New York, New York 10007	$100

EXHIBIT J

CUSHMAN & WAKEFIELD

APPRAISAL REPORT

Subject Property:

Ashland Manor
2030 Ashland Avenue
Toledo, OH 43620

Prepared For:

Dentons Bingham Greenebaum LLP
2700 Market Tower, 10 West Market Street
Indianapolis, IN 46204

Date of Report:

July 31, 2025

Prepared By:

Cushman & Wakefield of Ohio, Inc.
325 John H. McConnell Boulevard, Suite 450
Columbus, OH 43215

Cushman & Wakefield File ID: 25-25002-900240-001

CUSHMAN & WAKEFIELD OF OHIO, INC.
325 JOHN H. MCCONNELL BOULEVARD, SUITE 450
COLUMBUS, OH 43215



Ashland Manor

2030 Ashland Avenue

Toledo, OH 43620



Cushman & Wakefield of Ohio, Inc.
325 John H. McConnell Boulevard, Suite 450
Columbus, OH 43215
cushmanwakefield.com

July 31, 2025

Andrew Rankin
Partner
Dentons Bingham Greenebaum LLP
2700 Market Tower, 10 West Market Street
Indianapolis, IN 46204

Re: Appraisal of Ashland Manor, Located at 2030 Ashland Avenue, Toledo, OH 43620

Cushman & Wakefield File ID: 25-25002-900240-001
Client File ID: M&T Realty Capital v. Lucas Urban Holdings LLC

Dear Mr. Rankin:

In fulfillment of our engagement, we are pleased to transmit our appraisal of the referenced property in the attached appraisal report. The report, in its entirety, including all hypothetical conditions, extraordinary assumptions, limiting conditions and the Addendum is an integral part of, and inseparable from, this letter.

The subject property, identified as Ashland Manor, is an existing high-rise affordable apartment building that is situated on a 2.30-acre site and contains 144,531 square feet of gross building area. The improvements were completed in 1972, assumed to have been periodically renovated over the years, and contain 101,328 square feet of rentable area within 188 apartment units. The improvements consist of 1 building that is 8 stories in height with average construction quality and in fair condition (as-is). The property previously operated as an age-restricted 62+ affordable senior apartment community. However, based on discussion with current management, the property has suffered from frequent management turnover in recent years and at some point began accepting residents below the age restriction. Management indicated a desire to return the property to its 62+ age requirement.

The subject's apartment units range in size from 528 to 786 square feet. In terms of physical attributes, the subject's affordable units feature: white compact appliances (electric stove/oven and fridge), laminate countertops, and vinyl/carpet flooring. Market rate units feature white wood cabinets, stainless steel appliances, stone counters, and a different paint color scheme. Property amenities include: security guard office, mail kiosk, vending machines, laundry facilities, elevators, fitness center, library, computer room, billiards, kids play room, recreational room, and trash chutes. At the time of inspection, a majority of these project amenities have been taken offline due to security concerns. There is estimated onsite surface parking for 125 spaces, resulting in a parking ratio of 0.7 per unit.

According to a due diligence summary generated by Lynd property management, who took over operations in Spring 2025, the subject suffers from an estimated $2,232,498 in deferred maintenance items related to a major roof leak, nonoperational elevator, nonworking main entrance doors, inferior unit conditions, and a malfunctioning trash compactor.

The subject property has a partial project-based Section 8 Housing Assistance Program (HAP) rental subsidy contract which provides rental subsidies for 77.7% of the subject units. The HAP contract commenced on July 1, 2022 for a 20-year term and expires June 30, 2042. Including the 17-year auto renewal period that commences July 1, 2042, the total expiration date is June 30, 2059, or approximately 34 years from the date of value. This HAP contract provides rental subsidies between the actual rent paid by the tenants and the fair market rent determined annually by HUD. The tenants pay no more than 30 percent of their adjusted income towards rent. The rent schedule effective July 1, 2024 through June 30, 2025 indicates the net rental subsidies are $912 per month for 143 one-bedroom units and $1,187 per month for the 3 two-bedroom units. The remaining 42 units (37 one-bedroom units and 5 two-bedroom units) are offered at unrestricted market rent.

The subject was 63.8 percent occupied at the date of inspection and considered to be below stabilized occupancy. Based on the subject's existing operations, the market analysis conducted and survey of the rent comparables, Year 1 stabilized occupancy was estimated at 95 percent.

Based on the agreed scope of work and the analysis contained in the following report, the market value(s) for the subject are concluded as follows:

FINAL VALUATION CONCLUSIONS

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Fee Simple	July 9, 2025	$2,700,000

Compiled by Cushman & Wakefield of Ohio, Inc.

At the request of the client, we have provided an estimate of market value as-is by deriving a stabilized value estimate and subsequently deducting for lease-up and deferred maintenance expenditures.

This Appraisal Report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal meets all applicable requirements.

This letter, along with any valuation conclusions stated, is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Thank you for the opportunity to be of service. Please contact us with any questions relating to this assignment or if Cushman & Wakefield can be of further service.

Respectfully Submitted,

CUSHMAN & WAKEFIELD OF OHIO, INC.



Ed Falkowski III, MAI, MRICS, SRA
Executive Managing Director
License State: OH
License Number: 2022001360
Phone: 215-963-4121
Email: ed.falkowski@cushwake.com



Kaleigh Jones
Director
License State: OH
License Number: 2018002540
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Email: kaleigh.jones1@cushwake.com

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Summary of Salient Facts and Conclusions

Pertinent subject property attributes, market attributes and key valuation assumptions are summarized below along with the concluded market value(s) for the subject property. The conclusions stated have been derived based on the scope of work outlined in the attached engagement letter and the respective analysis applied.

SUBJECT PROPERTY		
Property Name:	Ashland Manor	
Address:	2030 Ashland Avenue Toledo, Ohio 43620	
County:	Lucas	
Property Ownership Entity:	Lucas Urban Holdings LLC	
Management Company & Relationship to Owner:	Lynd	Third-party
Pending Transaction:	No	

SITE INFORMATION		
Total Land Area:	100,112 SF	2.30
Excess Land:	No	
Shape:	Irregularly shaped	
Topography:	Level at street grade	
Frontage:	Good	
Utility:	Average	
Flood Map Number & Zone:	39095C0091E	X
Flood Map Date:	August 16, 2011	

BUILDING INFORMATION		
Property Type and Sub-type:	Multifamily	High-Rise
Investment Class:	C	
Number of Units:	188	
Gross Building Area:	144,531 SF	
Gross Leasable Area:	101,328 SF	
Land-to-Building Ratio:	0.69:1	
Number of Buildings/ Stories:	1	8
Year Built/ Renovated:	1972	Assumed Periodically
Condition/ Quality:	Fair	Average
Actual Age:	53 Years	
Effective Age:	40 Years	
Remaining Economic Life:	10 Years	
Parking		
Parking Type & Number of Spaces:	Surface	125
Parking Ratio (Per Unit):	0.7	

Unit Amenities:
white compact appliances (electric stove/oven and fridge), laminate countertops, and vinyl/carpet flooring

Project Amenities:
security guard office, mail kiosk, vending machines, laundry facilities, elevators, fitness center, library, computer room, billiards, kids play room, recreational room, and trash chutes

MUNICIPAL INFORMATION		
Assessment Information		
Primary Parcel Identification:	0723994	
Current Assessor's Assessed Value:	$403,100	
Current Tax Liability VS. C&W Year 1 Estimate:	$14,940	$59,769
Zoning Information		
Current Zoning:	RM36 - Multi-Dwelling Residential (36 units/acre)	
Permitted Use:	Yes	
Current Use Compliance:	Pre-Existing, Legally Non-Conforming	

Compiled by Cushman & Wakefield

STABILIZED OPERATING CONCLUSIONS

Key Operating Assumptions	CW Year 1 Stabilized
Current Occupancy	63.8%
Stabilized Occupancy	95.0%
Loss-to-lease	1.50%
Collection Loss	1.00%
Estimated Lease-up Period (Months)	12
Management Fee	5.00%
Replacement Reserves (Per Unit)	$350

Revenue & Expense Conclusions	Exp. Comps/ Unit	Exp. Comps %EGI	CW Year 1	Per Unit	%EGI
Stabilized Effective Gross Income	-	-	$1,815,285	$9,656	-
Stabilized Operating Expenses	$6,845 - $9,763	57.90% - 99.10%	$1,461,833	$7,776	81%
Stabilized Net Operating Income	$86 - $5,913	0.90% - 42.10%	$353,452	$1,880	19%

Capital Market Assumptions	Sale Comps	Market Participants	Survey Data	As Is
Capitalization Rate	5.61% - 7.00%	5.50% - 6.50%	4.00% - 6.25%	6.00%

Highest & Best Use

As Though Vacant: An apartment or other form of multi-family building built to its maximum feasible building area, as demand warrants.

As Improved: An apartment building as it is currently improved.

Exposure Time	6-12 Months
Marketing Time	6-12 Months

MARKET VALUATION SUMMARY

Approach to Value	Valuation Date	Premise	Value Indication	Per Unit	PSF (GBA)
Sales Comparison Approach	July 9, 2025	As Is	$2,450,000	$13,032	$16.95
Income Capitalization Approach	July 9, 2025	As Is	$2,700,000	$14,362	$18.68

Compiled by Cushman & Wakefield of Ohio, Inc.

FINAL VALUATION CONCLUSIONS

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Fee Simple	July 9, 2025	$2,700,000

Compiled by Cushman & Wakefield of Ohio, Inc.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

None Noted

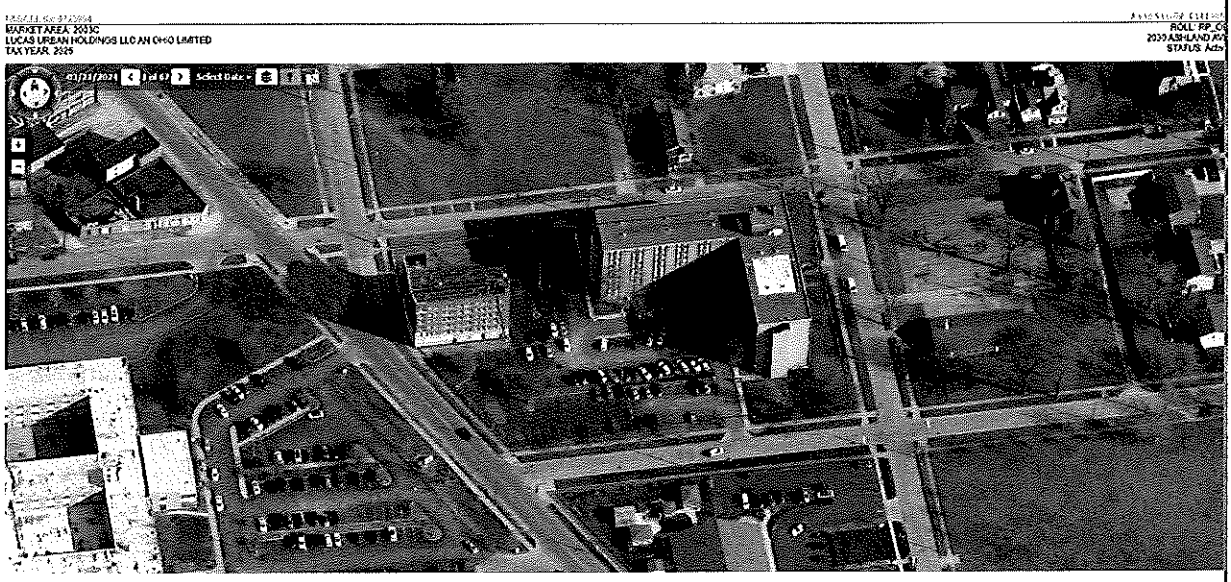
Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

None Noted

Property Photographs

AERIAL PICTOMETRY VIEW



FRONT VIEW VIA ASHLAND AVE



SIDE VIEW



SIDE VIEW



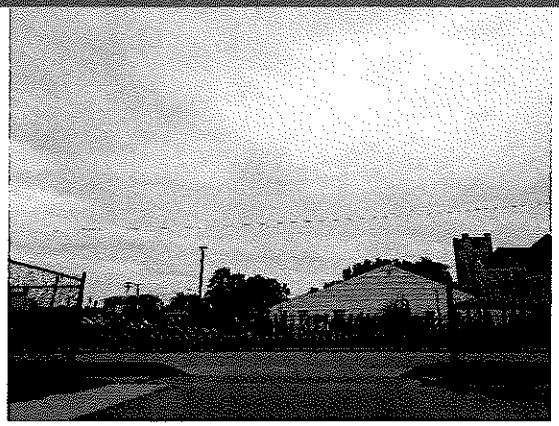
REAR VIEW



REAR VIEW



PRIMARY STREET ACCESS VIA IRVING ST



VIEW ALONG IRVING ST FACING WEST



VIEW ALONG PUTNAM ST FACING NORTH



VIEW ALONG FLOYD ST FACING WEST



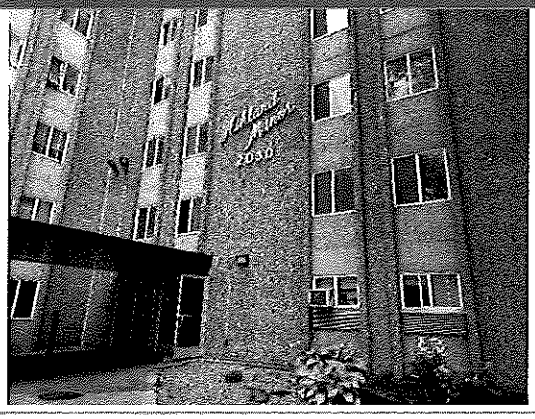
VIEW ALONG ASHLAND AVE FACING NW



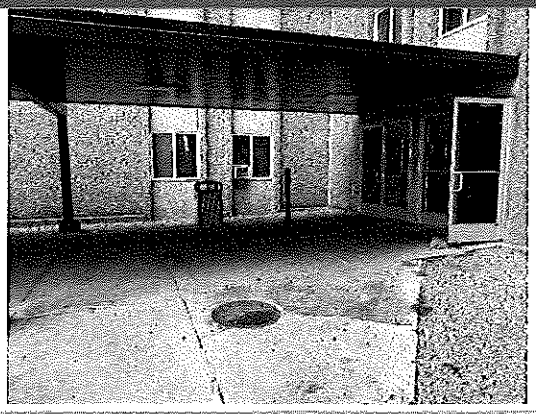
ADJACENT KENMORE MANOR (VACANT)



SUBJECT SIGNAGE



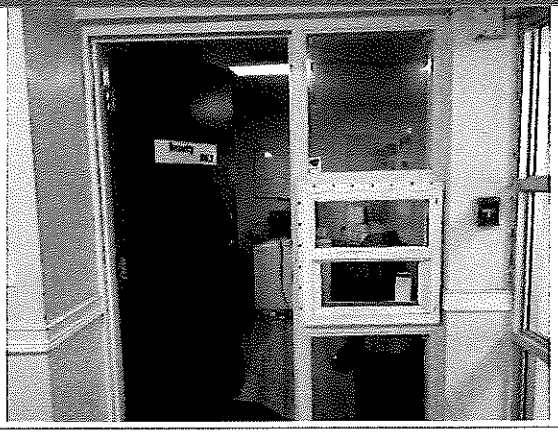
MAIN ENTRANCE



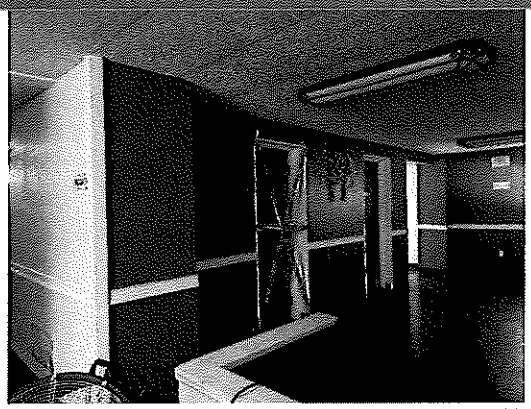
MAIN ENTRANCE



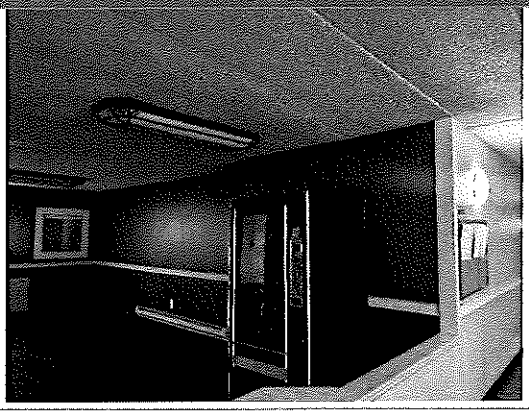
SECURITY GUARD OFFICE



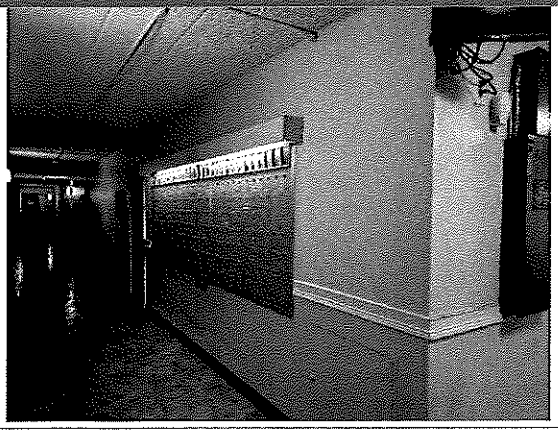
LOBBY



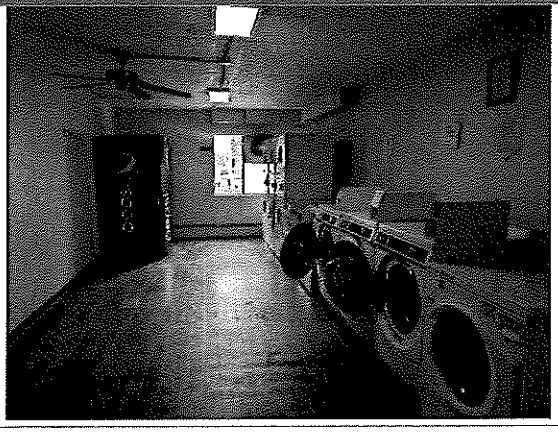
LOBBY WITH VENDING



MAIN HALLWAY WITH MAIL KIOSK



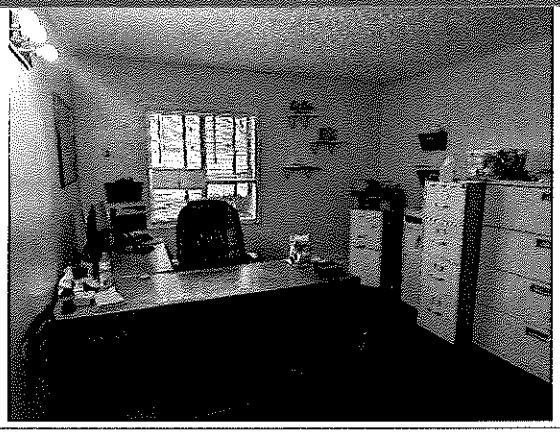
LAUNDRY FACILITIES



MANAGER UNIT



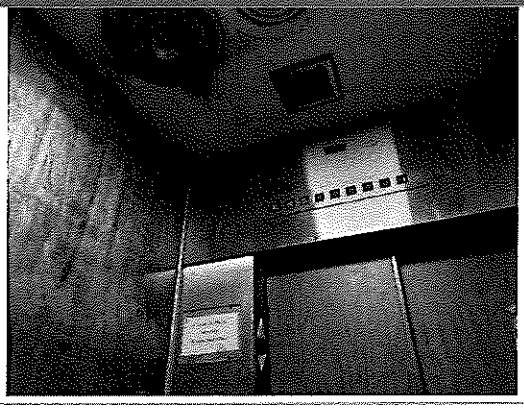
MANAGER UNIT



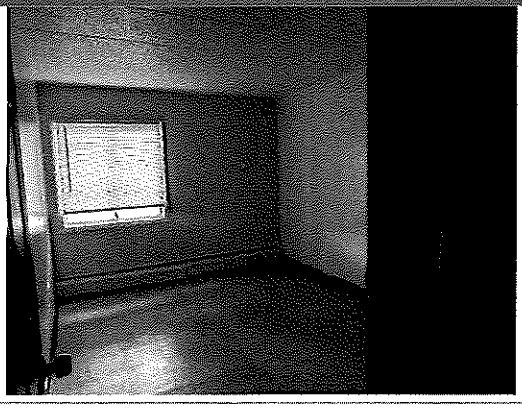
ELEVATOR BANK



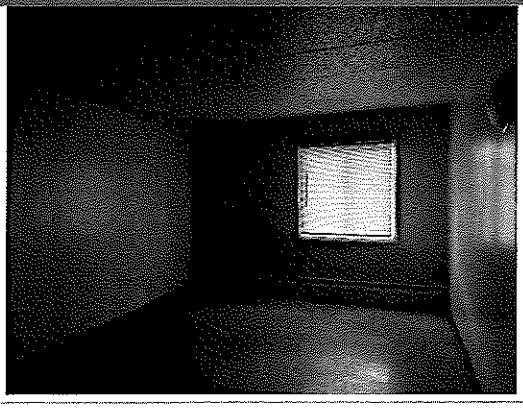
ELEVATOR INTERIOR



VACANT GROUND FLOOR 1BR UNIT



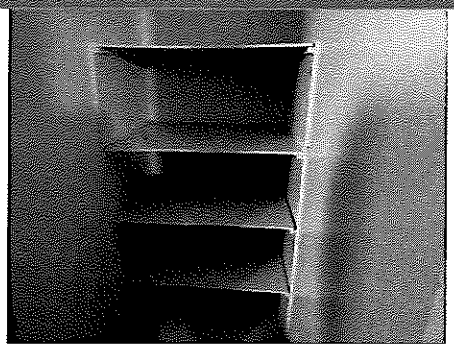
VACANT GROUND FLOOR 1BR UNIT



VACANT GROUND FLOOR 1BR UNIT



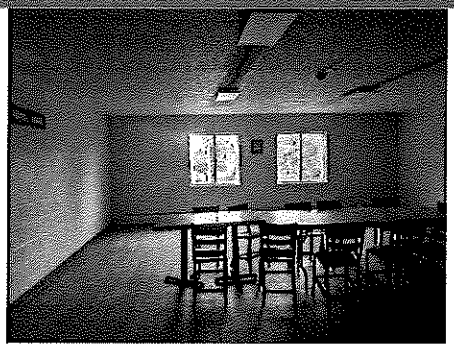
VACANT GROUND FLOOR 1BR UNIT



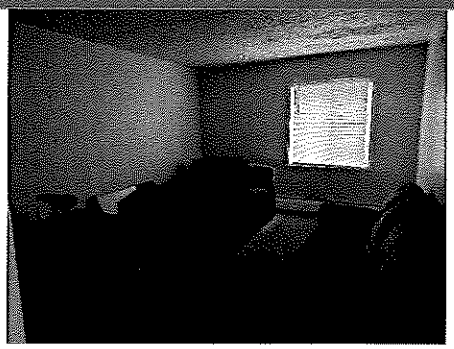
UPPER-LEVEL HALLWAY



REC/ENTERTAINMENT ROOM



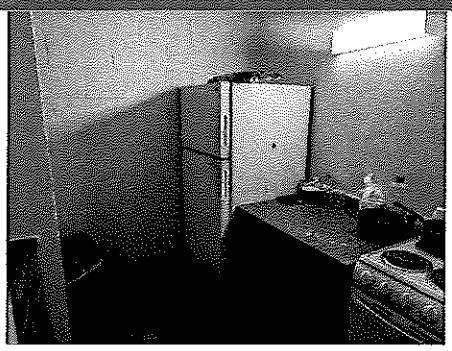
OCCUPIED 1BR UNIT



OCCUPIED 1BR UNIT



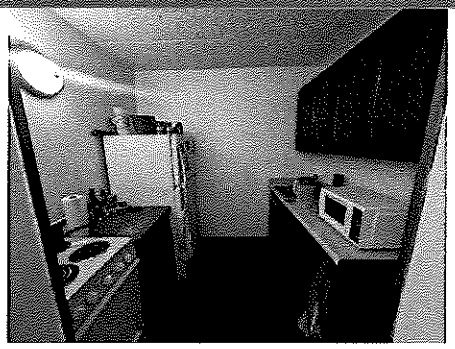
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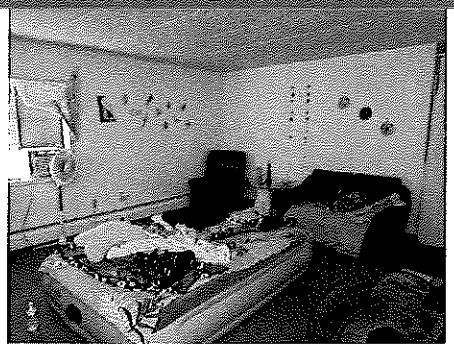
TYPICAL UNIT ENTRY DOOR



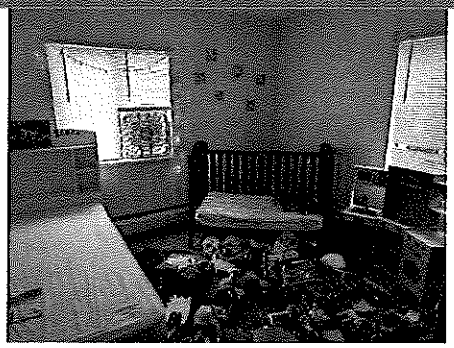
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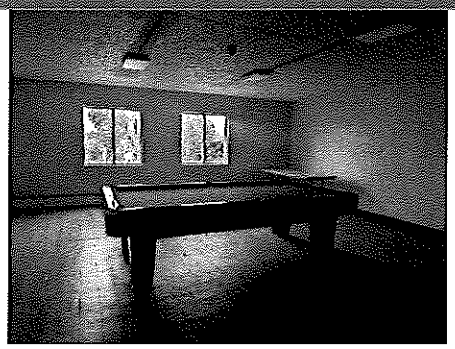
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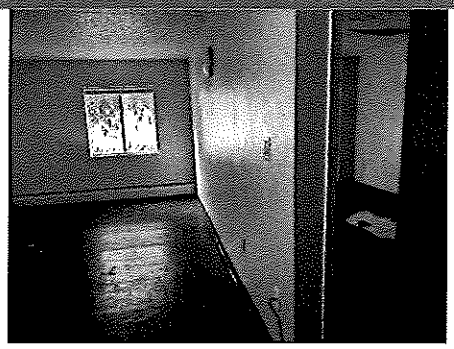
OCCUPIED 2BR UNIT



BILLIARDS ROOM



VACANT/DOWN UNIT



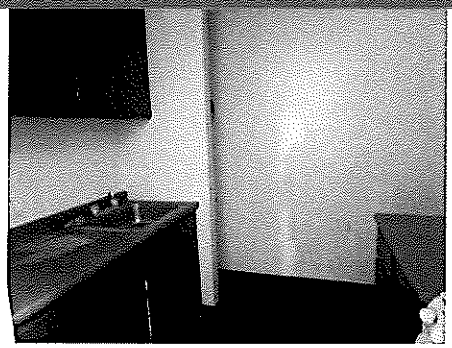
VACANT/DOWN UNIT



VACANT/DOWN UNIT



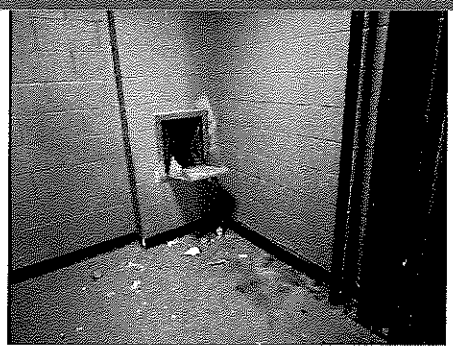
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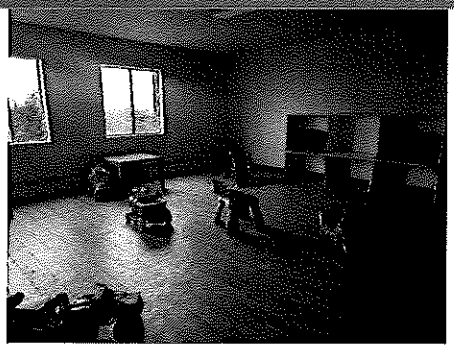
LIBRARY



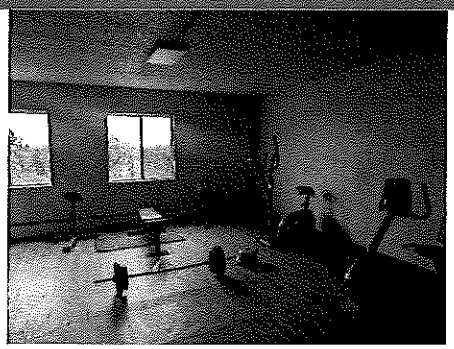
TRASH CHUTE



PLAY ROOM



FITNESS CENTER



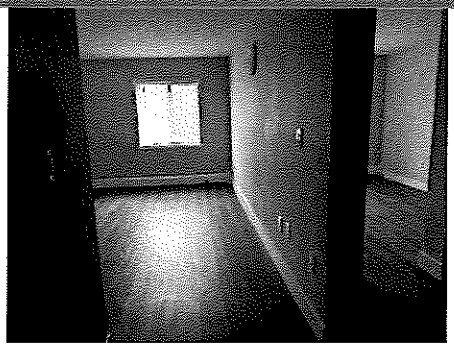
MARKET RATE 1BR - VACANT



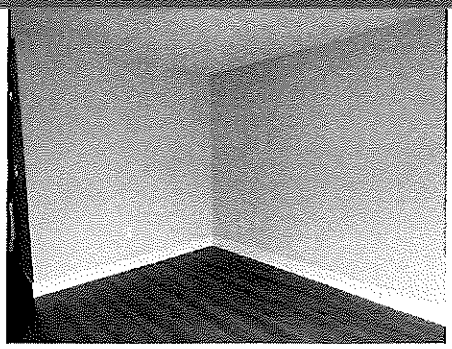
MARKET RATE 1BR - VACANT



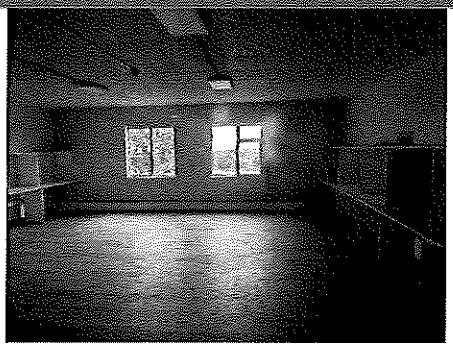
MARKET RATE 1BR - VACANT



MARKET RATE 1BR - VACANT



COMPUTER LAB



STAIRWELL



8TH FLOOR WATER DAMAGE



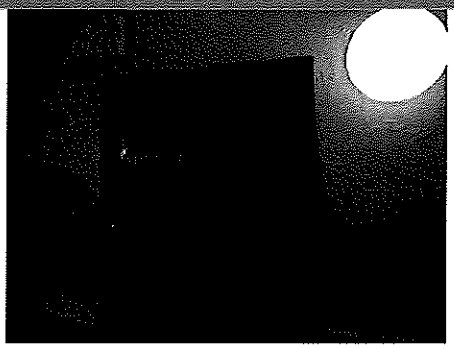
8TH FLOOR WATER DAMAGE



7TH FLOOR WATER DAMAGE



STAND PIPE AND EXTINGUISHER ACCESS



ROOF LEAK



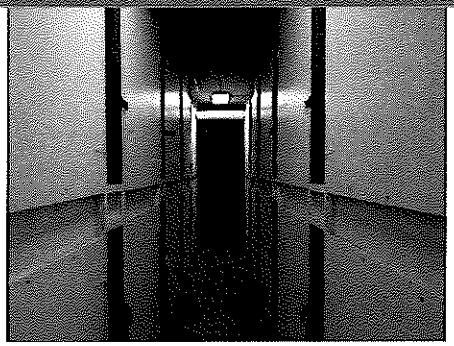
ROOF LEAK



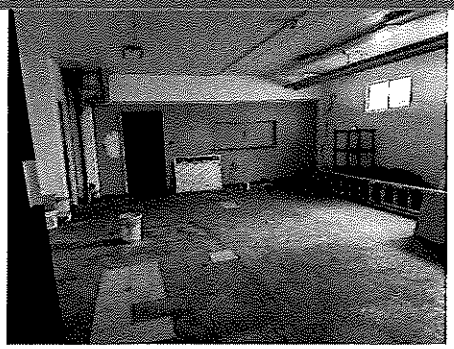
BASEMENT HALLWAY



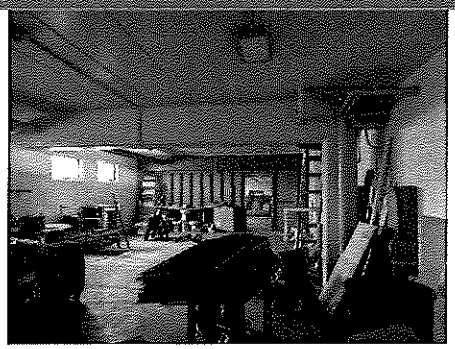
STORAGE UNITS



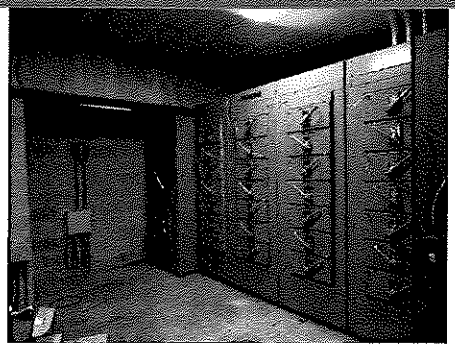
FORMER ARTS CRAFTS ROOM



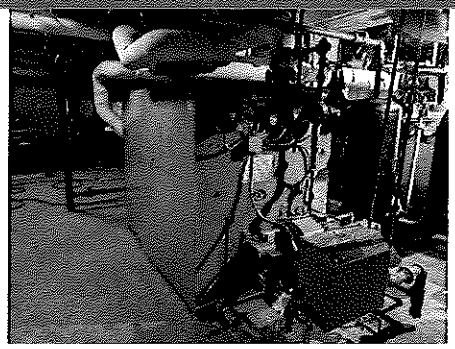
FORMER ARTS CRAFTS ROOM



ELECTRICAL PANELS



BOILER SYSTEMS



LOADING DOCK INTERIOR



LOADING DOCK EXTERIOR



Scope of Work

Scope of work relates to the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work, the intended use of the assignment, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors were considered. The scope of work is outlined below.

Approach to Value

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Research Conducted & Analysis Applied

- Relevant subject property, comparable and market data was collected, verified, and analyzed utilizing the property owner's representative, public record and third-party sources. Interviews with market participants, primary research, available published data, and other various resources were also employed. All relevant sources are noted accordingly throughout the report.
- The Highest and Best Use was developed based upon the subject property characteristics, prevailing market dynamics, and other information. Data was gathered and analyzed using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- Cushman & Wakefield has an internal Quality Control Oversight program that mandates a "second read" of the appraisal report. Every report is either developed by designated member of the Appraisal Institute (MAI) and-or is reviewed by a designated member, as part of the Quality Control Oversight.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Report Format & Compliance

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," "summarize," and "state" connote different levels of detail, with "describe" as the most comprehensive approach and "state" as the least detailed.

This Appraisal Report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal meets all applicable requirements.

Intended Use and Users

Client:	Dentons Bingham Greenebaum LLP.
Intended Use:	This appraisal is intended for the use of the Client in connection with a foreclosure action. This report is not intended for any other use.
Intended User:	Our work shall be intended for the use of the Client, M&T Bank ("M&T" or "M&T Realty Capital") and the Lucas County, OH Court of Common Pleas. Use of this report by others is not intended by the appraiser.
Client Reliance Language:	No additional reliance requirements have specified.

Property Ownership and Sale History

Current Ownership:	Lucas Urban Holdings LLC
Legal Description:	A legal description for the subject property has not been provided.
Sale History:	The property has not sold or transferred within three years of the effective date of the appraisal.
Sale Pending:	The property is not under contract of sale nor is it being marketed for sale.

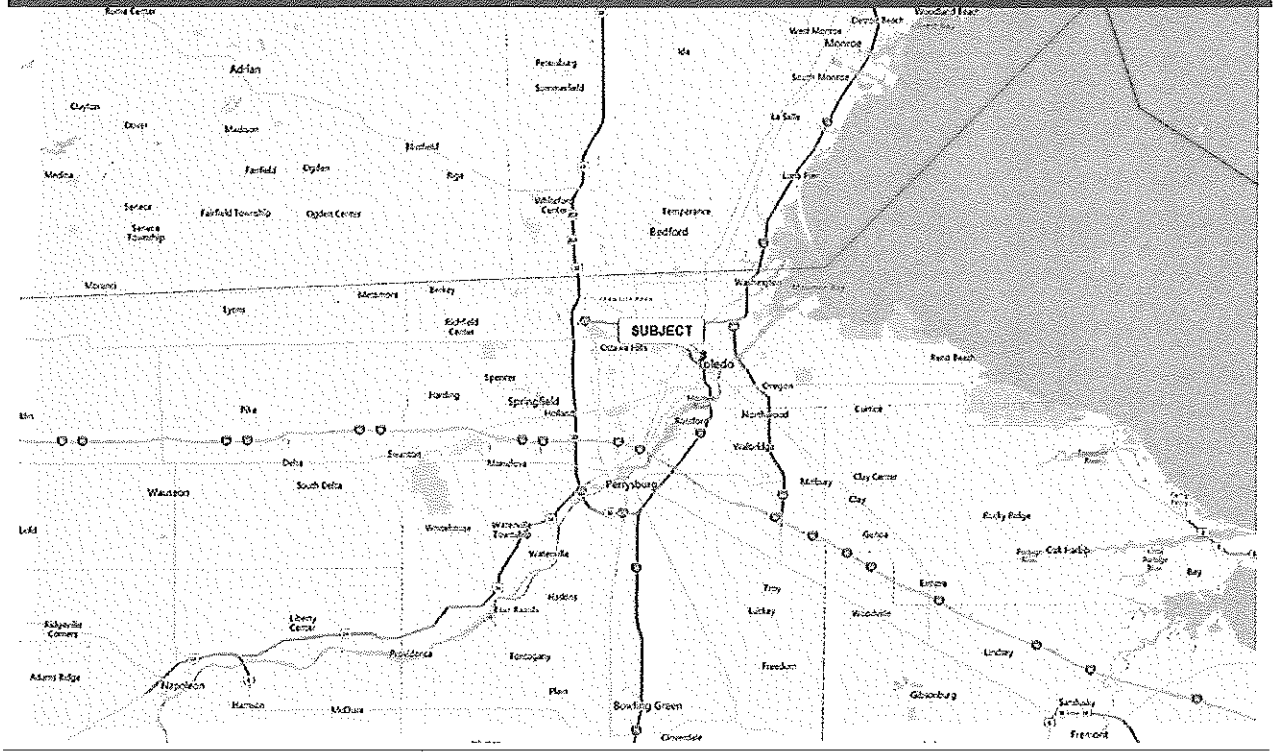
Effective Dates

As Is:	July 9, 2025
Date of Report:	July 31, 2025
Date of Inspection:	July 9, 2025

Regional Analysis

The subject is located in the greater Toledo metropolitan statistical areas (MSA) as identified on the following map. This section provides an overview of general economic and demographic trends impacting the subject's region. These trends and observations were considered when determining the market value estimate(s) for the subject.

REGIONAL MAP



Introduction

The short- and long-term value of real estate is influenced by a variety of interacting factors. Regional analysis identifies those factors that affect property value, and the role they play within the region. The four primary forces that determine the supply and demand for real property, and consequently affect market value, are: environmental characteristics, governmental forces, social factors, and economic trends.

The subject property is located in the City of Toledo in the central portion of the CBSA.

Economic & Demographic Profile

The following profile of the Toledo CBSA was provided by Moody's Economy.com (James Kelly, February 2025), whose core assets of proprietary editorial and research content as well as economic and financial databases are a source of information on national and regional economies, industries, financial markets, and demographics. The full report is available in the Addenda.

Economy.com's approach to the analysis of the U.S. economy consists of building a large-scale, simultaneous-equation econometric model, which they simulate and adjust with local market information, creating a model of the U.S. macro economy that is both top-down and bottom-up. In this model, those variables that are national in nature are modeled nationally while those that are regional in nature are modeled regionally. Interest rates, prices, and business investment are modeled as national variables; key sectors such as labor markets (employment, labor force), demographics (population, households, and migration), and construction activity (housing starts and sales) are modeled regionally and then aggregated to national totals. This approach allows local information to influence the macroeconomic outlook. Therefore, changes in fiscal policy at the national level (changes in tax rates, for example) are translated into their corresponding effects on state economies. At the same time, the growth patterns of large states, such as California, New York, and Texas, play a major role in shaping the national outlook.

In addition, on a regional basis, the modeling system is explicitly linked to other states through migration flows and unemployment rates. Economy.com's model structure also takes into account migration between states.

Recent Performance

Toledo's (TOL) economy is perking up. Total employment has risen in recent months, and gains are leading those of the Midwest and nation. Healthcare is cruising higher and has exceeded its pre-pandemic employment level. Government job gains are providing support. Manufacturing payrolls are trending lower while logistics is flattening. The jobless rate has risen over the last year, partly because of a growing labor force. Homebuilding has weakened, keeping house prices growing quicker than nationally.

Automakers

Planned investments at TOL's Stellantis plants bring a dose of optimism to the underwhelming outlook. Manufacturing is a key driver of TOL's economy, anchored by automakers Stellantis and General Motors. After announcing layoffs of more than 1,000 workers at its Jeep plants following steep sales declines, Stellantis has reversed course. The automaker will make new investments in hybrid and battery-powered models, keeping workers employed. Even so, tariffs and trade policy uncertainty could curtail auto production. Tariffs on imported raw materials and parts could raise prices and further weaken sales. GM's transmission plant and local parts suppliers will face similar challenges, heightening the risk of layoffs. Job cuts would be especially painful because these high-wage production positions are a major source of income and spending for downstream industries. TOL's auto manufacturers will struggle if Jeep sales do not recover soon or the trade war intensifies.

Distribution

Tariffs and heightened uncertainty among consumers and businesses will squeeze transportation and warehousing providers. TOL is a vital Midwest logistics hub within easy reach of most of the region's major metro areas, and freight trucking is a large part of the industry. Higher goods prices from tariffs and the slowing national job market will weigh on confidence, denting consumer spending. Lower shipping volumes will dampen logistics payroll growth at warehouses and distribution centers. The Port of Toledo is also a hub of logistics and transportation, moving raw materials and manufacturing inputs. Raw ore deliveries to Cleveland Cliffs' iron production plant and a new liquids depot will put a floor under port traffic, but rising tariffs pose a downside risk. Aluminum, a critical input for auto production, flows through the port from Canadian smelters, and tariffs on these materials could hamper shipments. Cargo volumes and industry employment would shrink if automakers shift to domestic aluminum suppliers.

