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1. **Title of Document:** Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement
2. **Date of Document:** As of November 1, 2022
3. **Grantor(s):** PG/PGN, LP
4. **Grantee(s):** UMB Bank, N.A., as Trustee
5. **Statutory Mailing Address(es):**  
**Grantor(s):**  
PG/PGN, LP  
Attention: Brian Collins  
c/o Dromara Development, LLC  
3619 E. 35<sup>th</sup> Street  
Kansas City, Missouri 64128  
  
**Grantee(s):**  
UMB Bank, N.A.  
928 Grand, 12<sup>th</sup> Floor  
Kansas City, MO 64106  
Attention: Corporate Trust Services
6. **Legal description:** See Exhibit A annexed to the document.
7. **Reference(s) to Book(s) and Page(s):** Not Applicable

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EXHIBIT A – Legal Description

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**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT,  
ASSIGNMENT OF LEASES AND RENTS AND  
FIXTURE FINANCING STATEMENT**

**THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FINANCING STATEMENT** dated as of November 1, 2022 (this “Deed of Trust”), from **PG/PGN, LP**, a Missouri limited partnership (the “Grantor” or “Borrower”), whose address is 3220 Montgall, Kansas City, Missouri 64128, Attention: Melvin Gross, to \_\_\_\_\_, a resident of the State of Missouri, as mortgage trustee (the “Mortgage Trustee”), whose address is \_\_\_\_\_, Kansas City, Missouri 64106; for the use and benefit of **UMB BANK, N.A.**, a national banking corporation organized and existing under the laws of the United States of America, as trustee under the herein defined Indenture, as beneficiary and secured party, and its successors and assigns (the “Trustee” or the “Beneficiary”), whose address is 928 Grand, Kansas City, Missouri 64106;

**RECITALS:**

1. The Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Issuer”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo, as amended (“LCRA Law”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”) on November 21, 1952.

2. Pursuant to the LCRA Law and the Trust Indenture dated as of November 1, 2022 (the “Indenture”), between the Issuer and the Beneficiary, the Issuer has issued its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in the aggregate principal amount of not to exceed \$11,000,000 (the “Bonds”).

3. The proceeds of the Bonds will be loaned to the Borrower pursuant to the Promissory Note (the “Note”) dated as of November 1, 2022, in substantially the form attached as Exhibit B to the Loan Agreement (as defined below) and used to finance a portion of the costs of the acquisition and rehabilitation of two existing buildings into a multifamily housing facility, and related facilities, known as the Palestine Gardens North Apartments located at 3220 Montgall and the Palestine Gardens Apartments located at 2627 E. 33rd Street in the City of Kansas City, Missouri to rehabilitate and preserve 118 units reserved for very low-income residents aged 62 and over and other related improvements (the “Project”), and, pursuant to the Loan Agreement (the “Loan Agreement”) between the Issuer and the Borrower dated as of November 1, 2022, will be a security interest in the real estate described in Exhibit A (the “Land”), and the facilities located thereon including all buildings, improvements, fixtures, annexations, structures, furnishings, machinery and equipment and related support facilities and other property situated thereon, and to pay certain costs of issuing the Bonds.

4. The Note and the Loan Agreement provide that the Grantor will repay the Loan and pay interest on the amount of the Loan outstanding in amounts which in the aggregate will be sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable (the “Basic Payments”).

5. The Issuer, in turn, has assigned the Loan Agreement and endorsed the Note to the Beneficiary as security for the payment of the Bonds.

6. The Grantor desires to make and enter into this Deed of Trust to secure the payment and performance of its duties and obligations under the Note, the Loan Agreement and this Deed of Trust and as an inducement to the purchase of the Bonds by all who shall at any time become holders thereof.

7. As security for the obligations of the Grantor under the Note, the Grantor is executing and delivering this Deed of Trust to the Mortgage Trustee for the benefit of the Beneficiary, together with UCC-1 Financing Statements.

8. Any amounts unpaid under this Deed of Trust when due shall thereafter bear interest at the Default Rate (as defined below).

9. In connection with the issuance of the Bonds, the Grantor has executed and delivered the Land Use Restriction Agreement dated as of November 1, 2022, recorded in the Office of the Recorder of Deeds of Jackson County, Missouri (the “Land Use Restriction Agreement”) and the Tax Compliance Agreement dated as of November 1, 2022 (the “Tax Agreement”).

