THIS INSTRUMENT PREPARED BY:
Thomas Kelly Derryberry
Chief Attorney
U. S. Department of HUD
251 Cumberland Bend Drive
Nashville, TN 37228-1803

Box 62

Map 133-16, Parcel 216

94 APR 29 PM 2:23
FILED
DAVIDSON COUNTY REGISTER

RECEIVED FOR REFERENCE

41192

Name and Address of New Owner:

Welch Bend II, Limited Partnership
c/o Welch Bend II, Inc., General Partner
710 North King Street, Suite 310
Wilmington, Delaware 19890

Send Tax Bills to:

SAME

9002 04/29 0131 03CHECK 9779.00

SUCCESSOR TRUSTEE'S DEED

WHEREAS, by Deed of Trust dated April 27, 1978, and recorded in Book 5278, page 497, in the Register's Office for Davidson County, Tennessee, hereinafter referred to as "Deed of Trust", Tanglewood II Associates, Ltd., a Limited Partnership, conveyed to Donald M. Defranceaux and/or James C. Lotta, Jr., Trustees, the hereinafter described real estate together with the fixtures and chattels appertaining thereto, hereinafter referred to as "Property", to secure an indebtedness evidenced by a note of even date therewith, which note is fully described in the Deed of Trust, hereinafter referred to as the "Note"; and

WHEREAS, the said Note and Deed of Trust was assigned to the Secretary of Housing and Urban Development of Washington, D.C. by instrument of record in Book 7820, page 954, in the Register's Office for Davidson County, Tennessee; and

WHEREAS, default having occurred in the payment of the Note, and in accordance with the terms of the Note and Deed of Trust, the holder thereof declared the entire indebtedness due and payable in full; and

WHEREAS, the lawful owner and holder of the indebtedness, by the terms of a certain instrument of record in Book 9178, page 490, in the Register's Office for Davidson County, Tennessee appointed Thomas Kelly Derryberry as Successor Trustee in the place and stead of Donald M. Defranceaux and/or James C. Lotta, Jr., Trustees; and

WHEREAS, the owner and holder of the indebtedness directed Thomas Kelly Derryberry, Successor Trustee, to sell the property in accordance with the terms of the Deed of Trust, and pursuant to said direction, Thomas Kelly Derryberry, Successor Trustee, did advertise the Property for sale as provided in the Deed of Trust, and the Property was advertised to be sold commencing at 10:30 a.m., on March 18, 1994, at the front door of the Davidson County Courthouse in Nashville, Davidson County, Tennessee, at public auction to the highest and best bidder, and the advertisement of sale was duly published in The Nashville Record, a newspaper of general circulation in Davidson County, Tennessee on February 24, 1994, March 3, 1994, and March 10, 1994; and

WHEREAS, at the time and place of said sale, and upon the Property being offered under the terms hereinabove set forth, Joseph H. Torrence, Trustee, being the highest and best bidder, became the purchaser of the said property for the sum of Two Million Six Hundred Twenty Thousand and No/100 dollars ($2,620,000.00); and

WHEREAS, Joseph H. Torrence, Trustee, has assigned its right to purchase the Property to Welch Bend II, Limited Partnership, a Delaware Limited Partnership, hereafter referred to as the "Purchaser," and

WHEREAS, the purchaser, has complied with the terms of this sale by paying the bid amount in cash to the Trustee.

NOW, THEREFORE, in consideration of the payment and sum stated above, the receipt of which is hereby acknowledged, I, THOMAS KELLY DERRYBERRY, Successor Trustee, in my capacity as Successor Trustee but not further or otherwise, have bargained and sold, and by these presents do hereby transfer, assign and convey to Welch Bend II, Limited Partnership, a Delaware Limited Partnership the following described property in Davidson County, Tennessee; to wit:

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION WHICH IS INCORPORATED HEREIN BY REFERENCE THE SAME AS IF COPIED HEREIN VERBATIM.

TOGETHER with the privileges and appurtenances to the same belonging, and all of the rents, issues, and profits which may arise or be had therefrom; and

TOGETHER with all buildings and improvements of every kind and description now erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating, air-conditioning and laundry equipment, steam and hot water boilers, stoves, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantels, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, furniture, shades, awnings, screens, blinds and other furnishings.