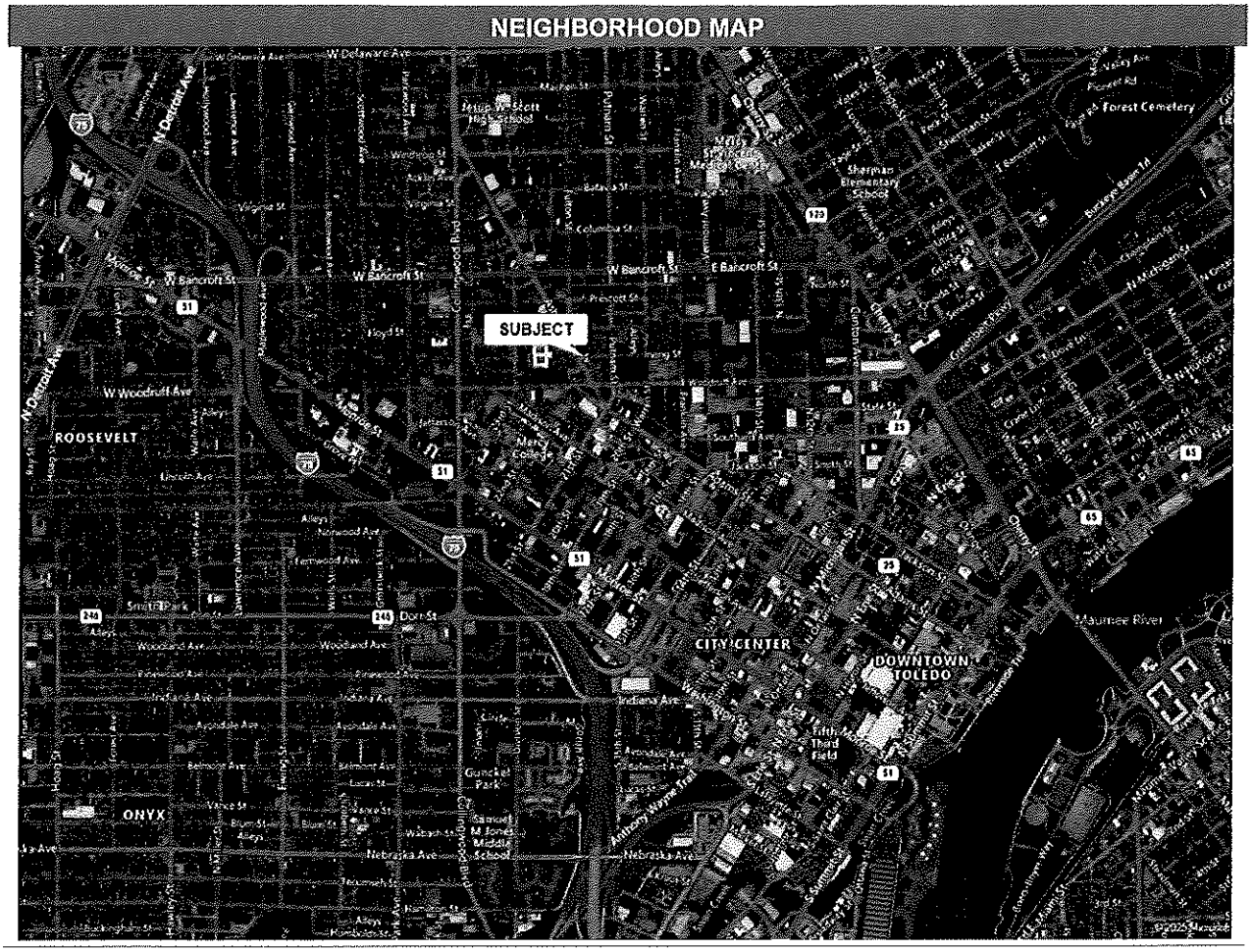
Potential

An unfavorable industrial mix and a limited pool of highly educated workers will constrain TOL's long-run economic prospects. Among metro areas and divisions with at least 500,000 residents, TOL ranks in the bottom fifth for its share of adults with a bachelor's degree. This disadvantage limits the metro area's ability to attract employers offering high-wage jobs. Without dynamic, high-value industries, skilled workers seeking better prospects will leave for larger job markets such as Detroit and Cleveland. Heavy dependence on jobs in gas-powered vehicle manufacturing is another vulnerability. Since electric vehicle production typically requires fewer parts and workers than gas autos, the transition to battery-powered vehicle production limits growth prospects.

Conclusion

Toledo's economy will moderate over the next year before underperforming the nation. Automakers will navigate rising tariffs and trade policy uncertainty. Cooling consumer demand for goods will weigh on employment growth at logistics providers. Longer term, a dearth of high-value industries limits TOL's potential.

Neighborhood Analysis



Introduction

The Toledo Core-Based Statistical Area (CBSA) consists of three counties in northwestern Ohio and is anchored by the City of Toledo. The city is well known for its manufacturing industry, particularly in glass production. Its location along the New York-Chicago train line helped the city grow during the Industrial Revolution. The Toledo region is home to several higher education institutions, including Bowling Green State University and the University of Toledo, as well as several Fortune 500 companies: The Andersons Inc., Owens-Illinois, Dana Inc., and Owens Corning Inc. According to Experian Marketing Solutions, Inc. 2024 estimates, the CBSA holds 589,073 residents.

Neighborhood Boundaries

The property is located with the northern border of downtown Toledo and bordered by the State of Michigan to the north, The Maumee River/Perrysburg to the south, Interstate 280 to the east and Interstate 475 to the west. Specific neighborhood boundaries are outlined as follows:

- North: West Bancroft Street
- South: North Michigan Street

- East: Cherry Street
- West: Interstate 75

Access

Local area accessibility is good. Local and regional access is detailed below.

Local:	**Ashland Avenue:** The subject fronts this road, which is a two-lane urban street serving local traffic. **Monroe Street:** A major east-west corridor located just north of the property, providing access to downtown and the Old West End. **Collingwood Boulevard:** A north-south arterial about 0.3 miles east, connecting to I-75 and central Toledo. **Dorr Street:** Located to the south, this corridor is undergoing revitalization and connects to the University of Toledo. **Washington Street:** Runs parallel to Monroe and provides access to the Toledo Museum of Art and other cultural institutions.
Regional:	**Interstate 75:** Major north-south interstate located approximately 1.5 miles east of the subject. Connects Toledo to Detroit (north) and Dayton/Cincinnati (south). **Interstate 475/US Route 23:** Located about 4 miles west, serving as a bypass around the city and connecting to suburban areas. **US Route 24 (Detroit Avenue):** Runs northwest-to-southeast and is about 0.5 miles west of the subject. **State Route 25 (Anthony Wayne Trail):** A key arterial connecting downtown Toledo to Maumee and Perrysburg, located about 1.5 miles southeast.
Public Transportation:	The **Toledo Area Regional Transit Authority (TARTA)** provides fixed-route bus service and on-demand transit options throughout the city, including the Warren Sherman neighborhood. Routes nearest the subject are listed as follows. *Route 05 – Flower Hospital via Dorr Street:* Runs east-west along Dorr Street, which is just south of the subject property. *Route 20M – Meijer Central via Central/Collingwood:* Travels along Collingwood Blvd, approximately 0.3 miles east of the subject. *Route 33 – UTMC via Indiana/Junction/Detroit:* Connects the University of Toledo Medical Center with neighborhoods west of downtown.
Airports:	**Eugene F. Kranz Toledo Express Airport (TOL),** located approximately 15 miles west of the site, or about a 20-minute drive. This airport offers commercial service through carriers such as Allegiant Air and American Airlines, with nonstop flights to destinations including Orlando, Phoenix, and St. Pete-Clearwater. Ground transportation options at TOL include on-site car rental agencies, ride-share services like Uber and Lyft, and public transit connections via TARTA bus service. For broader domestic and international travel, **Detroit Metropolitan Wayne County Airport (DTW)** is located roughly 55 minutes north of the property via I-75. DTW is a major international hub offering extensive flight options through carriers such as Delta, United, and Southwest. While there is no direct public transit from Toledo to DTW, several private shuttle services operate between the two cities, providing convenient access for travelers.

Surrounding Uses

The subject's local area best described as medium/ density development and is primarily comprised of residential and commercial uses with the uses immediately surrounding the subject outlined below.

- North: Floyd Street, Previously Developed Lot, Single-Family Residential
- South: Irving Street, TMWC Mental Health Center, Unimproved Land Site
- East: Putnam Street, Religious Facility, Previously Developed Lot, Single-Family Residential
- West: Vacant Apartment Building, Ashland Avenue and Fulton Street, Behavioral Healthcare

The subject's immediate area was primarily developed in an urban grid layout with mid-rise apartment buildings, older single-family homes, and some medical or institutional uses. The residential composition is a mix of early 20th-century homes, mid-century apartment buildings, and newer infill housing.

Kenmore Manor Apartments

Located adjacent to the subject at 2044 Fulton Street, the 45-unit, 6-story apartment building with ground floor retail was constructed in 1923 and contains 33,732 square feet of building area.

VIEW FROM ASHLAND AVE



VIEW FROM SUBJECT PARKING LOT



According to publicly available marketing materials and signage observed on-site, the property was listed by Kyle Jurgenson with Miller Diversified. Repeated attempts to call and interview Mr. Jurgenson went unanswered. County records indicate the property transferred on January 2022 for $100,000 or $2,222 per unit, from Avenue 1 Properties LLC (Seller) to Midwest Capital Advisors LLC (Buyer). CoStar lists the property as actively for sale and current ownership as Avenue 1 Properties LLC, which is contrary to public records indications. The property appears vacant but the appraisers did not tour the interior to confirm. Lynd management referred to the property as vacant and condemned.

The appraiser(s) spoke with Lisa Cottrell, Deputy Director of the Toledo-Lucas County Plan Commission, on July 28, 2025 who noted that aside from one phone call inquiring about potential multifamily redevelopment on the site, no serious plans or proposals have been submitted. Ms. Cottrell indicated that parking is an issue at the site. A prospective developer would need to acquire nearby land parcels for parking to satisfy the requirement or enter into a parking agreement with the subject property. She indicated records show several building code violations several years ago required the property to be boarded up. Future plans for the site and improvements are unknown.

Zepf Center – Ashland SASI

Located at 2005 Ashland Avenue, across the street from the subject, is a two-story building constructed in 1971 containing 125,520 square feet of building area (source: Lucas County records).

VIEW FROM IRVING STREET	PHOTO FROM COMPANY WEBSITE
	

Based on on-site observations and in accordance with the company's website, the building is occupied by Zepf Center as a SASI (Substance Abuse Services Initiative), a behavioral health center providing services related to substance abuse disorders, crisis care, adult mental health, and primary care. The company has six locations throughout Toledo and has been in operations for over 50 years. Onsite observations show the building has been painted black since photos available on both the company website and county records.

Growth Patterns

Toledo continues to experience a relatively healthy recovery from the adverse effects of recent market uncertainty in an elevated interest rate environment through early June 2025. Despite having recovered all of its non-farm jobs, levels based on preliminary April 2025 data from the Bureau of Labor Statistics (BLS), the region's relative lack of higher wage employment opportunities has weighed on the earning potential of the local labor force and persistent population losses continue to limit the regional employment pool. Increased automation in Toledo's factories has continued to suppress additional hiring over past years, as local companies seek increased production efficiencies. A lack of more dynamic growth drivers and persistent out-migration are likely to limit the regional economy's pace of recovery and could result in persistent performance below state and national levels. Through the long term, payroll growth in the area is likely to continue to be anchored by the stability of the non-cyclical education & health services sector.

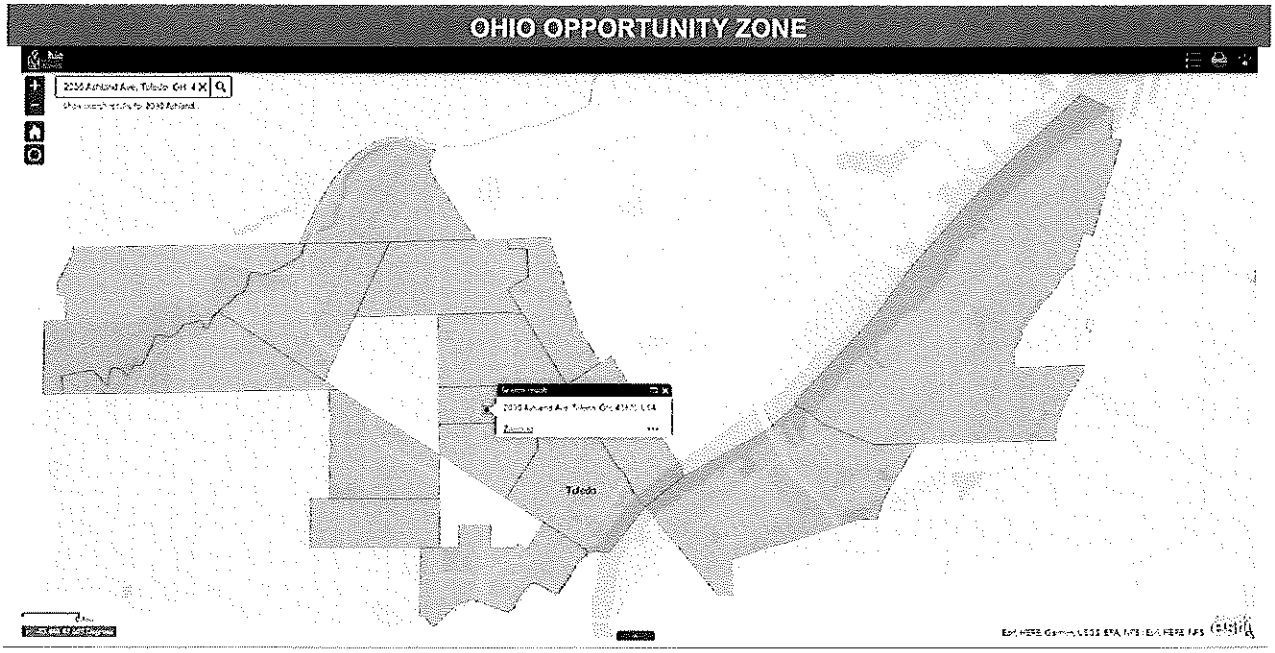
Further considerations for Toledo are as follows:

- Based on data from Northwest Ohio Realtors, the median sale price of a single-family home in Toledo through April 2025 was $130,000 and increased 8.3% since April 2024. The continual shortage in the inventory of homes has persisted through the first quarter as overall costs of construction continue to remain elevated, partially driven by labor shortages in the construction sector and supply-side economic pressure in the national housing market. As of April 2025, inventory was recorded at 555 homes, down 2.3%, and listings are down 2.2% year-to-date. Higher mortgage rates have also exacerbated the issue for homebuyers, with the Bureau of Labor Statistics recently revealing that the annual inflation rate was 2.3% for the 12 months ending in April 2025. The Federal Reserve cut rates in September 2024, with a 50-basis point reduction, and 25-basis point cuts in both November and December. While there have been no rate cuts year-to-date, the Federal Reserve is open to cutting interest rates in the second half of 2025, if economic conditions allow.

- A groundbreaking occurred in early September 2022 for the Toledo Trade Center project. Located at the former site of the North Towne Mall, the Toledo Trade Center will be an industrial park spanning 58 acres and is expected to see the creation of three buildings totaling roughly 853,000 square feet for the purposes of providing a business space to ecommerce distributors as well as allow businesses to build parts for electric cars. In December 2023, automotive supplier Mobis North America announced the construction of a 285,000 square foot spec building to assemble battery systems for electric vehicles.
- Phase II of the Glass City Riverwalk (GCR) and Metropark project in Toledo began in April 2022, with Phase I being completed in late 2020 and including a 5,000 square foot event lawn, a 3,500 public pavilion, and several walking paths. The GCR project was introduced to create better public access and connectivity to both sides of Toledo's riverfront while also adding significant improvements, such as seawall repairs, new bicycle and pedestrian walkways, and green space. Phase II is projected to include an ice-skating pathway, a bridge connecting International Park with Glass City, as well as restaurant spaces. The entirety of the GCR project is anticipated to be completed by June 2026.
- Tempe, Arizona-based solar panel company, First Solar, broke ground on a $680 million expansion in August 2021 for solar manufacturing in Lake Township. The new facility commenced operations in 2024, added over 700 permanent jobs, and the company's Northwest Ohio annual capacity output reached six gigawatts of direct current. Data from the Regional Growth Partnership of Northwest Ohio suggests that the facility plans to engage in a business strategy known as vertical integration, in which it will control multiple stages of its production process. First Solar will become the largest solar manufacturing site to achieve this feat outside of China. The company also announced in October 2022 that it expects to invest an additional $185 million to increase its production capacity across the State of Ohio.
- In October 2020, McLaren Health Care, a Michigan company, acquired St. Luke's Hospital in Maumee and announced a five-year, $100 million renovation and redevelopment project. The centerpiece of the project is an overhaul of the hospital, to include upgrades to the operating room, new surgical equipment, renovations to the main entrance and lobby, patient rooms, and cafeteria. The entire project is estimated to be completed by 2026.

Opportunity Zone

Ohio Opportunity Zones are federally designated areas aimed at stimulating economic development in distressed communities through tax incentives. Established under the Tax Cuts and Jobs Act of 2017, these zones encourage private investment by allowing investors to defer and potentially reduce capital gains taxes when they reinvest in Qualified Opportunity Funds. These funds are used to support real estate development, business expansion, and infrastructure improvements within the zones. The overarching goal is to revitalize underserved neighborhoods, promote job creation, and enhance the overall quality of life for residents.



The subject property is located within Ohio Opportunity Zone 39095002100. According to the Ohio Opportunity Zone website, there are not currently any active projects within the subject's opportunity zone. However, during the property inspection, active demolition of an uninhabitable commercial building was observed nearby at 2140 Ashland Avenue, the northwest corner of Prescott Street and Fulton Street, improving the potential for future redevelopment.

Demographic Profile

Understanding the demographics of a region helps to ascertain the underlying fundamentals of real estate supply and demand. In analyzing the demographic patterns, a market area for the subject must first be determined. Key considerations in the delineation of the subject's market area are summarized as follows:

- Accessibility, including highways, thoroughfares, linkages, area traffic patterns, and other transportation methods such as public transit, bus routes and airports;
- Geographical constraints such as waterways, municipal or state boundaries, mountain ranges or other land conversation areas;
- Key employment areas and other surrounding residential uses, both existing and growth patterns; and
- Competitive properties (existing and proposed) with similar amenity composition and finishes as the subject.

Based on these observations, a market area for the subject is best represented by a three-mile radius surrounding the subject site. Hence, a primary demographic profile was analyzed accordingly. For perspective, the market area demographic profile was juxtaposed to the subject's respective CBSA, state, and the U.S. demographic profile, respectively.

Population Trends

Having established the subject's trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc., provides historical, current, and forecasted population estimates for the respective areas. The respective data and trends are summarized in the following section.

Between 2010 and 2024, the population within the subject's market area declined at a compound at an annual rate of negative (1.39) percent. Compared to an expanded market area (five-mile radius), the population's rate of change is estimated to be negative (0.16) percent per annum over the next five years.

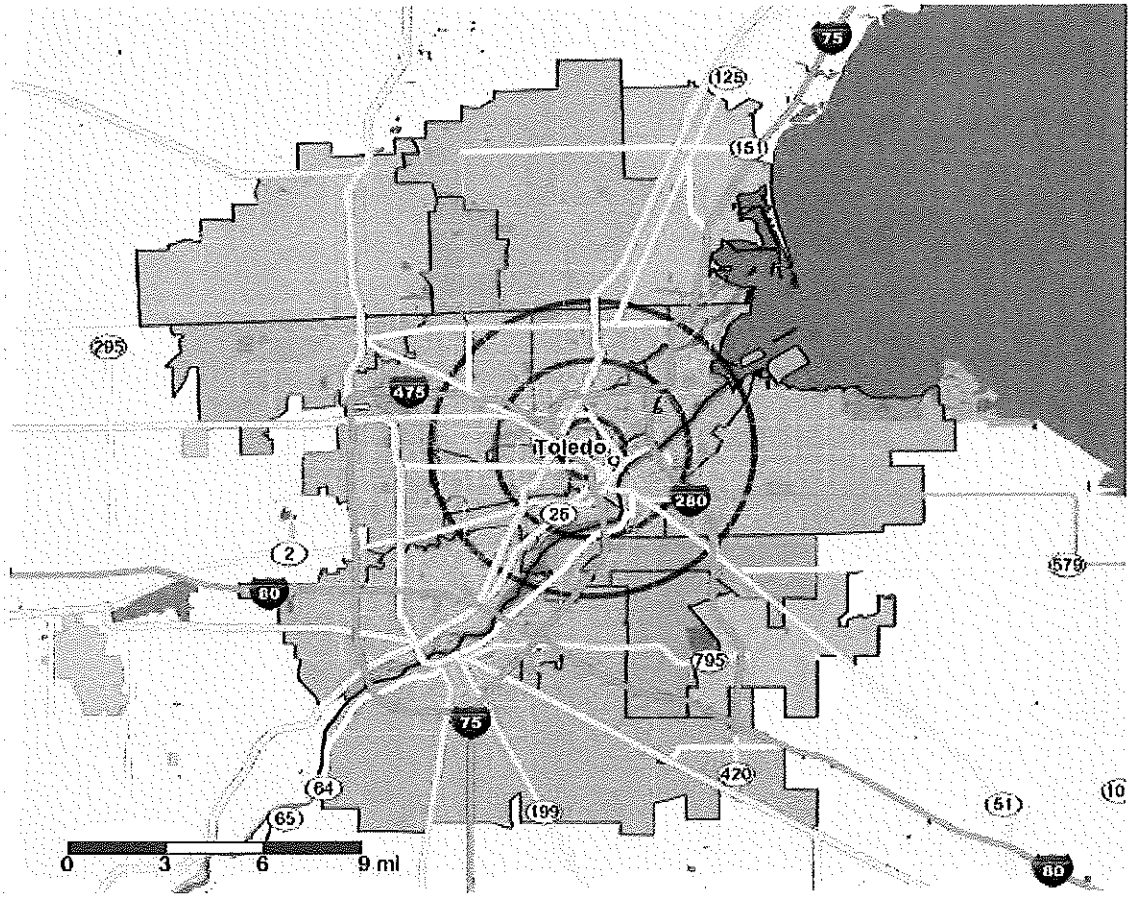
The current population distribution within the subject's region and the projected population growth within the defined market area over the next five years is summarized below:

DEMOGRAPHIC SUMMARY	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	Toledo, OH CBSA	State of Ohio	United States
POPULATION STATISTICS						
2010	16,068	118,896	238,571	610,004	11,536,234	308,743,293
2024	13,093	97,704	212,991	589,073	11,700,415	335,480,631
2029	13,011	96,748	211,269	587,332	11,729,285	342,843,469
Compound Annual Change						
2010 - 2024	-1.45%	-1.39%	-0.81%	-0.25%	0.10%	0.60%
2024 - 2029	-0.13%	-0.20%	-0.16%	-0.06%	0.05%	0.44%
HOUSEHOLD STATISTICS						
2010	6,983	46,196	96,135	245,499	4,603,295	116,715,242
2024	6,578	42,195	93,152	253,391	4,863,152	131,553,968
2029	6,609	42,218	93,196	254,511	4,903,087	135,011,774
Compound Annual Change						
2010 - 2024	-0.43%	-0.64%	-0.22%	0.23%	0.39%	0.86%
2024 - 2029	0.09%	0.01%	0.01%	0.09%	0.16%	0.52%
AVERAGE HOUSEHOLD INCOME						
2010	$32,546	$36,840	$45,848	$61,552	$63,906	$73,387
2024	$39,682	$45,898	$59,839	$79,385	$85,205	$101,307
2029	$45,287	$51,044	$66,157	$87,572	$93,685	$111,985
Compound Annual Change						
2010 - 2024	1.43%	1.58%	1.92%	1.83%	2.08%	2.33%
2024 - 2029	2.68%	2.15%	2.03%	1.98%	1.92%	2.02%
OCCUPANCY						
Owner Occupied	26.09%	44.17%	51.76%	62.88%	65.72%	63.48%
Renter Occupied	73.91%	55.83%	48.24%	37.12%	34.28%	36.52%

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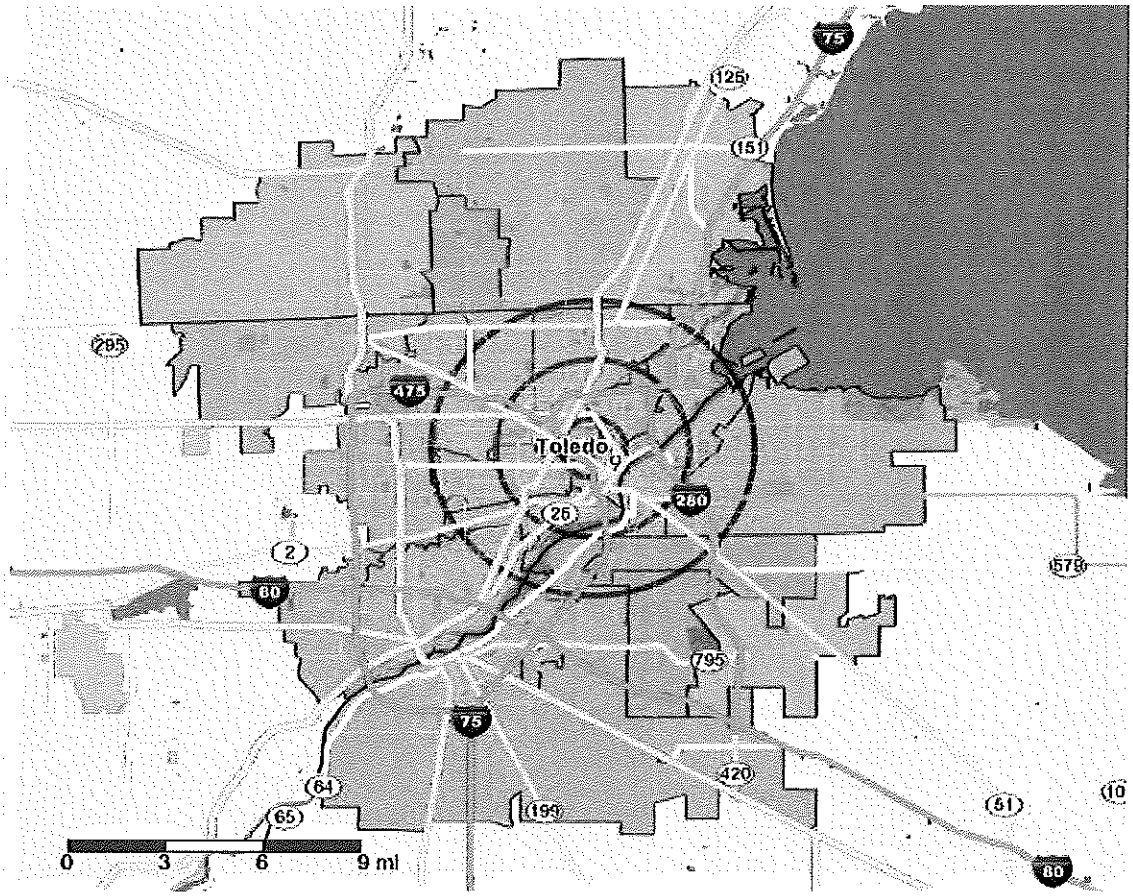
These indications have been considered when determining our market estimates for the subject.

CURRENT POPULATION MAP



Population - 1: 24,461 - 43,917
Population - 2: 14,943 - 24,460
Population - 3: 4,838 - 14,942
Population - 4: 90 - 4,837

POPULATION GROWTH MAP



Population Growth - 1: 24,343 - 44,656
Population Growth - 2: 14,763 - 24,342
Population Growth - 3: 4,804 - 14,762
Population Growth - 4: 89 - 4,803

Households

A household consists of a person or group of people occupying a single housing unit and is not necessarily a family unit. When an individual purchases goods and services, these purchases reflect the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject property.

Figures provided by Experian Marketing Solutions, Inc., show the rate of change for household formations over a defined period. Psychological trends and factors that impact household formation are summarized below along with the household formation trends for the subject's market area, compared to regional and national trends.

- The population is living longer on average. This results in an increase of single- and two-person households;
- Higher divorce rates have resulted in an increase in single-person households; and
- Many individuals have postponed marriage, also resulting in more single-person households.

According to Experian Marketing Solutions, Inc., the Primary Market Area declined at a compound annual rate of negative (0.64) percent between 2010 and 2024, and is estimated to remain relatively stable at 0.01 percent as of 2029. Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2010, there were 2.50 persons per household in the defined market area. By 2024, this number is estimated to have decreased to 2.24 persons. Through 2029, the average number of persons per household is forecasted to decline to 2.21 persons.

Average Household Income

A significant statistic driving the success of an apartment market is the income potential of the area's population. Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the market area and form an important component of this total analysis.

Average household income within the subject's defined market area in 2024 was approximately $45,898 or 57.82 percent of the CBSA average ($79,385) and 53.87 percent of the state average ($85,205). This information is summarized below, along with a broader distribution of income cohorts by market:

DISTRIBUTION OF HOUSEHOLD INCOME						
Category	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	Toledo, OH CBSA	State of Ohio	United States
$150,000 or more	2.88%	2.10%	5.11%	12.78%	15.00%	20.52%
$125,000 to $149,999	1.96%	2.60%	4.07%	6.24%	6.77%	7.40%
$100,000 to $124,999	4.03%	4.76%	7.07%	8.91%	10.08%	10.39%
$75,000 to $99,999	7.02%	9.18%	11.24%	12.91%	13.91%	13.20%
$50,000 to $74,999	11.10%	14.96%	17.22%	17.80%	17.37%	15.80%
$35,000 to $49,999	11.01%	14.93%	14.26%	12.31%	11.65%	10.30%
$25,000 to $34,999	8.60%	12.69%	10.96%	8.90%	8.15%	7.18%
$15,000 to $24,999	13.91%	12.69%	11.46%	8.33%	7.68%	6.83%
Under $15,000	39.63%	26.15%	18.71%	12.02%	9.61%	8.63%

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Within a one-mile radius of the subject, 73 percent of households earn below $50,000 annually. Within the three- and five-mile radii, that ratio becomes 66 and 55 percent, respectively. This dispersion indicates a substantial amount of households in the subject's market area at below the 60% Area Median Income (AMI) levels for the Toledo MSA. Per HUD, at a 60% AMI level, the 2025 adjusted home income limit for the market area average of a 2.24 person household is $46,908, suggesting ample demand for affordable housing.

Housing Occupancy

The percentage of occupied housing units that are renter occupied is an indicator of demand within an area. Markets that have a high percentage of renter units are indicative of a more transient population. For reference, the United States has 36.52 percent of its occupied housing stock occupied by renters, while the subject's State and CBSA have 34.28 and 37.12 percent of this same stock occupied by renters. This compares to the local statistics, which reflect renter occupied ratios of 73.91 percent, 55.83 percent and 48.24 percent in the 1.0-, three- and 5.0-mile trade areas, respectively.

Local Area Housing

The following table reflects a housing summary including the total number of housing units, median housing value and median year built in the local area, as well as the subject's respective region, State and U.S. for comparative analysis.

HOUSING SUMMARY	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	Toledo, OH CBSA	State of Ohio	United States
HOUSING STATISTICS						
2024 Est. Total Housing Units	7,894	50,581	105,830	276,358	5,301,007	145,753,335
2024 Est. Median Housing Value	$82,013	$59,284	$98,161	$172,299	$213,194	$321,016
2024 Est. Median Year Built	1951	1947	1954	1961	1965	1975

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Neighborhood Conclusion

The subject's neighborhood is in a mature stage of the neighborhood life cycle. Immediate uses are complementary to the subject. Municipal services, including access arteries and other forms of transportation is adequate. These characteristics were considered when determining the market value estimates outlined within this report.

Toledo continues to experience a relatively healthy recovery from the adverse effects of recent market uncertainty in an elevated interest rate environment through early June 2025. Total non-farm jobs lost in the pandemic-induced economic downturn over the last four years have officially reached pre-pandemic levels as of preliminary April 2025 data from the BLS. The region continues to lag slightly in its efforts to transition to a services-based economy, and outmigration and negative household rates projected through 2029 suggest this trend will continue through future years. However, Toledo has a lower cost of living, lower costs to do business compared to larger regions, and a relatively more affordable housing stock, which could help bring additional residents in future years if more investment in the area occurs.

Market Analysis

A variety of factors influence the performance of a property in the market. In this section we provide an in-depth analysis of both the market in which the subject property competes and its position within that market.

- Overview of current market statistics such as supply, absorption, vacancy, effective rental rates and new and proposed construction.
- Analysis of competing local properties to determine the competitive inventory, occupancy rates, rent levels and concessions that might impact the market.
- Examination of the underlying demographic indices. Comparisons are made to larger study areas such as the CBSA, state and U.S. to place the performance of the subject trade area in context.

Toledo Apartment Market Overview

Data for the analysis of the subject's submarket and market is provided by CoStar., a leading provider of multifamily and commercial real estate market information.

Toledo Multi-Family

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
682	138	8.2%	2.4%

Summary

Multifamily vacancy is rising in Toledo amid muted demand and new deliveries. Supply outpaced demand in recent quarters, pushing vacancy up 30 basis points year over year to 8.2% compared to the national benchmark of 8.2%.

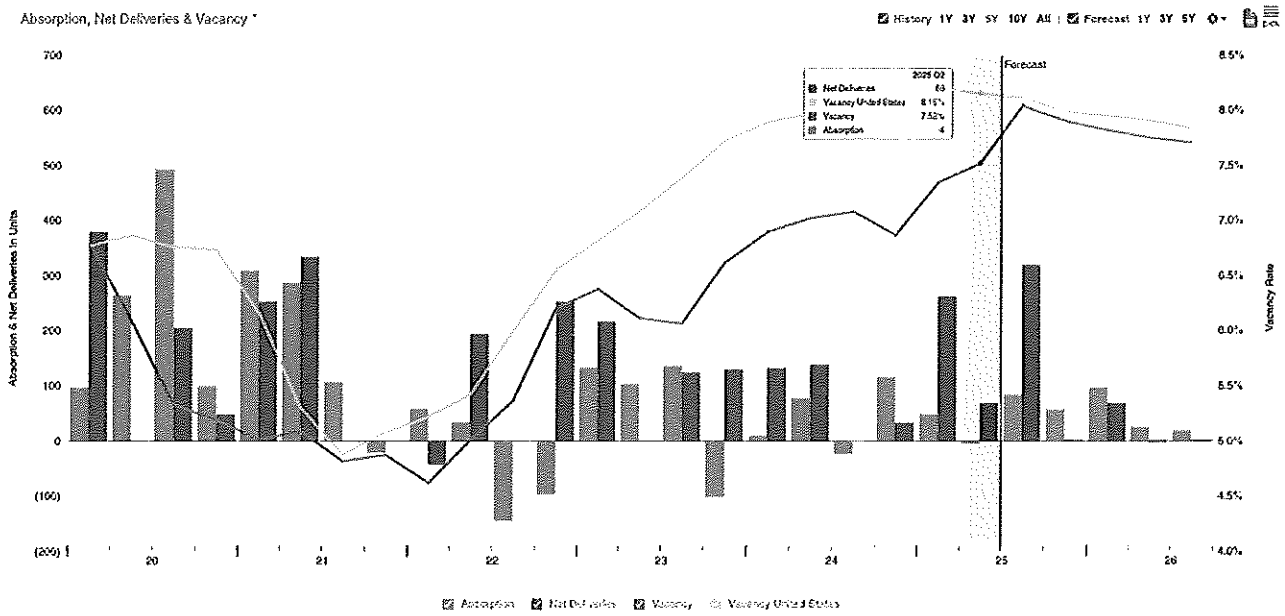
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	4,346	15.0%	$1,511	$1,500	22	320	0
3 Star	13,379	10.1%	$1,128	$1,121	(7)	0	70
1 & 2 Star	23,280	5.9%	$818	$813	(18)	0	0
Market	**41,005**	**8.2%**	**$1,010**	**$1,003**	**(3)**	**320**	**70**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.2% (YOY)	8.3%	7.9%	12.4%	2003 Q1	4.6%	2022 Q1
Absorption Units	138	333	112	1,184	2021 Q2	(186)	2009 Q3
Delivered Units	682	318	200	1,277	2018 Q1	0	2017 Q1
Demolished Units	0	3	7	42	2022 Q4	0	2025 Q2
Asking Rent Growth	2.4%	2.0%	2.4%	7.9%	2022 Q2	-1.9%	2009 Q4
Effective Rent Growth	2.7%	2.0%	2.5%	8.1%	2022 Q2	-2.1%	2009 Q4
Sales Volume	$17.5M	$47.8M	N/A	$191.1M	2022 Q1	$1.5M	2003 Q2

Vacancy

Vacancy trends vary by price point. Vacancy among mid-priced units has stabilized, falling 60 basis points over the past three quarters to 10.1%. Recent deliveries are concentrated among 4 & 5 Star properties and a recent wave of new supply sent the vacancy rate to 15.0%, up from 5.6% at the end of 2024.

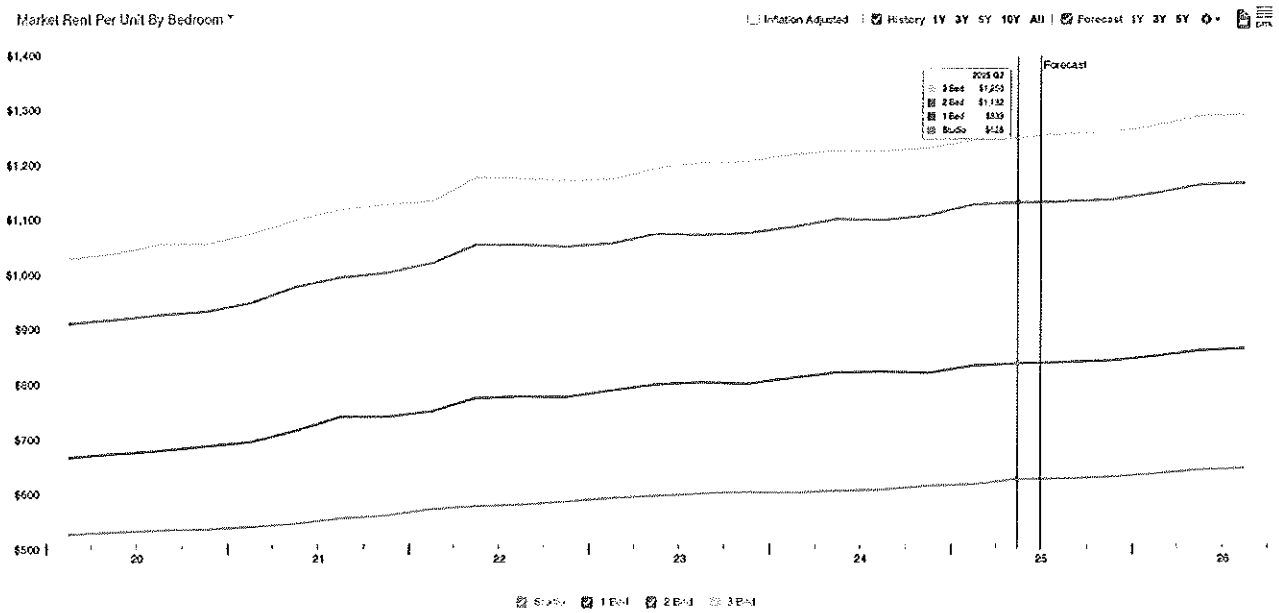


Construction

Similar to national trends, elevated interest rates and the high cost of land, labor, and materials weigh on construction starts, and no projects broke ground in the second half of 2023. As a result, units under construction are at a multi-year low of 70, representing 0.2% of market inventory compared to the national benchmark of 2.8%. Deliveries are slated to remain near record lows over the next 12 months and will place further pressure on vacancy. The largest project underway is Harrison Landing in Perrysburg. The project is slated to deliver 320 units to the market in the second half of 2025. The unit mix ranges from one- to three-bedrooms.

Rents

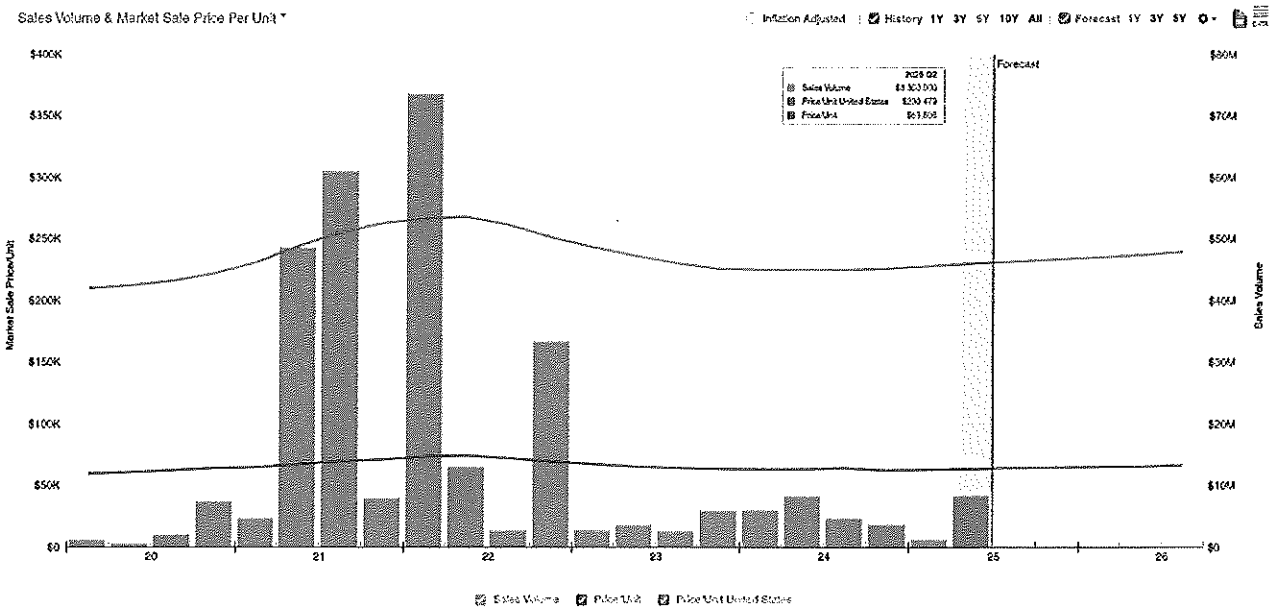
While rent growth has slowed from the record highs in 2021 and 2022, it remains well above pre-pandemic averages.



As of 202Q3, rent growth averages 2.4% year over year compared to the national benchmark of 1.0%. Relatively limited deliveries and modest rent growth during the height of the pandemic allow for landlords to continue to push rents at a steady pace, and gains remain above the historical average through the forecast.

Sales

Investment activity remains muted in Toledo, and quarterly transactions fell for the third consecutive quarter in 25Q1. Around $17.5 million traded hands over the trailing 12-month period compared to the 10-year average of $63.8 million. Over the past decade, deals closing between $10 and $20 million have not been uncommon. However, the impacts of high interest rates are felt most among deals within this range, and no transactions above $10 million were recorded over the past 12 months. Most of the top sales in recent months ranged between $1 million and $3 million.



The active buyer profile has shifted in recent quarters, considering the significant move away from larger transactions. Over the past five years, acquisitions from institutional buyers represented 30% of sales volume. Institutional investors were notably absent from the buyer pool over the past 12 months, with private buyers and users filling the gap. One of the top trades over the past year closed in 24Q3 when Charing Cross Apartments in Bowling Green sold for $3.5 million ($50,700/unit). Harbor Group International sold the 68-unit property at a 7.8% cap rate. In 25Q1, Lutz Road Villas in Archbold sold to Threefold Real Estate Investing for $1.2 million ($43,580/unit). PK Housing and Management sold the 28-unit property.

Outlook

Looking ahead, multifamily vacancy in Toledo will likely continue to see a gradual increase over the near term as demand remains muted. Toledo has historically seen weak demographic growth and employment growth. Macroeconomic factors suggest slower hiring in the months ahead, which will further challenge Toledo's job market and tilt the multifamily forecast to the downside. Transaction activity in Toledo will likely remain muted in the months ahead amid high interest rates and slowing rent growth. Institutional investors may continue to hold off on deploying capital, creating a window of opportunity for private investors to acquire discounted assets.

Toledo Apartment Submarket Overview

The Toledo multifamily submarket has a vacancy rate of 12.1% as of the third quarter of 2025.

Toledo Multi-Family

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
272	151	12.1%	2.5%

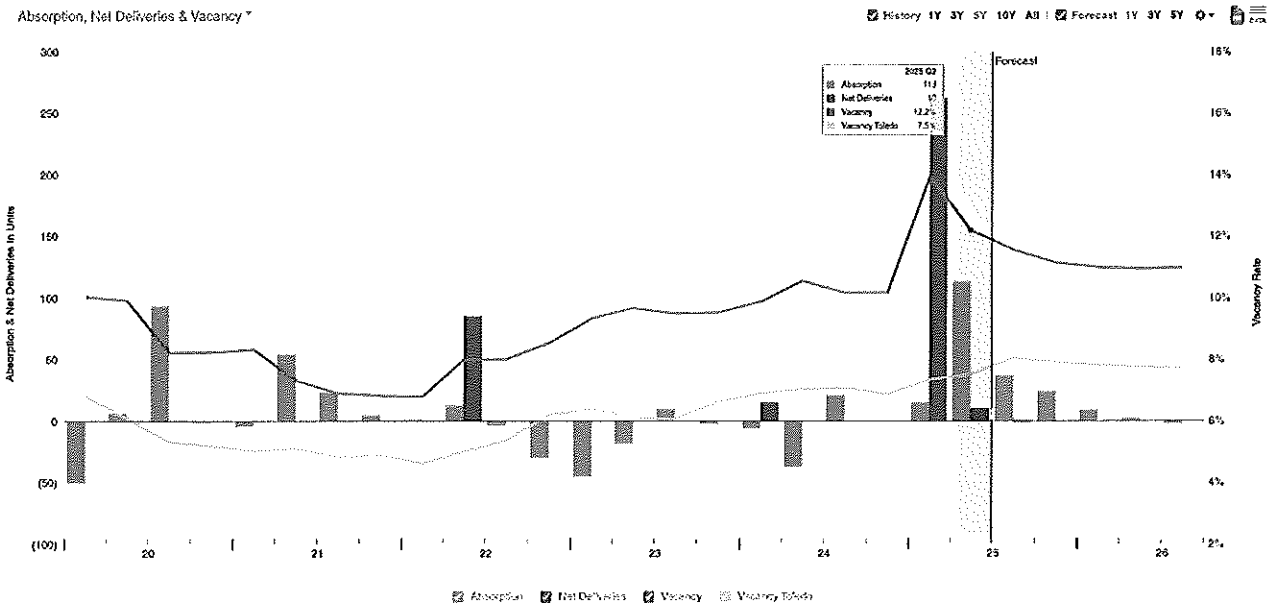
Over the past year, the submarket's vacancy rate has changed by 1.6%, a result of 270 units of net deliveries and 150 units of net absorption.