## **GRANTING CLAUSES**

The Grantor, for and in consideration of the premises, to induce the Issuer to issue the Bonds and loan the proceeds of the Bonds to the Grantor pursuant to the Loan Agreement, in consideration thereof, and the sum of Ten Dollars (\$10.00) in hand paid, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor by these presents does hereby GRANT, BARGAIN AND SELL, MORTGAGE, WARRANT, CONVEY AND CONFIRM, ASSIGN, TRANSFER AND SET OVER unto the Mortgage Trustee, its successors and assigns, IN TRUST, forever for the use and benefit of the Beneficiary, all of the hereinafter-described properties, rights and interests, whether now owned or hereafter acquired (said properties, rights and interests, together with any additions thereto which may be subject to the lien of this instrument by means of supplements hereto being hereinafter called the “Premises” and all Premises constituting real property being hereinafter referred to as “Real Property”), and insofar as the Premises consist of equipment, accounts, accounts receivable, contract rights, general intangibles, inventory, fixtures, proceeds of collateral or any other personal property of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code (as in effect in the appropriate jurisdiction with respect to the Premises wherever located), the Grantor hereby grants to the Beneficiary a security interest in all of the Grantor’s right, title and interest therein (all said personal property being hereinafter sometimes referred to as the “Personal Property”), namely:

1. ***Real Property.*** All right, title and interest of the Grantor in and to the Project, including the Land, and any other real estate added thereto and all right, title and interest of the Grantor, now owned or hereafter acquired, in and to any and all strips and gores of land, in and to all real property upon which any buildings or improvements comprising part of the Project may now or hereafter encroach, and in, to and under the real property within the streets, roads and alleys adjoining all such real property, and in and to all and singular the tenements, hereditaments, privileges, easements, franchises, rights, appendages and appurtenances whatsoever belonging to or in anywise appertaining to all such real property.

2. ***Tangible Personal Property.*** All tangible personal property owned by the Grantor (including, without limitation, all fixtures, furnishings, machinery and equipment and related support facilities of any nature whatsoever), whether now or hereafter attached or affixed to or installed or located within, and used or usable in connection with the development, construction, occupancy, maintenance and/or operation of the Premises, whether attached or detached, as well as renewals, replacements, proceeds, additions, accessories, increases, parts, fittings, insurance payments, awards and substitutes thereof, together with all interest of the Grantor in any such items hereafter acquired, as well as the Grantor's interest in any lease, or conditional sales agreement under which the same is acquired, all of which personal property mentioned herein shall be deemed fixtures and accessory to the freehold and a part of the realty and not severable in whole or in part without material injury to the Premises.

3. ***Fixtures.*** All fixtures and tangible personal property owned by the Grantor (including, but not limited to, furnishings, machinery and equipment and related support facilities, building materials, building machinery and building equipment) delivered on site to the Land during the course of, or in connection with, construction or repair of the buildings and improvements.

4. ***Contract Rights.*** All right, title and interest of the Grantor in, to and under any contracts, purchase orders or agreements for the acquisition, construction, installation or improvement of the Premises or any part thereof now or hereafter entered into.

5. ***Leases.*** All leases of the Premises, or any part thereof, now or hereafter entered into or presently in existence and all right, title and interest of the Grantor thereunder, including cash and securities deposited under said leases, subject to the rights of tenants in possession under leases entered into in the ordinary course of business.

6. ***Rents.*** All rents, income, issues, uses, profits, proceeds (including insurance proceeds arising from the Premises) and products of, all replacements and substitutions for, and other rights and interests now or hereafter belonging to, any of the foregoing.

7. ***Accounts.*** Any and all accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles and other obligations of any kind, oral or written, now or hereafter existing, arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights now or hereafter existing in and to all

security agreements, leases and other contracts securing or otherwise relating to any such accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles or obligations and which arise from the Premises.

8. ***Intangibles.*** Any and all general intangibles, including, without limitation, goodwill, trademarks, trade styles, trade names, books and records, customer lists, vendor lists, accounting software, franchise rights, option rights, purchase contracts and leasehold interests and which arise from the Premises.

9. ***Inventory.*** Any and all inventory in all of its forms, located on or arising from the Premises, now or hereafter existing, including, without limitation, (a) all products sold in the ordinary course of business of the Grantor and raw materials and work in process therefor, finished goods thereof and materials used or consumed in the manufacture or production thereof, (b) goods in which the Grantor has any interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Grantor has an interest or right as consignee) and (c) goods which are returned to or repossessed by the Grantor, and all accessions thereto and products thereof and documents therefor.