TO HAVE AND TO HOLD the Property, unto Welch Bend II, Limited Partnership, a Delaware Limited Partnership, their heirs and assigns, with the appurtenances, estate, title and interest thereto belonging unto, in fee simple forever. Sale was advertised and made as Successor Trustee only, without covenants or warranties of title, express or implied, subject to any taxes, easements, restrictions in effect thereon, and this conveyance is so made.

The covenants contained in the Use Agreement attached hereto as Exhibit "B" are incorporated into this Successor Trustee's Deed and shall be enforceable by the parties thereto as covenants running with the land, pursuant to the Multifamily Mortgage Foreclosure Act, 12 U. S. C., Section 3701, et. seq.

IN WITNESS WHEREOF, I, Thomas Kelly Derryberry, Successor Trustee, have executed this instrument on this the 28th day of April, 1994.

Thomas Kelly Derryberry
THOMAS KELLY DERRYBERRY
SUCCESSOR TRUSTEE

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named Thomas Kelly Derryberry, Successor Trustee, the bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and seal this the 28th day of April, 1994.

Pamela W. Pollard
NOTARY PUBLIC

NOTARY PUBLIC DAVIDSON COUNTY, TENN.

My Commission Expires:

My Commission Expires SEPT. 16, 1995

**AFFIDAVIT OF VALUE**

STATE OF TENNESSEE
COUNTY OF DAVIDSON

I hereby affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is $2,620,000.

Joseph N. Brown
AFFIANT

Sworn to and subscribed before me this 8th day of April, 1994.

SHERI G. HARVEY NOTARY PUBLIC DAVIDSON COUNTY

Sheri G. Harvey
NOTARY PUBLIC

My Commission Expires: 7-26-97

My Commission Expires _____

TANGLEWOOD APARTMENTS II d/b/a
Preston Oaks Apartments
Nashville, Tennessee

## Legal Description

Lot 2, Parcel No. 216 as shown on the plat of resubdivision of Tanglewood Hills as recorded December 30, 1977, in Book 5200, Page 25, Register's Office of Davidson County, Tennessee.

More particularly described by metes and bounds as per the attached description.

A tract of land located in the Fifth Civil District of Davidson County, Tennessee, being Lot 2, Parcel 216 as recorded on the Resubdivision of Tanglewood Hills in Book 5200 page 25, Registrar's Office of Davidson County, Tennessee, dated December 30, 1977 and being more particularly described as follows:

Beginning at an iron pin in the southeast corner of the hereindescribed tract, said pin being in the west line of Barcelona Apartments Section 1 of record in Book 4175 page 152 R.O.D.C., being North 14°-45' West 580.92' from a concrete monument in the north right-of-way line of Harding Place and proceeding as follows:

1. South 66°-10'-10" West a distance of 225.45' to an iron pin; thence,
2. With a curve to the left having a radius of 841.35' a distance of 200.06' to an iron pin; thence,
3. North 40°-31'-14" West a distance of 255.97' to an iron pin; thence,
4. South 65°-30' West a distance of 83.44' to an iron pin; thence
5. South 5°-00' West a distance of 500' to an iron pin; thence,
6. South 85°-10' West a distance of 74' to an iron pin; thence,
7. South 27°-30' West a distance of 35' to an iron pin; thence,
8. South 83°-45' West a distance of 118' to an iron pin in the east line of Welch Meadows Section 2 of record in Book 3700 page 60 R.O.D.C.; thence,
9. With said line, North 13°-25'-58" West a distance of 20' to a concrete monument; thence,
10. North 00°-39'-02" East a distance of 261.85' to a concrete monument; thence,
11. South 85°-24'-42" West a distance of 35.89' to a concrete monument; thence,
12. North 5°-14'-25" West a distance of 42.88' to an elm tree; thence,
13. North 15°-59'-22" East a distance of 324' to a concrete monument; thence,
14. North 2°-37'-32" East a distance of 218.83' to a concrete monument, said monument being in the northeast corner of Welch Meadows Section 2 and the southeast corner of the M. D. Hale property; thence,
15. With the east line of the M. D. Hale property, North 8°-43'-26" West a distance of 197.52' to a concrete monument; thence,
16. North 9°-49'-26" West a distance of 131.75' to a concrete monument, said monument being in the east line of Highview Acres Section 2 of record in Book 2854 page 98 R.O.D.C.; thence,
17. With the south boundary of Southeastern Properties, South 88°-04'-15" East a distance of 316.10' to a concrete monument; thence,
18. With the east boundary of the Southeastern Properties, North 11°-08'-44" West a distance of 365.35' to a concrete monument in the south and east rights-of-way of Old Paragon Mills Road; thence,
19. With said right-of-way, North 49°-46' East a distance of 7.11' to a concrete monument; thence,
20. Leaving said right-of-way, South 43°-24'-26" East a distance of 461.95' to a concrete monument; thence,
21. South 15°-57'-30" East a distance of 180.91' to a concrete monument; thence,
22. South 14°-45' East a distance of 729.80' to the point of beginning and containing 14.89 acres or 648,608.4 square feet.