KEY INDICATORS

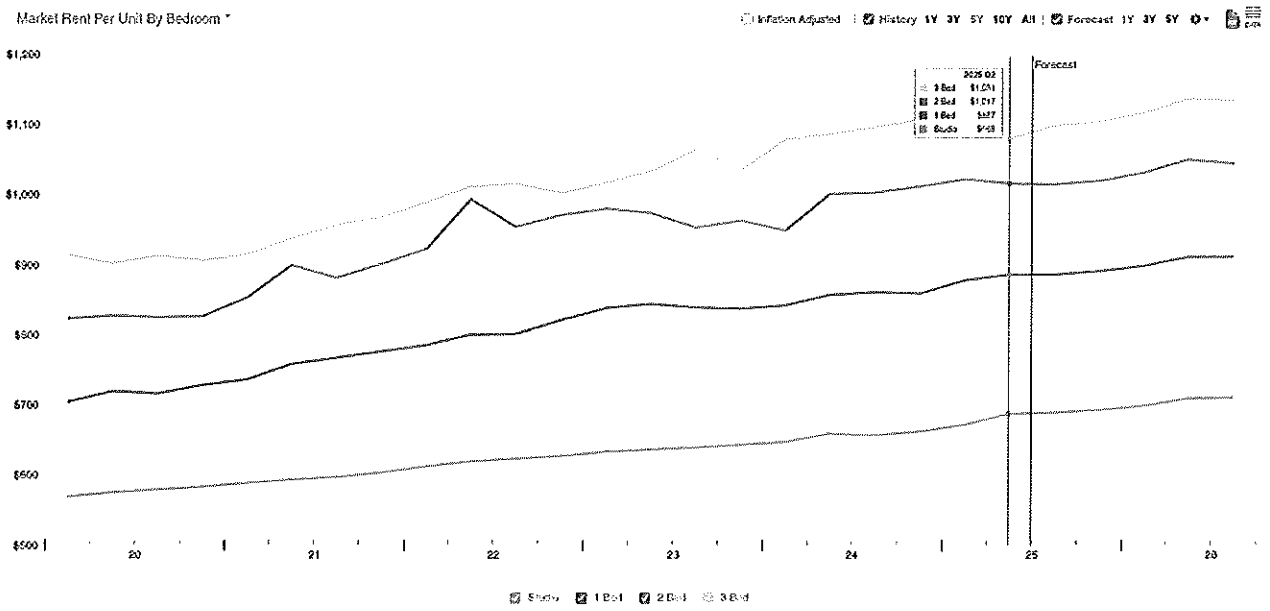
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	426	29.9%	$1,507	$1,473	10	0	0
3 Star	1,973	9.8%	$987	$980	(1)	0	0
1 & 2 Star	3,454	11.1%	$800	$793	(2)	0	0
Submarket	**5,853**	**12.1%**	**$933**	**$924**	**7**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.6% (YOY)	12.8%	11.4%	16.5%	2003 Q2	6.8%	2022 Q1
Absorption Units	151	19	41	150	2025 Q2	(95)	2023 Q2
Delivered Units	272	14	47	272	2025 Q2	0	2023 Q4
Demolished Units	0	1	1	16	2020 Q1	0	2025 Q2
Asking Rent Growth	2.5%	2.1%	2.4%	7.7%	2022 Q2	-2.1%	2009 Q4
Effective Rent Growth	2.2%	2.1%	2.5%	8.0%	2022 Q2	-2.2%	2009 Q4
Sales Volume	$2.7M	$6.7M	N/A	$33.2M	2022 Q4	$205.9K	2014 Q1

Toledo's vacancy rate of 12.1% compares to the submarket's five-year average of 9.3% and the 10-year average of 10.5%.

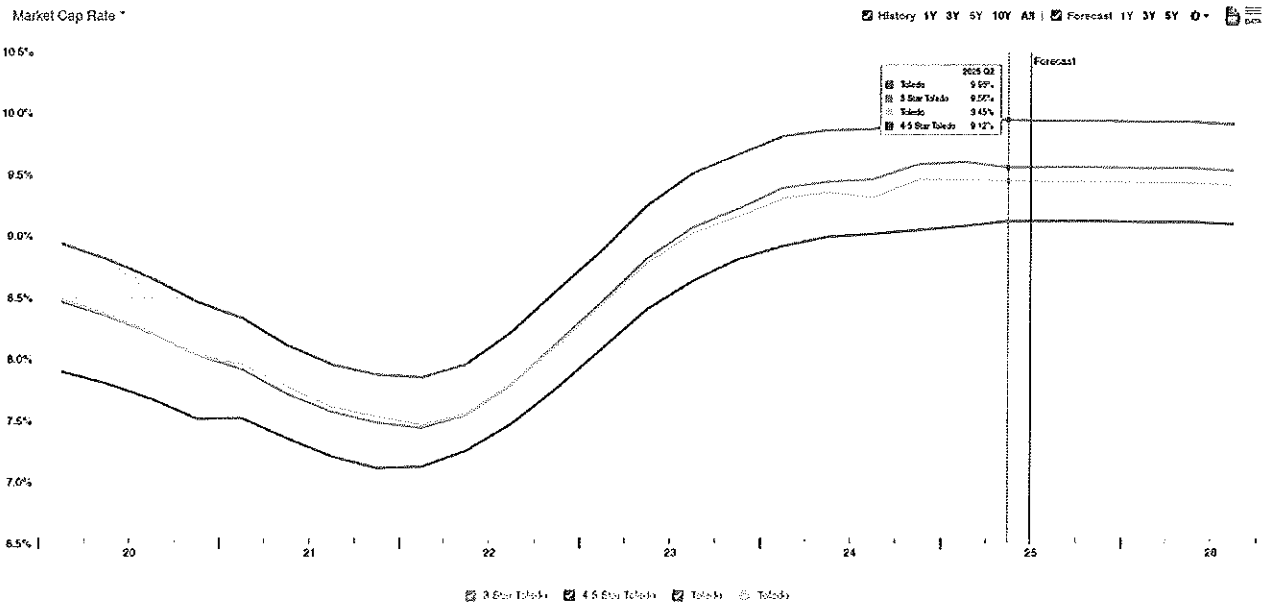


As of the third quarter of 2025, there are no multifamily units under construction. In comparison, the submarket has averaged 39 units under construction annually over the past 10 years. The Toledo multifamily submarket contains roughly 5,900 units of inventory. The submarket has approximately 430 units rated 4 & 5 Star, 2,000 units rated 3 Star, and 3,500 units rated 1 & 2 Star.



Average rents in the Toledo submarket are $930/month, compared to the wider market average of $1,010/month. Rents have changed by 2.5% year over year in Toledo, compared to a change of 2.4% metro wide. Annual rent growth of 2.5% in Toledo compares to the submarket's five-year average of 4.0% and its 10-year average of 3.6%.

Over the past year, 4 multifamily properties traded in the Toledo submarket, accounting for 126 units of inventory turnover. Average annual inventory turnover in the submarket is 61 units over the past five years and 110 units over the past 10 years. Multifamily sales volume in the submarket has totaled $2.7 million over the past year. Average annual sales volume over the past five years is $8.9 million and $8.6 million over the past 10 years.



Estimated multifamily market pricing in the Toledo submarket is $59,000/unit compared to the market average of $64,000/unit. Average market pricing for Toledo is estimated at $140,000/unit for 4 & 5 Star properties, $60,000/unit for 3 Star assets, and $48,000/unit for 1 & 2 Star buildings. The estimated market cap rate for Toledo multifamily submarket (green) is 9.9% compared to the overall market average (yellow) of 9.4%.

Competition Summary

Overall, the properties presented represent the subject's most direct competition.

COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION

No.	PROPERTY NAME ADDRESS, CITY, STATE	NO. OF UNITS	AVG. UNIT SIZE	YEAR BUILT	YEAR REN	NO. OF BLDGS	NO. OF STORIES	OCC. RATE (%)	BEDS/BATHS	UNIT SIZE (SF) AVG.	QUOTED RENT PER MONTH AVG.	QUOTED RENT $/SF/ MONTH AVG.	RENT INCLUSIONS	CONCESSIONS
S	Subject Property	188	539	1972	-	1	8	63.8%						
1	Executive Towers Apartments 1825 Collingwood Boulevard Toledo, OH	149	765	1964	-	1	13	85.9%	Studio Studio PH 1BR/1BA 1BR/1BA PH 2BR/2BA 3BR/3BA	400 600 775 1,600 1,008 1,500	$600 $810 $708 $1,270 $883 $1,450	$1.50 $1.01 $0.91 $0.79 $0.88 $0.97	Trash	$199 Deposit
2	Museum Place 1825 Collingwood Boulevard Toledo, OH	63	899	1897	2018	5	4	99.0%	1BR/1BA 2BR/2BA 3BR/2BA 4BR/2BA	450 820 1,340 1,380	$713 $881 $1,085 $1,348	$1.58 $1.07 $0.81 $0.98	Water, Sewer, and Trash	None
3	Park Lane Apartments 142 23rd Street Toledo, OH	92	592	1925	2012	1	10	88.0%	Studio 1BR/1BA	334 688	$720 $920	$2.16 $1.34	Water, Sewer and Trash	None
4	Ten Eyck Towers 62+ 240 21st Street Toledo, OH	154		1972	-	1	11	99.0%	1BR/1BA	750	$644	$0.86	Electric, Gas, Water, Sewer, and Trash	None
5	Alpha Towers 62+ 525 East Woodruff Avenue Toledo, OH	165	612	1976	2024	1	9	98.4%	1BR/1BA 2BR/1BA	600 800	$1,263 $1,511	$2.10 $1.89	Electric, Water, Sewer, Gas, Trash	None
6	The Plaza 62+ 2520 Monroe Street Toledo, OH	159	658	1960	-	4	6	95.0%	Studio 1BR/1BA 2BR/1BA	450 700 800	$896 $960 $1,152	$1.99 $1.37 $1.44	Water, Sewer, Trash	None

Toledo Affordable Housing Market Overview

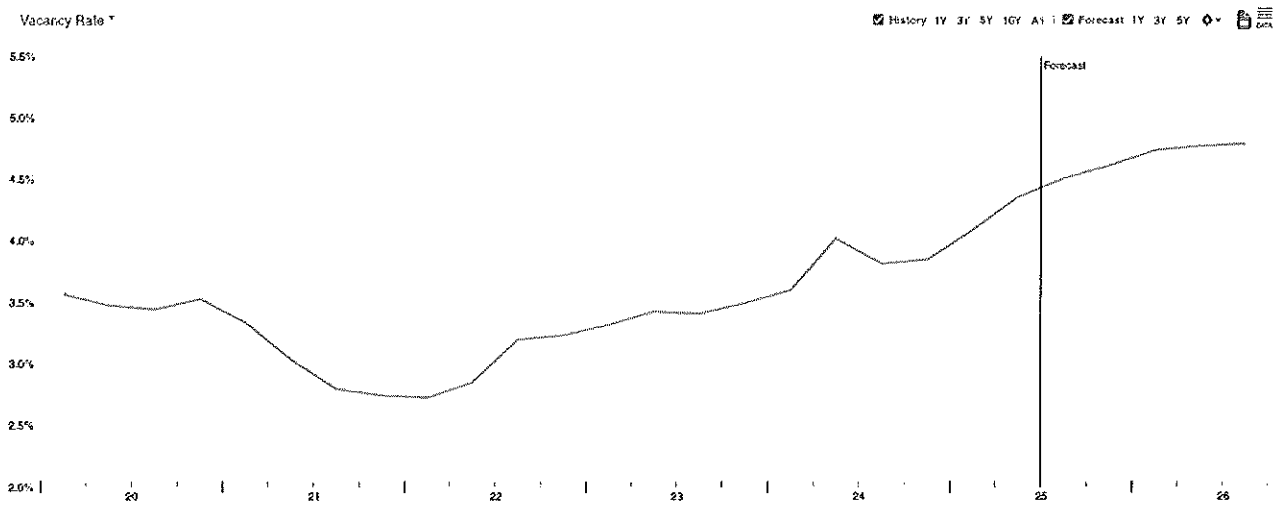
The following tables are statistics provided by Costar Group for all affordable rental properties greater than 25 units within a ten-mile radius of the subject, which is considered the subject's primary affordable market area. As indicated within this table, the current vacancy rate is 4.4 percent, which is up from the level of 4.0 percent exhibited in the prior period. Affordable inventory within this area has remained relatively stable with no new deliveries in the past twelve months.

INVENTORY UNITS	UNDER CONSTRUCTION UNITS	12 MO ABSORPTION UNITS	VACANCY RATE	MARKET RENT/UNIT	MARKET SALE PRICE/UNIT	MARKET CAP RATE
5,767	0 -100.0%	4	4.4%	$815	$44.9K	9.8%
Prior Period 5,735	Prior Period 32	Prior Period (18)	Prior Period 4.0%	Prior Period $759	Prior Period $44K	Prior Period 9.6%

Availability		Inventory		Sales Past Year		Demand	
Vacant Units	255	Existing Buildings	54	Asking Price Per Unit	-	12 Mo Absorp % of Inventory	0.1%
Asking Rent/SF	$1.14	Average Units Per Bldg	107	Sale to Asking Price Differential	-	Median Household Income	37.5K
Concession Rate	0.6%	12 Mo Demolished Units	0	Sales Volume	$2.6M	Population Growth 5 Yrs | 20-29	-2.0%
Studio Asking Rent	$583	12 Mo Occupancy % at Delivery	100.0%	Properties Sold	1	Population Growth 5 Yrs | 30-39	-1.1%
1 Bedroom Asking Rent/Unit	$799	12 Mo Construction Starts Units	0	Months to Sale	-	Population Growth 5 Yrs | 40-54	3.5%
2 Bedroom Asking Rent/Unit	$925	12 Mo Delivered Units	32	For Sale Listings	-	Population Growth 5 Yrs | 55+	5.6%
3 Bedroom Asking Rent/Unit	$931	12 Mo Avg Delivered Units	46	Total For Sale Units	-	Population Growth 5 Yrs	0.6%

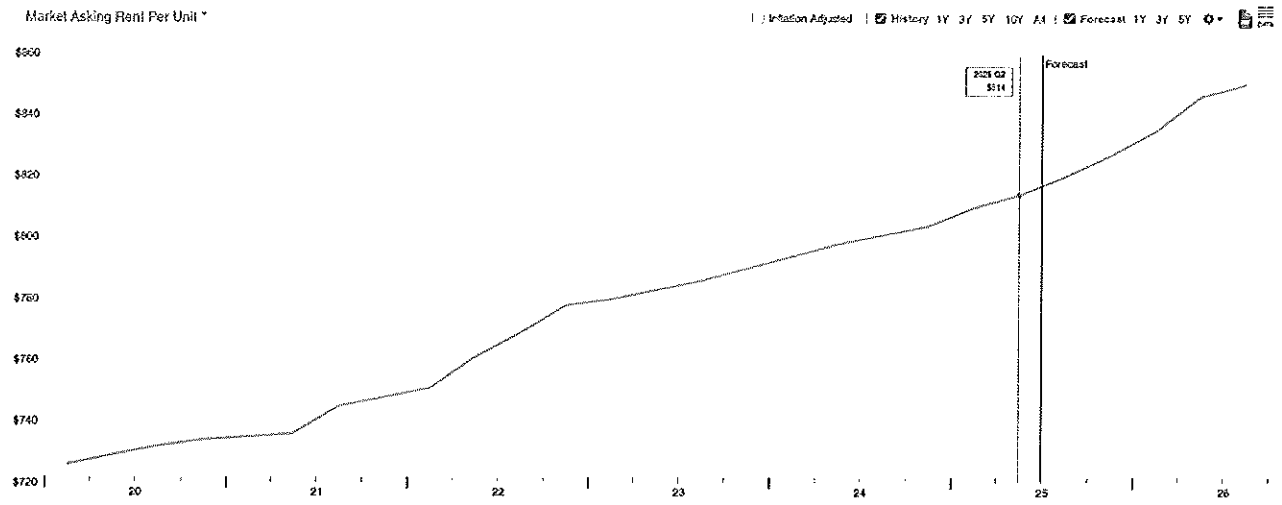
The following tables provide a visual aid with regards to the five-year historical trends for affordable housing vacancy, rents, new construction and absorption within these submarkets:

Vacancy



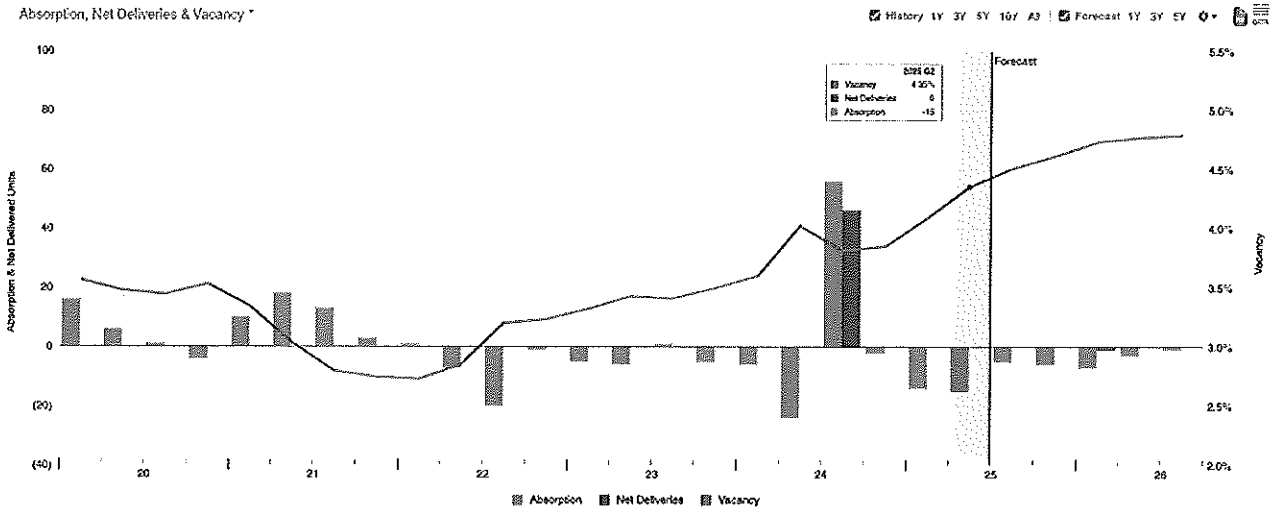
The vacancy rate has been trending upward since a low of 2.7 percent in Mid-2022. The following page depicts average asking rents within the subject's primary market:

Asking Rent



As can be seen, average asking rents per unit have generally risen over the past 5 years from $726 per month in early 2020 to their current level of $814 per month.

Historical Deliveries In Units



Deliveries peaked at 46 units being added to the market in 3Q2024. Otherwise, no new units have been added to the market. Absorption was largely positive until the latter half of 2022 and has been primarily negative between 2Q2022 to current, with the exception of the quarter that delivered new units.

City of Toledo Consolidated Plan (2025-29) and Annual Action Plan (2025-26)

The following is taken from the draft documents provided by the Toledo Housing and Community Development Department dated April 1, 2025.

Introduction

The City of Toledo has completed the Consolidated Planning process for the 2025-2029 Program Years. The purpose of the Plan is to identify the city's housing, community development, public service, and economic development needs, prioritize those needs, and develop goals and strategies about how funding will be allocated to eligible housing and community development activities to meet the city's priority needs. The Consolidated Plan provides the vision that guides policies and the use of city resources to address these important issues over a five-year period.

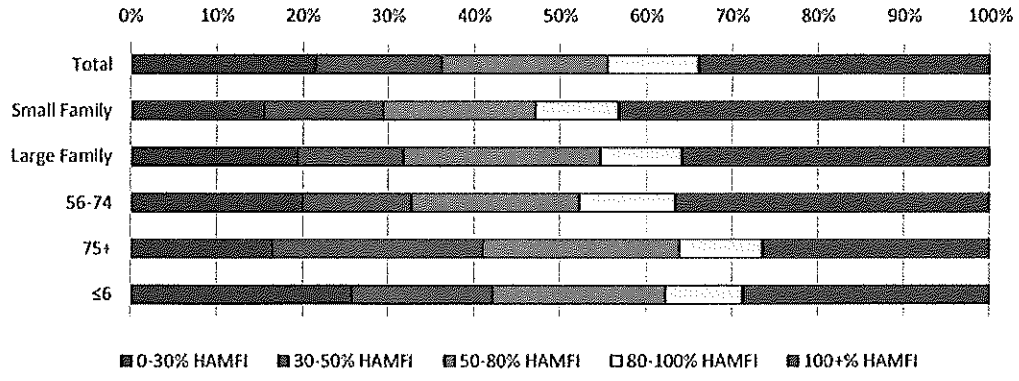
Housing Needs

- **Housing Affordability:** Despite population decline and stable housing supply, the available public data, information from community meetings and stakeholder interviews, and recent research all show that housing affordability and increasing cost burden is a significant and growing concern for Toledo residents. Nearly one-third of all households in Toledo are paying more than 30% of their income on housing (cost burdened or severely cost burdened). There is a desperate need for affordable homeownership and affordable rental housing throughout the city. This need is even more alarming when Toledo is often seen as one of the most affordable cities in the country.
- **Housing Rehabilitation:** There are properties throughout the city that are in various stages of disrepair, from those that do not comply with Toledo's property maintenance code to those that are seriously dilapidated, vacant, abandoned, boarded, and fire damaged. These housing conditions are exacerbated by the steep drop in population over the past 50 years. Most of the housing stock in the city is older, with 83.5% being built before 1980.
- **Housing Modifications:** There is great interest among older individuals and those with mobility challenges to remain in their homes rather than moving into assisted living or nursing homes. These home modifications are much easier when the individual owns their home. Renters unfortunately are less able to implement modifications when the landlord is not interested in modifying the home.
- **Public Housing:** Lucas Metropolitan Housing (LMH) is the sole agency in the city tasked with the administration of public housing. Housing choice voucher holders are finding it increasingly more difficult to secure and remain in rental housing as rental prices keep increasing. Voucher holders can be priced out of the rental market because the voucher will not cover the full cost of rent. Anecdotally, landlords are becoming increasingly wary of leasing or accepting tenants who have a voucher. Despite ongoing outreach to landlords having a housing choice voucher does not necessarily mean equal access to the housing market. In addition, landlords are increasingly requesting first and last months' rent and a security deposit for leasing. For income constrained households this requirement creates an additional hurdle to accessing housing even when they have a voucher.

Housing Needs Assessment

Toledo saw its median household income change from $34,260 in 2010 to $47,532 in 2023. Importantly, the data reported from the American Community Survey is inflation adjusted for the report year. When the 2010 median household income is adjusted to 2023 dollars using the U.S. Bureau of Labor Statistics CPI Inflation Calculator, the CPI adjusted median household income is equivalent to $47,948, about 1% more than the actual median household income in 2023. This represents a decline in real median household income of 0.9% over the 2010-2023 period while the cost of housing has increased dramatically. The greatly exacerbates the housing affordability crisis that is being felt in the city, particularly among the lowest-income households.

NA-10 Figure 7: Total Households Table



	0-30% HAMFI	30-50% HAMFI	50-80% HAMFI	80-100% HAMFI	100+% HAMFI
Total Households	24,920	17,155	22,400	12,340	39,445
Small Family Households	6,635	6,020	7,640	4,085	18,630
Large Family Households	1,320	865	1,570	650	2,460
Household contains at least one person 62-74 years of age	4,970	3,245	4,900	2,795	9,180
Household contains at least one person age 75 or older	1,830	2,760	2,550	1,070	2,960
Households with one or more children 6 years old or younger	4,290	2,755	3,340	1,480	4,800

Data Source: 2017-2021 CHAS - Tables 5, 7, 13

HUD categorizes low-income households as follows:

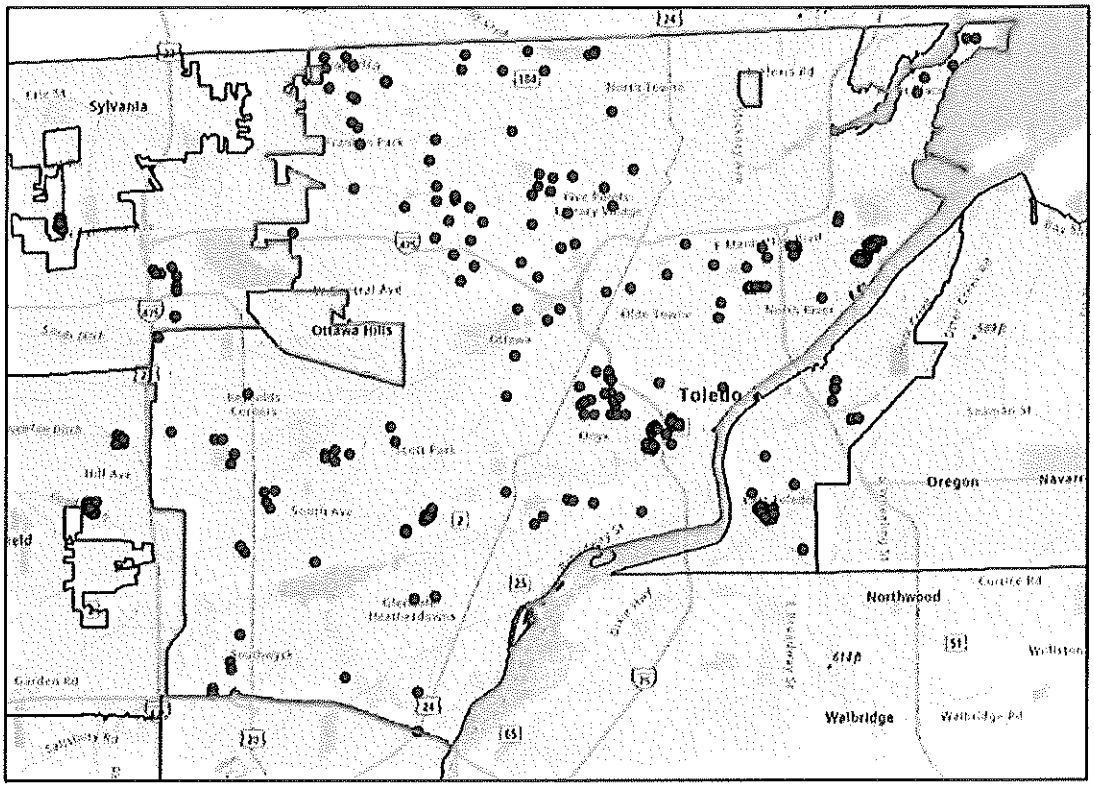
- • Extremely Low Income = 0% to 30% Area Median Income
- • Very Low Income = >30% to 50% Area Median Income
- • Low Income = >50% to 80% Area Median Income

Approximately 21.4% of all households are Extremely Low Income, either having no income or up to 30% HUD Area Median Family Income (HAMFI). Another 14.8% of all households are Very Low Income, earning between 30% and 50% of HAMFI. And another 19.3% of all households are Low Income, earning between 50% and 80% of HAMFI. In total, 55.5% of households in Toledo are low-income households. Among these low-income households, 31.4% (20,255 households) have at least one member that is aged 62 or older. Additionally, there are 10,385 low-income households with one or more children aged 6 or younger, representing 16.1% of all households.

Lucas Metropolitan Housing (LMH)

Lucas Metropolitan Housing (LMH) owns, manages, and maintains 2,592 units of public housing in and around the city of Toledo.

Figure 6 - Public Housing Developments



Data Source: HUD GIS

The housing developments owned and operated by LMH are located across the city and take a variety of forms, from low-rise and scattered site developments to highrise buildings. The developments tend to be older, with some properties dating back to the 1930s. As such, their physical condition varies.

NA-35 Figure 1: Public Housing by Program Type

Program Type									
				Vouchers					
							Special Purpose Voucher		
	Certificate	Mod-Rehab	Public Housing	Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units / vouchers in use	0	0	2,592	4,494	540	3,954	170	46	504

Data Notes: *Includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition
Data Source: PIC (PIH Information Center)

LMH also administers 4,494 Housing Choice Vouchers (HCVs). The current utilization of LMH's vouchers is 3,927 as of October 2024, resulting in a leasing percentage of 87.4%. Unfortunately, LMH is unable to distribute these unused HCVs due to the agency reaching its budget authority cap. This happens when private market rents increase and the housing authority needs to increase its allocation amount to support the continued residency of housing choice voucher holders.

Among these vouchers, 275 are Non-Elderly Disabled Vouchers (of a total of 300), and 42 are Family Unification Program Vouchers (of a total of 46). There are 504 vouchers for disabled residents and 170 VASH vouchers used to support affordable housing for Veterans. The total budgetary authority for 2024 was $29,292,045.

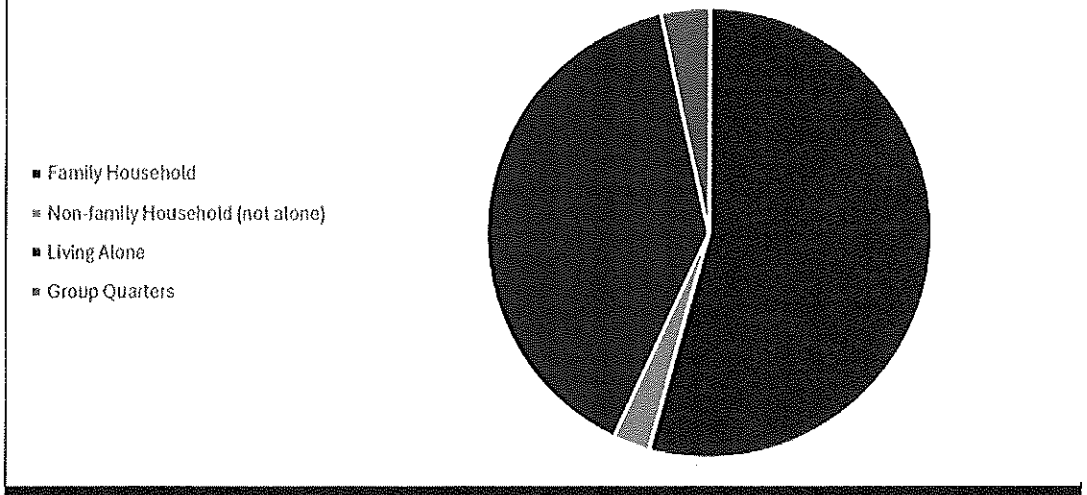
There is a high demand for affordable housing with very long waiting lists. The Public Housing waitlist closed since October 2023, with 1,539 families waiting for housing units. Approximately 300 families annually turnover on the waitlist on average. Due to the number of families currently on the waitlist, the HCV waitlist has been closed since 2019, limiting access to assistance for additional housing units in the private rental market due to the significant demand that currently exists.

There is limited supply of accessible units for disabled residents and seniors needing housing accommodations. Most accessibility issues are related to mobility. For LMH public housing tenants, the housing authority addresses those in place when possible and then transfers those residents to accessible units when they become available. Aging in place is important for the elderly population in Toledo, those occupying Public Housing developments or other Section 8 or market rate units. Beyond any physical modifications to their housing units, elderly residents' primary needs are related to medical care, transportation, and activities for socialization.

Special Needs Assessment – Elderly and Frail Elderly

In the City of Toledo, the senior population has seen significant growth over the past several years. As of the 2023 5-Year ACS Estimate the population of Toledo aged 65 and older comprised 15.5% of the total population of the city, standing at 41,518 persons. The total number of senior households has also grown over the past 10+ years and is currently 29,304 households in Toledo, just under one-quarter of all households in the city (24.7% of all households). 38.6% of senior households live alone, and 72.4% of all senior households own their own home.

NA-45 Figure 1: Senior Population by Household Type



	#	%
Family Household	22,077	53.2%
Non-family Household (Not Living Alone)	1,103	2.7%
Living Alone	16,038	38.6%
Group Quarters	1,440	3.5%

Data Source: 2019-2023 ACS - B09020

Generally, the senior population has more limited fixed incomes than the population as a whole, primarily Social Security and other retirement income. However, 18% of all older individuals in Toledo are still in the labor force – with 7,032 working seniors aged 65 and older, and another 452 in the labor force seeking employment. This is likely a manifestation of the rising cost of living, particularly the ongoing housing cost burden experienced by seniors, or an interest to stay active and social in their community.

NA-45 Figure 2: Senior Households Cost Burden

	Renters		Owners		Total	
	#	%	#	%	#	%
Cost Burden <= 30%	4,415	49.3%	17,015	77.3%	21,430	69.2%
Cost Burden > 30%	4,535	50.7%	4,985	22.7%	9,520	30.8%

Data Source: 2017-2021 CHAS Table 7

Many seniors also lack their own transportation and are often subject to social isolation when they have limited opportunities to leave their homes and engage in beneficial socializing and recreational activities. There is a large and growing concern among Toledo seniors about their ability to afford the transition from independent living to assisted living and nursing home care. Income limits for Medicaid are incredibly low in Ohio and many seniors

exceed the income threshold but still have very low incomes. The state's cost share leaves seniors with incredibly high medical expenses even when covered by Medicare.

NA-45 Figure 4: Senior Population by Poverty Status		
	#	%
Income at or above poverty level	34,446	85.3%
Income below poverty level	5,935	14.7%

Data Source: 2019-2023 ACS - B17001

While 85.3% of Toledo seniors aged 65 and older are at or above the Federal Poverty Level, there are 9,520 elderly households (30.8%) that experience housing cost burdens of over 30% (4,535 renter-occupied households (49.3%) and 4,985 owner-occupied (22.7%) households).

According to all available information, there are 10,644 subsidized affordable housing units in Toledo. These units target low- and moderate-income individuals earning less than 80% of the Area Median Income. These units use a variety of funding subsidies that target specific population groups for housing, including elderly, individuals with disabilities, formerly homeless, and family housing units. There are 4,514 units reserved for the elderly and those living with disabilities. Another 3,610 units are for families.

Proposed Supply

Our research for this assignment included investigation of potential near-term changes in the apartment market that would impact the subject property. Several proposed developments are worthy of discussion.

Based on the ACS, there are approximately 6,839 fewer housing units in Toledo compared to 2010. Supplementing this, there are several major developments that have been recently completed or are in the process of development in the city. These housing developments will create approximately 1,875 units of new housing, including market-rate, affordable, senior housing, public house, and permanent supportive housing. These recent and upcoming developments include the following:

- **Fort Industry Square:** a mixed-use development spanning an entire city block completed in 2022 includes commercial and restaurant space and 85 units of luxury studio, one-bedroom, two-bedroom, and two-story loft apartments.
- **The Overmyer:** an 8-story historic redevelopment located in the Warehouse District completed in 2024, featuring 75 furnished or unfurnished 1-bedroom luxury rental units and 2,500 square feet of commercial space to the downtown market.
- **Colony Lofts:** a 262-unit apartment community completed in 2025 offering one-and two-bedroom luxury apartments, fitness center, business center, restaurant, clubhouse and coffee bar.
- **Secor Senior Lofts II:** affordable independent living senior housing development with 50 one- and two-bedroom rental units for individuals aged 55 and older. Broke ground on the $10 million Secor Senior Lofts II project in West Toledo that will create 50 affordable apartments for seniors. The project comes on the heels of a very successful first phase, which created 58 affordable senior apartments that was completely leased within two months opening.
- **The Barber-Farris Building:** an adaptive reuse of a wholesale produce business into 8 housing units and commercial spaces completed in 2024.

- **The Glen and The Grand:** The 70 unit development project broke ground in 2025. These affordable housing developments are located at two locations. The Glen will offer 50 one and two-bedroom apartments with rent starting at under $800 per month. The Grand consists of 20 three and four-bedroom townhomes with rent starting at just over $1,000 per month. The units will be targeting housing making between 50% and 70% Area Median Income.
- **Collingwood Green Phase V:** Lucas Metropolitan Housing is redeveloping a formerly blighted corner to expand its portfolio of public housing at Collingwood Green to include 75 affordable rental units for seniors aged 62 and older with incomes between 50% and 70% Area Median.
- **Four Corners Project:** The Lucas County Land Bank is working with a project team for a $180 million redevelopment of the Spitzer and Nicholas buildings at downtown's Four Corner. The project is still securing the total funding needed but will create approximately 360 units of housing with 30% of units reserved for individuals earning up to 80% of the area median income.
- **Park Hotel Apartments:** started in 2023, the project involves the redevelopment of the blighted former Park Hotel to create 45 units of affordable rental housing for young adults aged 18 to 25 who are aging out of foster care. Project is expected to be completed in 2025.
- **Tower on the Maumee:** half of the building was converted to 106 units of residential housing units in 2017. The top half of the building was recently announced to be converted into additional residential (instead of the planned commercial space), bringing an additional 91 units.
- **Burt's Theater:** A comprehensive redevelopment project which will transform the historic building Burt's Theater into a mixed-use space with retail on the ground floor and 15 residential apartments on the upper floor. Project is currently under construction.
- **Heather Cove Villas:** 28-unit market-rate homeownership villa community designed for residents aged 55 and over. Each unit is designed with two bedrooms and two full bathrooms. The project is currently under construction.
- **Toledo Place Apartments:** Currently under construction on the $15 million Toledo Place Apartment project in West Toledo by the Inverness Club that will create 192 apartments.
- **Okun Produce**: Substantial redevelopment and preservation of the historic Okun Produce Building, transforming the building into a mixed-use space that will include 14 residential units, commercial spaces, and community amenities. The project is currently under construction.
- **Mission Point:** Collaborative effort between Cherry Street Mission and Lucas Metropolitan Housing (LMH) to address homelessness in the community. The project involves the construction of a four-story multi-family housing development with 65 one-bedroom apartments, a covered outdoor patio space, community space, laundry facilities, and office space for staff. Construction is anticipated to begin in 2026.
- **Arlington Senior Housing:** The Area Office on Aging of Northwest Ohio, in collaboration with National Church Residences, has initiated plans to construct 68 units of affordable housing for seniors.
- **Warren Commons:** This project is a four-story, 60-unit permanent supportive housing community developed to assist individuals experiencing homelessness. The development offers fully furnished one-bedroom apartments for residents.
- **Brailey Apartments:** The development project includes 204 units of rental housing across six three-story buildings on these two sites. The development will feature one- and twobedroom market-rate units.
- **Central and Upton Ave:** The mixed-use development of an 11-acre lot south of Central Avenue between ProMedica Parkway and Upton Avenue includes 260 apartments, as well as a restaurant, a flower shop, and a clubhouse.
- **Webster School Redevelopment:** The project is the redevelopment of the three-story former school building into a multi-family residential complex for 86 units of senior housing.
- **Village on the Green:** Mixed-use residential development revitalizing almost four-acres in UpTown Toledo. The project will feature two L-shaped, four-story apartment buildings with 152 units between them and six townhouses in a separate development. The development will also include more than 14,000 square feet of commercial retail space. Twenty percent of the units will be allocated for low-income residents.

Outlook

With the decline in population in Toledo, there has been a historic decline in demand for housing in the city. Even though there has been a decline in population, housing prices and rental costs have escalated dramatically over the course of the past decade, with the pandemic buying spree pushing prices up even more. The median home value in Toledo grew from $83,600 in 2013 to $107,000 in 2023, an increase of 28%. The escalation in prices has increased the housing cost burden on Toledo families, with the lowest income households feeling the impacts the most.

Economic development activities in Toledo are concentrated primarily along the city's major roads, in neighborhood retail centers, in traditional industrial and office parks, and in the City's Waterfront District. The largest economic sectors in Toledo are Health Care & Social Assistance, Finance & Insurance, Manufacturing, Retail Trade, and Accommodation & Food Services. Almost two-thirds of all employed Toledo residents work in these economic sectors.

According to all available information, there are 10,644 subsidized affordable housing units in Toledo. These units target low- and moderate-income individuals earning less than 80% of the Area Median Income. These units use a variety of funding subsidies that target specific population groups for housing, including elderly, individuals with disabilities, formerly homeless, and family housing units. There are 4,514 units reserved for the elderly and those living with disabilities. Another 3,610 units are for families.

There is a high demand for affordable housing with very long waiting lists for public housing units and housing choice vouchers. The Public Housing waitlist has been closed since October 2023, with 1,539 families waiting for housing units. Approximately 300 families turnover on the waitlist annually on average. The HCV waitlist has been closed since 2019, limiting access to assistance for housing units in the private rental market.

There is limited supply of accessible units for disabled residents and seniors needing housing accommodations. As discussed in the Needs Assessment, there is a need for housing that is truly accessible for those with mobility challenges. Due to the nature of the city's housing stock with many multi-level and ranch-style homes, a primary concern is providing accessible housing options for the 21,537 Toledo residents (8.7%) that experience difficulty with walking or climbing stairs and the 15,029 - 22,858 residents (6.1% - 9.2%) with self-care and/or independent living difficulties.

Apartment Market Analysis Conclusions

Market-Rate Apartment Market

A regional and local overview was presented which highlighted important points about the study area. Demographic and economic data specific to the residential market were also presented and analyzed to determine patterns of change and growth as it impacts the subject property. The data quantifies the dimensions of the defined market area, while our comments provide qualitative insight into this market. A compilation of this data forms the basis for our projections and forecasts for the subject property, with the key considerations and conclusion summarized below.

Looking ahead, multifamily vacancy in Toledo will likely continue to see a gradual increase over the near term as demand remains muted. Toledo has historically seen weak demographic growth and employment growth. Macroeconomic factors suggest slower hiring in the months ahead, which will further challenge Toledo's job market and tilt the multifamily forecast to the downside. Transaction activity in Toledo will likely remain muted in the months ahead amid high interest rates and slowing rent growth. Institutional investors may continue to hold off on deploying capital, creating a window of opportunity for private investors to acquire discounted assets.

Affordable-Rate Apartment Market

There is currently strong demand for affordable housing in Lucas County, as well as the City of Toledo. The supply of affordable housing units presently does not come close to meeting the demand for subsidized rental housing in the community, as evidenced by the existing waiting lists. There is strong demand for Extremely Low, Very Low and Low Income housing. Based on indications from the market, the overall demand for low income housing is strong and an undersupply exists.

Site Analysis

Site Description

Location:	The subject property is located on the northeast corner of Ashland Avenue and Irving Street in the City of Toledo, Lucas County, Ohio.
Total Land Area:	100,112 square feet or 2.30 acres
Excess Land:	No
Shape:	Irregularly shaped
Topography:	Level at street grade
Access:	Good
Visibility:	Good
Frontage:	Good
Utilities:	All public utilities are available and deemed adequate.
Site Improvements:	Asphalt paved parking areas, curbing, signage, landscaping, fencing, yard lighting and drainage.

Site Conditions

Soil Conditions:	A soil report was not provided. This analysis assume that the soil's load-bearing capacity is sufficient to support existing structure. No evidence was observed to the contrary during our inspection of the property. Drainage appears to be adequate.
Land Use Restrictions:	A title report was not provided. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
Wetlands:	A survey of wetlands was not provided. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value.
Hazardous Substances:	No evidence of toxic or hazardous substances was observed or reported for the subject site. Expertise relating to hazardous substances are typically employed by a professional engineer and are beyond the scope of this analysis.
Flood Zone Description:	The subject property is located in flood zone X (Areas determined to be outside the 500 year flood plain) as indicated by FEMA Map 39095C0091E, dated August 16, 2011. The flood zone determination and other related data are provided by a third-party vendor deemed to be reliable. Additional research is beyond the scope of this analysis.