10. ***Water and Mineral Rights.*** Any and all water and water rights, ditches and ditch rights, reservoirs and reservoir rights, stock or interests in water, irrigation or ditch companies, royalties, minerals, oil and gas rights and lease or leasehold interests owned by the Grantor, now or hereafter used or useful in connection with, appurtenant to or related to the Land or other Premises or any part thereof.

11. ***Condemnation Awards.*** All awards, compensation and settlements in lieu thereof made as a result of the taking by power of eminent domain of the whole or any part of the Premises, including any awards for damages sustained to the Premises, for a temporary taking, change of grade of streets or taking of access.

12. ***Plans and Specifications.*** All plans and specifications, all surveys, soil reports, site plans, working drawings and papers relating to the Premises and the construction and equipping of the improvements on the Premises, including, without limitation, all architectural and site plans prepared.

13. ***Service Contracts.*** All rights and interests of the Grantor in and under any and all service and other agreements relating to the operation, maintenance and repair of the Premises or the buildings and improvements thereon.

14. ***Loan proceeds.*** All loan proceeds, except the proceeds of the Bonds, contract rights and payments payable to the Grantor under any loan commitment for financing of the Premises.

15. ***Licenses.*** All licenses, permits (including building permits), authorizations or approvals of any type or nature whatsoever, now owned or held or hereafter acquired, which relate to the use, development or occupancy of the Land or other Premises or any part thereof.

16. **Money and Deposits.** All funds, moneys, certificates of deposit, instruments, letters of credit and deposits of the Grantor held by, deposited with or paid or payable to the Beneficiary.

17. **Proceeds.** Any and all proceeds of any and all of the foregoing (including, without limitation, proceeds which constitute property of the types described in paragraphs 2, 3, 4, 7, 8 or 9 above).

It is specifically understood that the enumeration of any specific articles of property shall not exclude or be held to exclude any items of property not specifically mentioned. All of the Premises hereinabove described, real, personal and mixed, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended to be as a unit and are hereby understood and agreed and declared to be appropriated to the use of the Premises, and shall for the purposes of this Deed of Trust be deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Premises and every part thereof unto Mortgage Trustee, its successors and assigns, forever, IN TRUST, nevertheless, to secure the payment of the Indebtedness Secured Hereby (as hereinafter defined) and the performance and observance by the Grantor of every covenant and condition herein contained;

PROVIDED NEVERTHELESS, that if the Grantor, its successors or assigns shall:

(i) timely pay to the Beneficiary, its successors or assigns the Basic Payments, Additional Charges and other payments according to the terms of the Loan Agreement through the maturity date of the Note; and

(ii) timely pay to the Beneficiary, its successors or assigns, or any party designated in writing by the Beneficiary, at the times demanded and with interest thereon at the Default Rate, all sums advanced (a) in protecting the lien of this Deed of Trust, (b) in payment of taxes on the Premises, (c) in payment of insurance premiums covering improvements thereon, (d) in payment of principal and interest on prior liens, (e) in payment of the reasonable expenses and attorneys' fees herein provided for, billed on an hourly basis, and (f) in payment of all sums advanced for any other purpose authorized herein; and

(iii) keep and perform all of the covenants and agreements herein contained and in the Loan Agreement, the Indenture, the Land Use Restriction Agreement and the Tax Agreement; and

(iv) keep and perform all of the terms and conditions of any other instrument given as obligations of the Grantor under the Loan Agreement (including payment of any fees or charges thereunder);

and satisfy all of the requirements of Section 901 of the Indenture, then, except as otherwise provided in the Loan Agreement, the Note, this Deed of Trust, the Land Use Restriction Agreement and the Tax Agreement (collectively, the "Loan Documents"), this Deed of



Trust shall be satisfied and released and the security interest herein granted shall be terminated and all evidences of indebtedness cancelled, and the Mortgage Trustee shall execute a proper release deed, all at the cost of the Grantor. All of the enumerated sums and obligations, together with interest thereon at the Default Rate, are herein collectively referred to as the "Indebtedness Secured Hereby."

AND the Grantor does hereby further covenant and agree as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.1** *Definitions of Words and Terms.* The following terms as used herein shall have the meanings specified in the preamble, the recitals and the Granting Clauses:

Act	Land Use Restriction Agreement
Basic Payments	Loan Documents
Beneficiary	Note
Bonds	Personal Property
Default Rate	Premises
Grantor	Project
Indebtedness Secured Hereby	Real Property
Indenture	Tax Agreement
Land	Trustee

(b) In addition to words and terms defined herein, the following words and terms as used in this Deed of Trust shall have the following meanings unless some other meaning is plainly indicated, and any other capitalized terms defined in any of the Loan Documents shall have the same meanings when used herein unless the context or use thereof indicates another or different meaning or intent:

"*Additional Charges*" shall have the meaning set forth in the Loan Agreement.