Included in the above description is a 20-foot permanent sewer easement across the north portion of the property being more particularly described as: beginning at a point which is North 14°-45' West a distance of 600.45' from the point of beginning; thence, along the centerline of the sewer, North 53°-52' West a distance of 382.8' to a point; thence, North 88°-25' West a distance of 333.5' to a point which is 48' from the northwest corner of the property; said easement being 10' either side of the centerline.



RECORDERS MEMO
LEGIBILITY OF WRITING, TYPING OR PRINTING IN THIS DOCUMENT UNSATISFACTORY WHEN RECEIVED

Also included is a 20-foot utility easement, the centerline being more particularly described as: beginning at a point in the centerline of the above described 20-foot sewer easement, said point being South 88°-25' East a distance of 50' from a point in call #16 of the overall boundary, this point being South 9°-49'-26" East a distance of 48' from the concrete monument described in call 16 and proceeding: South 9°-50' East a distance of 210' to a point; thence, South 1°-24' East a distance of 150' to a point; thence, South 6°-40' West a distance of 280' to a point (this point being at the intersection of an additional utility easement); thence, South 12°-12' West a distance of 272' to a point; thence, South 3°-45' East a distance of 228' to a point in call #8 of the overall tract boundary.

Also included is a 20-foot utility easement, the centerline being more particularly described as beginning at a point in the abovedescribed 20-foot utility easement, this point referred to in call #3 of the above utility easement and proceeding: North 89°-40' East a distance of 87' to a point; thence, South 48°-14' East a distance of 73' to a point; thence, South 34°-55' East a distance of 43' to a point in call #5 of the overall boundary description.

Access to the abovedescribed tract shall be by a varying easement from Harding Place through Phase 1, Tanglewood Hills of record in Book 4675 page 20 R.O.D.C., the centerline of said easement being more particularly described: Beginning at a point in the northerly right-of-way of Harding Place (a 120-foot right-of-way), said point being South 65°-40' West a distance of 30.42' from a concrete monument in the northerly right-of-way of Harding Place and being the southwesterly corner of Barcelona Apartments Section 1 of record in Book 4175 page 152. The easement width at this point is 30.42' on the easterly side of the point of beginning and 41', more or less, on the westerly side; thence,

1. Leaving the northerly right-of-way of Harding Place, North 14°-45' West a distance of 26.0' to a point; westerly easement width being 31' more or less; thence,
2. Continuing along the centerline of the easement the following calls: North 14°-45' West a distance of 81.23' to a point; the easterly easement width being 30' more or less and the westerly easement width being 31', more or less; thence, With a curve to the left having a radius of 143.92' a distance of 49.07' to a point, the easterly easement width being 42' more or less and the westerly width being 31' more or less; thence, With a curve to the left having a radius of 143.92' a distance of 57.0' to a point; the easterly easement width being 20' more or less and the westerly width being 14'; thence,
3. Continuing along the centerline, having an easement width of 14' both left and right the following calls: With a curve to the left having a radius of 143.92' a distance of 120.0' to a point; thence, Continuing with a curve to the left having a radius of 341.77' a distance of 138.09' to a point; thence, South 52°-06' West a distance of 68.76' to a point; thence, With a curve to the left having a radius of 296.23' a distance of 118.40' to a point; thence, South 29°-12' West a distance of 93.0' to a point; thence, With a curve to the right having a radius of 104.79' a distance of 249.19' to a point; thence, North 14°-33' West a distance of 89.0' to a point; thence, With a curve to the right having a radius of 1131.64' a distance of 199.48' to a point; thence, North 4°-27' West a distance of 68.37' to a point in call #6, said point being North 85°-10' East a distance of 41.13' from the iron pin described in call #6.

BEING the same property conveyed to Tanglewood II Associates, Ltd. by deed from Jetero Properties, Inc. as of record in Book 5169, 484, Register's Office for Davidson County, Tennessee.