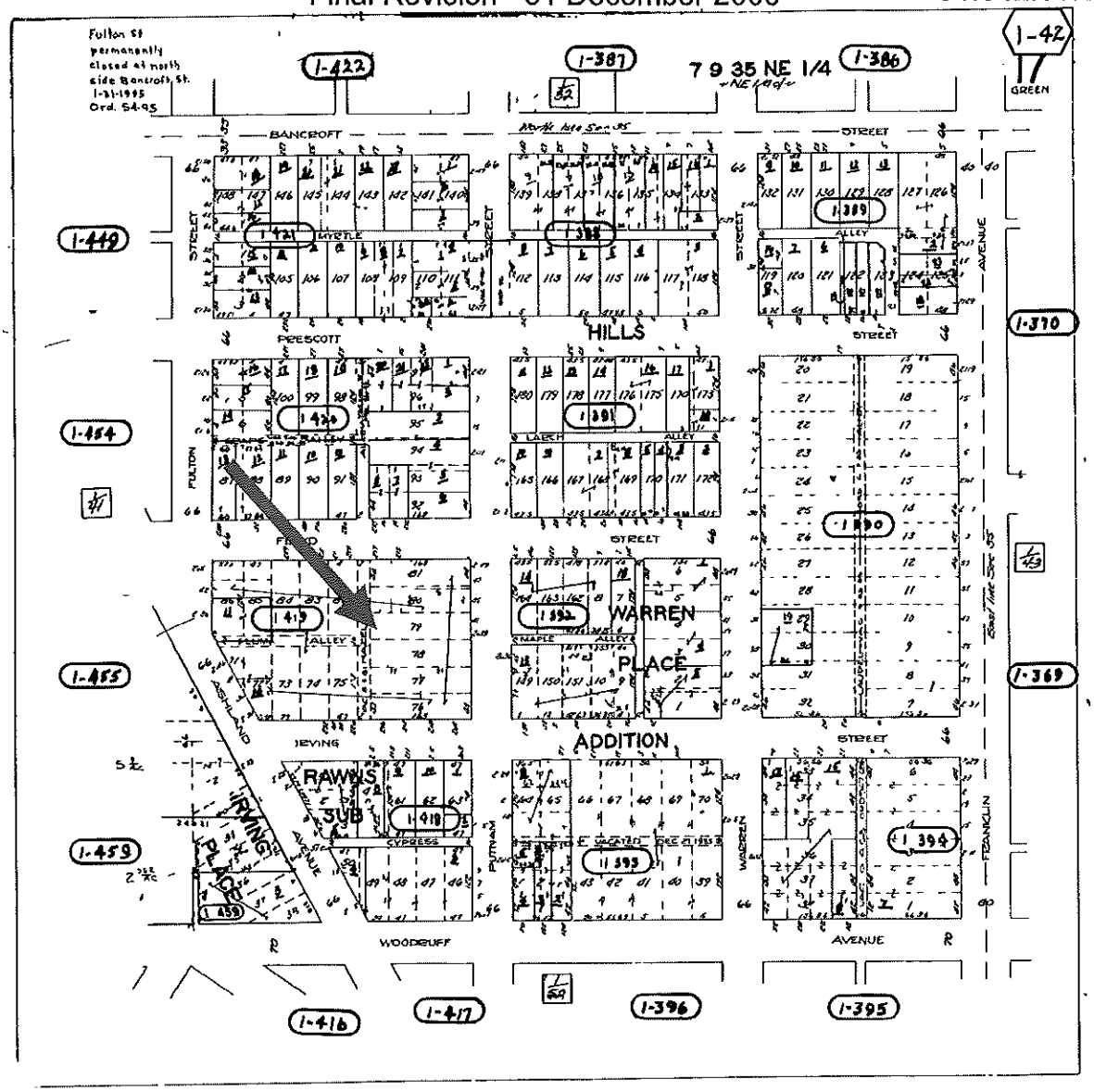
Conclusions

Overall Site Utility:	The subject site is functional for its use.
Location Rating:	Average

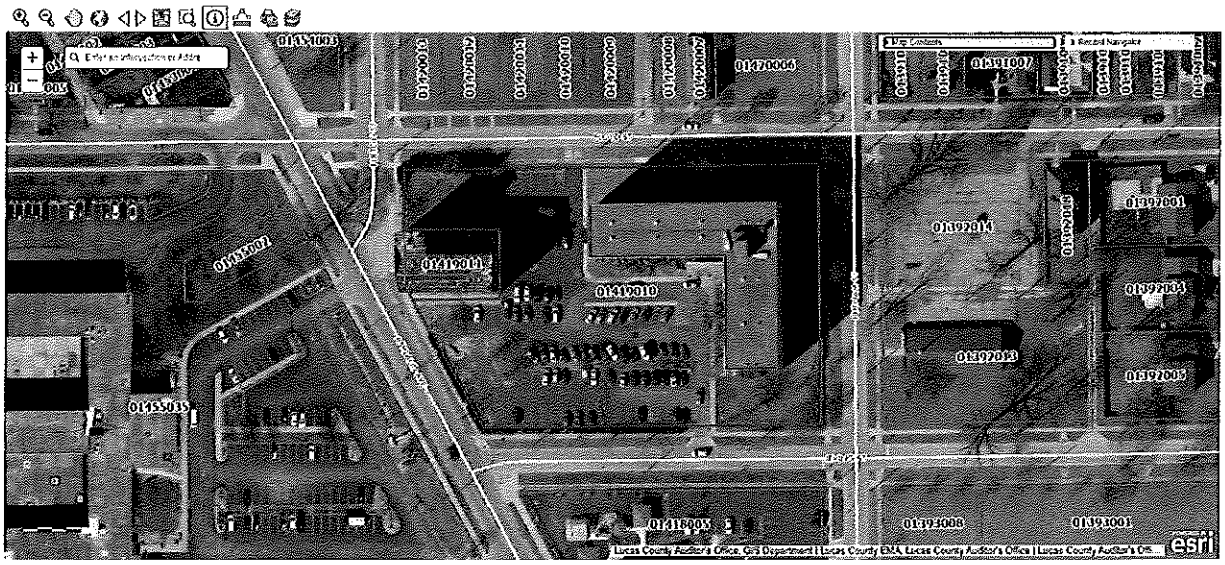
Summary: The subject site is adequate to support the identified highest and best use. The various attributes described are consistent with the general expectations of market participants. There were no factors that negatively impact the or deter from the highest and best use identified.

MYLAR TAX MAP

Final Revision - 31 December 2000 01.042.00.0.tif



AERIAL TAX PARCEL MAP



FEMA FLOOD MAP



PIN
Approximate location based on user input and does not represent an authoritative property location

MAP PANELS
Selected FloodMap Boundary
Digital Data Available
No Digital Data Available
Unmapped

OTHER AREAS
Area of Minimal Flood Hazard
Effective LOMRs
Area of Undetermined Flood Hazard
Otherwise Protected Area
Coastal Barrier Resource System Area

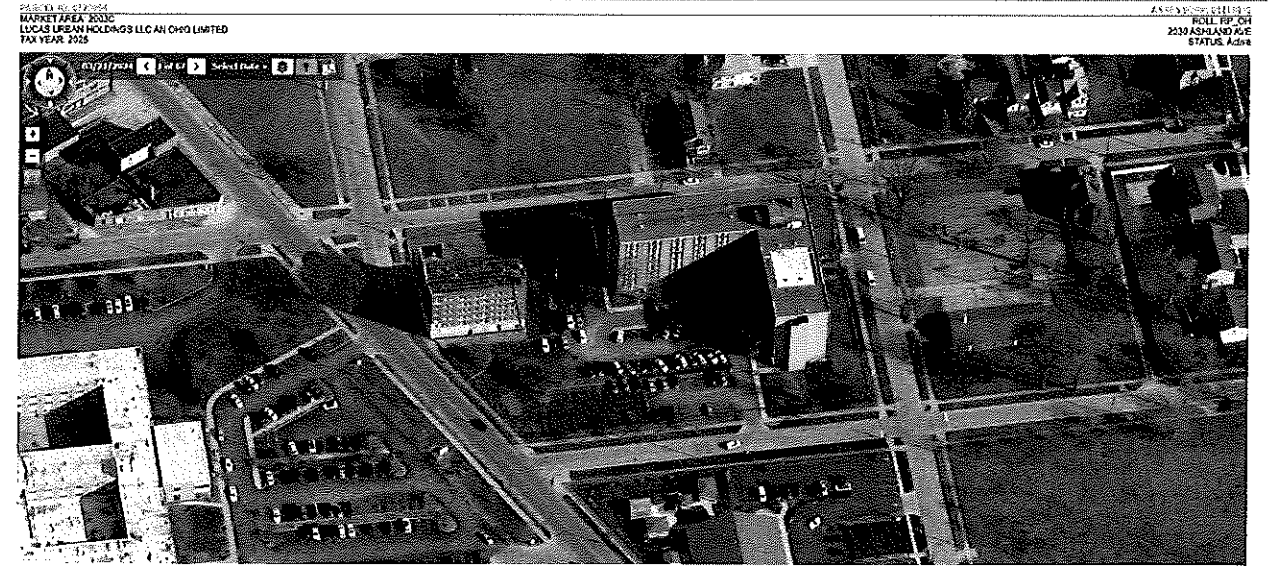
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE)
With BFE or Depth
Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile
Future Conditions 1% Annual Chance Flood Hazard
Area with Reduced Flood Risk due to Levee. See Notes.
Area with Flood Risk due to Levee

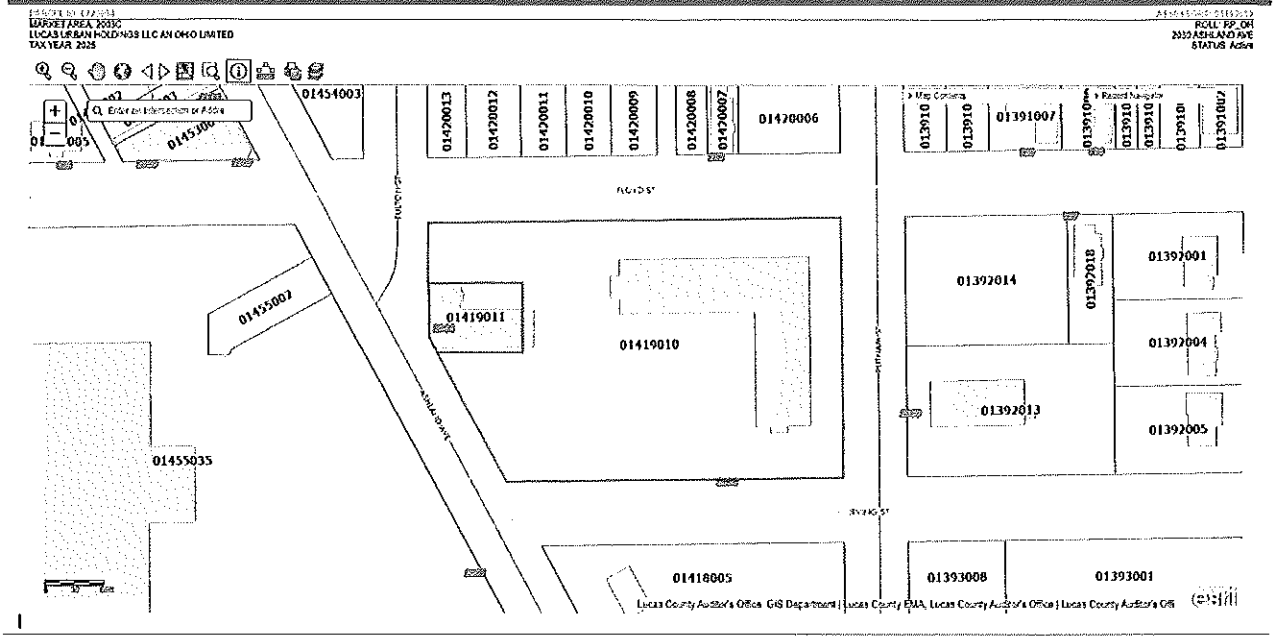
OTHER FEATURES
Cross Sections with 1% Annual Chance
Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature

GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall

AERIAL PICTOMETRY TAX PARCEL MAP



TAX MAP


MARKET AREA 2033C
LUCAS URBAN HOLDINGS LLC AN OHIO LIMITED
TAX YEAR 2025
ROLL RP_OH
2033 ASHLAND AVE
STATUS Active
01454003
01420013
01420012
01420011
01420010
01420009
01420008
01420007
01420006
01391007
01392014
01392018
01392001
01392004
01392013
01392005
01419011
01419010
01455007
01455035
01418005
01393008
01393001
Lucas County Auditor's Office GIS Department | Lucas County EMA, Lucas County Auditor's Office | Lucas County Auditor's GIS

Description of Improvements

The improvements represent an existing high-rise apartment building that is situated on a 2.30-acre site. The improvements were completed in 1972 and contain 101,328 square feet of rentable area within 188 apartment units. The improvements consist of 1 building that is 8 stories in height with average construction quality and fair condition. There is onsite parking for an estimated 125 spaces, resulting in a parking ratio of 0.7 per unit. A summary of the subject's unit mix is included below.

SUBJECT UNIT MIX SUMMARY

Plan Type	BR	BA	Number of Units	Unit Size (SF)	NRA (SF)	# of Units as % of Total	NRA as % of Total
1BR/1BA	1.0	1.0	37	528	19,536	20%	19%
1BR/1BA - Affordable	1.0	1.0	143	528	75,504	76%	75%
2BR/1BA	2.0	1.0	5	786	3,930	3%	4%
2BR/1BA - Affordable	2.0	1.0	3	786	2,358	2%	2%
Totals			**188**	**539**	**101,328**	**100%**	**100%**

Compiled by Cushman & Wakefield of Ohio, Inc.

General Description of Improvements

Property Type:	Multifamily (High-Rise)
Year Built:	1972
Year Renovated:	Periodically (exact dates unknown)
Number of Units:	188
Number of Buildings:	1
Number of Stories:	8
Land To Building Ratio:	1.69 to 1
Total Gross Building Area:	144,531 square feet
Net Rentable Area:	101,328 square feet

Construction Detail

Basic Construction:	Steel and masonry
Foundation:	Poured concrete slab
Framing:	Structural steel with masonry and concrete encasement
Floors:	Concrete slab
Exterior Walls:	Concrete block
Roof Type:	Flat with parapet walls
Roof Cover:	Built-up assemblies with tar and gravel cover
Windows:	Single pane windows in metal frames
Pedestrian Doors:	Glass, wood and metal

Mechanical Detail

Heat Source:	Electric
Heating System:	Baseboard Heat
Cooling:	Window Units
Cooling Equipment:	The cooling equipment is tenant-provided Window Units
Plumbing:	Assumed to be adequate and in compliance with local law and building codes.
Electrical Service:	Assumed to be adequate and in compliance with local law and building codes.

Electrical Metering:	Each unit is separately metered.
Emergency Power:	Assumed None
Elevator Service:	The building contains 2 passenger elevators.
Fire Protection:	Partially sprinklered (1st floor only); fire alarm system; stand pipe access and extinguishers on each floor
Security:	Exterior and interior monitors, Security Guards

Interior Detail

Layout:	L Shaped building
Tenant Build-Out:	The tenant buildout meets market standards for comparable space.
Floor Covering:	Carpet & Vinyl
Walls:	Drywall and Concrete Block
Ceilings:	Textured Drywall
Lighting:	Fluorescent and Incandescent
Restrooms:	The subject's apartment units contain a ratio of bathrooms that are consistent with the market comparables and meet the demands and wants of the target population.

Amenities

Project Amenities:	Security guard office, mail kiosk, vending machines, laundry facilities, elevators, fitness center, library, computer room, billiards, kids play room, recreational room, and trash chutes
Unit Amenities:	White compact appliances (electric stove/oven and fridge), laminate countertops, and vinyl/carpet flooring

Other Improvements

Parking:	The subject contains an estimated 125 off-street, surface parking spaces. The parking spaces are asphalt-paved and striped, and adequately support the use. Although requested, an ALTA survey was not available and we relied upon physical counts using aerial imagery provided by Lucas County.
On-site Landscaping:	The site is landscaped with a variety of trees, shrubbery and grass.
Other:	Asphalt paved parking areas, curbing, signage, landscaping, fencing, yard lighting and drainage.
Personal Property:	Personal property was excluded from the concluded market value presented. While items of personal property are associated with the operation of an apartment complex, buyers typically do not allocate a separate value in their purchase decisions.

Analysis and Conclusions

Condition:	Fair
Quality:	Average
Actual Age:	53 year(s)
Effective Age:	40 year(s)
Expected Economic Life:	50 year(s) - Marshall Valuation Service
Remaining Economic Life:	10 year(s)
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is fair, when measured against other properties in this marketplace.

Roof & Mechanical Inspections:

Cushman & Wakefield did not inspect the roof nor was a detailed inspection of the mechanical systems conducted. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

Curable Physical Deterioration:

Curable Depreciation[2]*:* Items of physical deterioration or functional obsolescence that are economically feasible to cure. Curing an item of depreciation is economically feasible if the cost to cure is equal to or less than the anticipated increase in the value of the property that would result after curing the depreciation.

Based on the property inspection and information provided by the property management, the following items were identified as curable physical deterioration that would require immediate repair:

- Roof leaks
- Non-working elevator
- Non-working front doors
- Deteriorated unit conditions
- Malfunctioning trash compactor

Based on the capital expenditure plan provided by Lynd, dated April 2025, a total of $2,790,623 (including a 25% entrepreneurial incentive) was deducted from the concluded market value estimate as curable physical deterioration or deferred maintenance. Management's budget is provided below.

Interior SOW for Repairs, Replacements, and Down Units

Status	Unit Count	Average Cost	Total Cost
Occupied	110	$1,700	$187,000
Vacant – Light Reno	43	$4,000	$172,000
Vacant – Medium Reno	35	$10,569	$369,915
Vacant – Down	0	$31,708	$0
Total / Avg	**188**	**$3,877**	**$728,915**

Item	Amount
Interior CapEx*	$728,915
Exterior CapEx	$1,131,500
10% Contingency	$186,042
10% CM Fee	$186,042
Total	**$2,232,498**
$ / Unit	**$11,875**

*Estimate amount needed to have all units rent ready

[2] The Appraisal of Real Estate – 15th Edition

Functional Obsolescence:	*Functional Obsolescence*[3]: The impairment of functional capacity of improvements according to market tastes and standards. Functional obsolescence may be considered curable or incurable. Items of curable functional obsolescence were previously noted within the physical deterioration section The subject does not appear to suffer from any incurable items of functional obsolescence.
External Obsolescence:	*External Obsolescence*[4]: A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. The subject suffers from external obsolescence as it is located adjacent to a vacant, mid-rise apartment building. Additionally, the subject is located across the street from a drug rehabilitation behavioral health center.
ADA Compliance:	Cushman & Wakefield's valuation & advisory group does not claim to be experts or to be qualified to assess the subject's compliance with The Americans with Disabilities Act (ADA) of January 26, 1992. As such, the effect of any possible ADA non-compliance was not considered in estimating the subject's market value(s). Any non-compliance that does exist may have an impact on the market value(s) estimated herein.
Summary:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is fair, when measured against other properties in this marketplace.

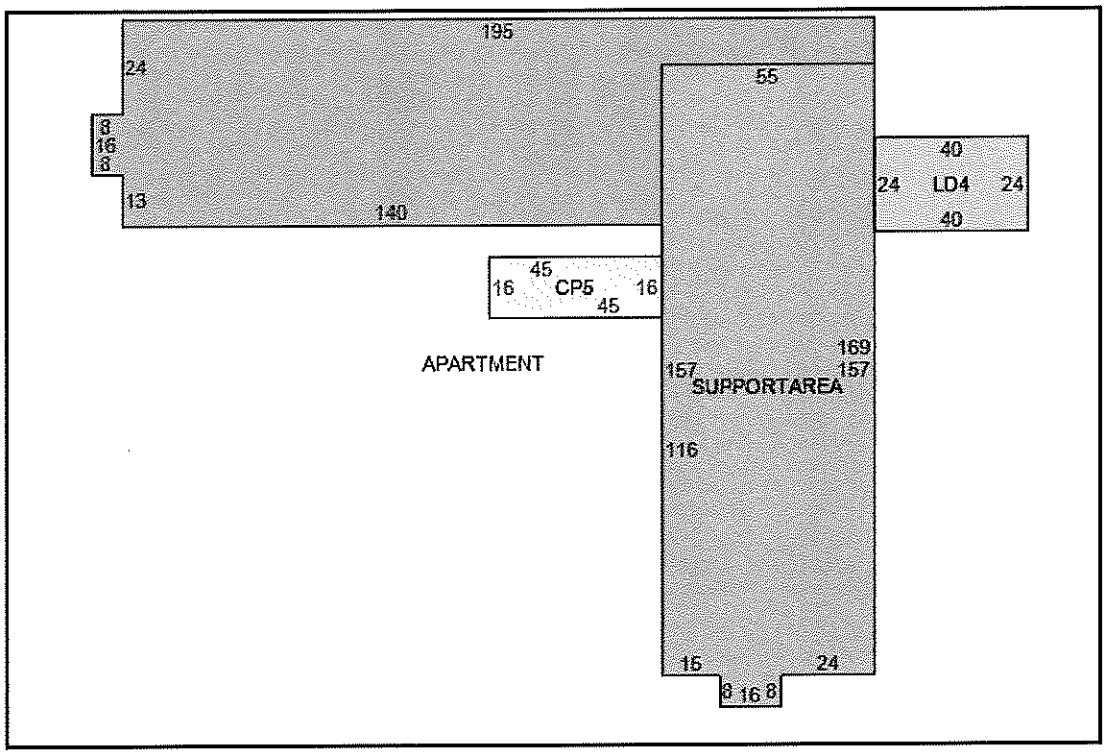
[3] The Appraisal of Real Estate – 15th Edition

[4] The Appraisal of Real Estate – 15th Edition

COUNTY SKETCH

Sketch

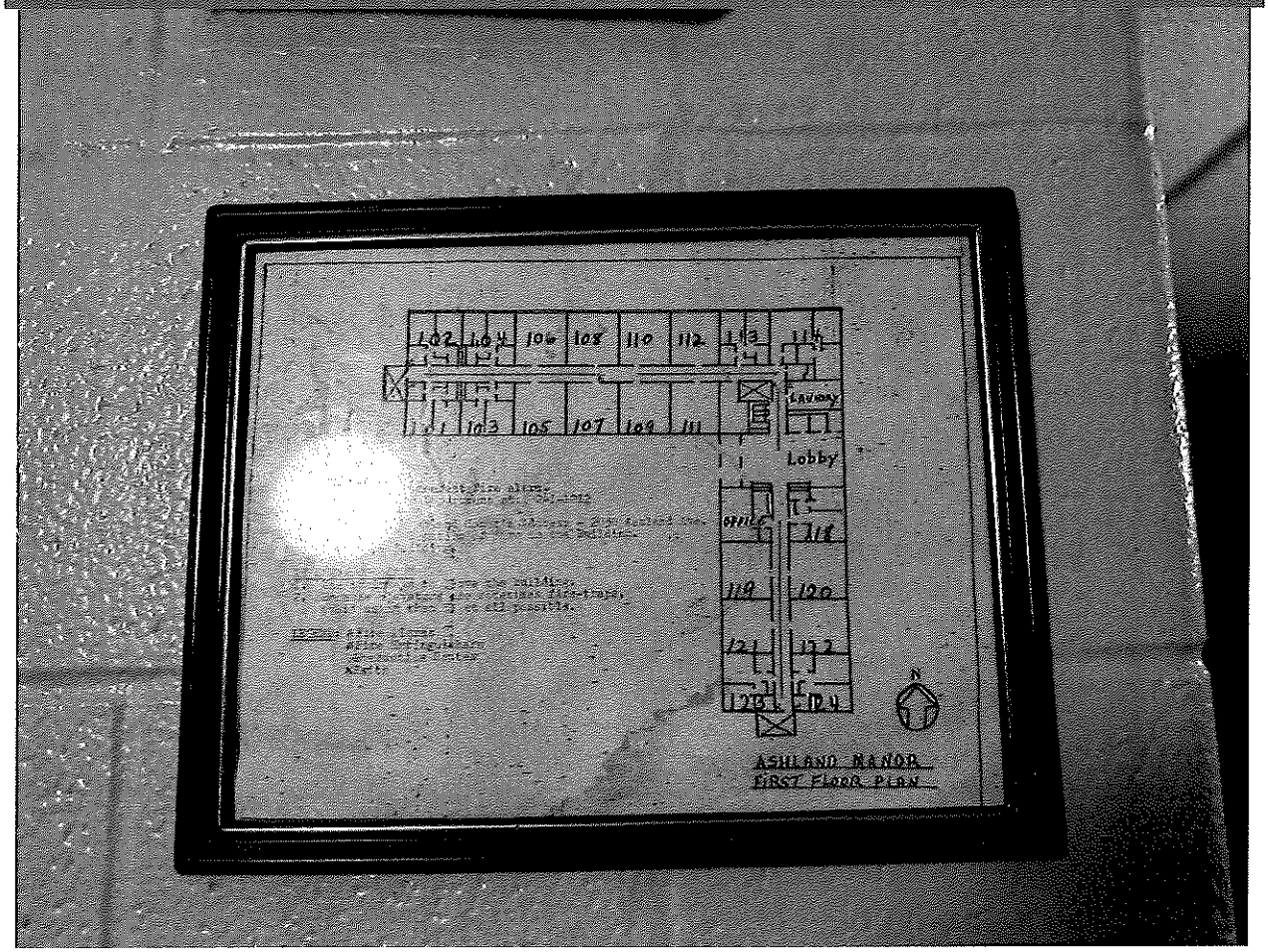
PARCEL ID: 0723994 ASSESSOR#: 01419010
MARKET AREA: 2003C ROLL: RP_OH
LUCAS URBAN HOLDINGS LLC AN OHIO LIMITED 2030 ASHLAND AVE
TAX YEAR: 2025 STATUS: Active



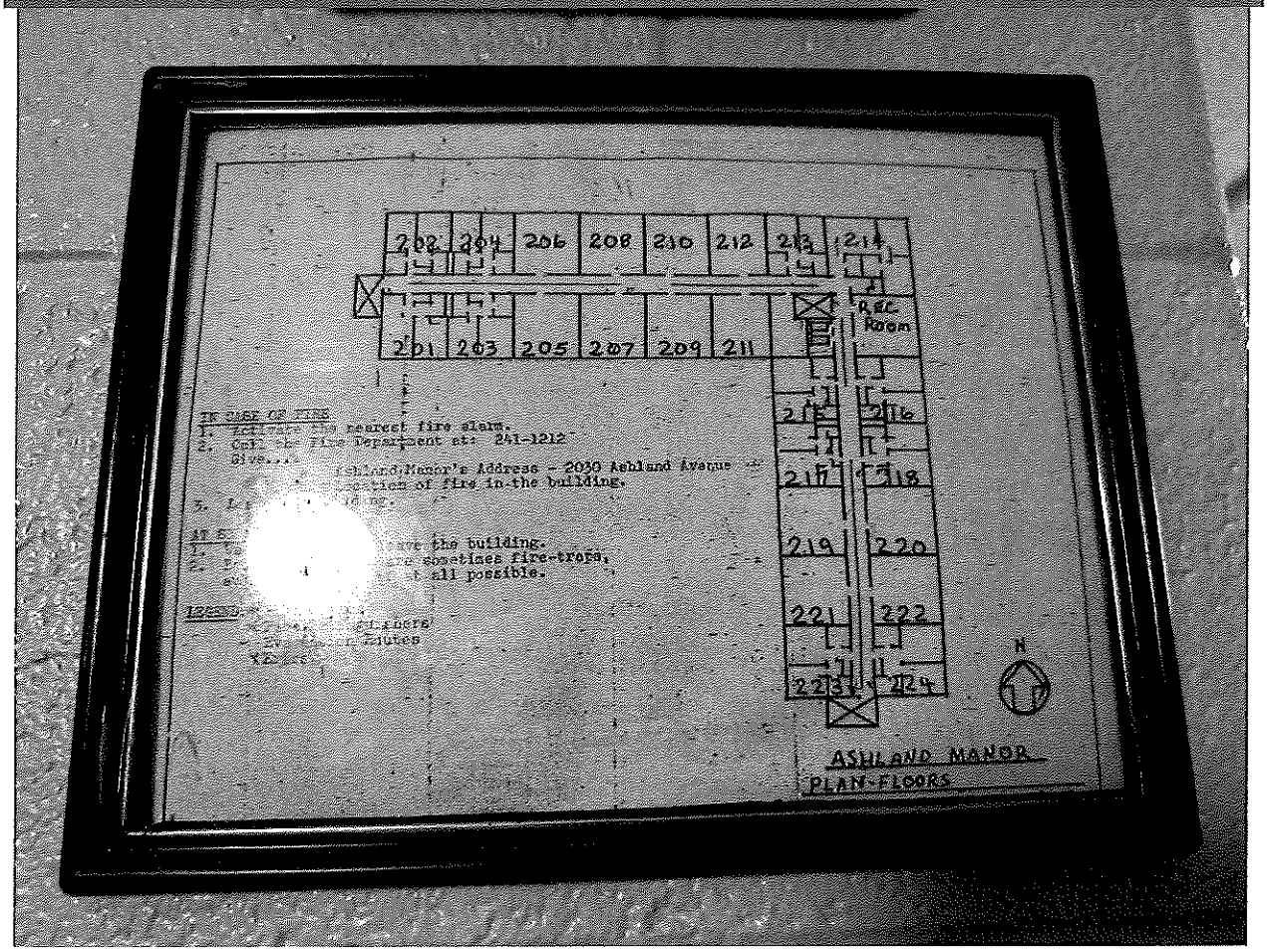
Options

Type	Line #	Item	Area
Commercial	1	SUPPORTAREA - 073:SUPPORT AREA	8,763
Commercial	2	APARTMENT - 001:APARTMENT	16,971
Commercial Feature	1	CP5 - 11:Canopy	720
Commercial Feature	2	LD4 - 63:TruckWell	960
Commercial Feature	3	EL2 - 65:ElevElecPass	1,102,000
Outbuilding	1	PAVASPH - PA1:PAVING - ASPHALT	58,000
Outbuilding	2	FENCECL - FN1:FENCE CHAIN LINK	9,000
Commercial Feature	4	EL2 - 65:ElevElecPass	1,102,000

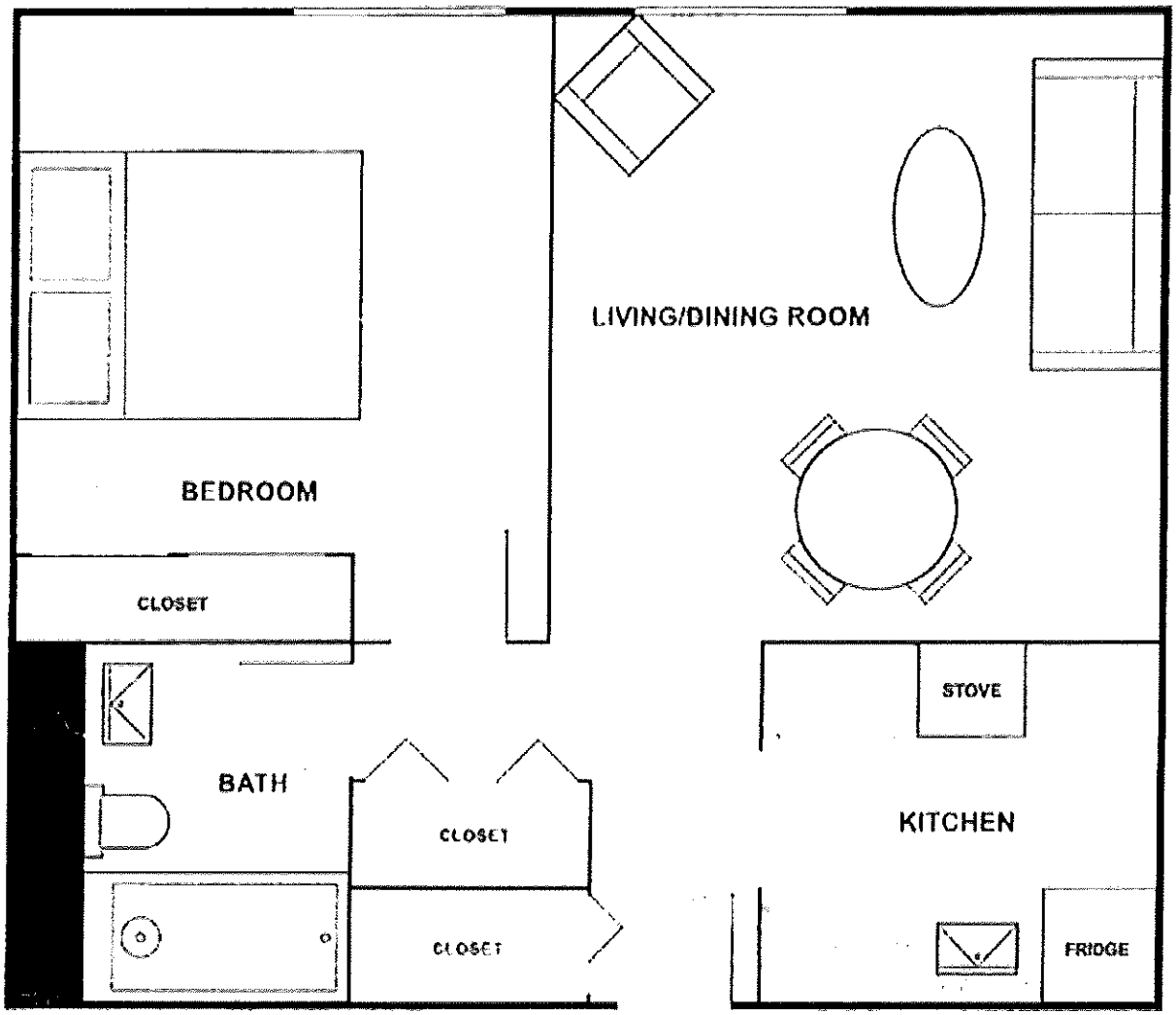
FLOOR PLAN – FIRST FLOOR



FLOOR PLAN – UPPER FLOOR

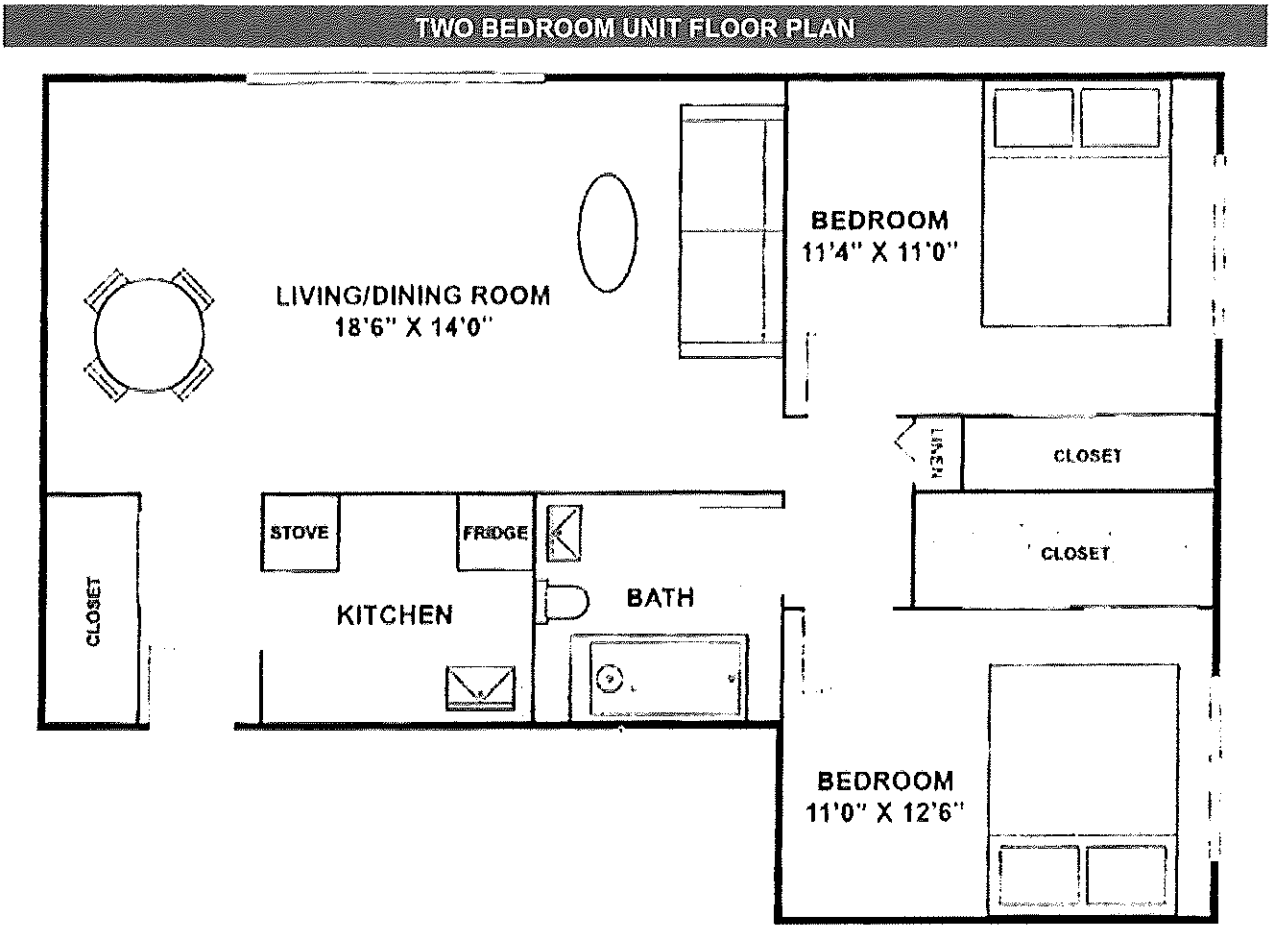


ONE BEDROOM UNIT FLOOR PLAN



Ashland Manor 1 Bed 1 Bath

Source: After55.com



Ashland Manor 2 Bed 1 Bath

Source: After55.com

Real Property Taxes and Assessments

The subject property is located in the taxing jurisdiction of Lucas County, City of Toledo, Toledo Local School District. Within the State of Ohio, real estate taxes are paid one year in arrears and twice per annum. Property values are reappraised every six years (sexennial reappraisal) and updated every three years (triennial update). The most recent sexennial reappraisal took place in 2024. The next triennial update will be in 2027.

Real estate taxes are estimated by multiplying the County Auditor's appraised full market value by 35 percent. The resulting number is the assessed value, which is then divided by $1 per $1,000 of assessed value. The resulting number is then multiplied by the tax district's effective tax rate.

The assessment and taxes for the property are presented in the following table:

PROPERTY TAX INFORMATION		
Assessment Information	**Current Tax Year**	**CW Year 1 Estimate**
Parcel Number/ Tax ID		
0723994	$403,100	
Total Market Value:	$403,100	$1,940,790
Other Assessments:	$0	$0
Exemption:	$0	$0
Total Adjusted Market Value:	$403,100	$1,940,790
Assessment Ratio (% of Market Value):	35.00%	35.00%
Total Taxable/Assessed Value:	$141,085	$679,277
Real Estate Tax Liability		
Tax Rate:	$83.294991	83.294991
Tax Rate Applied to A.V. at: 1,000	0.083294991	0.083294991
Total Property Taxes:	$11,752	$56,580
Special Assessments:	$3,188	$3,188
Additional Taxes Applied (Fixed Charges):	$0	$0
Total Adjusted Taxes:	**$14,940**	**$59,769**
Per Unit:	$79.47	$317.92

Compiled by Cushman & Wakefield of Ohio, Inc.

Presumed Sale

Within Lucas County, as is the case for many Ohio counties, when a property sells in an arms-length transaction, the local tax jurisdiction school board will typically petition the tax authority to apply a market value assessment based on the most recent sale amount, especially if the sale results in an increase in real estate taxes, which benefits the local school system.

The Office of Comptroller of the Currency (OCC) implies that real estate taxes should be based on appraised value, even if there is no pending sale, under the presumption that if the subject were to sell for the appraised value it would be taxed accordingly or at a percentage of the sale amount. Naturally, if a prospective buyer of the subject were to be familiarized with how recent sales are treated for real estate tax purposes, they would typically develop an income and expense pro forma that would consider the probability to property would be assessed at the sale amount or an amount close to the sale amount.

Below is a summary of properties that have sold and were reassessed based on the sale amount that was actually recorded with the county or have sold and were reassessed based on varying values, even though a sale amount was recorded or was widely published as a sale (CoStar).

REASSESSMENT AT SALE COMPARABLES									
Comparable Sale	Year Built	County	Auditor's Market Value Pre Sale	Auditor's Market Value Post Sale	Percent Change	Tax Year	Sale Date	Sale Price	Assessed Value/ Sale Price
Linda & Susan Arms	1972	Lucas	$2,213,000	$3,133,400	42%	2024	Jun-24	$2,750,000	114%
Amhurst Apartments	1983	Lucas	$1,872,000	$2,565,700	37%	2024	Oct-23	$2,850,000	90%
Prescott Place	2010	Franklin	$15,300,000	$18,376,800	20%	2023	Sep-23	$32,600,000	56%
Radius at the Banks	2016	Hamilton	$3,990,600	$5,880,000	47%	2023	Oct-22	$5,880,000	100%
The Stratton	2021	Franklin	N/A	$34,000,000	-	2023	Aug-22	$49,530,000	69%
Hanover Place	2021	Franklin	$32,500,000	$35,900,000	10%	2023	Apr-22	$49,300,000	73%
Cincinnati Deacon	2018	Hamilton	$70,714,130	$134,000,000	89%	2023	Apr-22	$134,000,000	100%
Minimum:					10%				56%
Maximum:					89%				114%
Average:					41%				86%

Compiled by Cushman & Wakefield

Most multi-family sale transactions are not recorded at the sale amount, rather they are acquired as an entity sale further discussed as follows:

Entity Sale Transactions (Drop and Swap)

The sale of a property typically does not trigger a reassessment by the auditor per se. However, boards of education commonly file a tax complaint following a sale when a sale price is greater than the auditor's market value. Ad valorem practice in the State of Ohio requires appraisals based on market rent, market vacancy, and market capitalization rates. As such, we have reexamined the real estate taxes based on the current rates and calculated an estimate of the subject's anticipated property tax liability should it transfer based on the market value conclusion contained herein.

On April 6, 2022, the Ohio General Assembly adopted a House Bill 126 (HB 126) which went into effective July 21, 2022. The bill limits the filing of property tax complaints by boards of education and other subdivisions to instances where:

- The property was sold in a recent arm's length transaction in a year before the tax year for which the complaint is filed. This ends the practice of retroactive tax increases attributable to years in which a sale occurs. As such, the next available date to file an appeal is for the tax year following an arm's length transfer, in this case, tax year 2023, payable 2024.
- The sale price is at least 10 percent and $500,000 more than the auditor's value (indexed for inflation).

For example, a property listed in by a county auditor at $20 Million sells for $21 Million. The boards of education and other subdivisions could not file an increase complaint on the sale. Although the sale price is $500,000 above the current value, the sale price is not at least 10 percent more than the current tax value (i.e., at or above $2.0 Million). Within the central Ohio market, the predominance of multi-family sale transactions are acquired through entity transfers, which does not require the buyer to record the sale amount under Ohio limited liability company (LLC) acquisitions. An entity transfer typically allows the buyer the right to acquire the seller's LLC under the same entity name or a step-down variation of the entity without disclosing the sale amount.

While sale amounts are not commonly disclosed, the local school boards engage attorneys to investigate mortgage filings for entity transfers as the mortgage amount can help the attorney determine if there was a likely sale. In most cases mortgage filings are typically higher than county auditor values for entity transfers. Mortgage filings are often based on lending terms at 60% to 80% of implied value (a.k.a loan to value ratios). The local school boards, through the appeal process, have been known to subpoena property owners to disclose property facts such as purchase contracts, rent rolls, income and expense statements etc. as a means to support their appeal that property in fact did sell for a specified amount.

As a form of defense, buyers of entity transfers have argued that the entity sale amount was based on a net operating income that modeled in-place real estate tax expenses, which are not reimbursed by the tenants. In most instances the county's taxable value is well below the actual sale amounts, thus a much lower tax expense. Buyers assumed the taxable value/tax expense would not change if acquired under an entity transfer. However, buyers have claimed that they would not have paid the sale amount had they modeled the net operating income based on said sale amount recognizing the net operating income would be significantly reduced knowing the real estate taxes would significantly increase, again not being reimbursed by the tenants.

Having conferred with attorneys that represent local school boards and attorneys representing property owners, it is apparent settlement negotiations were very common with both owners and school boards agreeing to settle on a taxable value above the county's taxable market value and below the entity sale amount. The general response as to settlement values is generally between 60% to 80% of the entity sale amount. Overall, the ratios of 60% to 80% are most typical.

HB 126 now prohibits private pay settlement agreements, commonly called "direct pays," as a means of resolving school-initiated valuation appeals. Under prior law, the property owner and the school board could agree to resolve a tax valuation case with the owner paying the school board a sum of money; in exchange, the school board would dismiss its valuation complaint or any appeal relating to the property's valuation. The effect of this practice was to benefit the property owners and school boards who were parties to these cases and agreements, while excluding other taxing districts from enjoying increases in revenue resulting from school-initiated valuation complaints. The law's terms that abolish direct pay agreements apply to agreements after the bill's effective date of July 2022.

As Is Scenario (Rent Restricted)

Ohio Revised Code Sections 5713.031 and 5715.01(A)(4)

Federally Subsidized Residential Rental Property Reporting: The following is taken from a review of the relevant section(s) of the Ohio Revised Code and publications from both the Ohio Capital Corporation for Housing and Frost Brown Todd Attorneys.

Owners of federally subsidized multifamily properties in Ohio are now able to make specific financial disclosures to take advantage of a new law that changes the way such properties are valued for real estate taxes. These changes are set forth in Ohio Revised Code (R.C.) 5713.031 and became effective on October 3, 2023. This new law also creates important considerations for buyers of federally subsidized residential rental properties, such as qualified Low-Income Housing Tax Credit and Section 8 properties. Although this law became effective last year, the administrative rule with the new valuation formula (described below) is still in process and is expected to become final in 2025.

Prior to the enactment of R.C. 5713.031, federally subsidized residential rental properties were valued pursuant to R.C. 5713.01, like most other properties. Now, owners of federally subsidized rental properties can capitalize on a specific valuation formula set forth in R.C. 5715.01(A)(4), but only if they timely submit certain financial information to their county auditor.

Owners of federally subsidized rental property that submit this information will be entitled to have their property valued in accordance with the formula identified in R.C. 5715.01(A)(4). Most notably, the formula will allow these properties to be valued based on the actual rent collected—typically much lower than market rents for federally subsidized rental properties. Generally, this should result in a lower valuation than being assessed at market value under R.C. 5713.01. The new valuation formula for federally subsidized rental property is still in the administrative rulemaking process; however, it will use the income capitalization approach to value, and under R.C. 5715.01(A)(4) it must be based upon the following:

- Up to three years of operating income of the property, which includes gross potential rent, income derived from other sources, a presumed allowance of 4% for vacancy losses, and a presumed 3% allowance for unpaid rent losses. The presumed allowances may be exceeded with evidence demonstrating actual income.
- Operating expenses of the property, which are presumed to be 48% of operating income plus utility expenses as reported by the property owner to the county auditor. Operating expenses should also include a presumed replacement reserve of 5% of gross potential rent and a presumed account contribution of 5% of gross potential rent. These presumed allowances may be exceeded with evidence demonstrating actual expenses. Real property taxes, depreciation, amortization expenses, and the replacement of short-term capitalized assets are excluded from operating expenses.
- A market-appropriate, uniform cap rate plus a tax additur accounting for the real property tax rate of the property's location. For federally subsidized residential rental property that is a qualified low-income housing project subject to Section 42 of the Internal Revenue Code, one percentage point shall be subtracted from the uniform cap rate.