"*Bond Fund*" means the Bond Fund created in Section 401 of the Indenture.

"*Charges*" means Charges as defined in Section 3.11 hereof.

"*Default*" means an event or condition which, with the giving of any requisite notice or the passage of any requisite time or the occurrence of both would constitute, an Event of Default.

"*Default Rate*" shall have the meaning set forth in the Loan Agreement.

"*Event of Default*" means (i) any Event of Default as described in Section 601 of the Indenture, (ii) if pursuant to § 443.055 R.S.Mo., as amended, the Grantor shall notify Beneficiary of Grantor's election to terminate the operation of this Deed of Trust as security for future advances or future obligations, (iii) any Event of Default as described in

Section 9.01 of the Loan Agreement, or (iv) any default under this Deed of Trust which has continued for 30 days after written notice thereof from the Beneficiary specifying such default and requesting that it be remedied, or such longer period of time (up to an additional 60 days) as may be necessary to remedy such default or breach provided that (1) the default or breach in question is able to be remedied; (2) the Grantor has commenced action during the 30 days necessary to remedy such default or breach; and (3) the Grantor is proceeding with reasonable diligence to remedy the default.

“*Hazardous Materials*” means Hazardous Materials as defined in Article IV.

“*Impositions*” means Impositions as defined in Section 3.2 hereof.

“*Leases*” means Leases as defined in Section 5.1 hereof.

“*Lien*” shall have the meaning set forth in Section 3.2 hereof.

“*Permitted Encumbrances*” means the Permitted Encumbrances set forth in Exhibit B.

“*Proceeds*” means the proceeds of any insurance recovery or condemnation award (or payment in lieu of condemnation) less all expenses incurred by and reimbursement to Beneficiary in connection therewith.

“*Project Fund*” means the Project Fund created pursuant to the Indenture.

**Section 1.2. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, partnerships, associations and corporations, including public bodies, as well as natural persons.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereto,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Deed of Trust and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

Reference herein to a particular article or a particular section shall be construed to be a reference to the specified article or section hereof unless the context or use clearly indicates another or different meaning or intent.

Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

The table of contents, captions and headings in this Deed of Trust are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Deed of Trust.

## ARTICLE II. GENERAL PROVISIONS

**Section 2.1. *General Covenants.*** The Grantor will duly and punctually pay the Note and each and every Basic Payment and all Additional Charges and all other Indebtedness Secured Hereby, as the same shall become due, and will perform, comply with and abide by each and every one of the agreements, conditions and covenants contained and set forth in the Loan Documents and this Deed of Trust and in every other document evidencing, securing or otherwise relating to the Indebtedness Secured Hereby, including the Indenture, all of which are hereby incorporated herein by reference.

**Section 2.2. *Incorporation of Warranties and Covenants.*** The Grantor affirms and restates the representations, covenants and warranties in the Loan Documents and the same are incorporated herein by this reference.

**Section 2.3. *Sale, Transfer or Encumbrance.***(a) Except as otherwise provided in the Loan Agreement or as permitted by subsection (c), the Grantor will not, directly or indirectly:

(i) enter into any lease with respect to any or all of the Premises other than (x) leases in the normal course of business of operating the Project as a multifamily residential apartment facility for lease and for a term of not more than one year and (y) laundry equipment leases, and (z) commercial leases for the portion of the building used for commercial purposes;

(ii) permit any mortgage, pledge, encumbrance or lien to remain or become outstanding against the Premises or any portion thereof, or any security interest to exist therein, except:

(1) as created by this Deed of Trust;

(2) the Permitted Encumbrances; and

(3) installments of real estate taxes and special assessments not yet due and payable; and

(iii) cause or permit a “Sale” of any or all of the Premises, which term shall include, without limitation:

(1) a conveyance of all or any legal or equitable interest in the Premises other than leases pursuant to (i) above; and

(2) any change in a General Partner, provided (A) the transfer of the general partner interest to an entity controlled by a General Partner or, if a General Partner has been removed, or has withdrawn in lieu of removal, pursuant to the terms of the Partnership Agreement, or (B) the addition of a general partner if a General Partner or an entity controlled by that General

Partner is the added general partner, is not a “Sale” for purposes of this subparagraph (iii).