Property Address: 450 Tanglewood Court, Nashville, Tennessee 37211

EXHIBIT "B"

# FORECLOSURE SALE USE AGREEMENT

This Agreement is entered into by Welch Bend II, Limited Partnership ("Purchaser") and the Secretary of Housing and Urban Development ("Secretary" or "HUD").

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. (the "Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to Tanglewood Apartments II, HUD Project No. 086-35114, (the "Project" or the "Property") a legal description of which is attached as Exhibit "A"; and

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1701z-11 et seq, Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD;

WHEREAS, by Deed executed this 28th day of April, 19 94, by Thomas Kelly Derryberry, Trustee, the Project has been conveyed to the Purchaser; and

NOW THEREFORE, in consideration of the mutual promises set forth herein and in further consideration of the sale of the Project to the Purchaser, the parties agree as follows:

## 1. TERM OF AGREEMENT

This Agreement shall be in effect,

[ ] twenty (20) years from the date of this Agreement
or
[x] until 01 / 01 / 2021.

## 2. CONVEYANCE OF PROJECT

During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. HUD's approval of conveyance and/or the proposed purchaser's management of the property will be based on information provided in written statements of how the purchaser, or any subsequent purchaser, in consideration of any and all existing use restrictions, will:

(a) Implement sound financial and physical management program;

(b) Respond to the needs of the tenants and work cooperatively with resident organizations;

(c) Provide adequate organizational staff and resources to manage the project.

3. SUBJECT TO EXAMINATION

The Project shall at all times, a) be maintained in decent, safe and sanitary condition to the greatest extent possible, b) maintain full occupancy to the greatest extent possible, and c) be maintained as rental housing for the term of this Agreement. At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.

4. UNIT NUMBER OR USE CHANGE

Changes to the use or number of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.

5. NON-DISCRIMINATION REQUIREMENTS

The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.

6. HAZARD INSURANCE

Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.

7. DESTRUCTION OF PROJECT

In the event that any or all of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.

8. DEMOLITION OF PROJECT PROPERTY

The Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.

9. REMEDIES FOR NONCOMPLIANCE

Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed to the address

stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary, may be designated by the Purchaser as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within 30 days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice, HUD may declare a default under this Agreement and may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, and/or such other relief as may be appropriate, since the injury to the Secretary arising from a default of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the Agreement shall not preclude the exercise of any other remedy under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not construe a waiver of the right to exercise that or any other right or remedy at any time.

## 10. SUCCESSORS AND ASSIGNS

This Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Agreement, the Purchaser will require its grantee to assume in writing its obligations under this Agreement.

## 11. RESTRICTIONS

No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement, but this provision shall not be construed to extend to this Use Agreement if the Use Agreement is made with a corporation for its general benefit.

## 12. CONTRADICTORY AGREEMENTS

The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Agreement.

## 13. SEPARABILITY

The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.

## 14. AMENDMENT

This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.

BOOK 9327 PAGE 803

IN WITNESS WHEREOF:

The Purchaser has executed this Use Agreement in triplicate this 28th day of April, 19 94.

WITNESS:

Thomas Kelly Dunlap

Linda D. Hall

PURCHASER:

Joseph H. Torrence

By: Signature
by Joseph H. Torrence, Presidnet of Welch Bend II, Inc.,
The General Partner of Welch Bend II, Limited Partnership

Typed Name of Purchaser

144 Second Avenue North, Suite 200

Street Address

Nashville, Tennessee 37201

City, State, Zip Code

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement in triplicate this 28th day of April, 19 94.

WITNESS:

Thomas Kelly Dunlap

FOR: THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT

BY: William J. Miles

WILLIAM J. MILES

Official's Typed Name

Director, Housing Management Division
Nashville HUD Office

Title

STATE OF TENNESSEE
COUNTY OF DAVIDSON

On this 28th day of April, 1994, before me personally appeared William J. Miles, to me personally known, who, being by me duly sworn, did say that he is the authorized agent of the Secretary of Housing and Urban Development, which executed the foregoing instrument, and that said instrument was signed and sealed in behalf of said Secretary of Housing and Urban Development the day and year first written above.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Pamela W. Pelus
NOTARY PUBLIC

My Commission Expires: My Commission Expires SEPT. 16, 1996

STATE OF TENNESSEE
COUNTY OF DAVIDSON

On this the 28th day of April, 1994, before me personally appeared Joseph H. Torrence, with whom I am personally acquainted and who upon oath, acknowledged himself to be the President of Welch Bend II, Inc., The General Partner of Welch Bend II, Limited Partnership, a Delaware Limited Partnership, and that he as such executed the foregoing instrument for the purpose therein contained by signing his name as General Partner.