The State of Ohio has reportedly been instructing county auditors to follow the valuation formula in the draft rule until the rule becomes final. So, property owners may find it advisable to proceed as if the rule is final and submit the information required by R.C. 5715.01(A)(4) (as listed above) to the applicable county auditor.

Tax Comparables

To determine the reasonableness of the subject's tax liability, real estate tax liabilities of similar properties were utilized as summarized below.

REAL ESTATE TAX COMPARABLES

No.	Property Name	Municipality	Year Built	Units	Assessed Value	Assessment per Unit
1	Executive Towers Apartments	Toledo	1964	149	$2,818,900	$18,919
2	Museum Place	Toledo	1897	63	$2,498,400	$39,657
3	Park Lane Apartments	Toledo	1925	92	$1,218,600	$13,246
4	Ten Eyck Towers 62+	Toledo	1972	154	$3,329,900	$21,623
5	Alpha Towers 62+	Toledo	1976	165	$3,665,400	$22,215
6	The Plaza 62+	Toledo	1960	159	$2,880,300	$18,115
S.	Ashland Manor	Toledo	1972	188	$403,100	$2,144
Summary						
	CW Year 1 Estimate (Subject):		**1972**	**188**	**$1,940,790**	**$10,323**
	Comparable Min:		1897	63	$403,100	$2,144
	Comparable Max		1976	188	$3,665,400	$39,657
	Comparable Average:		1952	139	$2,402,086	$19,417

Compiled by Cushman & Wakefield of Ohio, Inc.

The subject's historical assessment is below the comparables on a per unit basis on both a historical and pro forma basis. However, given the recently implemented Ohio tax protocol for federally subsidized properties such as the subject, which is further described below, as well as the subject's large project size relative to the comparables, a conclusion at or below the bottom of the range is considered reasonable and supported by the inverse relationship between size and value per unit.

Real Property Tax Conclusion – As Is Scenario (Rent Restricted)

Please note that the capitalization rate used in this calculation is subject to change, as O.R.C. 5713.031(E)(4)(c) stipulates that a "market-appropriate, uniform capitalization rate" be used. As the administrative rules are currently in process of being clarified, the Ohio Housing Council is working to better understand how the cap rate will be determined for the purpose of this calculation. As required by statute, the capitalization rate will be reduced by one percentage point and then a "tax additur" is added to the capitalization rate to account for the millage rate for the specific location of the property.

The methodology embodied in the statute assumes that operating expenses for the property (excluding real estate taxes, all project-paid utilities, required reserve payments, depreciation and amortization expenses) are calculated to be 48% of the gross rent potential for the property. If your operating performance does not align with this model and you find that the calculated valuation is unacceptably high, O.R.C. 5713.031(E)(4)(b) indicates that "these presumptive amounts may be exceeded with evidence demonstrating the actual expenses of the property." Meaning, if the calculated valuation is too high, the statue allows an owner to approach the County Auditor with additional information to allow the owner to advocate for an alternate operating expense for inclusion in the valuation calculation. Forthcoming administrative rules will clarify how that process will work.

The assessment and taxes for the property are presented in the following table.

REAL ESTATE TAX PRO FORMA - AS IS SCENARIO	
Projected Auditor Market Value - Land:	$107,800
Less: Personal Property	$0
Real Property Indication	$107,800
Estimated Ratio	35%
Projected Auditor Assessed Value - Land:	$37,730

TAX LIABILITY	
Total Effective Tax Rate ($ per thousand)	$83.294991
Previous Year Gross Rent Potential (GRP)	$1,592,275
Other Income	$17,516
Totsl Gross Rent Potential (GRP)	$1,609,791
less: 4% Vacancy	($64,392)
less: 3% Bad Debt	($48,294)
Total Income	**$1,497,106**
Operating Expenses (48% of Income)	$718,611
Total Utilities	$498,880
Replacement Reserves (5% of GRP)	$80,490
Total Operating Expenses (Excluding R.E. Taxes)	$1,297,981
Anticipated NOI	**$199,125**
Cap Rate	8.34%
Investment Risk Factor (-1%)	-1.00%
Tax Additur (allowance for millage rate)	2.92%
Adjusted Cap Rate	10.26%
Minimum Property Valuation	$940,000
Auditor's Market Value	$1,940,790
Auditor's Assessed (Taxable) Value	$679,277
Total Property Taxes	**$56,580**
Rounded to nearest $1,000	**$57,000**
Number of Units	188
Property Taxes per Unit	$303
Building Area (SF)	144,531
Property Taxes per Square Foot	$0.39

Compiled by Cushman & Wakefield of Ohio, Inc.

It is noteworthy that the uniform capitalization rate used in this calculation is set at 8.34%. Since August 2023, this capitalization rate has not been confirmed by the Ohio Department of Taxation as the baseline rate for use in this calculation. As such, this capitalization rate is subject to change in the near future and will be periodically updated once further guidance is received from the Ohio Department of Taxation.

Zoning Analysis

Property value is affected by whether existing or proposed improvements comply with zoning regulations. The encumbering zoning regulations for the subject are summarized below.

ZONING ANALYSIS	
Municipality Governing Zoning:	City of Toledo
Current Zoning:	RM36 - Multi-Dwelling Residential (36 units/acre)
Purpose:	The RM, Multi-Dwelling Districts are primarily intended to accommodate the development of multi-dwelling housing. The districts are intended to create, maintain and promote higher density housing opportunities in areas with good transportation access. The regulations are intended to create desirable residential areas by promoting aesthetically pleasing environments, safety, privacy, and recreational opportunities. The development standards are intended to ensure that new development will be compatible with the City's character and to provide certainty to property owners, developers, and neighbors about the limits of what is allowed. A range of districts is established in order to reflect the diversity of the City's residential neighborhoods.
Permitted Uses:	detached house, duplex, multi-dwelling structure, foster home, adult family home, residential facility (small), group rental, community recreation (passive), family day care home, religious assembly, minor urban agriculture, wireless telecoms facility (co-located)
Current Use:	Multifamily
Is Current Use Permitted?	Yes
Reconstruction Clause:	**1114.0305 Loss of Nonconforming Status; Damage or Destruction.** A. Once a nonconforming structure is abandoned, its nonconforming status is lost and the structure, or any reconstructed or replacement structure, must comply with the regulations of the zoning district in which it is located, even if such compliance means that the structure must not remain, may not be reconstructed, and no replacement structure may be constructed. A nonconforming structure will be considered abandoned when any of the following occurs: 1. The intent of the owner to discontinue all use of the structure is apparent; 2. All use of the structure has been voluntarily discontinued for a period of one year or more, as specified in Revised Code Section 713.15; 3. All equipment and furnishings have been removed from the premises and have not been replaced by similar or other equipment and furnishings within one year, unless other facts show intention to resume use of the structure; or 4. A building permit to reconstruct a damaged nonconforming structure (in accordance with paragraph B., below) has not been secured within one year of the date of occurrence of such damage, or construction has not been diligently pursued. B. When a nonconforming structure has been damaged other than by a willful act of owner, including demolition by neglect, to the extent of more than 75 percent of the property's fair market value, it may not be reconstructed except in conformity with the regulations of the underlying zoning district. A building permit to reconstruct a damaged nonconforming structure must be obtained within one year of the date of occurrence of such damage and, once issued, construction must be diligently pursued. C. A nonconforming structure that is created as a result of conveyance to the federal, state, or local government as part of eminent domain proceedings may be rebuilt to its previous footprint.
Subject Zoning Compliance:	Pre-Existing, Legally Non-Conforming

Zoning Requirements	Code	Subject Information
Minimum Lot Area:	1,200 SF	> 1,200 SF
Maximum Building Height:	50'	> 50'
Minimum Lot Width:	50'	> 50'
Maximum Density (Units Per Acre):	30	> 30
Minimum Yard Setbacks		
Front (Feet):	25'	> 25' (est.)
Rear (Feet):	25'	> 25' (est.)
Side - One Side (Feet):	5'	> 5' (est.)
Side - Combined (Feet):	12'	> 12' (est.)
Required On-Site Parking:		
Spaces per Unit:	1.5 per dwelling unit plus 1 space per 10 units for visitor parking	< 1 per unit

Compiled by Cushman & Wakefield of Ohio, Inc.

Zoning Compliance

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies with zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

The appraiser(s) spoke with Lisa Cottrell, Deputy Director of the Toledo-Lucas County Plan Commission, on July 28, 2025 who noted that the subject's existing multifamily use complies with the current zoning uses allowed within RM-36. Ms. Cottrell confirmed that, per the city's reconstruction clause, if the property were to be 75% damaged or destroyed, it must be rebuilt to current zoning standards and requirements.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

Other Restrictions

The subject property is presently affected by regulatory agreements and/or affordability restrictions that limit the allowed rents, tenant income levels, and set some minimum/maximum operating expenses. These regulatory and/or use agreements restrict the use of the subject site and improvements to use as a 188-unit market/affordable rental housing development. The agreement is described below.

- The property has a partial project-based Section 8 Housing Assistance Program (HAP) rental subsidy contract which provides rental subsidies for 77.7% of the subject units. The HAP contract commenced on July 1, 2022 for a 20-year term and expires June 30, 2042. Including the 17-year auto renewal period that commences July 1, 2042, the total expiration date is June 30, 2059, or approximately 34 years from the date of value. This HAP contract provides rental subsidies between the actual rent paid by the tenants and the fair market rent determined annually by HUD. The tenants pay no more than 30 percent of their adjusted income towards rent. The rent schedule effective July 1, 2024 indicates the net rental subsidies are $912 per month for 143 one-bedroom units and $1,187 per month for the 3 two-bedroom units. The remaining 42 units (37 one-bedroom units and 5 two-bedroom units) are offered at unrestricted market rent.

Although requested, no other documents were identified or provided that limit the subject property's use. The research required to determine whether such restrictions exist is beyond the scope of this assignment. Cushman & Wakefield Valuation & Advisory does not represent to be legal experts relating to deed restrictions. A title or deed examination by an attorney or title company is recommended if further research is needed relating to restrictive covenants.

Zoning Conclusions

The municipal zoning requirements have been analyzed in relation to the subject property with the subject's use being a pre-existing, legally non-conforming related to nonconforming height, density, and parking requirements.

This appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this assignment.

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Seventh Edition (2022), a publication of the Appraisal Institute, defines the highest and best use as: "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

To determine the highest and best use, the subject is analyzed under two scenarios: as vacant and as improved (when applicable). In both cases, the property's highest and best use must meet the four criteria described above.

Highest and Best Use as Vacant

Legally Permissible

The zoning regulations in effect at the time of the analysis determine the legal permissibility of a potential use of the subject site. The zoning regulations encumbering the subject were discussed within the zoning section of this report. The RM, Multi-Dwelling Districts are primarily intended to accommodate the development of multi-dwelling housing. The districts are intended to create, maintain and promote higher density housing opportunities in areas with good transportation access. The regulations are intended to create desirable residential areas by promoting aesthetically pleasing environments, safety, privacy, and recreational opportunities. The development standards are intended to ensure that new development will be compatible with the City's character and to provide certainty to property owners, developers, and neighbors about the limits of what is allowed. A range of districts is established in order to reflect the diversity of the City's residential neighborhoods.

As described, a sampling of permitted uses with RM-36 (density restricted to 36 units per acre) includes detached house, duplex, multi-dwelling structure, foster home, adult family home, residential facility (small), group rental, community recreation (passive), family day care home, religious assembly, minor urban agriculture, and wireless telecoms facility (co-located). We are not aware of any further legal restrictions that limit the potential uses of the subject.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. Considering the size, shape and topography of the subject site, frontage and visibility, and availability of utilities, the subject site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

To be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as vacant is for development with an apartment or other form of multi-family building built to its maximum feasible building area, as demand warrants.

Highest and Best Use as Improved

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

Details relating to the local zoning requirements and the subject's respective conformity were analyzed earlier in this report with the subject allowed as a "pre-existing, legally non-conforming" relative to nonconforming height, density, and parking requirements. Hence, the current use and design of the subject improvements are legally permissible.

1114.0305 Loss of Nonconforming Status; Damage or Destruction.

1. Once a nonconforming structure is abandoned, its nonconforming status is lost and the structure, or any reconstructed or replacement structure, must comply with the regulations of the zoning district in which it is located, even if such compliance means that the structure must not remain, may not be reconstructed, and no replacement structure may be constructed. A nonconforming structure will be considered abandoned when any of the following occurs:
    a. The intent of the owner to discontinue all use of the structure is apparent;
    b. All use of the structure has been voluntarily discontinued for a period of one year or more, as specified in Revised Code Section 713.15;
    c. All equipment and furnishings have been removed from the premises and have not been replaced by similar or other equipment and furnishings within one year, unless other facts show intention to resume use of the structure; or
    d. A building permit to reconstruct a damaged nonconforming structure (in accordance with paragraph B., below) has not been secured within one year of the date of occurrence of such damage, or construction has not been diligently pursued.
2. When a nonconforming structure has been damaged other than by a willful act of owner, including demolition by neglect, to the extent of more than 75 percent of the property's fair market value, it may not be reconstructed except in conformity with the regulations of the underlying zoning district. A building permit to reconstruct a damaged nonconforming structure must be obtained within one year of the date of occurrence of such damage and, once issued, construction must be diligently pursued.
3. A nonconforming structure that is created as a result of conveyance to the federal, state, or local government as part of eminent domain proceedings may be rebuilt to its previous footprint.

Physically Possible

The subject improvements are well positioned on the subject site and accretive to the property attributes. Further, no current or pending municipal actions or covenants that would require a change to the current improvements were identified.

Financially Feasible and Maximally Productive

As concluded in the income approach reconciliation section, the subject property improvements contribute to the value of the site and are financially feasible. No alternative uses were identified that would result in a higher market value indication.

Conclusion

The existing improvements add value to the site as though vacant, dictating a continuation of the current use. Hence, the highest and best use of the subject property as improved is consistent with the current use and design.

Most Likely Buyer

Considering current market conditions and market demand for properties similar to the subject, it is concluded that the most likely buyer would be a speculative investor or real estate developer "as vacant" and a private buyer or local/regional investor as improved.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability of market data and the motivation of market participants.

The valuation process is concluded by analyzing each approach to value utilized. When more than one approach is used, each approach is considered based on its applicability to the subject property. A final value opinion is chosen that either corresponds to one of the approaches to value or is a correlation of the approaches used.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

The appraiser forms an opinion of the replacement cost new of the improvements. This estimate is depreciated reflect any value loss from physical, functional, and external causes. Land value, entrepreneurial incentive and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are utilized and adjusted for physical and differences to estimate a market value. A unit of comparison such as price per square foot or effective gross income multiplier is typically used to value the property. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales. The adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by analyzing the subject's existing or proposed financials respective of market comparables, to estimate market revenue and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization. A second income capitalization method is Yield Capitalization. In this method, periodic cash flows and a reversionary value are developed and discounted to a present value using an internal rate of return.

Valuation Methodology Utilized

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Sales Comparison Approach

An opinion of market value was determined by utilizing the sales comparison approach. To do so, the subject property was compared to similar properties that recently sold or are under contract for sale. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable property. The most widely used and market-oriented unit of comparison for properties such as the subject is sales price per square foot and-or per unit.

We noted sales of affordable properties in the subject region; however, information on the in-place rent restrictions (including AMI level), HAP contracts (if any) and remaining term of affordability requirements are not always accessible for comparables during the confirmation process. Based on extensive discussions with affordable housing market participants, sales prices for affordable housing properties are not based upon a price per unit or a multiplier analysis but are instead based on the income stream as it correlates to the property's existing and/or proposed income restrictions, debt structure, and intangible assets (such as tax credit equity, beneficial bond financing, soft debt, deferred developer fees, etc.). Therefore, this approach is typically utilized only for support of the Income Approach when providing an as-if stabilized at market rents scenario and is generally not relied upon for the as-is scenario.

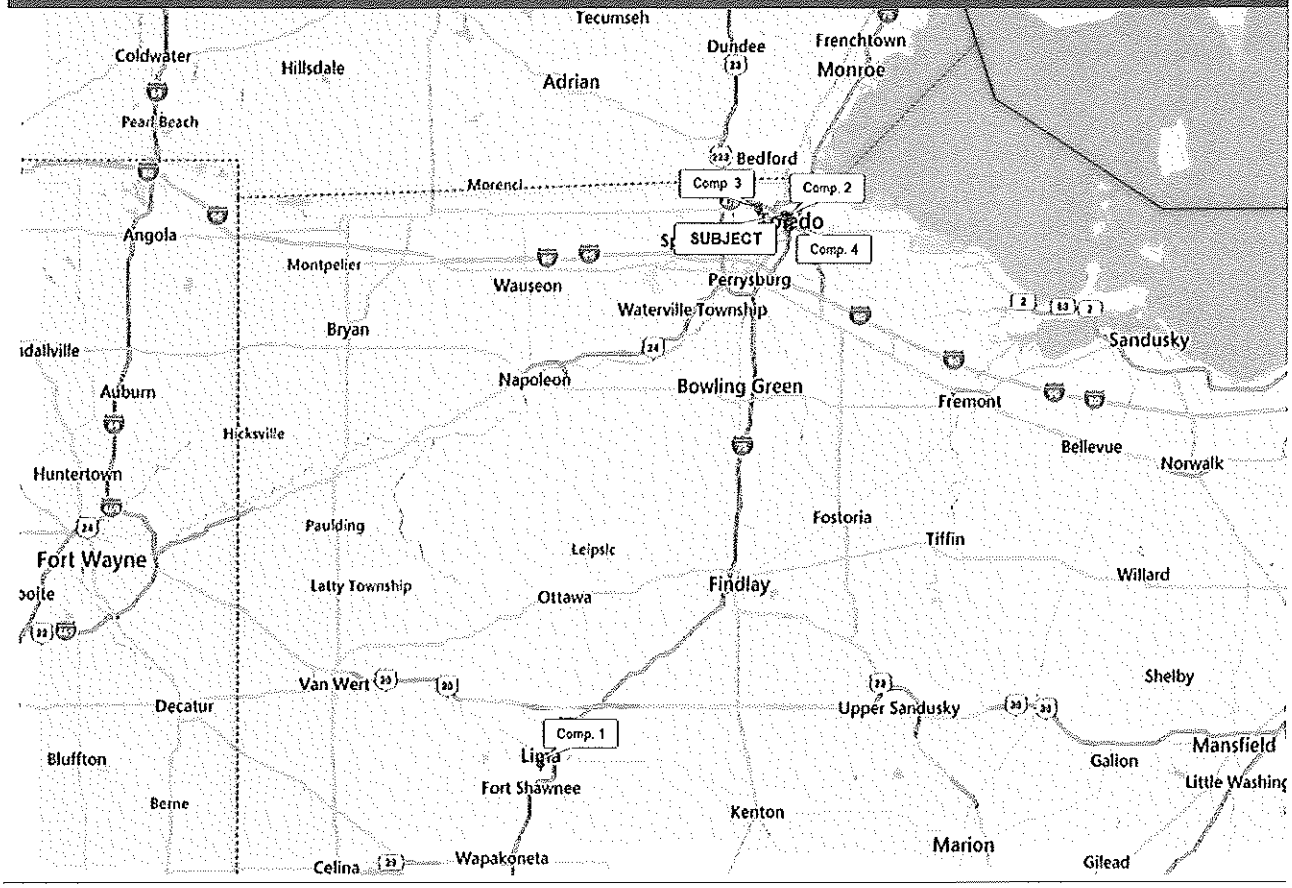
By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per unit or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is sales price per unit. All comparable sales were analyzed on this basis. The following contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process. Comparable improved sale data sheets are presented in the Addenda of this report.

Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using qualitative adjustments.

IMPROVED SALE LOCATION MAP



SUMMARY OF IMPROVED SALES

			Property Information								Transaction Information							
No.	Property Name Address, City, State	Property Type	Year Built	Year Renovated	No. of Buildings	No. of Stories	No. of Units	Average Unit Size	Quality	Cond.	Grantor	Grantee	Value Interest	Sale Date	Sale Price	$/Unit	NOI/Unit	OAR	Occ.
S	Subject Property	High-Rise	1972	-	1	8	188	539	Average	Fair							$1,680		96%
1	Lima Towers 62+ 790 South Main Street Lima, OH	Government Subsidized	1976	-	1	7	200	550	Average	Average	LIMA TOWERS, LTD / JRC LIMA MM, LLC	LIMA TOWERS ACQUISITION, L.P.	Fee Simple	Sep-24	$12,100,000	$60,500	-	-	99%
2	Alpha Towers 62+ 525 East Woodruff Avenue Toledo, OH	Government Subsidized	1976	2024	1	9	165	612	Good	Fair	Alpha Towers LLC	Alpha Towers Preservation LP	Fee Simple	Mar-24	$5,230,000	$31,697	-	-	98%
3	Two-Property Portfolio 2711 West Central Avenue Toledo, OH	Garden/ Low-Rise	1962	1970	8	3	115	707	Average	Average	Virginia Avenue LTD/Kentucky Avenue LTD	2707 Glendale Ave/ & 711 Central Ave	Fee Simple	Feb-23	$5,000,000	$43,478	$2,617	6.02%	97%
4	Swan Creek Apartments 111 South Summit Street Toledo, OH	Garden/ Low-Rise	1955	-	1	2	71	386	Average	Fair	Midtown Prop	Toledo Summit Holdings LLC	Fee Simple	Nov-22	$1,575,000	$22,183	$4,004	18.05%	93%
Summary Information																			
Low			1955		1	2	71	386						Nov-22	$1,575,000	$22,183	$2,617	6.02%	93%
High			1976		8	9	200	707						Sep-24	$12,100,000	$60,500	$4,004	18.05%	99%
Average			1967		3	5	133	564						Sep-23	$5,976,250	$39,465	$3,311	12.04%	97%

Compiled by Cushman & Wakefield of Ohio, Inc.

Comparable Sale 1

This comparable represents the sale of a 10-story, income- and age-restricted multifamily mid-rise located in Lima, Allen County, Ohio. The property contains 200 one-bedroom units (550 SF) restricted to those aged 62+ and 50% AMI limits. The property transferred in September 2024 from Jonathan Rose Companies to Essence Development for recorded consideration of $12,100,000 or $60,500 per unit. The Buyer secured a $10,967,000 conventional Fannie Mae mortgage loan with Walker & Dunlop with a 5-year term.

Comparable Sale 2

This comparable represents the sale of a 165-unit affordable seniors apartment community located at 525 E Woodruff Ave, Toledo, Ohio. The community offers 1BR and 2BR units with an average unit size of 612 SF. Alpha Towers receives section 8 subsidies for low-income housing from the U.S. Department of Housing and Urban Development. The property recorded a sale on March 1, 2024 for recorded consideration of $5,230,000 or $31,697 per unit. Stonebridge Global Partners privately owned the property prior to divesting to Essence Development of New York. The community has AMI income limits of Extremely Low (30%), Very Low (50%), and Low (80%). All utilities are included in the rent. At the time of the sale, the Toledo-Lucas County Port Authority adopted a resolution at its board of directors meeting to sell $20 million of tax-exempt revenue obligations or bonds to help fund the renovation work. The scope of renovations included accessibility components, new drywall, paint, vinyl flooring, bathroom fixtures, appliances, electrical and plumbing work, and exterior upgrades. Renovations reportedly commenced in November 2023 and took one year to complete, with ownership transfer completed during that period. According to the Regulatory Agreement between the Port Authority, Huntington, and the Buyer, a $17 million tax-exempt bond was issued to finance the acquisition and renovations. Stipulations for the 15-year qualified project period include a minimum allocation of 40% of units to residents at or below 60% AMI. The Port Authority entered a ~50-year ground lease agreement with the Buyer.

Comparable Sale 3

This comparable represents the sale of a two-property portfolio in Toledo totaling 115 units that recorded on February 6, 2023 for reported consideration of $5,000,000 or $43,478 per unit. Cedars (2711 W Central Ave) was constructed in 1970, is 3 stories in height, and contains 84 one- and two-bedroom units. Tenants pay electricity. Glendale Manor (2707 Glendale Ave) was constructed in 1962, is on story in height, and contains 31 one- and two-bedroom units. The total unit mix of the portfolio comprises 48 1BR units and 66 2BR units with an overall average unit size of 709 SF and average in-place rent of $566 per month. Based on Year 1 pro forma NOI of $2,617 per unit per the broker, the OAR on this transaction was reported to be 6.02%. The properties transferred under two separate deeds on February 6, 2023 for $0 recorded sale price. The reason listed for exemption on the Conveyance Fee Exemption Form indicated no consideration readily convertible into money was paid for the real estate and the transaction was not a gift. According to the mortgages dated January 20, 2023 and filed February 6, 2023, the Buyer (2707 Glendale Ave S, LLC @ 50% ownership, 2707 Glendale Ave T, LLC @ 32.76% ownership, 2707 Glendale Ave N, LLC @ 17.247% ownership) took out a $4,380,000 mortgage through Middlefield Banking. Charles Gagliano, the listing broker with Marcus & Millichap, confirmed the sale details via phone on July 29, 2025.

Comparable Sale 4

This comparable represents the sale of a 71-unit market rate apartment building that sold for $1,575,000 or $22,183 per unit in November 2022 from Midtown Prop to Toledo Summit Holdings LLC. Per the buyer, the sale was off-market. Further, there were extenuating circumstances surrounding the purchase price. The seller was looking to net $1,275,000 for the real estate. However, the seller owed an additional $300,000 to a third party for outstanding marketing, construction, and maintenance costs. The buyer was informed of this and was willing to pay the full $1,575,000 figure to acquire the property, with the $300,000 delta as a seller's concession. Following acquisition, ownership invested $419,000 in capital expenditures to renovate the property and rebrand as Luxe Apartments. At acquisition, 15 units were delivered vacant

and the 2022 year-end EGI was $67,675. Pro forma NOI was projected to be $4,004 per unit based on post-renovated rents at a 7% vacancy factor and taxes grossed up to the sale price, reflecting a pro forma OAR of 18.05%.

Adjustment Method

The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

To account for these difference, downward adjustments were applied to the comparable attributes that were considered superior to the subject and upward adjustments were applied to the comparable attributes that were considered inferior. These adjustments are outlined in the following section.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest.

Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required for the multifamily property type, there is ultimately no discernable difference between property rights.

Conditions of Sale

Adjustments for conditions of sale will reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices.

All sales used in this analysis appear to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments are required.

Financial Terms (Financing)

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. All comparable sales have been analyzed to account for atypical financing terms.

Sale 2 received favorable bond financing and other benefits to acquire and renovate the property. Accordingly, this comparable was adjusted downward for superior financing terms.

Market Conditions

Market conditions can vary over time and may have an impact on the market value or price paid. As such, these conditions should be considered with adjusts made when applicable. Various inflationary factors should also be considered and adjusted accordingly, per the respective date(s) of value.

The sales that are included in this analysis occurred between November 2022 and September 2024. Our date of valuation is as of July 9, 2025. Based on discussions with market participants, transactional activity decreased beginning in June 2022 due to interest rate increases, while pricing remained generally level. Similarly, CoStar data suggests that the average sale price per unit has generally remained level (with

quarterly variances) during this time period. We have not included any market condition adjustments as all sales occurred following the period of rapidly rising interest rates.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. Any adjustments that were applied were based on the average rental rates in the zip codes as published by rentcafe.com and the submarkets as published by CoStar compared to the subject.

Locations with higher indicated rental rates are considered superior and locations with lower indicated rental rates are considered inferior.

Number of Units

Size adjustments reflect the principal of economies of scale when investing in properties with a lower unit count compared to a property with a larger unit count. This principal generally suggests that investors will pay a lower price per unit for larger properties due to economies of scale that can be achieved and a higher price for a smaller property, all else equal. Hance, adjustments to the comparables should be considered.

The subject has 188 units while the comparable range from 71 to 200 units with an average of 138 units. Sales 3 and 4 were adjusted downward for their smaller project sizes.

Age, Quality & Condition

Physical traits of a property can influence the market value of the respective property. These traits include age, condition, quality, Considerations were made for any differences in these attributes, respective of the subject, with adjustments applied accordingly.

The subject was built in 1972 while the comparables range from 1955 to 1976 with an average of 1967. All of the comparables are average quality, similar to the subject. The subject is currently in fair condition, while the comparables range from fair to average condition. Despite its similar age, Sale 1 was adjusted downward for its superior condition. Sale 3 was adjusted downward for its superior condition, despite its older age.

Amenities

The overall building and apartment amenities offered at a property impact the achievable market rents, consumer demand and therefore this market price investors are willing to pay for a property.

The subject is configured to have a centralized ground floor location for amenities as well as an amenity room on each floor. The subject contains the following project amenities: security guard office, mail kiosk, vending machines, laundry facilities, elevators, fitness center, library, computer room, billiards, kids play room, recreational room, and trash chutes. Sales 3 and 4 were adjusted upward for their inferior amenity packages relative to the subject.

Average Unit Size

The size of an apartment will impact the achievable market rent, which can vary based on the market and should reflect the demands and needs of the respective market. A larger average unit size is considered reflective of larger units and/or unit types. Conversely, a smaller average unit size is considered reflective of smaller units and/or unit types. This factor can also influence rental rates and impacts unit value.

The subject has one- and two-bedroom units with an overall average unit size of 539 square feet while the comparables range from 386 to 707 square feet with an average of 564 square feet. Sale 3 was adjusted downward for larger unit size while Sale 4 was adjusted upward for smaller unit size.

Economic Characteristics

This adjustment is used to reflect differences in occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments. This adjustment also reflects additional commercial space such as retail stores, restaurants, office or other revenue generating space that impact market value.

While the subject is not currently stabilized, the sales approach is utilized to derive a hypothetical stabilized value and apply lease-up and deferred maintenance deductions in order to back into an adjusted as-is value. Therefore, the adjustments are made under the assumption the subject is complete and stabilized at time of sale. Accordingly, Sales 1 and 2 were adjusted downward for their nearly 100% occupancy rates at time of sale while Sale 4 was adjusted upward for its nonstabilized occupancy at the time of sale.

IMPROVED SALE ADJUSTMENT GRID

	Economic Adjustments (Cumulative)						Property Characteristic Adjustments (Additive)						
No.	$/Unit & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market [1] Conditions	Per Unit Subtotal	Location	No. of Units (Size)	Age & Condition	Amenities	Avg. Unit Size	Economics	Overall Rating
1	$60,500	Fee Simple	Arm's-Length	None	9/24	Similar	Lima, OH	200	1976 / Avg.	Game Rm, Prkg, Laundry	550	99% Occ.	Superior
	9/24	Similar	Similar	Similar	Similar		Inferior	Similar	Superior	Similar	Similar	Superior	
2	$31,697	Fee Simple	Arm's-Length	Favorable	3/24	Similar	Toledo, OH	165	1976 / Fair	Elevator/ Fitness	612	98% Occ.	Superior
	3/24	Similar	Similar	Superior	Similar		Similar	Similar	Similar	Similar	Similar	Superior	
3	$43,478	Fee Simple	Arm's-Length	None	2/23	Similar	Toledo, OH	115	1962 / Avg.	Parking, Laundry	707	92.2% Occ.	Superior
	2/23	Similar	Similar	Similar	Similar		Similar	Superior	Superior	Inferior	Superior	Similar	
4	$22,183	Fee Simple	Arm's-Length	None	11/22	Similar	Toledo, OH	71	1955 / Fair	Parking, Laundry	388	78.9% Occ.	Inferior
	11/22	Similar	Similar	Similar	Similar		Similar	Superior	Similar	Inferior	Inferior	Inferior	
Summary Information													
	$22,183	- Low											
	$60,500	- High											
	$39,465	- Average											

Compiled by Cushman & Wakefield of Ohio, Inc.

Summary of Adjustments

Prior to adjustments the comparable improved sales reflect per unit prices ranging from $22,183 to $60,500 with an average pre adjusted price of $39,465 per unit. Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using qualitative adjustments. Accordingly, an adjusted range is not available.

Sales Comparison Approach Conclusion

In terms of physical and economic characteristics, Sale 2 is most proximate to the subject and similar in both project and unit size, age, and representative of a government subsidized age-restricted high-rise apartment building. Additionally, this property is utilized as a rent comparable within the Income Approach. However, as noted in the beginning of this section, sales prices for affordable housing properties are not based upon a price per unit or a multiplier analysis but are instead based on the income stream as it correlates to the property's existing and/or proposed income restrictions, debt structure, and intangible assets (such as tax credit equity, beneficial bond financing, soft debt, deferred developer fees, etc.). Sale 2 received tax-exempt bond financing and other favorable terms upon close of sale. Accordingly, this comparable was given no weight within the Sales Approach and has been included solely for informational purposes. Of the remaining comparables, Sales 1 and 3 were considered overall to be superior to the subject, while Sale 4 was considered to be inferior. Overall, the comparables are considered superior to the subject. Therefore, a value conclusion below the average of the unadjusted range is considered reasonable.

The resulting value indication is summarized below:

SALES COMPARISON APPROACH CONCLUSION	
	Per Unit
Indicated Value per Unit	$30,000
Num of Units	x 188
Market Value Indication - As Stabilized	**$5,640,000**
Rounded to Nearest $50,000	**$5,650,000**
Less Lease-up Discount	-$396,728
Market Value Indication - As Complete	**$5,243,272**
Rounded to Nearest $50,000	**$5,250,000**
Less Deferred Maintenance	$2,790,623
Market Value Indication - As Is	**$2,452,649**
Rounded to Nearest $50,000	**$2,450,000**

Compiled by Cushman & Wakefield of Ohio, Inc.

The deferred maintenance deduction has been detailed earlier in this report. The lease-up discount applied above is detailed later in this report.

Income Capitalization Approach

The Income Capitalization Approach is based on the principle that the value of a property is indicated by the net return to the property, or what is also known as the present worth of future benefits. The future benefits of income-producing multifamily properties is net income before debt service and depreciation, derived by a projection of income and expense, along with any expected reversionary proceeds from a sale.

The two most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow (Yield) analysis. In Direct Capitalization, net operating income is divided by an overall rate extracted from the market to indicate a value. In the Discounted Cash Flow method, anticipated future net income streams and a reversionary value are discounted to provide an opinion of net present value at a chosen yield rate (internal rate of return or discount rate).

We placed greatest reliance on the Direct Capitalization method since this is the methodology used by potential buyers of multi-family properties of similar use as the subject. The overall rate used is derived from recent market-rate transactions and then compared to current survey data. It is likely that a prospective purchaser of this type of property at restricted rents would utilize the Direct Capitalization as the primary tool in evaluating the property. Investors acquiring this type of asset in as-is condition will typically employ only the Direct Capitalization method due to the subjectivity of the annual income and rent restrictions published annually by HUD. As such, a Yield Capitalization is not performed

Rental Income Analysis

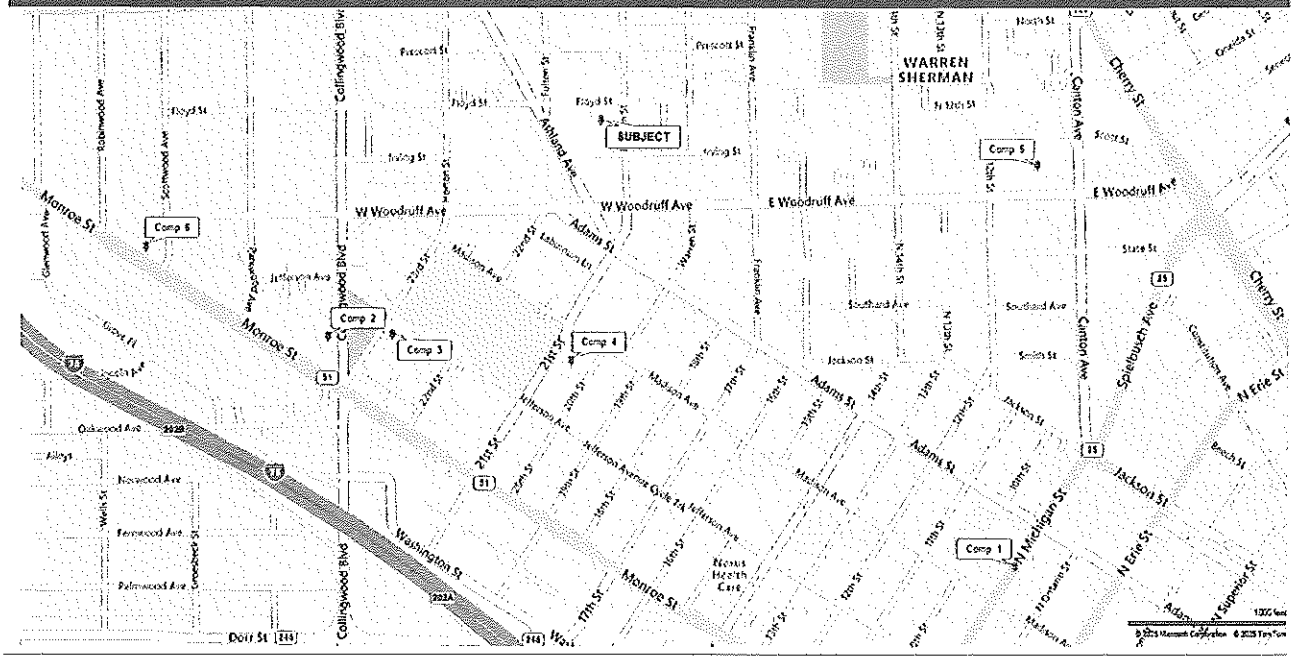
The subject property has a partial project-based Section 8 Housing Assistance Program (HAP) rental subsidy contract which provides rental subsidies for 77.7% of the subject units. The HAP contract commenced on July 1, 2022 for a 20-year term and expires June 30, 2042. Including the 17-year auto renewal period that commences July 1, 2042, the total expiration date is June 30, 2059, or approximately 34 years from the date of value. This HAP contract provides rental subsidies between the actual rent paid by the tenants and the fair market rent determined annually by HUD. The tenants pay no more than 30 percent of their adjusted income towards rent. The rent schedule effective July 1, 2024 indicates the net rental subsidies are $912 per month for 143 one-bedroom units and $1,187 per month for the 3 two-bedroom units. The remaining 42 units (37 one-bedroom units and 5 two-bedroom units) are offered at unrestricted market rent.

In order to examine the subject property in its proper context, an examination of market-rate and affordable rate projects offering similar unit sizes to the subject in the market area is necessary. Although a portion of the subject is affected by regulatory agreements that restrict income and rent levels for the subject units, comparison to market rate projects is also necessary for the subject's unrestricted units.

Given our valuations of the subject both restricted and unrestricted market rate, we have included both market rate and restricted (LIHTC rentals) in our competitive properties overview. The market rate competitive properties are presented on the following table. A discussion of the competitive properties follows the table. We have presented the competitive LIHTC properties afterwards. These properties are considered to best represent competitive market and affordable housing rents for the subject property.

To estimate market rent achievable for the subject, surrounding projects of similar quality, finish and amenities were surveyed. The comparable properties selected are summarized as follows.

RENTAL COMPARABLES MAP



COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION

No.	PROPERTY NAME ADDRESS, CITY, STATE	NO. OF UNITS	AVG. UNIT SIZE	YEAR BUILT	YEAR REN	NO. OF BLDGS	NO. OF STORIES	OCC. RATE (%)	BEDS/BATHS	UNIT SIZE (SF) AVG.	QUOTED RENT PER MONTH AVG.	QUOTED RENT $/SF/ MONTH AVG.	RENT INCLUSIONS	CONCESSIONS
S	Subject Property	188	539	1972	-	1	8	63.8%						
1	Executive Towers Apartments 1825 Collingwood Boulevard Toledo, OH	149	785	1964	-	1	13	85.9%	Studio	400	$600	$1.50	Trash	$199 Deposit
									Studio PH	600	$810	$1.01		
									1BR/1BA	775	$708	$0.91		
									1BR/1BA PH	1,600	$1,270	$0.79		
									2BR/2BA	1,008	$883	$0.88		
									3BR/3BA	1,500	$1,450	$0.97		
2	Museum Place 1825 Collingwood Boulevard Toledo, OH	63	899	1897	2018	5	4	99.0%	1BR/1BA	450	$713	$1.58	Water, Sewer, and Trash	None
									2BR/2BA	820	$881	$1.07		
									3BR/2BA	1,340	$1,085	$0.81		
									4BR/2BA	1,380	$1,348	$0.98		
3	Park Lane Apartments 142 23rd Street Toledo, OH	92	592	1925	2012	1	10	68.0%	Studio	334	$720	$2.16	Water, Sewer and Trash	None
									1BR/1BA	688	$920	$1.34		
4	Ten Eyck Towers 62+ 240 21st Street Toledo, OH	154		1972	-	1	11	99.0%	1BR/1BA	750	$644	$0.86	Electric, Gas, Water, Sewer, and Trash	None
5	Alpha Towers 62+ 625 East Woodruff Avenue Toledo, OH	165	612	1976	2024	1	9	96.4%	1BR/1BA	600	$1,263	$2.10	Electric, Water, Sewer, Gas, Trash	None
									2BR/1BA	800	$1,511	$1.89		
6	The Plaza 62+ 2520 Monroe Street Toledo, OH	159	658	1960	-	4	6	95.0%	Studio	450	$896	$1.99	Water, Sewer, Trash	None
									1BR/1BA	700	$960	$1.37		
									2BR/1BA	800	$1,152	$1.44		
STATISTICS (Excluding Subject)														
	Low:	63	592	1897	2012	1	4	85.9%						
	High:	165	899	1976	2024	5	13	99.0%						
	Average:	130	709	1949	2018	2	9	93.9%						

Compiled by Cushman & Wakefield of Ohio, Inc.

Please note comparables 1, 2, and 3 are market rate communities while comparables 4, 5, and 6, the comparables highlighted above in blue, represent affordable communities.

Asking Rents for the Subject

The subject's asking rental rates are summarized by plan type below, as reported by property management. These rents reflect any affordability requirements along with differences that may exist due to renovations or any other unique unit attribute impacting market rents.

SUBJECT ASKING RENTS BY UNIT TYPE

Plan Type	BR	BA	Affordability Type	Number of Units	Unit Size Avg. (SF)	Asking Avg. Rent (mo.)	Asking Rent PSF
1BR/1BA	1.0	1.0	-	37	528	$912	$1.73
1BR/1BA - Affordable	1.0	1.0	HAP	143	528	$912	$1.73
2BR/1BA	2.0	1.0	-	5	786	$1,187	$1.51
2BR/1BA - Affordable	2.0	1.0	HAP	3	786	$1,187	$1.51
Total/ Weighted Avg.	**6.0**	**2.0**	**-**	**188**	**539**	**$861**	**$1.60**

Compiled by Cushman & Wakefield of Ohio, Inc.

Subject HAP Contract Rents

The property management has a contract with the U.S. Department of Housing and Urban Development (HUD) which provides Housing Assistance Payments (HAP) rental subsidies. These HAP rental subsidies are for 146 of the subject's 188 rental units and provide for the difference between the actual rent paid by the tenants based on their income levels and the maximum net rent allowed under the HAP contract. The HAP contract commenced on July 1, 2022 for a 20-year term and expires June 30, 2042. Including the 17-year auto renewal period that commences July 1, 2042, the total expiration date is June 30, 2059, or approximately 34 years from the date of value.

The current approved maximum HUD net rental rates/subsidies (with no deduction for utility allowance) effective July 1, 2024 to June 30, 2025 for those affected subject units under the HAP contract are as follows:

UNIT TYPE	NUMBER OF UNITS	MAX NET MO RENT
1BR/1BA	143	$912
2BR/1BA	3	$1,187

Although requested, an updated rent schedule was not provided. Accordingly, we have relied upon the FY 2025 Contract Rent Annual Adjustment Factor for the Toledo MSA of 1.0314 (Highest Cost Utility Included) applied to the 2024 rates to estimate the 2025 rates.

$$\$912 \times 1.0314 = \$940.64$$

$$\$1,187 \times 1.0314 = \$1,224.27$$

Overall, we have reconciled to $940 and $1,224 for the projected rents within the HAP units.

Market Rent Analysis by Unit Type

To estimate the market rents by floor plan, the subject's asking rents were compared with similar units at the comparable properties, by unit type and size. When concluding to an appropriate market rent for each unit type available at the subject, the subject's competitive market position along with asking rents and actual contract rents (when applicable) were considered.

Affordable or Rent Restricted Units

Affordable or rent restricted units represent 77.7 percent of units at the subject, with the remaining 22.3 percent of units representing market terms. The respective affordable units were included in the following tables.

One Bedroom Units

The comparable one-bedroom units are bifurcated below into market rate units and affordable rate units (highlighted in blue).