(b) The Grantor shall request the Issuer and the Beneficiary to consent to any Sale and the Grantor shall pay for any and all expenses (including, without limitation, reasonable attorneys’ fees, billed on an hourly basis, and expenses) incurred by the Issuer and the Beneficiary in connection with considering any such requests whether or not the Issuer and the Beneficiary’s consent is granted. In addition, each request shall be accompanied by a deposit, in such amount as the Issuer and the Beneficiary shall determine, to be applied by the Issuer and the Beneficiary to the payment of their respective expenses. Any excess shall be returned to the Grantor and any deficiency shall be promptly paid by the Grantor. Notwithstanding anything in this Deed of Trust to the contrary, all payments to the Issuer shall be made pursuant to the Funding Agreement between Issuer and Grantor (as “Funding Agreement” is defined in the Redevelopment Contract) Nothing herein shall require the Beneficiary to consent to any Sale absent receipt of written direction from the Owners of a majority of the Bond Obligation. The consent to a Sale by the Issuer may be granted, denied, or conditioned in the sole discretion of the Issuer.

(c) During the term of the Loan Agreement, the Grantor, subject to any requisite consent of the Issuer and the Beneficiary, may transfer and convey the Premises, or any portion thereof, to any person or entity without causing the acceleration of the Indebtedness Secured Hereby, provided that no Event of Default and no event with notice or lapse of time would constitute an Event of Default has occurred and is continuing and provided further that all the following conditions precedent shall have been satisfied:

(i) the Grantor shall provide written notice to the Issuer and the Beneficiary of any intended transfer not less than 60 days prior to the intended date of transfer, and such notice shall identify the name and address of the intended transferee and the intended transfer date, plus a description of the intended transferee’s experience and resources available to operate, manage, and maintain the Project as required by the Loan Documents and the Redevelopment Contract;

(ii) the transferee shall execute and deliver to the Issuer and the Beneficiary the transferee’s written acknowledgment that such transferee takes the Premises subject to the lien and the terms and conditions of this Deed of Trust, the other Loan Documents, and the Redevelopment Contract; which acknowledgment shall be in form and substance acceptable to the Issuer and the Beneficiary.

(iii) the transferee shall execute and deliver to the Issuer and the Beneficiary an assumption of the Grantor’s obligation to pay the Indebtedness Secured Hereby and perform all of the Grantor’s covenants and obligations hereunder and under the Loan Documents and the Redevelopment Contract;

(iv) the Grantor shall provide a written certificate to the Issuer and the Beneficiary confirming such transfer shall comply with the provisions of Section

10 of the Land Use Restriction Agreement and Section 8.01 of the Loan Agreement; and

(v) the Grantor and the transferee shall execute and deliver or cause to be executed and delivered to the Issuer and the Beneficiary any and all documents and instruments reasonably required by the Issuer and the Beneficiary to effect any of the foregoing; and

(d) In the event of noncompliance by the Grantor with any of the foregoing provisions of this Section, the Beneficiary may, at its election, declare the entire Indebtedness Secured Hereby to be immediately due and payable, without notice to the Grantor (which notice the Grantor hereby expressly waives) and, upon such declaration, the entire Indebtedness Secured Hereby shall be immediately due and payable, anything hereinabove in the Bonds or in the Loan Documents to the contrary notwithstanding. No unapproved transfer, conveyance, lease, sale or other disposition shall relieve the Grantor from its obligations hereunder or under the Loan Documents or the Bonds. The Beneficiary may, without notice to the Grantor, deal with any successor owner of all or any portion of the Premises in the same manner as with the Grantor, without in any way discharging the obligations of the Grantor hereunder or under the Loan Documents or the Bonds.

**Section 2.4. *Compliance With Laws.***(a) The Grantor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Premises or the operation thereof, including, without limitation, the Land Use Restriction Agreement. The Grantor shall not acquiesce in or seek any rezoning classification affecting the Premises without the prior written consent of the Issuer and the Beneficiary. The Grantor will perform and comply promptly with, and cause the Premises to be maintained, used and operated substantially in accordance with:

(i) present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to the Grantor or the Premises, including, without limitation, all applicable federal, state and local laws pertaining to air and water quality, hazardous waste, waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and rules, regulations and ordinances of the United States Environmental Protection Agency, the Americans with Disabilities Act of 1990 and all other applicable federal, state and local agencies and bureaus;

(ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions;

(iii) similarly applicable duties or obligations of any kind imposed under any Permitted Encumbrances, or otherwise by law, covenant, condition, agreement or easement, public or private; and

(iv) policies of insurance at any time in force with respect to the Premises.