WITNESS my hand and seal, at office, in Nashville, Tennessee, this 28th day of April, 1994.

Sheri G. Harvey
NOTARY PUBLIC

My Commission Expires: My Commission Expires 7-26-97

RIDER 1 OF 5

PERIOD OF RENTAL/COOPERATIVE USE RESTRICTION
(Applies to Rental Housing)

During the term of this Agreement the Purchaser shall maintain the Project as rental/cooperative housing. HUD's prior approval is required to change the project from rental to cooperative use. During the term of this Agreement, the Purchaser may not market dwelling units for any purposes other than rental housing without HUD's prior written approval.

By initialling hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 2 OF 5
NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS (Applies to Rental Housing)

The Use Agreement includes the following provisions:

Nondiscrimination

In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Purchaser, for itself, its successors and assigns, agrees not to unreasonably refuse to lease a dwelling unit offered for rent, offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation (hereinafter referred to as Section 8). This provision is limited in its application, for tenants or applicants with Section 8 Certificates or their equivalent (other than Vouchers), to those units which rent for an amount not greater than the Section 8 fair market rent for a comparable unit in the area as determined by HUD.

If the Purchaser breaches this provision, HUD and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such provision and to enjoin any acts which are violative of such provision. For the purposes of this provision, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

By initialling hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

RIDER 3 OF 5
REQUIRED REHABILITATION AND RELOCATION WITHOUT SECTION 8

The Use Agreement includes the following provisions:

Rehabilitation and Relocation Restriction

The Purchaser covenants that it will comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §17012-11(f), and the regulations thereunder, 24 CFR §§290.45 and 290.47, as explained in paragraphs 2 through 5, below. Additionally, the Purchaser covenants it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24.
The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations.

(1) The Purchaser covenants that the Property will be rehabilitated within 12 ( ) months from the date of this Use Agreement in accordance with all applicable State and local laws, codes, ordinances and regulations (and Housing Quality Standards pursuant to 24 CFR Part 886, Subpart C, and other requirements set forth in any Property Improvements Requirements sheet, attached hereto.)

(2) If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.

(3) If temporary relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:

(a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
(b) Expenses of returning to a repaired unit on the Property.

(4) If permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:

(a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Property.

(b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household size and the circumstances surrounding the move.

HUD will not provide the Purchaser with any funds or subsidy with which to make the payments required by this paragraph.

(5) The Purchaser covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in (1), above.

(6) To ensure completion of required repairs that are to be completed by the Purchaser, the Purchaser has delivered to the Secretary an unconditional, irrevocable and non-documentary Letter of Credit (LOC), in the amount of $500,000, which shall remain in effect and may be drawn on by the Secretary for at least 18 months [6 months past the deadline for repairs stated above] from the date of this Agreement.

If the repairs are not completed to the satisfaction of HUD within the time period specified in this Section, HUD may, in its sole discretion, cash any LOC and seek remedies provided in the attached Use Agreement, as the Secretary deems appropriate. If HUD cashes the Purchaser's LOC as a remedy for the Purchaser's default under the repair program, HUD may apply the funds so obtained to complete the repairs or for such other Project purposes as the Secretary deems appropriate.

(7) If repairs/rehabilitation is staged, as agreed upon between the Purchaser and HUD prior to Closing, up to five (5) LOCs may be provided, each in an equal dollar amount, the sum of which totals the amount set forth above. Four of the LOCs will be returned to the purchaser after the work is completed to the Seller's satisfaction. However, a portion of one LOC equal to at least ten percent (10%) of the total repair escrow shall remain in effect for a period of six months after the work has been completed to the Seller's satisfaction. HUD may cash this LOC and apply the funds to correct latent defects in the completed repairs.

(8) If the Purchaser fails to repair the Project in accordance with this Agreement, the Secretary will not exercise the remedies as described in Section 6., above if any lender holding a lien or security interest on the Project:

1. Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and

2. Completes such repairs within 30 days of the notice or within such longer periods HUD may approve in writing.

By initialling hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

RIDER 4 OF 5

USE AGREEMENT WITH RESTRICTED UNITS

1. **Definition of Eligible persons or families**
Families, elderly, or handicapped individuals with adjusted annual gross income, as defined in 24 CFR 813, at or below eighty (80) percent of the median income for the area are considered "eligible families" as defined in 24 CFR 812.