COMPETITIVE RENTAL SUMMARY

One Bedroom Units

			Quoted Rents	
Name	Beds/ Baths	Avg. Size (SF)	Avg. Quoted Rent	Avg. Quoted Rent Per SF
Museum Place	1BR/1BA	450	$713	$1.58
Park Lane Apartments	1BR/1BA	688	$920	$1.34
Executive Towers	1BR/1BA	775	$708	$0.91
Executive Towers	1BR/1BA PH	1,600	$1,270	$0.79
Alpha Towers 62+	1BR/1BA	600	$1,263	$2.11
The Plaza 62+	1BR/1BA	700	$960	$1.37
Ten Eyck Towers 62+	1BR/1BA	750	$644	$0.86
Market Rate				
Low		450	$708	$0.79
High		1,600	$1,270	$1.58
Average		878	$903	$1.16
MARKET RENT CONCLUSION		**528**	**$550**	**$1.04**
Affordable Rate				
Low		600	$644	$0.86
High		750	$1,263	$2.11
Average		683	$956	$1.45
AFFORDABLE RENT CONCLUSION		**528**	**$940**	**$1.78**

Market Rate: Based upon the provided rent roll dated June 24, 2025, the subjects quoted market rate is equivalent to its HAP contract rate of $912 or $1.73 per square foot. In-place contract rents indicate a delta of (-42) percent between quoted and in-place rents, with a unit occupancy of 51.4 percent for market rate 1BR units.

The concluded one-bedroom market rate rents for the subject fall well within the range of the comparable set on a per square foot basis, noting the subject's average unit size falls towards the bottom of the range. Although a smaller unit size generally indicates a market conclusion towards the upper end of the range on a per square foot basis, the subject's quality, condition and amenity package is generally inferior to the market comparables. Therefore, a rent conclusion below the average on a per square foot basis is appropriate considering the subject's competitive market position and broader market trends impacting market rents within the defined market area.

Affordable Rate: The reported rents for the affordable comps highlighted above in blue are generally reflective of rent restricted units subject to AMI limits. For reporting purposes, the highest AMI limit maximum rent was reported for each comparable, noting Ten Eyck provided their market rate rent of $644 in addition to their income limits (30%, 50%, 80%). Overall, the OCAF-adjusted HAP contract rate estimate of $940 is in-line with the affordable comparables.

Two Bedroom Units

The comparable two-bedroom units are bifurcated below into market rate units and affordable rate units (highlighted in blue).

COMPETITIVE RENTAL SUMMARY				
Two Bedroom Units				
			Quoted Rents	
Name	**Beds/ Baths**	**Avg. Size (SF)**	**Avg. Quoted Rent**	**Avg. Quoted Rent Per SF**
Museum Place	2BR/2BA	820	$881	$1.07
Executive Towers	2BR/2BA	1,008	$883	$0.88
The Plaza 62+	2BR/1BA	800	$1,152	$1.44
Alpha Towers 62+	2BR/1BA	800	$1,511	$1.89
Market Rate				
Average		914	$882	$0.98
MARKET RENT CONCLUSION		**786**	**$700**	**$0.89**
Affordable Rate				
Average		800	$1,332	$1.66
AFFORDABLE RENT CONCLUSION		**786**	**$1,224**	**$1.56**

Market Rate: Based upon the provided rent roll dated June 24, 2025, the subjects quoted market rate is equivalent to its HAP contract rate of $1,187 or $1.51 per square foot. In-place contract rents indicate a delta of (-42.4) percent between quoted and in-place rents, with a unit occupancy of 100 percent for market rate 2BR units.

The concluded two-bedroom market rate rents for the subject fall near the bottom the range of the comparable set on a per square foot basis, noting the subject's average unit size is below the comparable range. Although a smaller unit size generally indicates a market conclusion towards the upper end of the range on a per square foot basis, the subject's quality, condition and amenity package is generally inferior to the market comparables. Therefore, a rent conclusion below the average on a per square foot basis is appropriate considering the subject's competitive market position and broader market trends impacting market rents within the defined market area.

Affordable Rate: The reported rents for the affordable comps highlighted above in blue are generally reflective of rent restricted units subject to AMI limits. For reporting purposes, the highest AMI limit maximum rent was reported for each comparable. Overall, the OCAF-adjusted HAP contract rate estimate of $1,224 is in-line with the affordable comparables.

Market and Affordable Rent Conclusions

The concluded rents for the subject is summarized by unit type in the following table. In concluding to a market or affordable rent for each unit type available at the subject, management's asking rents, the competitive set, market trends and contract rents (as applicable) have been considered. As exhibited, the average actual rents in-place at the subject property are currently **!Syntax Error, *** percent . Overall, the concluded market rents are considered reasonable and reflect market operations for the subject.

MARKET RENT ESTIMATE								
Unit Description		**Quoted Rents**		**In-Place Rents**		**C&W Projection**		**Rent Comparison**
Plan	**Average Unit Size (SF)**	**Average Monthly PSF**	**Effective Monthly Rent PSF**	**Monthly Rent Estimate**	**Average In Place Monthly Rent PSF**	**Monthly Market Rent**	**Market Rent Estimate PSF**	**Actual Rent as Percent of Market Rent**
1BR/1BA	528	$912	$1.73	$532	$1.01	$550	$1.04	3.23% below market
1BR/1BA - Affordable	528	$912	$1.73	$912	$1.73	$940	$1.78	2.98% below market
2BR/1BA	786	$1,187	$1.51	$683	$0.87	$700	$0.89	2.38% below market
2BR/1BA - Affordable	786	$1,187	$1.51	$1,187	$1.51	$1,224	$1.56	3.02% below market
TOTAL/AVG.	**539**	**$1,050**	**$1.62**	**$853**	**$1.59**	**$861**	**$1.60**	

Note: The discrepancy between the reported below market ranges of each individual unit mix and the overall average is due to weighted averaging. Because the overall in-place rent of $853 is calculated using occupied units instead of total units, the unit types with higher occupancy and smaller rent gaps have a greater influence on the overall average.

Revenue & Expense Analysis

An opinion of the property's annual income and operating expenses was developed after reviewing the subject's financials, juxtaposed with the operating performance of similar properties. The Cushman & Wakefield estimates are detailed in the following section along with the respective support and analysis. Cushman & Wakefield utilizes a standardized chart of accounts whereby all property financials have been converted and mapped accordingly.

Note: The provided trailing twelve-month operating statement (May 31, 2025 through June 30, 2024) has an observable delta between monthly expenses reported in months ending in 2024 versus 2025. The months ending in 2024 are notable higher than the months ending in 2025. This difference is noted across a majority of expense categories including real estate taxes, insurance, utilities, administrative, maintenance, payroll, and management fee. As an example, the reported utility expenses for the seven months ending in 2024 (monthly average $168,413) are well above 2025 indications (monthly average $41,723). The reason for this discrepancy is unknown. During the course of the appraisal, property management became unresponsive to our attempts to interview them or obtain additional data, thus preventing discussion regarding the irregularities in the reported operating history. Accordingly, minimal weight was placed on T12 historical indications and we have relied primary on YTD annualized, budgeted, and expense comparables within the forthcoming analysis.

SUBJECT PROPERTY REVENUE AND EXPENSE ANALYSIS

	2025 T12 Months			2025 YTD Annualized			Year 1 Lease-up			Year 2 Stabilized			CW As Stabilized		
Revenue Units	188			188			188			188			188		
Total Gross Building Area	144,531			144,531			144,531			144,531			144,531		
Occupancy	60.82%			36.79%			81.47%			93.92%			95.00%		
REVENUE	**Total**	**Per Unit**	**% EGI**	**Total**	**Per Unit**	**% EGI**	**Total**	**Per Unit**	**% EGI**	**Total**	**Per Unit**	**% EGI**	**Total**	**Per Unit**	**% EGI**
Base Rental Revenue															
Potential Rental Income	$5,372,348	$28,576	-	$1,692,275	$8,470	-	$2,083,872	$11,084	-	$2,362,861	$12,568	-	$1,943,304	$10,337	-
Loss to Lease	($947,870)	($5,042)	-	($599,241)	($3,187)	-	($184,398)	($981)	-	($29,650)	($158)	-	($29,150)	($155)	-
Concessions	($72,349)	($385)	-	$0	$0	-	$0	$0	-	$0	$0	-	$0	$0	-
Total Adjusted Rental Income	$4,352,129	$23,150	-	$993,035	$5,282	-	$1,899,474	$10,104	-	$2,333,211	$12,411	-	$1,914,154	$10,182	-
Net Rental Income															
Vacancy Loss	($1,705,282)	($9,071)	-	($627,713)	($3,339)	-	($352,067)	($1,873)	-	($141,772)	($754)	-	($95,708)	($509)	-
Collection Loss	($287,672)	($1,530)	-	($14,688)	($78)	-	($6,144)	($33)	-	($54,786)	($291)	-	($19,142)	($102)	-
Total Net Rental Income	$2,359,176	$12,549	98.2%	$350,633	$1,865	95.2%	$1,541,263	$8,198	98.9%	$2,136,653	$11,365	99.6%	$1,799,305	$9,571	99.1%
Other Income															
Laundry/Vending Income	$6,435	$34	0.3%	$2,977	$16	0.8%	$4,080	$22	0.3%	$0	$0	0.0%	$4,700	$25	0.3%
Other Income	$36,143	$192	1.5%	$14,539	$77	3.9%	$12,600	$67	0.8%	$8,776	$47	0.4%	$11,280	$60	0.6%
Total Other Income	$42,578	$226	1.8%	$17,516	$93	4.8%	$16,680	$89	1.1%	$8,776	$47	0.4%	$15,980	$85	0.9%
EFFECTIVE GROSS REVENUE	**$2,401,753**	**$12,775**	**100%**	**$368,149**	**$1,958**	**100%**	**$1,557,943**	**$8,287**	**100%**	**$2,145,429**	**$11,412**	**100%**	**$1,815,285**	**$9,656**	**100%**
OPERATING EXPENSES															
Real Estate Taxes	$91,151	$485	3.8%	$20,959	$111	5.7%	$15,893	$85	1.0%	$16,370	$87	0.8%	$59,769	$318	3.3%
Property Insurance	$702,842	$3,739	29.3%	$169,206	$900	46.0%	$123,612	$658	7.9%	$136,269	$725	6.4%	$169,200	$900	9.3%
Utilities															
Natural Gas	$233,476	$1,242	9.7%	$124,271	$661	33.8%	$48,035	$256	3.1%	$47,153	$251	2.2%	$47,000	$250	2.6%
Electricity	$707,190	$3,762	29.4%	$259,020	$1,378	70.4%	$123,450	$657	7.9%	$122,117	$650	5.7%	$122,200	$650	6.7%
Water & Sewer	$446,094	$2,373	18.6%	$115,589	$615	31.4%	$77,190	$411	5.0%	$90,537	$482	4.2%	$94,000	$500	0.0%
Total Utilities	$1,386,760	$7,376	57.7%	$498,880	$2,654	135.5%	$248,675	$1,323	16.0%	$259,807	$1,382	12.1%	$263,200	$1,400	14.5%
Admin & General															
Admin & General	$406,593	$2,163	16.9%	$96,835	$515	26.3%	$51,764	$275	3.3%	$54,347	$289	2.5%	$56,400	$300	3.1%
Cable & Internet	$749	$4	0.0%	$1,798	$10	0.5%	$7,080	$38	0.5%	$7,292	$39	0.3%	$9,400	$50	0.5%
Total Admin & General	$407,342	$2,167	17.0%	$98,633	$525	26.8%	$58,844	$313	3.8%	$61,639	$328	2.9%	$65,800	$350	3.6%
Advertising & Leasing	$6,576	$35	0.3%	$15,783	$84	4.3%	$16,020	$85	1.0%	$19,776	$105	0.9%	$18,800	$100	1.0%
Repairs & Maintenance															
Repairs & Maintenance	$2,063,237	$10,975	85.9%	$796,547	$4,237	216.4%	$749,702	$3,988	48.1%	$377,042	$2,006	17.6%	$376,000	$2,000	20.7%
Apartment Turnover	$19,182	$102	0.8%	$5,091	$27	1.4%	$42,060	$224	2.7%	$58,454	$311	2.7%	$61,100	$325	3.4%
Trash Removal	$307,121	$1,634	12.8%	$41,184	$219	11.2%	$31,140	$166	2.0%	$32,074	$171	1.5%	$28,200	$150	1.6%
Total Repairs & Maintenance	$2,389,540	$12,710	99.5%	$842,822	$4,483	228.9%	$822,902	$4,377	52.8%	$467,570	$2,487	21.8%	$465,300	$2,475	25.6%
Payroll, Taxes & Benefits	$679,020	$3,612	28.3%	$254,529	$1,354	69.1%	$356,688	$1,950	23.5%	$253,742	$1,350	11.8%	$263,200	$1,400	14.5%
Total Operating Expenses	$5,663,231	$30,124	235.8%	$1,900,812	$10,111	516.3%	$1,652,634	$8,791	106.1%	$1,215,174	$6,464	56.6%	$1,305,269	$6,943	71.9%
Management Fee	$485,041	$2,580	20.2%	$94,032	$500	25.5%	$77,435	$412	5.0%	$107,271	$571	5.0%	$90,764	$483	5.0%
Replacement Reserves	$0	$0	0.0%	$0	$0	0.0%	$0	$0	0.0%	$0	$0	0.0%	$65,800	$350	3.6%
TOTAL EXPENSES	**$6,148,272**	**$32,704**	**256.0%**	**$1,994,844**	**$10,611**	**541.9%**	**$1,730,069**	**$9,202**	**111.0%**	**$1,322,446**	**$7,034**	**61.6%**	**$1,461,833**	**$7,776**	**80.5%**
NET OPERATING INCOME	**($3,746,519)**	**($19,928)**	**-156.0%**	**($1,626,695)**	**($8,653)**	**-441.9%**	**($172,126)**	**($916)**	**-11.0%**	**$822,983**	**$4,378**	**38.4%**	**$353,452**	**$1,880**	**19.5%**

Notes: None

Compiled by Cushman & Wakefield

Base Rental Revenue

Potential Gross Rental Income

The potential gross rental income estimate is based on the potential rent for all units at market. The following table summarizes the potential gross rental income anticipated in year one for the subject's apartment units.

POTENTIAL GROSS RENTAL INCOME

Plan Type	BR	BA	Affordability Type	Number of Units	Unit Size Avg. (SF)	Concluded Unit Rent (Mo.)	Concluded Rent (Mo.)	Potential Gross Annual Rent
1BR/1BA	1.0	1.0	-	37	528	$550	$20,350	$244,200
1BR/1BA - Affordable	1.0	1.0	HAP	143	528	$940	$134,420	$1,613,040
2BR/1BA	2.0	1.0	-	5	786	$700	$3,500	$42,000
2BR/1BA - Affordable	2.0	1.0	HAP	3	786	$1,224	$3,672	$44,064
Total/ Weighted Avg.				**188**	**539**	**$861**	**$10,337**	**$1,943,304**

Compiled by Cushman & Wakefield of Ohio, Inc.

The potential gross rental revenue for the entire property at market rent levels is projected to be $1,943,304 which equates to an average monthly rent of $861 per unit or $1.60 per square foot.

Loss-to-Lease

Loss to lease represents the difference between an apartment unit's market rental rate and the actual rent per the lease. By comparing the contract rents in-place to the concluded market rents, a loss-to-lease indication can be determined. This analysis can also serve as a crosscheck of the concluded market rents.

LOSS-TO-LEASE ANALYSIS

Rental Revenue	Total Units	Weighted Avg. Monthly Rent	Total Monthly Rent	Total Annual Rent
Contract Rent for Occupied Units	120	$853	$102,363	$1,228,356
Market Rent for Vacant Units	68	$830	$56,420	$677,040
Total	188	$845	$158,783	$1,905,396
Potential Gross Annual Rent	188	$861	$161,942	$1,943,304
Indicated Loss-to-Lease (Rounded)				**2.0%**
Concluded Loss-to-Lease (Rounded)				**1.5%**

Compiled by Cushman & Wakefield of Ohio, Inc.

As outlined in the above table, the loss-to-lease is calculated at 2.0% which is attributable to the rent roll's capture of the prior year HAP contract rents. Once rolled forward to the projected 2025 HAP rents, the loss-to-lease calculation becomes 0.2 percent. Nonetheless, this analysis incorporates a 1.5% loss-to-lease which has been applied to the potential gross rental income estimate given the proportion of market rate units at the subject.

Concessions

Rental concessions are defined as a discount or other benefit offered by a landlord to induce a prospective tenant to enter a lease. Rental concessions are typically features of slow rental markets and tend to disappear as the market tightens. Based on the rent comparables, discussions with local market participants and the analysis of the subject's rent roll (as applicable), concessions are not prevalent in the market and have been excluded from consideration.

Total Adjusted Rental Income

The adjusted rental income is calculated by deducting the loss-to-lease and concessions from the potential rental income. The subject's adjusted rental income is summarized below in comparison to the Cushman & Wakefield indication.

ADJUSTED RENTAL INCOME			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$23,150	-	$4,352,129
2025 YTD Annualized	$5,282	-	$993,035
Year 1 Lease-up	$10,104	-	$1,899,474
Year 2 Stabilized	$12,411	-	$2,333,211
CW As Stabilized	**$10,182**	**-**	**$1,914,154**

The CW As Stabilized Estimate is below management's Year 2 Stabilized operations on a per unit basis. We note the budgeted indications utilize the assumption that market rate units will capture the same rent as the HAP contract rate. Typically, the HAP contract rate generally falls above the market rate. As additional support, the average in-place contract rent for the market rate units is well below the HAP-equivalent rent for affordable units.

Vacancy & Collection Loss

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability the subject's tenant base. The following table compares the subject's occupancy rates to the broader market, the submarket and directly competing properties.

VACANCY ANALYSIS		
Vacancy Statistics	**Status**	**Rate**
2025 T12 Months	Lease-up	39.18%
2025 YTD Annualized	Lease-up	63.21%
Year 1 Lease-up	Lease-up	18.53%
Year 2 Stabilized	Stabilized	6.08%
Subject Vacancy at Inspection	Lease-up	35.00%
Subject Vacancy per Rent Roll	Lease-up	36.17%
Rent Comparable - Minimum	-	14.10%
Rent Comparable - Maximum	-	1.00%
Rent Comparable - Average	-	6.10%
Metro Vacancy Average - Market Rate	-	8.20%
Local Vacancy Statistics - Market Rate	-	12.10%
Metro Vacancy Average - Affordable Rate		4.40%
CW Stabilized Vacancy Estimate		**5.00%**

Compiled by Cushman & Wakefield of Ohio, Inc.

As detailed above, a stabilized vacancy rate of 5.00 percent was estimated for the subject. Further, a collection loss of 1.00 percent was also deducted, reflecting market operations. These items have been applied to the adjusted rental income, accordingly. These items have been applied to and calculated based on the total base rental revenue, accordingly.

Non-Revenue Units

Non-revenue units represent apartment units that are being utilized in a reduced capacity such as an employee unit or in a non-revenue generating capacity, such as a model unit or units out of service. The subject does not contain non-revenue units.

Total Net Rental Income

Adjusted net rental income is based on the based rental revenue, less vacancy and collection loss, non-revenue units and have been adjusted for rental premiums.

FORECAST RENTAL REVENUE - APARTMENT UNITS		
Rental Revenue Line Item		**Annual Rent**
Potential Rental Income		$1,943,304
Less: Loss to Lease	1.50%	($29,150)
Total Base Rental Revenue		$1,914,154
Less: Vacancy Loss	5.00%	($95,708)
Less: Collection Loss	1.00%	($19,142)
Total Net Rental Income		$1,799,305

Compiled by Cushman & Wakefield of Ohio, Inc.

The forecasted rental revenue detailed above has been compared to the subject's operations as follows. The C&W Stabilized estimate was developed based on the subject's financial statements provided, market comparables, and general market trends. These estimates reflect the actions of market participants and are summarized along with the subject's financials below.

NET RENTAL INCOME			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$12,549	98.2%	$2,359,175
2025 YTD Annualized	$1,865	95.2%	$350,633
Year 1 Lease-up	$8,198	98.9%	$1,541,263
Year 2 Stabilized	$11,365	99.6%	$2,136,653
CW As Stabilized	**$9,571**	**99.1%**	**$1,799,305**

The CW As Stabilized Estimate is below management's Year 2 Stabilized operations on a per unit basis. As previously noted, the budgeted indications utilize the assumption that market rate units will capture the same rent as the HAP contract rate whereas the CW Stabilized estimate concludes to a separate, lower market rental rate supported by the market rent comparables

Utility Expense Reimbursements

The subject includes all utilities within the rent and no additional utility reimbursement revenue is collected.

Other Income

Other income includes items such as security deposits, pet fees, storage fees, laundry & vending income, temporary tenants, and other revenue sources. The following other income estimate reflects the respective amenities and services available at the subject, and respective charges that apply.

OTHER INCOME			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$226	1.8%	$42,578
2025 YTD Annualized	$93	4.8%	$17,516
Year 1 Lease-up	$89	1.1%	$16,680
Year 2 Stabilized	$47	0.4%	$8,776
CW As Stabilized	**$85**	**0.9%**	**$15,980**

Effective Gross Revenue

The effective gross revenue has been estimated by analyzing the subject's financials, market comparables and general market trends that impact operations respective of the subject property type. These estimates reflect the actions of market participants when determining market value(s) and are well supported by the respective analyses provided throughout this section.

EFFECTIVE GROSS REVENUE			
Years	**Per Unit**	**%EGI**	**Totals**
2025 T12 Months	$12,775	100.0%	$2,401,753
2025 YTD Annualized	$1,958	100.0%	$368,149
Year 1 Lease-up	$8,287	100.0%	$1,557,943
Year 2 Stabilized	$11,412	100.0%	$2,145,429
CW As Stabilized	**$9,656**	**100.0%**	**$1,815,285**

The CW As Stabilized Estimate is below management's Year 2 Stabilized operations on a per unit basis. As previously noted, the budgeted indications utilize the assumption that market rate units will capture the same rent as the HAP contract rate whereas the CW Stabilized estimate concludes to a separate, lower market rental rate supported by the market rent comparables

Operating Expenses

When analyzing the subject's operating expenses, detailed operating expense comparables were utilized. These comparables were selected based on physical and locational attributes, relative to the subject property. Each of the subject's operating expense line item was juxtaposed to the expense comparables to determine market operations for the subject.

Note: The provided trailing twelve-month operating statement (May 31, 2025 through June 30, 2024) has an observable delta between monthly expenses reported in months ending in 2024 versus 2025. The months ending in 2024 are notable higher than the months ending in 2025. This difference is noted across a majority of expense categories including real estate taxes, insurance, utilities, administrative, maintenance, payroll, and management fee. As an example, the reported utility expenses for the seven months ending in 2024 (monthly average $168,413) are well above 2025 indications (monthly average $41,723). The reason for this discrepancy is unknown. During the course of the appraisal, property management became unresponsive to our attempts to interview them or obtain additional data, thus preventing discussion regarding the irregularities in the reported operating history. Accordingly, minimal weight was placed on T12 historical indications and we have relied primary on YTD annualized, budgeted, and expense comparables within the forthcoming expense analysis.

Real Estate Taxes

A complete discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. The subject's expense is detailed in the following table. While expense comparables were provided in the following table, primary weight was placed on the respective taxes and assessments section of this report.

REAL ESTATE TAXES			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$485	3.8%	$91,151
2025 YTD Annualized	$111	5.7%	$20,959
Year 1 Lease-up	$85	1.0%	$15,893
Year 2 Stabilized	$87	0.8%	$16,370
Expense Comparable Low	$511	3.3%	-
Expense Comparable High	$2,455	18.8%	-
Expense Comparable Average	$1,778	14.7%	-
CW As Stabilized	**$318**	**3.3%**	**$59,769**

The CW As Stabilized Estimate is below the range of the expense comparables on a per unit basis and is above management's Year 2 Stabilized operations. We refer the Reader to the Real Property Taxes and Assessments section of this report for detailed discussion of the real estate tax conclusion.

Property Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage.

PROPERTY INSURANCE			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$3,739	29.3%	$702,842
2025 YTD Annualized	$900	46.0%	$169,206
Year 1 Lease-up	$658	7.9%	$123,612
Year 2 Stabilized	$725	6.4%	$136,269
Expense Comparable Low	$442	3.3%	-
Expense Comparable High	$1,013	9.0%	-
Expense Comparable Average	$642	5.4%	-
CW As Stabilized	**$900**	**9.3%**	**$169,200**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is above management's Year 2 Stabilized operations. Given the increase in property insurance expenses in recent years, a conclusion in-line with most recent historical annualized indications is considered reasonable.

Total Utilities

This expense category includes expenses electricity, gas, water and sewer. Utilities are generally property specific and vary considerably from property to property based on the utilities paid by the tenant and the owner, and the efficiency of the mechanical systems. Therefore, primary weight was given to the provided financials for the subject.

DETAILED UTILITY EXPENSES

Department	2025 T12 Months	2025 YTD Annualized	Year 1 Lease-up	Year 2 Stabilized	CW As Stabilized
Natural Gas	$233,476	$124,271	$48,035	$47,153	$47,000
Electricity	$707,190	$259,020	$123,450	$122,117	$122,200
Water & Sewer	$446,094	$115,589	$77,190	$90,537	$94,000
Total Utilities	**$1,386,760**	**$498,880**	**$248,675**	**$259,807**	**$263,200**

Compiled by Cushman & Wakefield

The concluded utility expenses detailed above have been compared to the expense comparables as summarized below:

UTILITIES

Years	Per Unit	%EGI	Totals
2025 T12 Months	$7,376	57.7%	$1,386,760
2025 YTD Annualized	$2,654	135.5%	$498,880
Year 1 Lease-up	$1,323	16.0%	$248,675
Year 2 Stabilized	$1,382	12.1%	$259,807
Expense Comparable Low	$1,279	10.3%	-
Expense Comparable High	$2,175	16.3%	-
Expense Comparable Average	$1,670	13.4%	-
CW As Stabilized	**$1,400**	**14.5%**	**$263,200**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is well supported by management's Year 2 Stabilized operations.

Administrative & General

This expense category includes all administrative and general expenses needed to operate the property. These expenses include cable & internet, copy machine and other office rentals, legal, accounting, and other miscellaneous expenses. Personal property taxes and other assessments are also included.

ADMIN & GENERAL

Years	Per Unit	%EGI	Totals
2025 T12 Months	$2,167	17.0%	$407,342
2025 YTD Annualized	$525	26.8%	$98,633
Year 1 Lease-up	$313	3.8%	$58,844
Year 2 Stabilized	$328	2.9%	$61,639
Expense Comparable Low	$326	2.6%	-
Expense Comparable High	$1,253	10.4%	-
Expense Comparable Average	$709	5.8%	-
CW As Stabilized	**$350**	**3.6%**	**$65,800**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is above management's Year 2 Stabilized operations. However, the difference is nominal.

Advertising & Leasing

This expense category includes expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, web site, broadcasting, and postage related to marketing.

ADVERTISING & LEASING			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$35	0.3%	$6,576
2025 YTD Annualized	$84	4.3%	$15,783
Year 1 Lease-up	$85	1.0%	$16,020
Year 2 Stabilized	$105	0.9%	$19,776
Expense Comparable Low	$4	0.0%	-
Expense Comparable High	$100	0.9%	-
Expense Comparable Average	$45	0.4%	-
CW As Stabilized	**$100**	**1.0%**	**$18,800**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is well supported by management'sYear 2 Stabilized operations.

Repairs & Maintenance

This expense category includes all expenses incurred for general repairs and maintenance. This expense category also includes all outside maintenance service contracts, pest control services and the cost of maintenance and repairs supplies, including trash removal.

REPAIRS & MAINTENANCE			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$12,710	99.5%	$2,389,540
2025 YTD Annualized	$4,483	228.9%	$842,822
Year 1 Lease-up	$4,377	52.8%	$822,902
Year 2 Stabilized	$2,487	21.8%	$467,570
Expense Comparable Low	$567	4.2%	-
Expense Comparable High	$2,553	25.9%	-
Expense Comparable Average	$1,420	12.1%	-
CW As Stabilized	**$2,475**	**25.6%**	**$465,300**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is well supported by management's Year 2 Stabilized operations.

Payroll, Taxes & Benefits

This expense category includes total employee payroll costs, employee bonuses, payroll taxes and employee benefits. The concluded payroll expenses have been juxtaposed to the expense comparables as summarized below:

PAYROLL, TAXES & BENEFITS			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$3,612	28.3%	$679,020
2025 YTD Annualized	$1,354	69.1%	$254,529
Year 1 Lease-up	$1,950	23.5%	$366,688
Year 2 Stabilized	$1,350	11.8%	$253,742
Expense Comparable Low	$1,309	9.8%	-
Expense Comparable High	$3,261	20.9%	-
Expense Comparable Average	$1,948	15.6%	-
CW As Stabilized	**$1,400**	**14.5%**	**$263,200**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is well supported by management's Year 2 Stabilized operations.

Total Operating Expenses

Total operating expenses represent property level expenses. These expenses have been analyzed respective of the financial statements provided for the subject, operating expense comparables and other third-party benchmarks. The stabilized estimates reflect actions of market participants when determining market value for properties similar to the subject property, and summarized below.

TOTAL OPERATING EXPENSES			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$30,124	235.8%	$5,663,231
2025 YTD Annualized	$10,111	516.3%	$1,900,812
Year 1 Lease-up	$8,791	106.1%	$1,652,634
Year 2 Stabilized	$6,464	56.6%	$1,215,174
Expense Comparable Low	$6,380	55.1%	-
Expense Comparable High	$9,369	95.1%	-
Expense Comparable Average	$7,847	64.4%	-
CW As Stabilized	**$6,943**	**71.9%**	**$1,305,269**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is near but above management's Year 2 Stabilized operations.

Management Fees

Management fee expenses reflect the costs paid for professional management services. Management services may be contracted for or provided by the property owner. For purposes of this analysis, market level management fees have been estimated at 5.00 percent of the concluded effective gross revenue.

Replacement Reserves

This is an allowance that provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building's economic life. Considering the age, quality and other attributes of the subject, replacement reserves were estimated at $350 per unit.

Operating Expense Conclusion

Total expenses represent the allocated operating expenses, adjusted for a market management fee, replacement reserves and any other operating expenses outlined above. The concluded operating expenses are summarized below along with the expense comparables utilized.

OPERATING EXPENSES			
Years	Per Unit	%EGI	Totals
2025 T12 Months	$32,704	256.0%	$6,148,272
2025 YTD Annualized	$10,611	541.9%	$1,994,844
Year 1 Lease-up	$9,202	111.0%	$1,730,069
Year 2 Stabilized	$7,034	61.6%	$1,322,446
Expense Comparable Low	$6,845	57.9%	-
Expense Comparable High	$9,763	99.1%	-
Expense Comparable Average	$8,467	69.3%	-
CW As Stabilized	**$7,776**	**80.5%**	**$1,461,833**

The CW As Stabilized Estimate is within the range of the expense comparables on a per unit basis and is near but above management's Year 2 Stabilized operations.

Concluded Net Operating Income

The concluded net operating income is summarized below, juxtaposed with the operating comparables and the subject's financials. The stabilized estimates reflect actions of market participants when determining market value(s) for properties similar to the subject property and reflect the summation of the revenue and departmental line-item assumptions analyzed throughout this section.

NET OPERATING INCOME			
Years	Per Unit	%EGI	Totals
2025 T12 Months	($19,928)	-156.0%	($3,746,519)
2025 YTD Annualized	($8,653)	-441.9%	($1,626,695)
Year 1 Lease-up	($916)	-11.0%	($172,126)
Year 2 Stabilized	$4,378	38.4%	$822,983
Expense Comparable Low	$86	0.9%	-
Expense Comparable High	$5,913	42.1%	-
Expense Comparable Average	$4,048	30.7%	-
CW As Stabilized	**$1,880**	**19.5%**	**$353,452**

Operating Expense Comparables

A summary of the operating expense comparables utilized in this analysis along with the concluded stabilized operations for the subject is provided below.

SUMMARY OF AFFORDABLE OPERATING COMPARABLES

Comparable	Subject			1		2		3		4		5	
County	Lucas			Allegheny		Fayette		Montgomery		Summit		Allegheny	
State	Ohio			PA		KY		OH		OH		PA	
MSA	Toledo			Pittsburgh		Lexington		Dayton		Akron-Canton		Pittsburgh	
Total Units	188			52		132		204		112		96	
Year Built	1970s			1989		1982		1972		1969		1980	
Year Renovated				2024		2024		2022				Periodically	
Number of Stories	8			6		4 & 5		12		3		9	
Financial Period	CW As Stabilized			Mar-25 T12		Mar-25 T12		2024 Actual		2023 Actual		2023 Actual	
REVENUE	**Per Unit**	**PSF**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**
EFFECTIVE GROSS REVENUE	$9,656	$12.56	100.0%	$15,623	100.0%	$11,315	100.0%	$12,434	100.0%	$13,352	100.0%	$9,849	100.0%
OPERATING EXPENSES	**Per Unit**	**PSF**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**	**Per Unit**	**% EGI**
Real Estate Taxes	$318	$0.41	3.3%	$511	3.3%	$0	0.0%	$2,336	18.8%	$2,455	18.4%	$1,809	18.4%
Property Insurance	$900	$1.17	9.3%	$546	3.5%	$1,013	9.0%	$458	3.7%	$442	3.3%	$749	7.6%
Utilities	$1,400	$1.82	14.5%	$1,843	11.8%	$1,766	15.6%	$1,279	10.3%	$2,175	16.3%	$1,286	13.1%
Admin & General	$350	$0.46	3.6%	$1,253	8.0%	$580	5.1%	$326	2.6%	$367	2.7%	$1,020	10.4%
Advertising & Leasing	$100	$0.13	1.0%	$34	0.2%	$100	0.9%	$0	0.0%	$43	0.3%	$4	0.0%
Repairs & Maintenance	$2,475	$3.22	25.6%	$1,390	8.9%	$1,171	10.3%	$1,420	11.4%	$567	4.2%	$2,553	25.9%
Payroll, Taxes & Benefits	$1,400	$1.82	14.5%	$3,261	20.9%	$1,750	15.5%	$1,471	11.8%	$1,309	9.8%	$1,948	19.8%
Total Operating Expenses	**$6,943**	**$9.03**	**71.9%**	**$8,838**	**56.6%**	**$6,380**	**56.4%**	**$7,290**	**58.6%**	**$7,358**	**55.1%**	**$9,369**	**95.1%**
Management Fee	$483	$0.63	5.0%	$872	5.6%	$465	4.1%	$582	4.7%	$375	2.8%	$394	4.0%
Replacement Reserves	$350	$0.46	3.6%	$0	0.0%	$0	0.0%	$410	3.3%	$0	0.0%	$0	0.0%
TOTAL EXPENSES	$7,776	$10.11	80.5%	$9,710	62.2%	$6,845	60.5%	$8,282	66.6%	$7,733	57.9%	$9,763	99.1%
NET OPERATING INCOME	**$1,880**	**$2.45**	**19.5%**	**$5,913**	**37.8%**	**$4,470**	**39.5%**	**$4,152**	**33.4%**	**$5,619**	**42.1%**	**$86**	**0.9%**

Compiled by Cushman & Wakefield

Income and Expense Conclusion

The concluded stabilized income and expenses are summarized as follows.

SUMMARY OF REVENUE AND EXPENSES				
Stabilized Year 1		**Total**	**$/Unit**	**% of EGI**
Base Rental Revenue				
Potential Rental Income		$1,943,304	$10,337	-
Loss to Lease	1.50%	($29,150)	($155)	-
Total Adjusted Rental Income		$1,914,154	$10,182	-
Net Rental Income				
Vacancy Loss	5.00%	($95,708)	($509)	-5%
Collection Loss	1.00%	($19,142)	($102)	-1%
Total Net Rental Income		$1,799,305	$9,571	99%
Other Income				
Laundry/Vending Income		$4,700	$25	0%
Other Income		$11,280	$60	1%
Other Income		$15,980	$85	1%
EFFECTIVE GROSS REVENUE		**$1,815,285**	**$9,656**	**100%**
OPERATING EXPENSES				
Real Estate Taxes		$59,769	$318	3%
Property Insurance		$169,200	$900	9%
Utilities				
Natural Gas		$47,000	$250	3%
Electricity		$122,200	$650	7%
Water & Sewer		$94,000	$500	5%
Total Utilities		$263,200	$1,400	14%
Admin & General				
Admin & General		$56,400	$300	3%
Cable & Internet		$9,400	$50	1%
Total Admin & General		$65,800	$350	4%
Advertising & Leasing		$18,800	$100	1%
Repairs & Maintenance				
Repairs & Maintenance		$376,000	$2,000	21%
Apartment Turnover		$61,100	$325	3%
Trash Removal		$28,200	$150	2%
Total Repairs & Maintenance		$465,300	$2,475	26%
Payroll, Taxes & Benefits		$263,200	$1,400	14%
Total Operating Expenses		**$1,305,269**	**$6,943**	**72%**
Management Fee		$90,764	$483	5%
Replacement Reserves		$65,800	$350	4%
TOTAL EXPENSES		**$1,461,833**	**$7,776**	**81%**
NET OPERATING INCOME		**$353,452**	**$1,880**	**19%**

Compiled by Cushman & Wakefield of Ohio, Inc.

Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is shaped by investor demand, liquidity, and broader macroeconomic forces. Recent instability—driven by the Federal Reserve's interest rate policies, inflation, and, more recently, the implementation or anticipation of tariffs—is creating uncertainty across financial and capital markets. These factors, especially in combination, may impact Commercial Real Estate (CRE) performance, capital markets, and investment decision-making. While the full effects of these trade measures have yet to materialize, elevated stock market volatility reflects broader economic concerns. As a result, many market participants are adopting a cautious "wait and see" stance, delaying some CRE transactions until there is greater clarity on the long-term implications of recent developments.

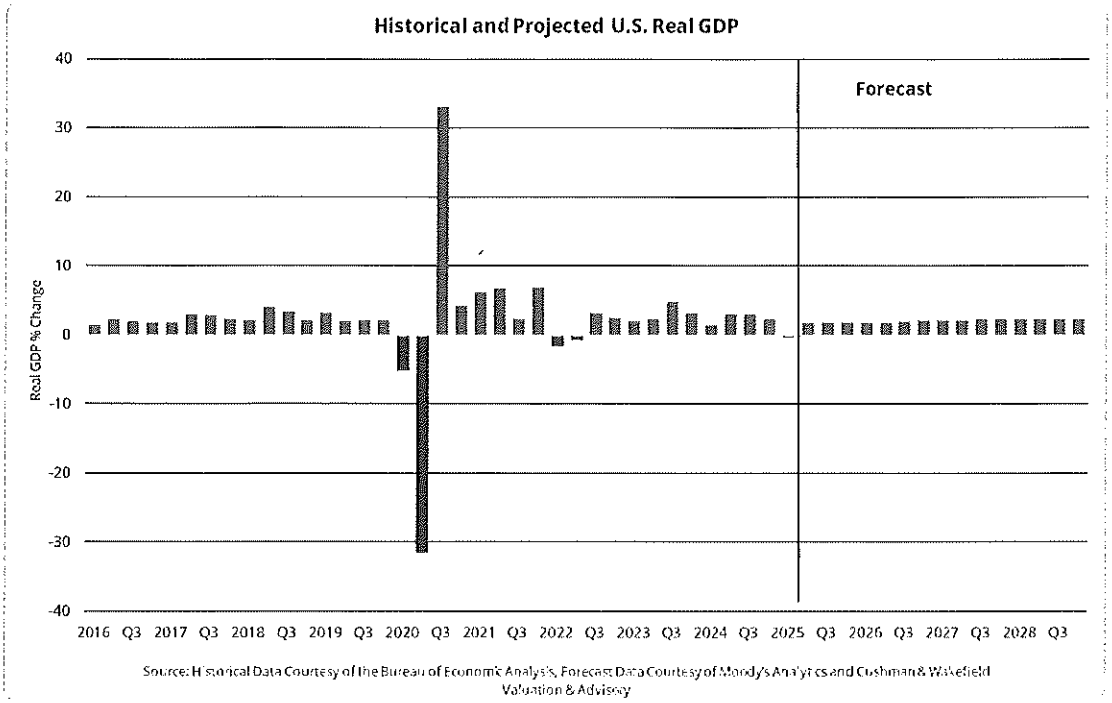
Current Trends and Economic Conditions

We started the year out on solid macroeconomic footing with a measured, albeit positive outlook for the broader CRE industry, and for the capital markets environment more specifically. 2025 was expected to be a rebound year, offering further price discovery as sellers become more motivated and willing to meet the market and as buyers are enticed by the values reset. These positive expectations have been offset, however, by the new Trump administration's tariff policies which have caused a decline in consumer confidence as well as uncertainty and volatility across the markets.

Amid these policies, and the uncertainties surrounding them, economic growth slowed in the first quarter of 2025, pushing GDP down to a nominal 0.3% annual growth rate. In anticipation of tariffs, businesses rushed goods orders from abroad. This surge in imports resulted in a significant drag on GDP from a widening trade deficit. Normally, this drag would be offset by increases in inventories or spending, but in this case, the inventory buildup did not appear clearly in the data and consumption grew, but at a significantly slower pace than in prior quarters. Meanwhile, growth in domestic investment accelerated modestly. While growth in real consumption and investment still reflect a positive case for CRE demand formation, experts warn that continued tariff uncertainty and potential job cuts have raised the probability of either stagflation or a mild recession in the second half of 2025. Accelerating economic growth still appears likely in 2026 as trade disputes are resolved and tax cuts passed under Trump's first term are likely to be extended at a minimum and potentially expanded.

In terms of interest rates, the topic at the forefront of most CRE investors' minds, the Federal Reserve is being patient but is still firmly in an easing stance. We expect them to remain on hold until around September so they can assess the macro stage against the new Trump administration. In fairness, some of the policies do have the potential to add inflationary impulse to the outlook, but the macro backdrop is still solid, so it is only natural that they will have a preference towards patience and pause. Meanwhile, a. distinct pull-back in construction cycles across sectors, which will help to insulate fundamentals even as demand formation eases amid episodes of uncertainty this year.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2016 through fourth quarter 2028:

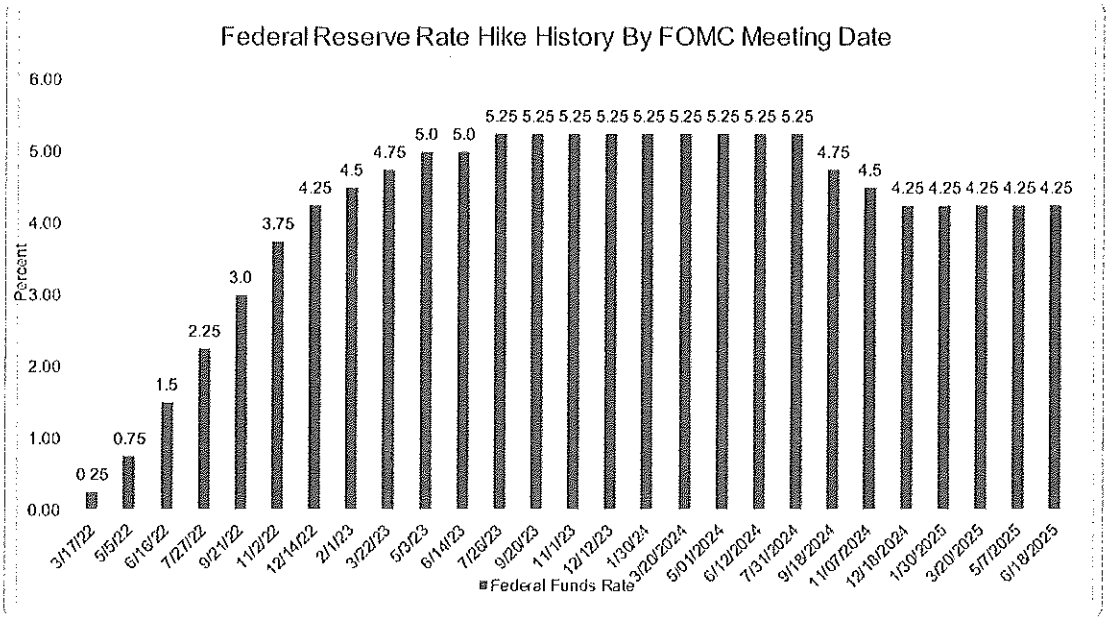


The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimulus, shortages in the global supply chain, price gouging, and more recently, the Russian-Ukraine and the Israel-Hamas wars. While inflation has slowed significantly in the past year, it still hasn't loosened its grip entirely. The Federal Reserve generally strives for the dual objective of maximum employment and stable inflation near 2%. While Inflation is down to 2.4% from 2.9% at the beginning of the year, fears linger that tariffs could stoke higher again inflation in the coming months.

For May 2025, U.S. employers added 139,000 jobs, a slight dip in hiring from 171,000 in April. The employment rate was unchanged at 4.2%. While the labor market shows strength, economists are concerned that job gains may reflect hiring decisions for the new tariff implementation, and that uncertainty surround trade policy could impact employment growth later in the year.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve raised the effective federal funds rate multiple times in 2022 and the first half of 2023. Several rate cuts followed in 2024, but into the first half of 2025, the uncertainty surrounding new policies from the Trump administration has the Federal Reserve concerned that the economy is facing growing risks of higher unemployment and "stagflation.". As a result, in its June 2025 meeting, the Federal Reserve decided to hold rates at 4.25–4.50%, where it has been since December 2024. However, the committee indicated that two cuts by the end of 2025 are still on the table.

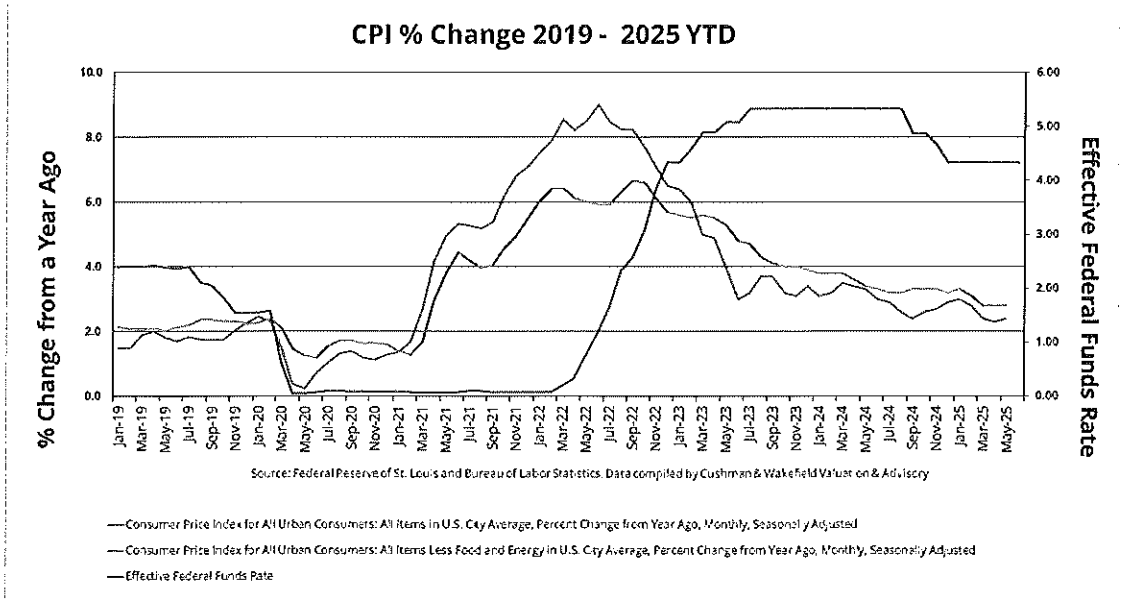
The following chart displays when the Federal Open Market Committee met, their federal funds rate changes, and their basis point increases:



The Effective Federal Funds Rate (EFFR) is an interest rate that calculates the effective median interest rate of overnight federal funds transactions from the previous day and is published daily by the Federal Reserve Bank of New York. The current EFFR is now targeted between 4.25% and 4.50%. This rate, and all interest rates, tend to move in the same direction as inflation, however they typically lag because they are also the primary tool used by central banks to manage inflation. Conversely, when inflation is falling and economic growth is slowing, central banks may lower interest rates to stimulate the economy.

The following graph compares CPI and Core CPI data.

(January 2019 – March 2025) with the EFFR from (January 2019 – June 2025):



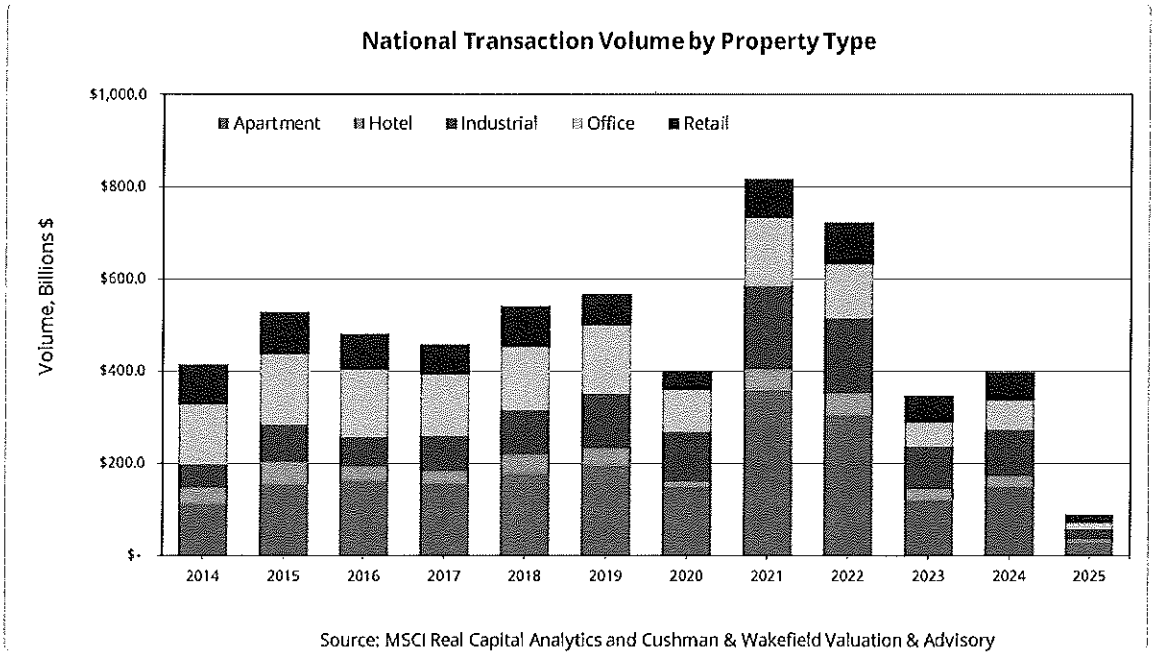
U.S. Real Estate Market Implications

There was renewed optimism in the first quarter of 2025. Investment activity expanded for the fourth consecutive quarter and property prices finally began to rise following two years of declines. This progress, however, is simultaneously happening at a time of renewed uncertainty – particularly with recent disruptions related to tariffs and other trade policies. Given the fact that commercial real estate transactions take a while to complete, the full impact of these developments may not be visible until later this year. Consequently, the current upswing may be either short-lived or tempered by further developments.

Performance varied for each of the property types. After significant declines, the hotel sector displayed early signs of stabilization. The industrial sector maintained relatively stable momentum due to steady income growth; even as price appreciation has begun to taper. The apartment sector continued its recovery, with a notable increase in investment activity and signs of stabilizing prices. Retail also showed positive momentum, as strong portfolio and entity-level transactions helped support pricing despite mixed signals in individual asset prices.

The office sector continues to be a source of unease. Even though there has been a decline in overall sales volume, a closer look shows a modest recovery in individual assets. Despite this, cap rate increases, particularly in CBD markets, highlight the ongoing uncertainty surrounding long-term demand and valuation. Data centers also saw a sharp drop in quarterly volume, however, given the sector's limited scale, short-term movements are difficult to interpret with any certainty.

Overall, while pockets of resilience across the commercial real estate landscape do exist, the market remains exposed to broader economic pressure. This may lead some investors to temper their optimism with caution as we move forward.



The PricewaterhouseCoopers (PwC) Real Estate Investor Survey analyzes a total of 41 markets, including 22 different asset classes and 19 individual office markets. For second quarter 2025, the average overall cap rate increased in 16 surveyed markets, declined in 21 and held steady in two. Across all markets, the quarterly average

shift was a 1-basis point drop, while the annual change was a four-basis point decrease. These subtle but consistent shifts suggest growing market stability, and if they continue, they could become a tailwind for the broader economy.

Over the next six months, most investors expect overall cap rates to remain stable across most markets, a shift from early last year when increases were widely anticipated. At the same time, investor sentiment surrounding deal volume remains divided. In fact, 61% expect higher transaction activity in 2025 than in 2024, while 39% anticipate similar levels as the previous year. Limited debt availability and uncertainty surrounding interest rates and inflation continue to weigh on investment decisions, particularly within the office sector.

Despite ongoing struggles in the office sector, PwC's 2Q 2025 outlook highlights a more optimistic view across other real estate segments. Retail faces leasing challenges and inflationary pressures, yet strip shopping centers continue to perform well. Investor confidence remains strong in the warehouse and apartment sectors, with 62% and 65%, respectively, expecting deal volume to surpass 2024 levels. However, concerns about oversupply and flat rent growth persist. A slowdown in new development may help stabilize fundamentals over time. and niche sectors like data centers, life sciences, and senior living, are gaining traction as investors diversify beyond traditional asset classes.

The following table displays an overall cap rate analysis of eight distinct property classes during second quarter 2025 and compares them to the previous year.

Overall Cap Rate Analysis
Second Quarter 2025

Asset Class	Q2 2025	Q2 2024	Basis Point Change
National CBD Office	7.28%	6.94%	+34
National Suburban Office	8.16%	6.54%	+162
National Warehouse	5.17%	5.48%	-31
National Apartment	5.30%	5.44%	-14
National Regional Mall	7.13%	8.38%	-125
National Power Center	6.75%	6.72%	+3
National Strip Center	6.91%	7.33%	-42
National Net Lease	7.42%	7.51%	-9

Source: PwC Real Estate Investor Survey

Conclusion

The U.S. entered 2025 on stable economic footing, with cautious optimism for a rebound in CRE markets. The new Trump administration's tariff policies have put a damper on this, while renewing uncertainty. Despite these headwinds, CRE fundamentals remain resilient amid continued, albeit slowing growth in employment and business investment along with higher construction costs tempering new development activity. While sector performance is mixed and uncertainty persists - especially around tariffs and job stability - market recovery appears underway, with stronger growth still anticipated into 2026.

Direct Capitalization Method

The direct capitalization method is used to convert a single-year's net operating income into an estimate of market value. To do so, a capitalization rate must be determined. The various methods for extracting a market derived capitalization rate and respective analysis are summarized within the following section.

Comparable Sales

Capitalization rates have been extracted from the comparable sales utilized in the sales comparison approach and are summarized below.

CAPITALIZATION RATE SUMMARY

No.	Name and Location	Sale Date	Cap Rate
Comp. 3	Two-Property Portfolio	2/2023	6.02%
Suppl. 1	Shaker Hall	12/2024	7.00%
Suppl. 2	MacArthur Park Apartments	4/2024	6.44%
Suppl. 3	Eden Springs	9/2023	6.16%
Suppl. 4	Kemper Place and Manor	6/2023	5.61%
STATISTICS			
Sample Size		5	5
Low		2/2023	5.61%
High		12/2024	7.00%
Average		11/2023	6.25%

Compiled by Cushman & Wakefield of Ohio, Inc.

The comparables indicate a range of 5.61 to 7.00 percent with an average of 6.25 percent.

Investor Surveys

Published investor surveys can represent larger investment sentiment and trends, specific to the subject's property type. Results of the more notable and recognized survey conductors are summarized below.

CAPITALIZATION RATES

Survey	Date	Range	Average
PwC Institutional	Second Quarter 2025	4.00% - 6.25%	5.30%
RealtyRates.com - Apts All Types	Second Quarter 2025	5.55% - 12.82%	8.76%
RealtyRates.com - Apts Hi-Rise/Urban	Second Quarter 2025	6.03% - 12.82%	8.83%
RERC - Regional 3rd Tier - Midwest	Second Quarter 2025	5.70% - 9.90%	7.60%
RERC - Cleveland 1st Tier	Second Quarter 2025		6.80%

PwC Institutional - Refers to National Apartment market regardless of class or occupancy

Market Participants

Discussions with multi-family brokers at BWE, CBRE, and JLL from March to May 2025 reported the following opinions and/or examples of overall rates for well-located investment properties:

- In May of 2025, a Senior Transaction Manager at BWE, was surveyed regarding his observations of market activity in the Midwest region and nationally . He noted that bid-ask spreads have compressed, with newer vintage Class A Suburban multifamily assets comprising the bulk of buyer demand. However, Sellers are hesitant to part with quality assets and remain on the sidelines, reducing transaction volume. Alternative living sector assets such as student housing, build-to-rent (BTR), and Seniors Housing are "on fire" in terms of increased investment interest. Agencies appear to be lending competitively at a time when the overall ability to raise capital has softened. Negative leverage remains a concern, making deals difficult to pencil. Overall, national investment quality Class A- to Class B+ product typically trades between 4.75% to 5.25%, with Class B assets trading from 6.00% and above. Regionally, the general consensus is that transactional deals that occurred in the year 2021 and most of 2022 at capitalization rates between 4.0% and 5.0%, are now hovering closer to 6.0%, with some exceptions as high as 6.5% on a stabilized basis. Mr. Proegler noted the upper end of the range is more reflective of suburban, Class B assets built in the 1990s or newer. Midwestern Class A product reportedly trades below a 6.0% rate, between 5.25 and 5.75, with the lower end of the range reflective of new, urban, luxury, Class A+ inventory.
- In March 2025, a First Vice President at CBRE stated that capitalization rates in the area are between 5.00% and 6.00% for Class A or B Buildings with strong location characteristics.
- In May 2025, we spoke with a Senior Managing Director at JLL Capital Markets, who indicated that capitalization rates for stabilized properties in well-located areas typically fall around 5.00%. He noted that when properties transact at capitalization rates below this threshold, it is often attributable to a modest value-add opportunity, the potential to optimize in-place revenue or operating expenses, or an assumable loan which impacts the perceived rate of return.

As a result, the market participants suggest an overall capitalization rate for the subject of around 5.50 to 6.50 percent.

Capitalization Rate Conclusion

In concluding to a capitalization rate, primary weight was placed on the actual market transactions and the indications provided by the market participants surveyed. The survey data and band of investment indications were utilized as a secondary check of reasonableness. A summary of the market extracted capitalization rates along with the concluded capitalization rate for the subject is provided below.

CAPITALIZATION RATE SUMMARY

Data Source	Range			Average
Comparable Sales	5.61%	-	7.00%	6.25%
PwC Institutional	4.00%	-	6.25%	5.30%
RealtyRates.com - Apts Hi-Rise/Urb	6.03%	-	12.82%	8.83%
RERC - Regional 3rd Tier - Midwest	5.70%	-	9.90%	7.60%
RERC - Cleveland 1st Tier				6.80%
Market Participants	5.50%	-	6.50%	6.00%
Band-of-Investment	-		-	7.99%
Overall Rate Conclusion				**6.00%**

Compiled by Cushman & Wakefield of Ohio, Inc.

Direct Capitalization Conclusion

In the direct capitalization method, an opinion of market value was developed by dividing stabilized net operating income by the selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION MARKET VALUE INDICATIONS		
Sensitivity Analysis	**Value Indication**	**$/Unit**
Stabilized Net Operating Income	**$353,452**	**$1,880**
Based on Low-Range of 5.75%	$6,146,997	$32,697
Based on Most Probable Range of 6.00%	$5,890,873	$31,334
Based on High-Range of 6.25%	$5,655,238	$30,081
Market Value Indication - As Stabilized	**$5,890,873**	**$31,334**
Rounded to nearest $50,000	**$5,900,000**	**$31,383**
Less Lease-up Discount	($400,000)	($2,128)
Market Value Indication - As Complete	**$5,490,873**	**$29,207**
Rounded to nearest $50,000	**$5,500,000**	**$29,255**
Less Deferred Maintenance	($2,790,623)	($14,844)
Market Value Indication - As Is	**$2,700,250**	**$14,363**
Rounded to nearest $50,000	**$2,700,000**	**$14,362**

Compiled by Cushman & Wakefield of Ohio, Inc.

The deferred maintenance deduction has been detailed earlier in this report. The lease-up discount applied above is detailed on the following pages.

Lease-up Discount

The estimated revenue and expenses presented up until this section reflect stabilized operations for the subject. Considering the subject is not stabilized, a lease-up discount must be applied. The following assumptions have been utilized to derive a lease-up discount.

Absorption Rate

As detailed in the market analysis, the subject's market area is performing well, with favorable demand indications. Stabilized occupancy levels of the competitive set also reflect net demand does exist. Within the affordable market analysis, lengthy waitlists and lack of supply indicate strong demand and suggest high absorption.

- For example, Secor Senior Lofts II is a proposed affordable independent living senior housing development with 50 one- and two-bedroom rental units for individuals aged 55 and older. The project comes on the heels of a very successful first phase, which created 58 affordable senior apartments that was completed leased within two months opening, indicating an absorption rate of 29 units per month.
- As an additional example, Alpha Towers 62+, which is a similar size, age, location, and configuration as the subject, underwent a substantial renovation with a projected timeline of 12 months, maintaining its existing tenant base in the process.
- Further Lucas Metropolitan Housing (LMH) indicated there a high demand for affordable housing with very long waiting lists. The Public Housing waitlist closed since October 2023, with 1,539 families waiting for housing units. Approximately 300 families annually turnover on the waitlist on average. Due to the number of families currently on the waitlist, the HCV waitlist has been closed since 2019, limiting access to assistance for additional housing units in the private rental market due to the significant demand that currently exists.

Nonetheless, we concluded to a conservative rate of **5 units per month** for a total timeline of 12 months to renovate and re-lease vacant units. Given the presence of market-rate units and a market shortage of employees able to assist with the renovations, as evidenced by the operators struggle to employ maintenance employees, we anticipate this to be a reasonable pace of absorption at the subject given its constraints. Further, we anticipate currently occupied units will be renovated as they turn.

Concessions

Concessions are often offered during pre-leasing and-or lease-up, even in markets with strong demand indications. Management and a majority of the competitors do not include concessions. As such, an allocation for concessions during lease-up have been excluded for the subject.

Lease-up Assumptions

Based on current absorption trends, market demand, and the financial proforma provided by property management, lease-up assumptions have been estimated as follows.

LEASE UP ASSUMPTIONS

Item	Estimate
Total Subject Units	188
Stabilized Occupancy	95%
Stabilized Unit Count	179
Current Occupancy	120
Units Left to Absorb	59
Units Absorbed per Month	5
Number of Months	12
Plus Profit %	20%
Average Revenue/Unit/Month	$861
Extra Marketing Costs/ Month	$500
Year 1 Occupancy	81%
Year 2 Occupancy	95%

These assumptions have been applied to the lease up discount analysis is shown below.

LEASE UP COST

Month	Occupied Units (Month Start)	Occ. @ Month Start	Occupied Units (Month End)	Occ. @ Month End	Avg. Market Rent/Unit	Market Rent @ Stabilized Occupancy	Market Rent Collected	Rent Loss
1	120	63.8%	125	66.5%	$861	$154,189	$103,367	($50,822)
2	125	66.5%	130	69.1%	$861	$154,189	$107,674	($46,515)
3	130	69.1%	135	71.8%	$861	$154,189	$111,981	($42,208)
4	135	71.8%	140	74.5%	$861	$154,189	$116,288	($37,901)
5	140	74.5%	145	77.1%	$861	$154,189	$120,595	($33,594)
6	145	77.1%	150	79.8%	$861	$154,189	$124,902	($29,287)
7	150	79.8%	155	82.4%	$861	$154,189	$129,209	($24,980)
8	155	82.4%	160	85.1%	$861	$154,189	$133,516	($20,673)
9	160	85.1%	165	87.8%	$861	$154,189	$137,823	($16,366)
10	165	87.8%	170	90.4%	$861	$154,189	$142,130	($12,060)
11	170	90.4%	175	93.1%	$861	$154,189	$146,437	($7,753)
12	175	93.1%	179	95.2%	$861	$154,189	$150,744	($3,446)
						Total Rent Loss:		**($325,607)**
						Plus Marketing Costs:		($6,000)
						Plus Profit (20.00%):		($65,121)
						Total Lease-Up Discount:		**($396,728)**
						Rounded:		**($400,000)**

Compiled by Cushman & Wakefield of Ohio, Inc.

The concluded lease-up discount outlined above has been applied to the concluded approaches to value(s) to determine an as complete and subsequent as is market value indication for the subject.

Reconciliation and Final Value Opinion

The concluded market value indication(s) from each approach to value is summarized below. These approaches were determined based on our analysis and knowledge of the subject property type along with relevant investor profiles who are currently active in the market. The approach(s) utilized is considered meaningful and applicable in developing a credible value conclusion.

VALUATION SUMMARY AND RECONCILIATION

Market Value Indication	As Is
Date of Value	**July 9, 2025**
Sales Comparison Approach	$2,450,000
Income Capitalization Approach	$2,700,000
Final Value Conclusion(s)	**$2,700,000**

Compiled by Cushman & Wakefield of Ohio, Inc.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Primary weight was given to the Income Approach, reflecting the actions of market participants when determining market value for properties similar to the subject. The quality of the data for the Income Capitalization Approach is sufficient, allowing for reasonable and well supported market estimates. Investment rates of return used for converting net income into value were derived via extraction from recent sales of similar properties, investor surveys and discussions with local market participants. The value from the Income Capitalization Approach is well supported by the value indicated by the secondary approach to value – the Sales Comparison Approach.

FINAL VALUATION CONCLUSIONS

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Fee Simple	July 9, 2025	$2,700,000

Compiled by Cushman & Wakefield of Ohio, Inc.

Exposure Time & Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure and marketing time for the subject property at the value concluded within this report would have been approximately 6-12 months. This assumes an active and professional marketing plan would have been employed by the current owner.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Any estimate of insurable replacement cost/insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

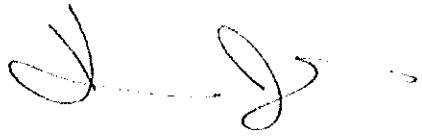
Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Ed Falkowski III, MAI, MRICS, SRA did and Kaleigh Jones did make a personal inspection of the property that is the subject of this report.
- Ed Falkowski III, MAI, MRICS, SRA and Kaleigh Jones conducted prior appraisal services involving the subject property within the three-year period immediately preceding the acceptance of the assignment in May 2025 prior to cancellation of the assignment following the property inspection.
- As of the date of this report, Kaleigh Jones has completed all the Standards and Ethics Education Requirements for Associate Members of the Appraisal Institute.
- As of the date of this report Ed Falkowski III, MAI, MRICS, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the persons signing this report.
- C&W has undertaken to complete this report without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and it is not intended to contain references that could be regarded as discriminatory.



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Addenda Contents

Addendum A: Glossary of Terms & Definitions
Addendum B: Moody's Précis Metro
Addendum C: Qualifications

Addendum A:
Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from The Dictionary of Real Estate Appraisal, Seventh Edition (2022), published by the Appraisal Institute, Chicago, IL, as well as other sources.

Band of Investment: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as *cap ex*.

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.

Depreciation: 1. In appraisal, a loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

Disposition Value: The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made during the exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Entrepreneurial Incentive: The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Equity Capitalization Rate: An income rate that reflects the relationship between one year's equity cash flow and the equity investment; also called the cash-on-cash rate, cash flow rate, cash throw-off rate, or equity dividend rate.

Excess Land: Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Exposure Time: The time a property remains on the market. Per USPAP, 2024 ed., AO-35: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

External Obsolescence: A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational.

Extraordinary Assumption: An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Per USPAP, 2024 ed., Definitions-**Comment:** Uncertain

information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

Fair Market Value: 1. In nontechnical usage, a term that is generally synonymous with the contemporary usage of market value. 2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. In some situations, the interpretation of fair market value is more directly comparable to the concept of fair value than to market value in exchange.

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Functional Obsolescence: The impairment of functional capacity of improvements according to market tastes and standards.

Highest and Best Use: The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Condition: 1. A condition that is presumed to be true when it is known to be false. 2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Per USPAP, 2024 ed., Definitions-Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost: The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

Intended Use: 1. The valuer's intent as to how the report will be used. 2. Per USPAP, 2024 ed., Definitions: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User: 1. The party or parties the valuer intends will use the report. 2. Per USPAP, 2024 ed., Definitions: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment.

Investment Value: 1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value: The most probable price that a specified interest in property is likely to bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interest.
- A normal marketing effort is not possible due to the brief exposure time.

- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Market Rent: The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs)

Market Value: The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Market Value As Is: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Marketing Time: An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis: Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Partial Interest: Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement.

Physical Deterioration: The wear and tear that begins when a building is completed and placed into service.

Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. For example, the value of a property as of a point in time when all improvements have been physically constructed (Upon Completion) and when the property has been leased to its optimum level of long-term occupancy (Upon Stabilization). At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value."

Surplus Land: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Uniform Standards of Professional Appraisal Practice (USPAP): In the United States, professional standards, developed for appraisers and users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation, that are required for use in federally related transactions. Compliance with USPAP is also required in certain appraisals by state certification and licensing boards.

Addendum B:
Moody's Précis Metro

MOODY'S

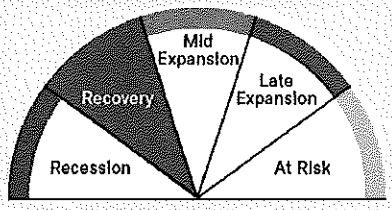
Toledo OH

PRÉCIS® U.S. Metro

Data Buffet* MSA code: !USA_MTOL

ECONOMIC DRIVERS	EMPLOYMENT GROWTH RANK		RELATIVE COSTS		VITALITY	QUALITY
MANUFACTURING / LOGISTICS	2023-2025	2023-2028	LIVING	BUSINESS	RELATIVE	OF LIFE
	297 4th quintile	320 4th quintile	87%	88%	-0.18 Rank: 250	229
	Best=1, Worst=410		U.S.=100		Best=1, Worst=403	Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

» Proximity to numerous large metro areas.
» Well-developed manufacturing infrastructure.
» Low cost of living and doing business.

WEAKNESSES

» Shrinking and low-quality labor force.
» Population loss, persistent out-migration.
» Above-average employment volatility.
» Dearth of high-tech jobs, below-average incomes and worker productivity.

FORECAST RISKS

SHORT TERM ↓ LONG TERM ↓

RISK EXPOSURE 2025-2030 **346** 6th quintile *Most=1, Least=403*

UPSIDE

» The transition to EVs brings facility expansions and additional factory hiring.
» Cargo volume at the port grows faster than expected, bolstering logistics payrolls.

DOWNSIDE

» Tariffs and sales struggles for Jeep lead to auto manufacturing layoffs.
» Out-migration increases, hurting growth in consumer industries and housing.

MOODY'S RATING

Aa2 COUNTY AS OF DEC 15, 2022

ANALYSIS

Recent Performance. Toledo's economy is perking up. Total employment has risen in recent months, and gains are leading those of the Midwest and nation. Healthcare is cruising higher and has exceeded its pre-pandemic employment level. Government job gains are providing support. Manufacturing payrolls are trending lower while logistics is flattening. The jobless rate has risen over the last year, partly because of a growing labor force. Homebuilding has weakened, keeping house prices growing quicker than nationally.

Automakers. Planned investments at TOL's Stellantis plants bring a dose of optimism to the underwhelming outlook. Manufacturing is a key driver of TOL's economy, anchored by automakers Stellantis and General Motors. After announcing layoffs of more than 1,000 workers at its Jeep plants following steep sales declines, Stellantis has reversed course. The automaker will make new investments in hybrid and battery-powered models, keeping workers employed. Even so, tariffs and trade policy uncertainty could curtail auto production. Tariffs on imported raw materials and parts could raise prices and further weaken sales. GM's transmission plant and local parts suppliers will face similar challenges, heightening the risk of layoffs. Job cuts would be especially painful because these high-wage production positions are a major source of income and spending for downstream industries. TOL's auto manufacturers will struggle if Jeep sales do not recover soon or the trade war intensifies.

Distribution. Tariffs and heightened uncertainty among consumers and businesses will squeeze transportation and warehousing providers. TOL is a vital Midwest logistics hub within easy reach of most of the region's major metro areas, and freight trucking is a large part of the industry. Higher goods prices from tariffs and the slowing national job market will weigh on confidence, dent-ing consumer spending. Lower shipping volumes will dampen logistics payroll growth at warehouses and distribution centers. The Port of Toledo is also a hub of logistics and transportation, moving raw materials and manufacturing inputs. Raw ore deliveries to Cleveland Cliffs' iron production plant and a new liquids depot will put a floor under port traffic, but rising tariffs pose a downside risk. Aluminum, a critical input for auto production, flows through the port from Canadian smelters, and tariffs on these materials could hamper shipments. Cargo volumes and industry employment would shrink if automakers shift to domestic aluminum suppliers.

Potential. An unfavorable industrial mix and a limited pool of highly educated workers will constrain TOL's long-run economic prospects. Among metro areas and divisions with at least 500,000 residents, TOL ranks in the bottom fifth for its share of adults with a bachelor's degree. This disadvantage limits the metro area's ability to attract employers offering high-wage jobs. Without dynamic, high-value industries, skilled workers seeking better prospects will leave for larger job markets such as Detroit and Cleveland. Heavy dependence on jobs in gas-powered vehicle manufacturing is another vulnerability. Since electric vehicle production typically requires fewer parts and workers than gas autos, the transition to battery-powered vehicle production limits growth prospects.

Toledo's economy will moderate over the next year before underperforming the nation. Automakers will navigate rising tariffs and trade policy uncertainty. Cooling consumer demand for goods will weigh on employment growth at logistics providers. Longer term, a dearth of high-value industries limits TOL's potential.

James Kelly
February 2025

2018	2019	2020	2021	2022	2023	INDICATORS	2024	2025	2026	2027	2028	2029
35.4	36.5	33.9	36.5	36.6	37.3	Gross metro product (C17$ bil)	38.0	38.7	39.2	39.8	40.5	41.3
1.1	*3.0*	*-7.0*	*7.6*	*0.3*	*2.1*	*% change*	*1.7*	*2.0*	*1.2*	*1.6*	*1.8*	*1.9*
310.1	311.4	287.3	294.0	301.9	307.3	Total employment (ths)	308.7	312.5	313.4	313.4	313.6	313.8
0.7	*0.4*	*-7.8*	*2.3*	*2.7*	*1.8*	*% change*	*0.5*	*1.2*	*0.3*	*0.0*	*0.0*	*0.1*
4.9	4.4	9.5	5.7	4.2	3.9	Unemployment rate (%)	5.2	6.1	5.7	5.4	5.2	5.1
4.2	3.4	6.7	6.5	1.5	4.8	Personal income growth (%)	5.3	4.2	4.5	4.2	3.7	4.0
51.7	53.2	54.6	56.8	59.6	63.1	Median household income ($ ths)	65.1	67.4	70.1	72.6	74.7	76.9
609.9	608.3	605.8	603.3	603.1	605.8	Population (ths)	610.7	612.8	612.5	611.8	611.0	610.2
-0.2	-0.3	-0.4	-0.4	-0.0	0.4	*% change*	*0.8*	*0.3*	*-0.0*	*-0.1*	*-0.1*	*-0.1*
-2.4	-2.4	-1.9	-1.9	0.7	2.5	Net migration (ths)	4.9	2.4	0.1	-0.3	-0.2	-0.1
785	762	703	734	513	680	Single-family permits (#)	682	868	930	941	905	865
311	516	715	304	380	510	Multifamily permits (#)	268	307	303	287	289	281
4.2	*4.8*	*4.5*	*10.5*	*11.4*	*7.3*	FHFA house price index (% change)	*6.6*	*1.8*	*1.5*	*1.9*	*2.4*	*2.5*

PRÉCIS® U.S. METRO • Toledo OH

ECONOMIC HEALTH CHECK

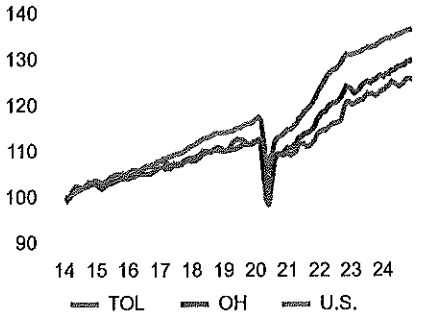
3-MO MA	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Employment, change, ths	-1.0	-0.3	0.7	1.5	1.2	0.4
Unemployment rate, %	5.3	5.5	5.6	5.7	6.1	6.2
Labor force participation rate, %	62.9	63.0	63.3	63.8	64.5	64.7
Average weekly hours, #	33.8	33.7	33.5	33.4	33.0	32.7
Industrial production, 2012=100	99.0	99.0	98.8	99.1	98.9	99.1
Residential permits, single-family, #	487	469	523	374	416	390
Residential permits, multifamily, #	564	489	489	13	13	13
Dec/Dec	**Dec 19**	**Dec 20**	**Dec 21**	**Dec 22**	**Dec 23**	**Dec 24**
Employment, change, ths	1.2	-19.3	6.9	6.2	3.3	2.0

Stronger than prior 3-mo MA | Unchanged from prior 3-mo MA | Weaker than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

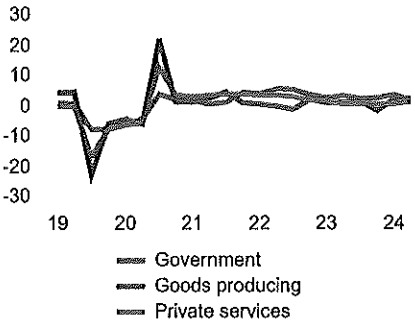
JAN 2014=100



Source: Moody's Analytics

INDUSTRY EMPLOYMENT

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

CURRENT EMPLOYMENT TRENDS

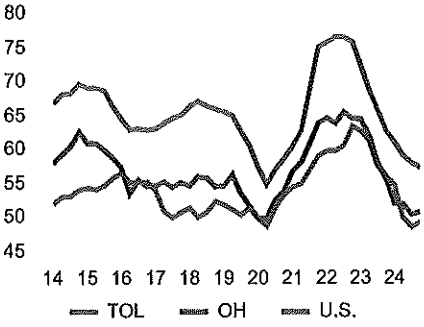
% CHANGE YR AGO, 3-MO MA

	Dec 23	Jun 24	Dec 24
Total	1.1	0.4	0.9
Mining	0.2	4.5	-0.2
Construction	2.2	3.9	3.4
Manufacturing	-0.1	0.1	1.2
Trade	0.0	-1.1	-0.9
Trans/Utilities	1.5	1.0	-3.6
Information	-2.6	-2.0	-1.1
Financial Activities	2.2	-2.1	-1.9
Prof & Business Svcs.	-4.6	-4.5	0.3
Edu & Health Svcs.	4.5	2.8	4.4
Leisure & Hospitality	1.9	1.6	-2.4
Other Services	2.5	1.2	1.1
Government	2.1	1.7	3.1

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

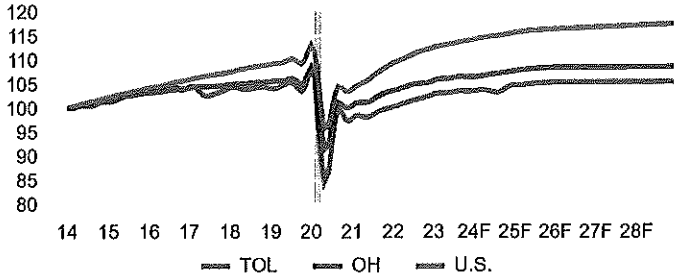
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

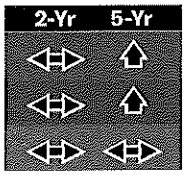
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Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT FORECAST

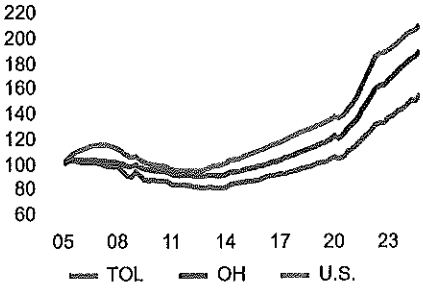
VS. 6 MO PRIOR



Sources: BLS, Moody's Analytics

HOUSE PRICE

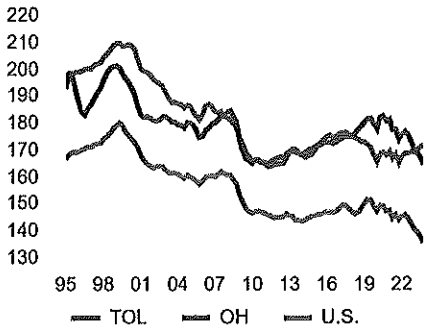
2005Q1=100, NSA



Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY

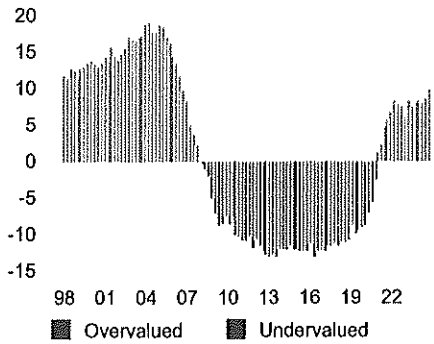
GREATER THAN 100=MORE AFFORDABLE



Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

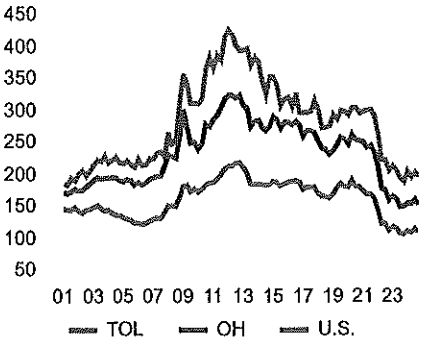
%



Sources: Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

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TOP EMPLOYERS

ProMedica Health Systems	15,000
Mercy Health	8,800
Stellantis	6,159
University of Toledo	5,700
Sauder Woodworking	2,850
Kroger	2,700
Bowling Green State University	2,470
First Solar Inc.	2,400
General Motors	2,036
Walmart Inc.	1,900
Meijer	1,800
Material Handling Services	1,699
The Andersons Inc.	1,636
UPS	1,600
Dana Inc.	1,549
Owens Corning Inc.	1,545
Toledo Molding & Die	1,480
Continental Structural Plastics Inc.	1,238
Libbey Glass Inc.	1,200
FedEx	1,200

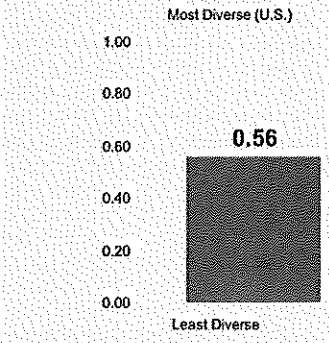
Sources: RGP Northwest Ohio, 2024

PUBLIC

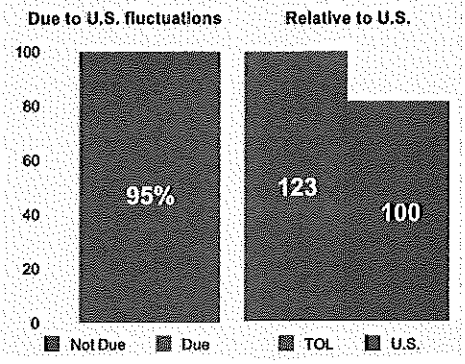
Federal	2,085
State	14,544
Local	28,651

2023

INDUSTRIAL DIVERSITY

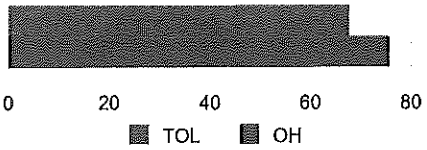


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE; U.S.=100



Sources: Census Bureau, Moody's Analytics, 2022

EXPORTS

Product - 2019	$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	166.9
Fabricated metal products	ND
Machinery, except electrical	223.9
Computer and electronic products	ND
Transportation equipment	2,537.8
Miscellaneous manufacturing	ND
Other products	630.6
Total	3,870.4

Destination - 2022	$ mil
Africa	154.6
Asia	1,061.7
European Union	600.2
Canada & Mexico	ND
South America	91.2
Rest of world	ND
Total	5,047.8
% of GDP	*11.0*
Rank among all metro areas	*56*

Sources: BEA, International Trade Administration, Moody's Analytics

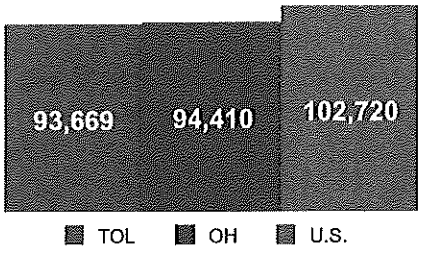
COMPARATIVE EMPLOYMENT AND INCOME

	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
Sector	TOL	OH	U.S.	TOL	OH	U.S.
Mining	0.1	0.2	0.4	ND	$98,343	$181,917
Construction	4.7	4.3	5.2	$85,216	$76,159	$77,604
Manufacturing	14.8	12.1	8.1	$93,306	$87,987	$100,233
Durable	*75.7*	*66.3*	*62.1*	*ND*	*$88,536*	*$102,888*
Nondurable	*24.3*	*33.7*	*37.9*	*ND*	*$86,928*	*$95,935*
Transportation/Utilities	6.2	4.8	4.6	ND	$56,856	$64,074
Wholesale Trade	3.9	4.3	3.9	ND	$99,408	$107,061
Retail Trade	9.4	9.5	9.8	$38,456	$39,772	$43,636
Information	1.1	1.2	1.9	$58,427	$83,140	$147,064
Financial Activities	3.6	5.6	5.8	$50,399	$44,874	$60,198
Prof. and Bus. Services	10.3	13.1	14.3	$67,042	$80,950	$88,706
Educ. and Health Services	16.8	17.2	16.8	ND	$64,747	$67,977
Leisure and Hosp. Services	10.5	10.0	10.6	$29,226	$30,959	$37,546
Other Services	3.6	3.8	3.8	$42,314	$44,145	$44,257
Government	15.0	13.9	14.8	$79,236	$84,575	$92,363

Sources: Percent of total employment — BLS, Moody's Analytics, 2024, Average annual earnings — BEA, Moody's Analytics, 2022

PRODUCTIVITY

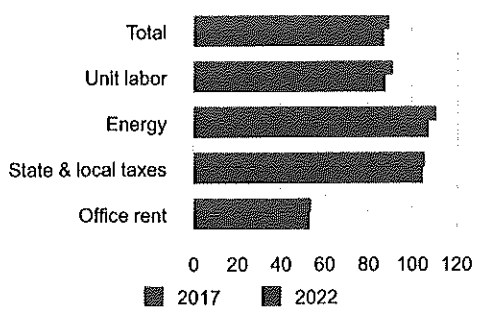
REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2022

BUSINESS COSTS

U.S.=100



Source: Moody's Analytics

EMPLOYMENT

HIGH-TECH

	Ths	% of total
TOL	7.5	2.4
U.S.	8,351.1	5.3

HOUSING-RELATED

	Ths	% of total
TOL	24.6	8.0
U.S.	15,584.6	9.9

Source: Moody's Analytics, 2024

LEADING INDUSTRIES BY WAGE TIER

NAICS	Industry	Location Quotient	Employees (ths)
6211	Offices of physicians	1.3	6.9
5511	Management of companies & enterprises	1.1	5.9
3361	Motor vehicle manufacturing	8.1	4.4
2382	Building equipment contractors	0.9	4.2
GVL	Local Government	1.0	27.6
6221	General medical and surgical hospitals	1.4	13.3
3363	Motor vehicle parts manufacturing	10.3	11.0
4841	General freight trucking	1.6	3.3
7225	Restaurants and other eating places	1.1	22.3
GVS	State Government	1.3	13.4
5613	Employment services	1.1	8.3
4523	General Merchandise Stores	1.4	6.0

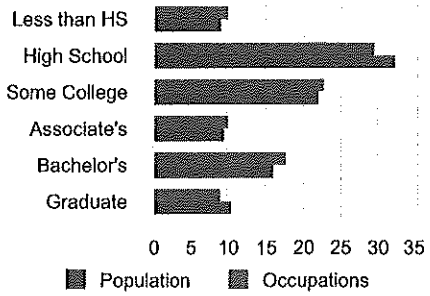
High Mid Low

Source: Moody's Analytics, 2023

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SKILLS MISMATCH

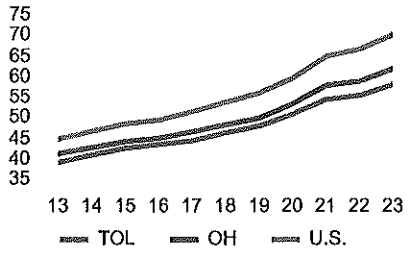
% OF TOTAL



Sources: Census Bureau, ACS, Moody's Analytics, 2018

PER CAPITA INCOME

$ THS



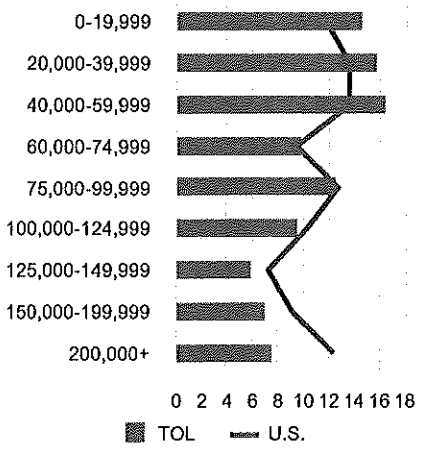
Sources: BEA, Moody's Analytics

ECONOMIC DISENFRANCHISEMENT

Index	2021	Rank*
Gini coefficient	0.47	124
Palma ratio	3.3	122
Poverty rate	14.4%	138