2. **Term of Restriction for Low and Moderate Income Unit(s) Use**
For 15 years from the date of this agreement, 28 units, as set forth below, shall be restricted for occupancy and reoccupancy by families with incomes at or below 80 percent of the median income for area as established by HUD. The Purchaser shall maintain a waiting list of eligible applicants and shall fill vacancies in these units from this list on a first-come, first served basis.

3. **Rental Rates**
The following are the size and number of Restricted Units and, if applicable, the Utility Allowances for these units. The rental rates for these units will be the same as the rents for the unrestricted units in the project:

| No. Units | Bedroom Size | Utility Allowance $ |
|---|---|---|
| | Eff. | |
| 25 | 1 | |
| 3 | 2 | |
| | 3 | |
| | 4 | |
| | 5 | |

4. **Rental Charges for Restricted Units**
Eligible families will pay monthly rent not to exceed 30 percent of 1/12th of their adjusted annual income as defined under 24 CFR 813. Rental charges for the restricted units shall become effective as soon as possible and in no event later than sixty (60) days from sales closing.

Rental charge increases shall be based on annual recertification of income as prescribed by the above regulations and procedures.

5. Occupancy
The purchaser shall not evict or otherwise remove from occupancy, except for cause, any tenant who is not eligible for reduced rental payments, as described above, and who may be residing in a restricted unit at the time of sales closing. Such a tenant, under good standing, may remain in occupancy and upon the tenant's voluntary move out, said unit shall be reoccupied by an eligible tenant during the 15-year restricted period.

6. **Admission to Restricted Units**
During the term of the restriction, admission to dwelling units covered by this agreement shall be limited to eligible individuals and families (as defined in 24 CFR 813), or under any HUD-approved Preference occupancy provisions for applicable families and on a first-come, first-served basis.

7. **Preference for Admission to Restricted Units**
Preference or priority for admission to the project and for placement on the waiting list, which the purchaser shall maintain, shall be governed by 24 CFR 215.22 (1989), as amended.

By initialling hereunder, the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

Purchaser _____

Secretary of Housing and Urban Development _____

RIDER 5 OF 5 BOOK 9327 PAGE 811

LEAD-BASED PAINT HAZARDS

The Use Agreement includes the following provisions:

(1) In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35, Subpart E and §200.825 (the "Regulations"), Grantee covenants that the Property will be inspected and tested for lead-based paint, and any hazards will be abated in accordance with the Regulations. Grantee shall certify to Grantor (in a form acceptable to Grantor) and Grantor shall determine, through its inspection (or at its discretion, the inspection and certification of a local government official) that all lead based-paint hazards have been abated (removed, encapsulated, or replaced) from the Property and tested as appropriate in accordance with the Regulations.

By initialling hereunder, the parties acknowledge that this rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

TANGLEWOOD APARTMENTS II d/b/a
Preston Oaks Apartments
Nashville, Tennessee

Legal Description

Lot 2, Parcel No. 216 as shown on the plat of resubdivision of Tanglewood Hills as recorded December 30, 1977, in Book 5200, Page 25, Register's Office of Davidson County, Tennessee.

More particularly described by metes and bounds as per the attached description.

A tract of land located in the Fifth Civil District of Davidson County, Tennessee, being Lot 2, Parcel 216 as recorded on the Resubdivision of Tanglewood Hills in Book 5200 page 25, Registrar's Office of Davidson County, Tennessee, dated December 30, 1977 and being more particularly described as follows:

Beginning at an iron pin in the southeast corner of the hereindescribed tract, said pin being in the west line of Barcelona Apartments Section 1 of record in Book 4175 page 152 R.O.D.C., being North 14°-45' West 580.92' from a concrete monument in the north right-of-way line of Harding Place and proceeding as follows:

1. South 66°-10'-10" West a distance of 225.45' to an iron pin; thence,
2. With a curve to the left having a radius of 841.35' a distance of 200.06' to an iron pin; thence,
3. North 40°-31'-14" West a distance of 255.97' to an iron pin; thence,
4. South 65°-30' West a distance of 83.44' to an iron pin; thence
5. South 5°-00' West a distance of 500' to an iron pin; thence,
6. South 85°-10' West a distance of 74' to an iron pin; thence,
7. South 27°-30' West a distance of 35' to an iron pin; thence,
8. South 83°-45' West a distance of 118' to an iron pin in the east line of Welch Meadows Section 2 of record in Book 3700 page 60 R.O.D.C.; thence,
9. With said line, North 13°-25'-58" West a distance of 20' to a concrete monument; thence,
10. North 00°-39'-02" East a distance of 261.85' to a concrete monument; thence,
11. South 85°-24'-42" West a distance of 35.89' to a concrete monument; thence,
12. North 5°-14'-25" West a distance of 42.88' to an elm tree; thence,
13. North 15°-59'-22" East a distance of 324' to a concrete monument; thence,
14. North 2°-37'-32" East a distance of 218.83' to a concrete monument, said monument being in the northeast corner of Welch Meadows Section 2 and the southeast corner of the M. D. Hale property; thence,
15. With the east line of the M. D. Hale property, North 8°-43'-26" West a distance of 197.52' to a concrete monument; thence,
16. North 9°-49'-26" West a distance of 131.75' to a concrete monument, said monument being in the east line of Highview Acres Section 2 of record in Book 2854 page 98 R.O.D.C.; thence,
17. With the south boundary of Southeastern Properties, South 88°-04'-15" East a distance of 316.10' to a concrete monument; thence,
18. With the east boundary of the Southeastern Properties, North 11°-08'-44" West a distance of 365.35' to a concrete monument in the south and east rights-of-way of Old Paragon Mills Road; thence,
19. With said right-of-way, North 49°-46' East a distance of 7.11' to a concrete monument; thence,
20. Leaving said right-of-way, South 43°-24'-26" East a distance of 461.95' to a concrete monument; thence,
21. South 15°-57'-30" East a distance of 180.91' to a concrete monument; thence,
22. South 14°-45' East a distance of 729.80' to the point of beginning and containing 14.89 acres or 648,608.4 square feet.

Included in the above description is a 20-foot permanent sewer easement across the north portion of the property being more particularly described as: beginning at a point which is North 14°-45' West a distance of 600.45' from the point of beginning; thence, along the centerline of the sewer, North 53°-52' West a distance of 382.8' to a point; thence, North 88°-25' West a distance of 333.5' to a point which is 45' from the northwest corner of the property; said easement being 10' either side of the centerline.



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Also included is a 20-foot utility easement, the centerline being more particularly described as: beginning at a point in the centerline of the above described 20-foot sewer easement, said point being South 88°-25' East a distance of 50' from a point in call #16 of the overall boundary, this point being South 9°-49'-26" East a distance of 48' from the concrete monument described in call 16 and proceeding: South 9°-50' East a distance of 210' to a point; thence, South 1°-24' East a distance of 150' to a point; thence, South 6°-40' West a distance of 280' to a point (this point being at the intersection of an additional utility easement); thence, South 12°-12' West a distance of 272' to a point; thence, South 3°-45' East a distance of 228' to a point in call #8 of the overall tract boundary.

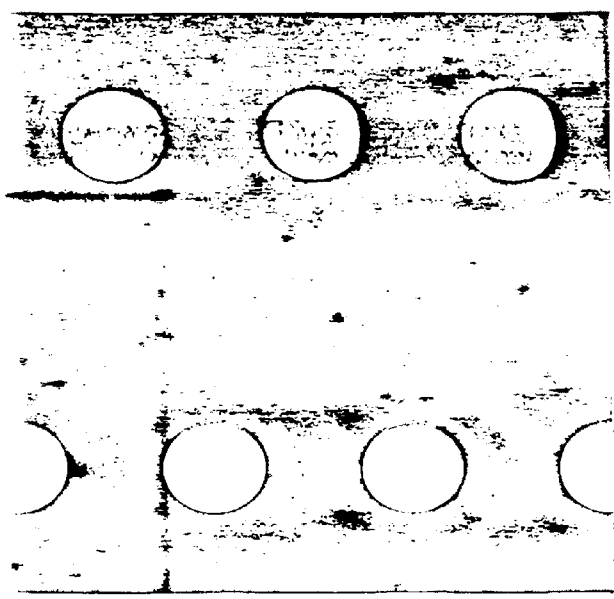
Also included is a 20-foot utility easement, the centerline being more particularly described as beginning at a point in the abovedescribed 20-foot utility easement, this point referred to in call #3 of the above utility easement and proceeding: North 89°-40' East a distance of 87' to a point; thence, South 48°-14' East a distance of 73' to a point; thence, South 34°-55' East a distance of 43' to a point in call #5 of the overall boundary description.