**Most unequal=1, Most equal=403*

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2023

MIGRATION FLOWS

INTO TOLEDO OH

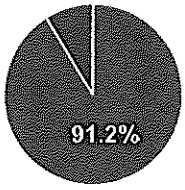
	Number of Migrants
Monroe MI	1,119
Detroit MI	638
Columbus OH	533
Cleveland OH	408
Warren MI	297
Ann Arbor MI	187
Lima OH	145
Rockford IL	127
Chicago IL	116
Phoenix AZ	114
Total in-migration	*14,323*

FROM TOLEDO OH

Monroe MI	1,209
Columbus OH	812
Detroit MI	497
Cleveland OH	468
Warren MI	259
Ann Arbor MI	211
Cincinnati OH	190
Chicago IL	161
Phoenix AZ	151
Tampa FL	143
Total out-migration	*15,781*
Net migration	**-1,458**

COMMUTER FLOWS

RESIDENTS WHO WORK IN TOL

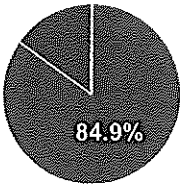


Top Outside Sources of Jobs

Toledo OH	Share
Monroe MI	1.6
Detroit MI	0.8
Ann Arbor MI	0.5
Warren MI	0.2
Lima OH	0.1

COMMUTER FLOWS

WORKERS WHO LIVE IN TOL

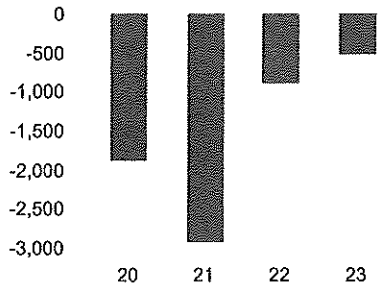


Top Outside Sources of Workers

Toledo OH	Share
Monroe MI	5.0
Detroit MI	0.6
Warren MI	0.3
Ann Arbor MI	0.2
Cleveland OH	0.2

Sources: Census Bureau, Moody's Analytics, avg 2016-2020

NET MIGRATION, #, TOL

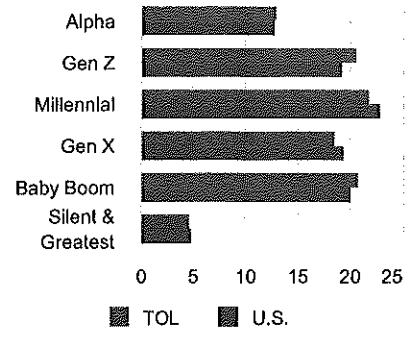


	2020	2021	2022	2023
Domestic	-2,367	-3,211	-1,584	-1,350
Foreign	503	298	711	845
Total	-1,864	-2,913	-873	-505

Sources: IRS (top), 2022, Census Bureau, Moody's Analytics

GENERATIONAL BREAKDOWN

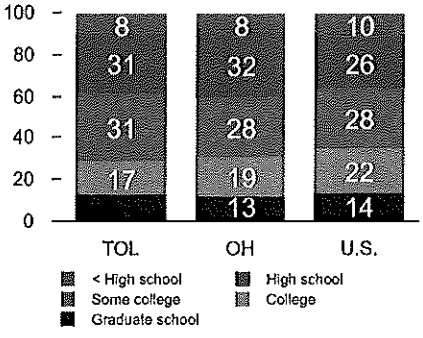
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2023

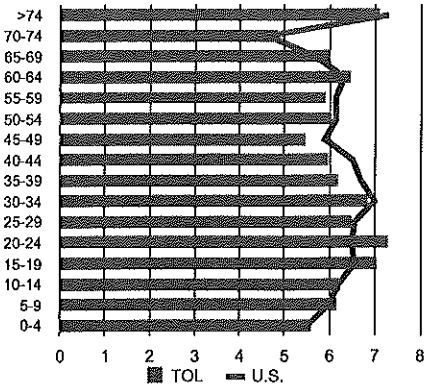
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2023

POPULATION BY AGE, %

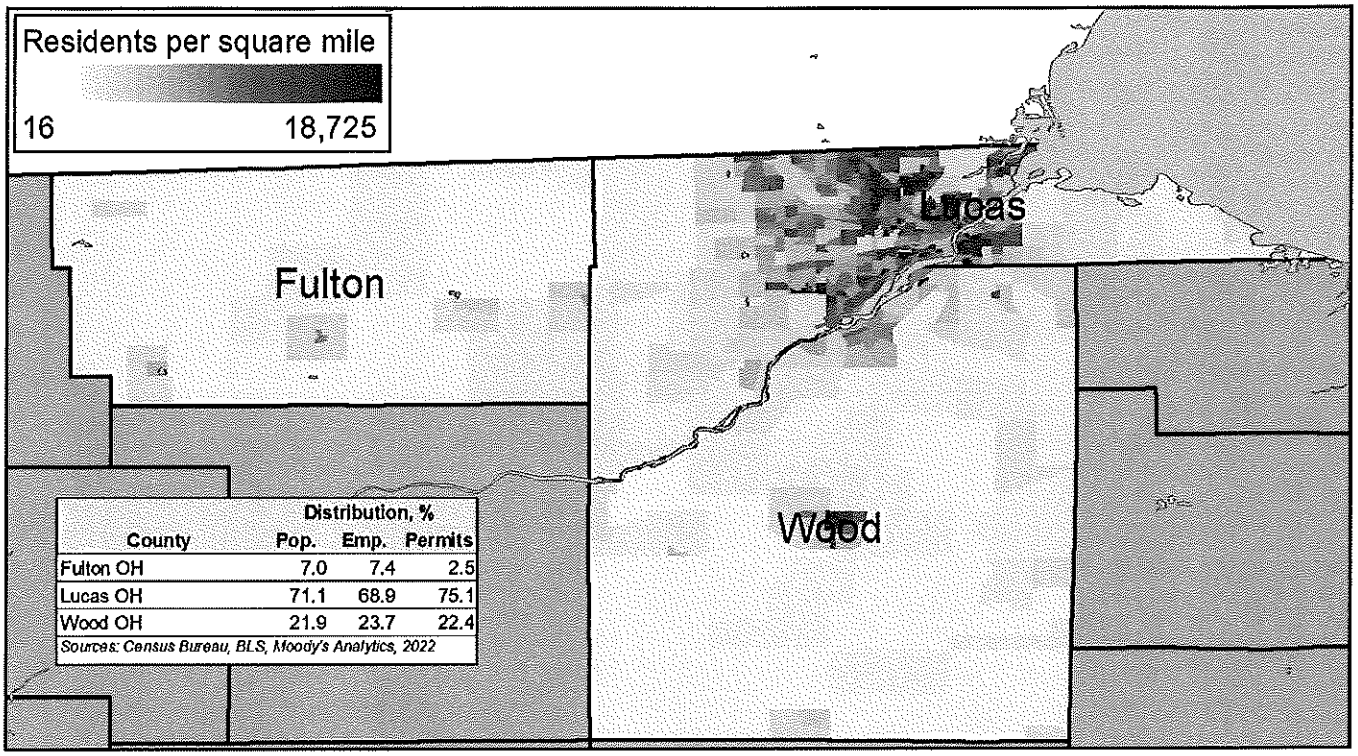


Sources: Census Bureau, Moody's Analytics, 2023

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GEOGRAPHIC PROFILE

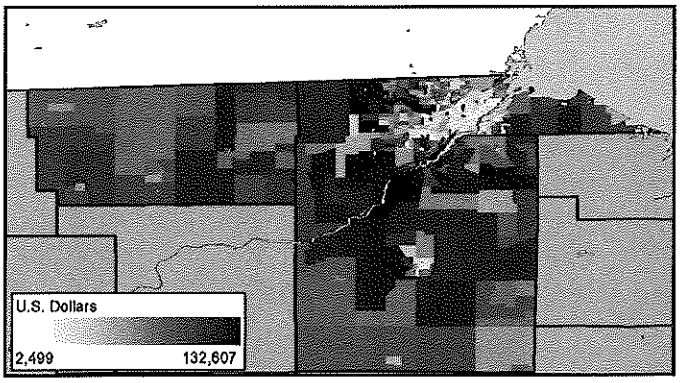
POPULATION DENSITY



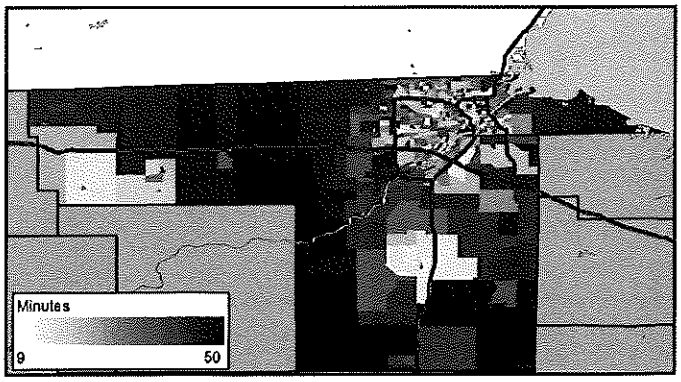
County	Distribution, % Pop.	Emp.	Permits
Fulton OH	7.0	7.4	2.5
Lucas OH	71.1	68.9	75.1
Wood OH	21.9	23.7	22.4

Sources: Census Bureau, BLS, Moody's Analytics, 2022

MEDIAN HOUSEHOLD INCOME



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	1,623.6	224
Total water area	sq mi	260.1	80
Total land area	sq mi	1,363.5	234
Land area - developable	sq mi	1,254.9	105
Land area - undevelopable	sq mi	108.6	292
Population density	pop. to developable land	440.1	86
Total population	ths	600.1	115
U.S. citizen at birth	% of population	95.7	71
Naturalized U.S. citizen	% of population	2.0	295
Not a U.S. citizen	% of population	1.7	331
Median age		38.3	250
Total housing units	ths	277.0	102
Owner occupied	% of total	57.8	255
Renter occupied	% of total	34.0	101
Vacant	% of total	8.2	209
1-unit, detached	% of total	66.5	199
1-unit, attached	% of total	3.8	223
Multifamily	% of total	26.5	103
Median year built		1968	

** Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico, all others, out of 403 metros.*

Sources: Census Bureau, Moody's Analytics, 2023 except land area 2010

Sources: ACS, Moody's Analytics

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Addendum C:
Qualifications

CUSHMAN & WAKEFIELD



Ed Falkowski III, MAI, MRICS, SRA Executive Managing Director

Valuation & Advisory
Market Lead – Northeast
AQB Certified USPAP Instructor
Cushman & Wakefield of Pennsylvania, LLC

Professional Expertise

Mr. Falkowski is an Executive Managing Director with Cushman & Wakefield Valuation & Advisory and joined the Philadelphia office in 2017. Prior to joining Cushman & Wakefield, Mr. Falkowski served as a Manager in the Transaction Real Estate group of Ernst & Young in Philadelphia and as a senior appraiser for a regional appraisal firm based in suburban Philadelphia.

Mr. Falkowski's valuation and consulting experience has featured a variety of properties, including apartment complexes, office buildings, malls, shopping centers, hotels, golf courses, government buildings/courthouses, airplane hangars, automobile dealerships, industrial properties (light/heavy manufacturing, distribution centers and pharmaceutical plants), residential subdivisions, land and a national monument.

Mr. Falkowski is the Market Lead for the Northeast Region (PA, SNJ, DE, OH, MA, RI, VT, NH, ME and KY).

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI & SRA). As of the current date, Ed Falkowski III, MAI, SRA has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Royal Institute of Chartered Surveyors (MRICS #6880061)
- Certified General Real Estate Appraiser in the following states:
  - Delaware – X1-0000556
  - Pennsylvania – GA-003854
  - New Jersey – 42RG00235800
  - Ohio – 2022001360
  - Tennessee – 6389
  - Kentucky – 284016
  - West Virginia – CG3453

- AQB Certified USPAP Instructor
- The Appraisal Institute – National University Relations Committee – 2020-2023 (2022-2023 Vice Chair)
- The Appraisal Institute – National University Relations Panel – 2018 & 2019
- The Appraisal Foundation – Industry Advisory Council – 2023 – Present
- Leadership, Development & Advisory Council (LDAC) – The Appraisal Institute – 2015, 2016, 2018
- Philadelphia Metropolitan Chapter of the Appraisal Institute – Candidate Guidance Chair – 2015-2020
- Philadelphia Metropolitan Chapter of the Appraisal Institute – University Relations Committee Chair – 2021-2023
- Philadelphia Metropolitan Chapter of the Appraisal Institute – Public Relations Committee – 2015 & 2017
- Philadelphia Metropolitan Chapter of the Appraisal Institute – Board of Directors – 2020-2022
- Delaware Association of Appraisers (DAA) – Vice President – 2015
- Delaware Association of Appraisers (DAA) – Director (PA Resident) – 2013-2014
- Bachelor of Science, Accounting, University of Delaware
- Recipient – Appraisal Institute's Noeline Fuller Region VI Scholarship – 2015
- Recipient – Philadelphia Metropolitan Chapter of the Appraisal Institute – Felice A. Rocca Jr. Memorial Award – 2022
- Recipient – Philadelphia Metropolitan Chapter of the Appraisal Institute – Harrison-Winder Memorial Award - 2024
- Adjunct Professor – Drexel University – 2020 – Current
- Adjunct Professor – Baruch College – 2021

Pennsylvania

Commonwealth of Pennsylvania- Department of State
Bureau of Professional and Occupational Affairs

Mailing Address P.O. Box 2649, Harrisburg, PA 17105 Toll Free: 1-833-DOS-BPOA

EDWARD STANLEY FALKOWSKI III

License Number	: GA003854	Initial License Date : 02/14/2011	Expiration Date : 06/30/2027
License Type	: Certified General Appraiser		License Status as of 5/24/2025 : Active
Issued By	: State Board of Certified Real Estate Appraisers		
Address	: 320 HUFFMAN DRIVE, Exton, PA 19341		

Arion R. Claggett

Acting Commissioner Arion R. Claggett

Signature of Licensee

SCAN ME

Please verify the license by visiting https://www.pals.pa.gov/verify or by scanning the QR Code

20250523868

Delaware

NOT TRANSFERABLE

STATE OF DELAWARE
DIVISION OF PROFESSIONAL REGULATION

CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 203
DOVER, DELAWARE 19904-2467

PROFESSIONAL LICENSE

PROFESSION:	Real Estate Appraisers
LICENSE TYPE:	Certified General Real Property Appraise
LICENSE NUMBER:	X1-0000556
LICENSE STATUS:	Active
ISSUE DATE:	03/28/2011
EXPIRATION DATE:	10/31/2025
ISSUED TO:	Edward S. Falkowski, III
SIGNATURE:	

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO
CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE.
THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE

Department of State
Division of Professional Regulation
Our mission is to credential qualified professionals to ensure the protection of the public's health, safety, and welfare

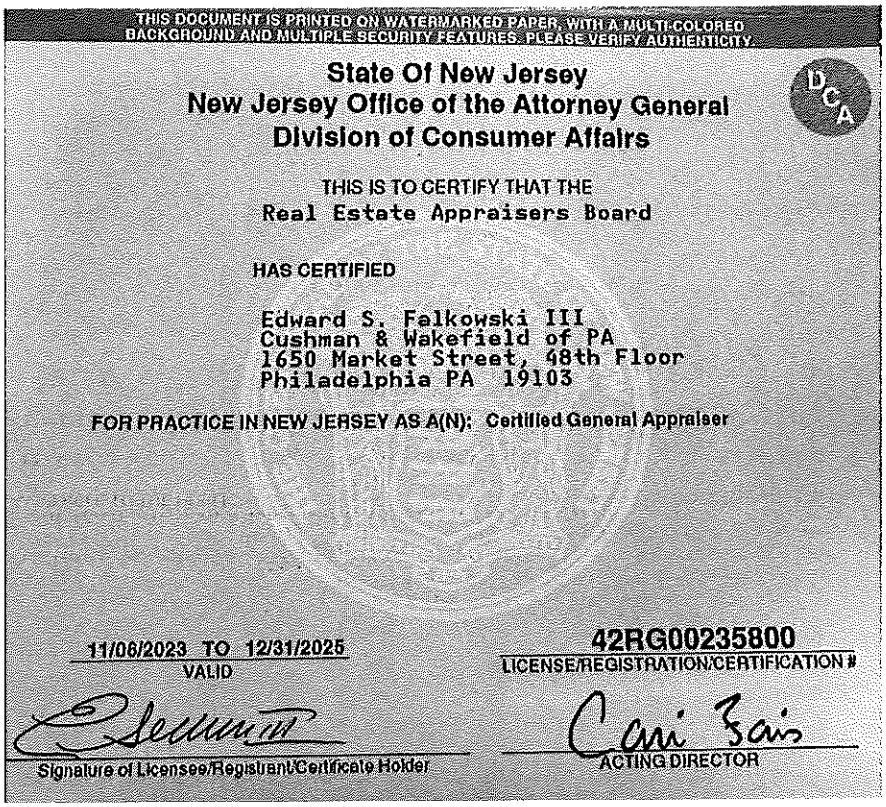
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State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

Edward S. Felkowski III
Cushman & Wakefield of PA
1650 Market Street, 48th Floor
Philadelphia PA 19103

FOR PRACTICE IN NEW JERSEY AS A(N): Certified General Appraiser

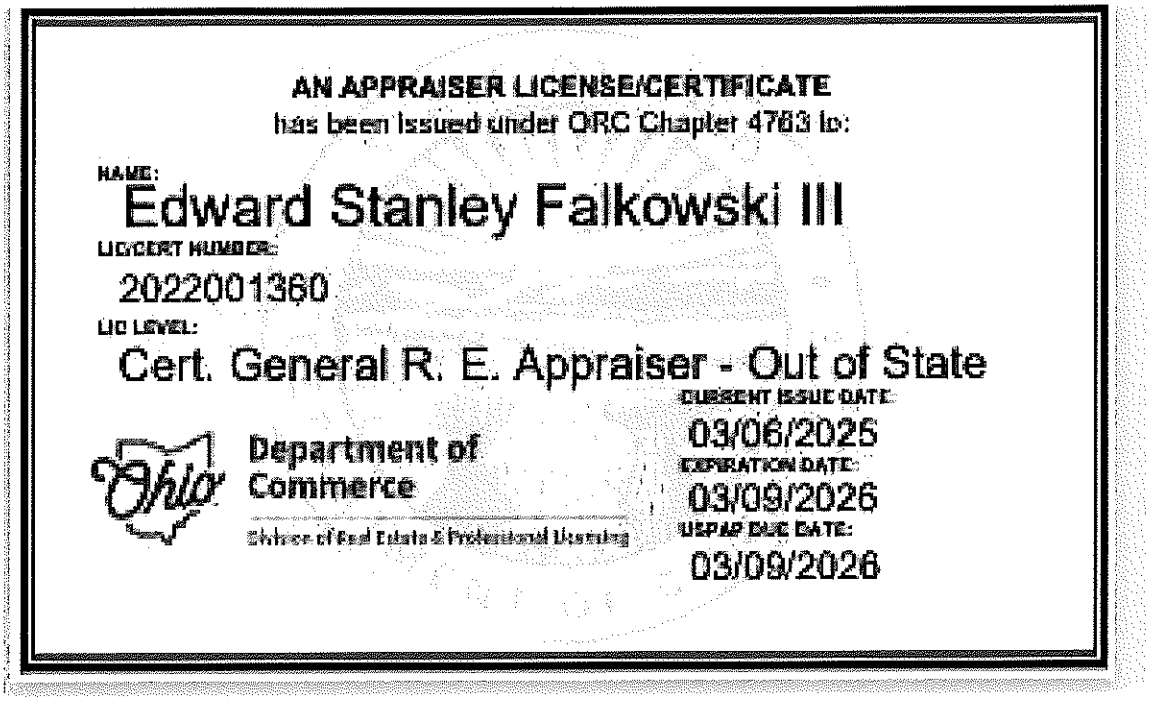
11/06/2023 TO 12/31/2025
VALID

42RG00235800
LICENSE/REGISTRATION/CERTIFICATION #

Signature of Licensee/Registrant/Certificate Holder

ACTING DIRECTOR

Ohio



AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Edward Stanley Falkowski III

LIC/CERT NUMBER:
2022001360

LIC LEVEL:
Cert. General R. E. Appraiser - Out of State

Department of Commerce
Division of Real Estate & Professional Licensing

CURRENT ISSUE DATE:
03/06/2025

EXPIRATION DATE:
03/09/2026

USPAP DUE DATE:
03/09/2026

Tennessee

State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
MR. EDWARD FALKOWSKI III

This is to certify that all requirements of the State of Tennessee have been met.

ID NUMBER: 6389
LIC STATUS: ACTIVE
EXPIRATION DATE: January 09, 2027

IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE

Kentucky

In the name and by the Authority of the

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

Hereby grants a/an Certified General Real Property Appraiser

To Edward S Falkowski Iii
1650 Market Street, 48th Floor Philadelphia PA 19103

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown below.

/s John Dexter Outlaw

Chair

License Number: 284016
Issue Date: March 22, 2023
Expire Date: July 1, 2026

West Virginia

State of West Virginia
WV Real Estate Appraiser Licensing & Certification Board
This is to certify that

Certified General CG3453
Expiration: 9/30/2025
Edward Stanley Falkowski III
1650 Market Street
48th Floor
Philadelphia, PA 19103

has met the requirements of the law, and is authorized to appraise real estate and real property in the State of West Virginia.

Executive Director

CUSHMAN & WAKEFIELD



Kaleigh Jones

Director
Valuation & Advisory
Practice Group Member | Living Sectors
Cushman & Wakefield of Illinois, Inc.

Professional Expertise

As a director within the Valuation & Advisory's Living Sectors Practice Group for Cushman & Wakefield, Kaleigh's primary focus is the development of appraisals of multifamily and seniors housing assets. Property types covered include existing and proposed conventional multifamily properties, student housing projects, affordable assets (HAP, Section 8, LIHTC), HUD assignments, and seniors housing assets (age-restricted and active adult, independent living, assisted living, memory care, skilled nursing, and continuing care retirement communities).

With over a decade of industry experience, Kaleigh has multiple years of specialization within multifamily assets, seniors housing assets, and industrial assets. Additionally, Kaleigh's extensive experience expands into office, retail, and mixed-use assets. She provides valuation coverage throughout the Midwest region which has historically concentrated in the Chicago and Columbus MSAs. Services provided include third-party market valuations, underwriting due diligence, market studies, and feasibility analyses of single assets to large portfolio transactions.

Kaleigh Jones began her professional career in commercial real estate in 2012 with CBRE where she spent seven years appraising a multitude of asset types within the major market of Chicago. Kaleigh joined JLL's industrial valuation practice in 2019 and was most recently with BBG for several years following relocation back to her home state of Ohio.

Memberships, Licenses, Professional Affiliations and Education

- Candidate for Designation, Appraisal Institute
- Certified General Real Estate Appraiser in the following states:

  Illinois – License No. 553002657
  Michigan – License No. 1205076211
  Indiana – License No. CG41800034
  Pennsylvania – License No. GA004537
  Kentucky – License No. 293680
  West Virginia – License No CG1302
  Ohio – License No. 2018002540

- Member, Planning and Zoning Commission – Village of Minerva Park
- The Ohio State University, Dual Degrees

  Bachelor of Arts, Economics

  Bachelor of Arts, Sociology

Illinois



State of Illinois

Department of Financial and Professional Regulation

Division of Real Estate

LICENSE NO.
553.002657

EXPIRES:
09/30/2025

CERTIFIED GENERAL REAL ESTATE APPRAISER

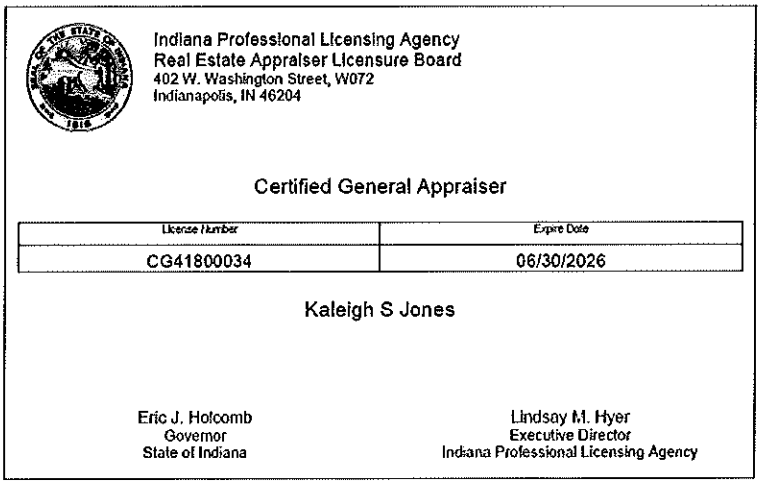
KALEIGH S JONES

MARIO TRETO, JR.
SECRETARY

LAURIE MURPHY
DIRECTOR

The official status of this license can be verified at IDFPR.Illinois.gov

Indiana



Indiana Professional Licensing Agency
Real Estate Appraiser Licensure Board
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG41800034	06/30/2026

Kaleigh S Jones

Eric J. Holcomb
Governor
State of Indiana

Lindsay M. Hyer
Executive Director
Indiana Professional Licensing Agency



Indiana Professional Licensing Agency
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG41800034	06/30/2026

Kaleigh S Jones

Signature

Kentucky



Kentucky Real Estate Appraisers Board

Certifies

Kaleigh S Jones

Certified General Real Property Appraiser

License Number : 293680

Expiration: 7/1/2026

TEAM KENTUCKY
PUBLIC PROTECTION CABINET

Ohio



AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME:
Kaleigh Sarah Jones

LIC/CERT NUMBER:
2018002540

LIC LEVEL:
Cert. General R. E. Appraiser - Out of State

Department of Commerce
Division of Real Estate & Professional Licensing

CURRENT ISSUE DATE:
05/12/2025
EXPIRATION DATE:
05/21/2027
LREAP DUE DATE:
05/21/2027

Michigan

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
P.O. BOX 30670
LANSING, MI 48909

STATE OF MICHIGAN • DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER
LICENSE

KALEIGH SARAH JONES

LICENSE NO. 1205076211 EXPIRATION DATE 07/31/2025 23236070810

KALEIGH SARAH JONES

COMPLAINT INFORMATION:
THE ISSUANCE OF THIS LICENSE SHOULD NOT BE CONSTRUED AS A WAIVER, DISMISSAL OR ACQUIESCENCE TO ANY COMPLAINTS OR VIOLATIONS PENDING AGAINST THE LICENSEE, ITS AGENTS OR EMPLOYEES.

FUTURE CONTACTS:
YOU SHOULD DIRECT INQUIRIES REGARDING THIS LICENSE OR ADDRESS CHANGES TO THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS BY EMAILING BPLHELP@MICHIGAN.GOV OR CALL (517) 241-0199

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

KALEIGH SARAH JONES

LICENSE NO. 1205076211 EXPIRATION DATE 07/31/2025 23236070810

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Pennsylvania

Commonwealth of Pennsylvania- Department of State
Bureau of Professional and Occupational Affairs

Mailing Address P.O. Box 2649, Harrisburg, PA 17105 Toll Free: 1-833-DOS-BPOA

KALEIGH JONES

License Number	: GA004537	Initial License Date : 01/07/2021	Expiration Date : 06/30/2027
License Type	: Certified General Appraiser		License Status as of 6/4/2025 : Active
Issued By	: State Board of Certified Real Estate Appraisers		
Address	: 2844 WILDWOOD RD, COLUMBUS, OH 43231		

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF STATE •

Arion R. Claggett

Acting Commissioner Arion R. Claggett

Signature of Licensee

SCAN ME

Please verify the license by visiting https://www.pals.pa.gov/verify or by scanning the QR Code

202506031348

West Virginia

State of West Virginia
WV Real Estate Appraiser Licensing & Certification Board
This is to certify that
Certified General CG1302
Expiration: 9/30/2025
Kaleigh Sarah Jones
325 John H. McConnell Blvd
Ste 450
Columbus, OH 43215
has met the requirements of the law, and is authorized to appraise real estate and real property in the State of West Virginia.

Executive Director

The Board has received your annual fee and verification of completion of continuing education. The adjoining pocket card evidencing that you are entitles to appraise real property in the State of West Virginia is valid until the expiration date on the face of the card. If you do not receive your renewal application at least 30 days prior to the expiration date, contact the Board office. It is your responsibility to renew your license or certification, even if you do not automatically receive a renewal application.

Important

When signing an appraisal report, place your classification and license or certification number adjacent to or immediately below your signature. Also, use your number and classification in all statements of qualifications, contracts or other instruments, including advertising media. You are required to comply with the Uniform Standards of Professional Appraisal Practice, which are promulgated by The Appraisal Foundation, and are bound by the Competency Provision contained therein.

CUSHMAN & WAKEFIELD

VALUATION & ADVISORY

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Better never settles

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EXHIBIT 2

(Declaration of David Browning)

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption In Compliance with D.N.J. LBR 9004-1(b)**	
BALLARD SPAHR LLP Diane E. Vuocolo, Esq. (NJ Bar ID 017501986) 1735 Market Street, 51st Floor Philadelphia, PA 19103-7599 Office: 215.864.8162 Fax: 215.864.8999 vuocolod@ballardspahr.com *Counsel for M&T Realty Capital Corporation*	
In re: Crown Capital Holdings LLC, et al., Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Joint Administration Requested)

DECLARATION OF DAVID R. BROWNING
IN SUPPORT OF MOTION BY M&T REALTY CAPITAL CORPORATION

I, David R. Browning, declare under penalty of perjury as follows.

1. I am Senior Vice President of CBRE, Inc. I joined CBRE in 1978 and have been since then continuously involved in the commercial real estate market including as managing director of the Cleveland office of CBRE with oversight for numerous service lines including restructuring services and receiverships. I have acted as the receiver in over 20 large receiverships in Ohio courts over the last decade.

Campus Heights

2. Campus Heights Apts Phase 1 Owner LLC and Campus Heights Apts Owner

[1] The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

LLC (collectively, the "Campus Debtors") are the owners of the real property known as 12 Carriage Hill Drive and 115 Carriage Hill Drive, Athens, Ohio 45701 consisting of 13 buildings and 337 units from which they operate a residential apartment complex known as Campus Heights Apartments (the "Campus Property"). There are 84 units at the Campus Property with Housing Assistance Payments ("HAP") under an agreement with the U.S. Department of Housing and Urban Development ("HUD") through May 31, 2029.

3. M&T Realty Capital Corporation ("M&T") filed a complaint on March 21, 2025 in the Court of Common Pleas of Athen County, Ohio against the Campus Debtors on a promissory note and to foreclose the mortgage granted to M&T on the Campus Property to secure payment of that promissory note. Upon M&T's motion, I was appointed receiver for the Campus Property and have been in continuous control of the Campus Property since my appointment.

4. The Campus Property is 92% occupied. Monthly income during the receivership has been sufficient to pay monthly operating expenses. M&T consented to the my having the roofs in two of the buildings replaced, repairs to the parking lot, and renovations of certain units and I have entered into contracts for that work.

5. I have had extensive negotiations for the renewal of insurance on the Campus Property, which expires at the end of October, and had been set to bind the new policy, but the filing of these bankruptcy cases has prevented that action. The cost to bind the policy is $184,362.13, which the Receiver proposes to pay to protect the Campus Property.

6. I have engaged CBRE to market the Campus Property and the marketing materials were scheduled to be distributed the week of October 6, 2025 but have not been made public because of the filing of these bankruptcy cases that day. CBRE has advised me that the

range of a likely sale price falls short of the amount owed to M&T under the mortgage.

7. Additional funds are required to pay for operating expenses for the Campus Property, which consist of administrative expenses, cleaning and maintenance, utilities, repairs, insurance, payroll, and taxes, and are estimated as follows:

October	$444,415.97 (which includes $103,208.00 for real estate taxes due and owing along with property insurance)
November	$119,788.97
December	$120,438.97

8. Additional funds are required to pay for repairs and capital maintenance items that have already been contract for and are under way are estimated as follows:

Final installment for roof repairs	$60,000
Final invoice for paving project	$97,000.

Ashland Manor

9. Lucas Urban Holdings LLC (the "Ashland Debtor") is the owner of real property located at 2030 Ashland Avenue, Toledo, Ohio 43620 consisting of 188 units from which it operates as residential apartment building known as Ashland Manor Apartments (the "Ashland Property"). There are 146 units covered by a HAP agreement with HUD through July 1, 2046.

10. M&T filed a complaint on March 21, 2025 in the Court of Common Pleas of Lucas County, Ohio against the Ashland Debtor on a promissory note and to foreclose the mortgage granted to M&T on the Ashland Property to secure payment of that note. Upon M&T's motion, I was appointed receiver for the Ashland Property and I have been in continuous control of the Ashland Property since my appointment.

11. I have established a close rapport with HUD and the City of Toledo and I am working in coordination with those stakeholders on maintaining the Ashland Property, and I am

intimately familiar with the operations and needs of the Ashland Property and its residents.

12. Unfortunately, Ashland Manor is located in a crime-filled location and is known in Toledo as a dangerous place. Therefore, armed security is necessary at this location. The cost for security is high, and the retained security firm Noctua will only work there with two armed guards at night. Thus, one of my first actions as Receiver was to arrange for an undercover police presence in the building in an effort to reduce drug and gun activity. Although there has been some success with this strategy, cash flow issues have caused security to walk out three times in the past six months. Upon the walkout of security, bad behavior in and around Ashland Manor increased immediately due to the reputation of Ashland Manor. Without 24-hour armed security, there is a serious risk of harm to tenants.

13. The Ashland Property is 53% occupied and requires extensive capital repairs for basic health and safety purposes. Monthly expenses regularly exceed monthly income by around $70,000 to $80,000. M&T has funded operating cash shortfalls and capital improvements to the roof, elevators and unit renovations requested by HUD. Lynd became the property manager on the resignation of the prior property manager. Lynd has not provided, either directly or indirectly, any funding for the Property.

14. Additional funds are required to pay for operating expenses through December 31, 2025 are estimated as follows:

October:	$80,000 (includes $14,500.00 for payroll, $47,000 for security as well as ongoing utility charges and unit repairs)
November:	$80,000 (includes $14,500.00 for payroll, $47,000 for security as well as ongoing utility charges and unit repairs)
December:	$80,000 (includes $14,500.00 for payroll, $47,000 for security as well as ongoing utility charges and unit repairs).

15. Although Ashland Manor seems to be a solid asset structurally, major capital investment is needed in order to return it to a high level of occupancy. During this Receivership, M&T Bank has provided funding to make emergency repairs to address issues raised by HUD and the City of

Toledo. Ashland Manor required both roof and elevator repairs, which were sorely needed to maintain habitable living conditions. These repairs were requested by both HUD and the City and were well underway when the bankruptcy case was filed. Along with these issues, the boiler needs repaired before winter, and fire pump issues on the property need to be addressed. Additional funds will also assist with the on-going water and mold issues.

16. Therefore, in addition to funds for operating expenses further funds are immediately needed for the following repairs and capital maintenance items, which are estimated as follows:

On going elevator repairs:	$72,000.00 (rebuild + reinstall motor/elevator door repair)
Backflow (fire sprinkler):	$19,535.00
Boiler Repairs	$21,541.90 (leaking unit and needs repairs before winter)
Final invoice for roof repairs	$24,635.50
Total:	$137,712.40

17. M&T has agreed to immediately fund operating expenses and repair and maintenance expenses subject to court order in the maximum of **$170,000.00**.

18. I attach marked Exhibit A an October 27, 2025 letter to me from Rosalyn Clemens, Director Housing and Community Development for the City of Toledo, Ohio.

19. I have engaged CBRE to market the Ashland Property. CBRE received offers and, in a last and final offer, two offers were made. Both of the offers were less than half the amount due to M&T under the M&T mortgage. I have decided to accept one of the offers based not only on purchase price but also on the likelihood of a more firm and earlier closing date, the support of Lucas County Housing Authority, the availability of a grant from the City of Toledo, and the prospect of State of Ohio bond financing. The 45 day due diligence for that proposed purchaser was to commence October 6, 2025 but has not begun because of the filing of the

bankruptcy cases that day.

20. Without a sale, the current situation at Ashland Manor is unsustainable. The CBRE sale marketing process demonstrated that there are qualified investors who have the capital and the expertise to address what needs to be done to serve the residents and the City of Toledo with a complete renovation and reset of what is going on there. Further delay with parties positioning over an asset with no equity and a horrible reputation does not make a lot of sense and causes further harm to the tenants of the property.

21. CBRE has negotiated a sale to a potential purchaser, an experienced owner of affordable housing properties, who will be improving the assets for the tenants. Any further delay will be a disruption to life and safety operations on the Property was well as losing a potential sale.

22. I declare under penalty of perjury that the foregoing is true and correct.

Executed October 17, 2025

Respectfully submitted,

David M. Browning, Receiver

EXHIBIT A

City of Toledo

Housing and Community Development

One Government Center
Suite 1800
Toledo, Ohio 43604
phone 419-245-1400
fax 419-245-1192

toledo.oh.gov

October 27, 2025

CBRE
David M. Browning
Senior Vice President
950 Main Ave., Suite 800
Cleveland, OH 44113

RE: Ashland Receiver Sale

The City of Toledo, Department of Housing & Community Development (DHCD), writes in support of the receiver's proposed sale of Ashland Manor. We are familiar with and comfortable with the identified buyer, who has demonstrated a commitment to improving the property and stabilizing the development.

Ashland Manor remains a property of significant concern to the City. We have monitored its condition closely and continue to expect meaningful and timely improvements that positively impact residents and the surrounding neighborhood. The lender has already invested substantial resources into the project, and we believe it is in the best interest of all parties—including the residents and the City—that Ashland Manor be promptly separated and extricated from the other properties under receivership to allow progress to move forward.

Our priority is to see a buyer with a clear and actionable path toward rehabilitation, management stability, and long-term quality of life improvements for tenants. The City stands ready to collaborate where appropriate to support those efforts. However, we must also be clear that, should conditions fail to improve and the property remain in persistent disrepair or pose an ongoing risk to residents' health and safety, the City is prepared to exercise its legal authority to condemn the building.

We appreciate the Court's attention to this matter and respectfully urge approval of the sale to enable the transition to an owner capable of making the necessary improvements.

Rosalyn Clemens

Director Housing and Community Development

Proposed Order

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption in Compliance with D.N.J. LBR 9004-1**	
In re: Crown Capital Holdings LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Jointly Administered)

ORDER GRANTING MOTION OF M&T REALTY CAPITAL CORPORATION FOR ENTRY OF AN ORDER MODIFYING THE STAY IMPOSED BY 11 U.S.C. § 362

The relief set forth on the following pages, numbered 3 through 5, is ORDERED.

1 The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

Caption In Compliance with D.N.J. LBR 9004-1(b)

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Counsel for M&T Realty Capital Corporation

Upon the motion (the "Motion")[2] of M&T Realty Capital Corporation ("M&T"), seeking entry of this order (the "Order") modifying the automatic stay pursuant to section 362(d)(1) of title 11 of the United States Code (the "Bankruptcy Code") with respect (1) to the real property located at 2030 Ashland Avenue, Toledo, Ohio 43620 from which the Debtor Lucas Urban Holdings LLC operates a residential apartment building known as Ashland Manor Apartments (the "Ashland Property") to allow the foreclosure action pending before the Court of Common Pleas of Lucas County, Ohio (the "Ashland Case") to proceed so that David M. Browning as the court appointed receiver for the Ashland Property (the "Ashland Receiver") may continue to control then sell the Ashland Property and (2) also with respect o the real property located at 12 and 115 Carriage Hill Drive, Athen, Ohio 45701 from which the Debtor Campus Heights Apts Owner LLC operates residential apartment buildings known as Campus Heights Apartments (the "Campus Property") to allow the foreclosure action pending before the Court of Common Pleas of Athens County, Ohio (the "Campus Case") to proceed so that David M. Browning as the court appointed receiver for the Campus Property (the "Campus Receiver") may continue to control then sell the Campus Property. The Court having considered the Motion; and having heard and resolved or overruled any objections, reservations of rights or other statements with respect to the relief requested herein; and it appearing that approval of the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and it appearing that no other or

2 Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Motion.

further notice of the Motion need be given; and after due deliberation and consideration; and for good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. Pursuant to sections 362(d)(1) and (2) of the Bankruptcy Code, the automatic stay imposed by section 362(a) of the Bankruptcy Code is modified to (A) permit M&T, the court-appointed receiver David M. Browning, and their respective agents, professionals, successors, and assigns to take any and all actions necessary or appropriate to continue, administer, and complete the receivership proceeding pending in the Ashland Case with respect to the Ashland Property, including without limitation marketing, contract execution, sale approval, closing, application of proceeds, payment of receivership expenses, and all other matters incident thereto, all in accordance with applicable nonbankruptcy law and orders of the receivership court and also to (B) permit M&T, the court-appointed receiver David M. Browning, and their respective agents, professionals, successors, and assigns to take any and all actions necessary or appropriate to continue, administer, and complete the receivership proceeding pending in the Campus Case with respect to the Campus Property, including without limitation marketing, contract execution, sale approval, closing, application of proceeds, payment of receivership expenses, and all other matters incident thereto, all in accordance with applicable nonbankruptcy law and orders of the receivership court.

3. For the avoidance of doubt, the stay is modified to (A) permit (i) the continuation of the Receiver's possession, control, and management of the Ashland Property; (ii) the enforcement of all rights and remedies under the Multifamily Loan and Security Agreement and

the Mortgage, including the assignment of leases and rents executed and delivered by the Debtor Lucas Urban Holdings LLC; (iii) the exercise of rights to collect, apply, and/or remit rents and proceeds as provided under applicable law and the governing loan documents; and (iv) the making of protective advances which shall increase the amount of M&T's claims against the Ashland Debtor and (B) permit (i) the continuation of the Receiver's possession, control, and management of the Campus Property; (ii) the enforcement of all rights and remedies under the Multifamily Loan and Security Agreement and the Mortgage, including the assignment of leases and rents executed and delivered by the Debtor Campus Heights Apts Owner LLC; (iii) the exercise of rights to collect, apply, and/or remit rents and proceeds as provided under applicable law and the governing loan documents; and (iv) the making of protective advances which shall increase the amount of M&T's claims against the Campus Debtors.

4. Nothing in this Order adjudicates, impairs, or otherwise affects any claims, defenses, counterclaims, or rights of setoff or recoupment between any party, all of which are preserved and may be asserted in the appropriate forum, subject to applicable law.

5. The 14-day stay imposed by Bankruptcy Rule 4001(a)(3) is hereby waived, and this Order shall be effective and enforceable immediately upon its entry.

6. The Court retains jurisdiction to interpret, implement, and enforce the terms of this Order.

Proposed Order

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption in Compliance with D.N.J. LBR 9004-1**	
In re: Crown Capital Holdings LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Jointly Administered)

ORDER GRANTING MOTION OF M&T REALTY CAPITAL CORPORATION FOR ENTRY OF AN ORDER DISMISSING BANKRUPTCY CASES UNDER 11 U.S.C. § 1112 AND 11 U.S.C. § 305

The relief set forth on the following page, number 3, is ORDERED.

1 The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

Caption In Compliance with D.N.J. LBR 9004-1(b)

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Counsel for M&T Realty Capital Corporation

Upon the motion (the "Motion")[2] of M&T Realty Capital Corporation ("M&T"), seeking entry of this order (the "Order") pursuant to sections 305(a) and 1112(b) of title 11 of the United States Code (the "Bankruptcy Code") with respect to the Debtor Lucas Urban Holdings LLC in Case No. 25-20514 and the Debtor Campus Heights Apts Owner LLC in Case No. 25-20497.

IT IS HEREBY ORDERED THAT:

Case No. 25-20514 wherein Lucas Urban Holdings LLC is the Debtor and Case No. 25-20497 wherein Campus Heights Apts Owner LLC is the Debtor are dismissed.

[2] Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Motion.

Proposed Order

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption in Compliance with D.N.J. LBR 9004-1**	
In re: Crown Capital Holdings LLC, *et al.*, Debtors.[1]	Chapter 11 Case No. 25-15351 (MBK) (Jointly Administered)

ORDER GRANTING MOTION OF M&T REALTY CAPITAL CORPORATION FOR ENTRY OF AN ORDER EXCUSING THE TURNOVER REQUIREMENTS OF 11 U.S.C. § 543

The relief set forth on the following page, number 3, is ORDERED.

1 The lead debtor in these chapter 11 cases, along with the last four digits of the debtor's federal tax identification number, is Crown Capital Holdings LLC (1411). A complete list of each of the debtors in these chapter 11 cases and their service address for purposes of these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://omniagentsolutions.com/CrownCapital.

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Counsel for M&T Realty Capital Corporation

Upon the motion (the "Motion")[2] of M&T Realty Capital Corporation ("M&T"), seeking entry of this order (the "Order") pursuant to section 543 of title 11 of the United States Code (the "Bankruptcy Code") with respect to the Debtor Lucas Urban Holdings LLC in Case No. 25-20514 and the Debtor Campus Heights Apts Owner LLC in Case No. 25-20497.

IT IS HEREBY ORDERED THAT:

The turnover requirements composed under 11 U.S.C. § 543 with respect to David M. Browning as Receiver in Case No. 25-20514 wherein Lucas Urban Holdings LLC is the Debtor and Case No. 25-20497 wherein Campus Heights Apts Owner LLC is the Debtor are hereby excused and said Receiver may continue in possession and contact of the real property in both cases.

[2] Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Motion.