Access to the abovedescribed tract shall be by a varying easement from Harding Place through Phase 1, Tanglewood Hills of record in Book 4675 page 20 R.O.D.C., the centerline of said easement being more particularly described: Beginning at a point in the northerly right-of-way of Harding Place (a 120-foot right-of-way), said point being South 65°-40' West a distance of 30.42' from a concrete monument in the northerly right-of-way of Harding Place and being the southwesterly corner of Barcelona Apartments Section 1 of record in Book 4175 page 152. The easement width at this point is 30.42' on the easterly side of the point of beginning and 41', more or less, on the westerly side; thence,

1. Leaving the northerly right-of-way of Harding Place, North 14°-45' West a distance of 26.0' to a point; westerly easement width being 31' more or less; thence,
2. Continuing along the centerline of the easement the following calls:
   North 14°-45' West a distance of 81.23' to a point; the easterly easement width being 30' more or less and the westerly easement width being 31', more or less; thence, With a curve to the left having a radius of 143.92' a distance of 49.07' to a point, the easterly easement width being 42' more or less and the westerly width being 31' more or less; thence, With a curve to the left having a radius of 143.92' a distance of 57.0' to a point; the easterly easement width being 20' more or less and the westerly width being 14'; thence,
3. Continuing along the centerline, having an easement width of 14' both left and right the following calls:
   With a curve to the left having a radius of 143.92' a distance of 120.0' to a point; thence, Continuing with a curve to the left having a radius of 341.77' a distance of 138.09' to a point; thence, South 52°-06' West a distance of 68.76' to a point; thence, With a curve to the left having a radius of 296.23' a distance of 118.40' to a point; thence, South 29°-12' West a distance of 93.0' to a point; thence, With a curve to the right having a radius of 104.79' a distance of 249.19' to a point; thence, North 14°-33' West a distance of 89.0' to a point; thence, With a curve to the right having a radius of 1131.64' a distance of 199.48' to a point; thence, North 4°-27' West a distance of 68.37' to a point in call #6, said point being North 85°-10' East a distance of 41.13' from the iron pin described in call #6.

BEING the same property conveyed to Tanglewood II Associates, Ltd. by deed from Jetero Properties, Inc. as of record in Book 5169, 484, Register's Office for Davidson County, Tennessee.

Property Address: 450 Tanglewood Court, Nashville, Tennessee 37211



**OFFICIAL RECEIPT**

**FELIX Z. WILSON, II**

**REGISTER OF DAVIDSON COUNTY**
**NASHVILLE, TENNESSEE**

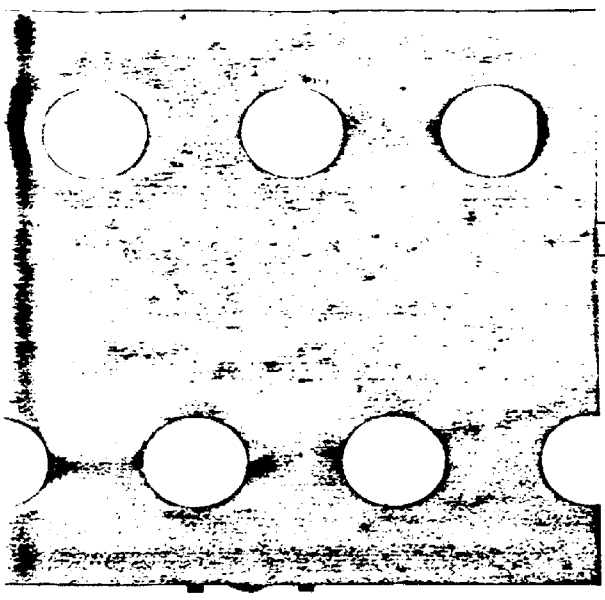
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| WD - WARRANTY DEED | UCC - UNIFORM COMMERCIAL CODE | MO TX - STATE TAX MORT |
| TD - TRUST DEED | | PRFEE - PROBATE FEE |

| DATE | SYMBOL | VALUATION | TAX AND FEES | TOTAL PAID |
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2620000.00
CON TX 9694.00
PRFEE 1.00
WDEED 84.00
TOTAL 9779.00
CHECK 9779.00

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REGISTER
DAVIDSON COUNTY, TN.

**No.** 785086