(b) If the Grantor receives any notice that the Grantor or the Premises are in default under or are not in compliance with any of the foregoing, or receives notice of any proceeding initiated under or with respect to any of the foregoing, the Grantor will promptly furnish a copy of such notice to the Issuer and the Beneficiary.

(c) The Grantor represents and warrants that it has obtained, or will obtain when necessary, all required licenses, permits, franchise agreements and other necessary agreements to operate the Premises. The Grantor agrees to promptly provide the Issuer and the Beneficiary with written notice of any suspension, revocation, termination or default under any such agreements or any threatened suspension, revocation, termination or default thereunder.

**Section 2.5. *Rights To Cure Event of Default.*** Upon the occurrence of an Event of Default, the Beneficiary may, but shall not be obligated to, without further notice to the Grantor and without waiving or releasing the Grantor from any obligation in this Deed of Trust contained, remedy such Event of Default, and the Grantor agrees to repay upon demand all sums expended and costs incurred by the Beneficiary in remedying any such Event of Default, together with interest at the Default Rate from the date any such sums were due until paid by the Grantor. All such sums, together with interest as aforesaid shall become additional Indebtedness Secured Hereby, but no such advance shall be deemed to relieve the Grantor for any Event of Default.

**Section 2.6. *No Claim Against the Beneficiary.*** Nothing contained in this Deed of Trust shall constitute any consent or request by the Beneficiary, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Premises or any part thereof, or as giving the Grantor or any party in interest with the Grantor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would create any personal liability against the Beneficiary in respect thereof or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Deed of Trust.

**Section 2.7. *Inspection.*** Subject to the rights of tenants under leases, the Grantor will permit the Beneficiary's authorized representatives to enter the Premises at reasonable times with 48 hours' prior notice (provided no such notice shall be required in the event of an emergency) for the purpose of inspecting the same, provided the Beneficiary shall have no duty to make such inspections and shall not incur any liability or obligation for making or not making any such inspections. If the Beneficiary exercises its right to inspect the Premises, it shall use reasonable care to not disturb tenants and will not incur any liability except as a result of negligence or willful misconduct.

**Section 2.8. *Waivers, Releases, Resort to Other Security, Etc.*** Without affecting the liability of any party liable for payment of any Indebtedness Secured Hereby or performance of any obligation contained herein, and without affecting the rights of the Beneficiary with respect to any security not expressly released in writing, the Beneficiary may, at any time, and without notice to or the consent of the Grantor or any party in interest with the Premises or the Bonds:

(a) release any person liable for payment of all or any part of the Indebtedness Secured Hereby or for performance of any obligation herein;

(b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness Secured Hereby or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof;

(c) accept any additional security;

(d) release or otherwise deal with any property, real or personal, including any or all of the Premises, including making partial releases of the Premises; or

(e) resort to any security agreements, pledges, contracts of guarantee, assignments of rents and leases or other securities, and exhaust any one or more of said securities and the security hereunder, either concurrently or independently and in such order as it may determine.

### **ARTICLE III. MAINTENANCE; INSURANCE AND ESCROWS; APPLICATION OF PROCEEDS AND AWARDS**

**Section 3.1. *Maintenance of Premises.*** The Grantor covenants and agrees to permit, commit or suffer no waste of the Premises and to maintain the Premises at all times in a state of good repair and condition, ordinary wear and tear excepted, and to do or permit to be done to the Premises nothing that will alter or change the use and character of the Premises or adversely affect their value. In case of the refusal, neglect or inability of the Grantor to repair and maintain the Premises or any part thereof, the Beneficiary may, upon 10 days' prior written notice to Grantor (except in the case of an emergency which imposes an immediate threat to the Premises or the safety of any tenant, invitee or other person having access thereto, in which event no prior notice is required), at its option, make such repairs or cause the same to be made, and advance funds in that behalf. In addition, the Grantor may make alterations or additions to the exterior and structural elements of the Premises so long as such alterations or additions do not (i) change the use or character of the Premises, (ii) adversely affect their value or (iii) adversely affect the Grantor's financial condition or the operating income of the Premises. Nothing herein shall be construed so as to prohibit the construction, alteration or removal of interior improvements necessary to the leasing of space in the Premises or their operation in the ordinary course of business.

**Section 3.2. *Payment of Impositions.*** Subject to Section 3.3, the Grantor shall pay or deposit, or cause to be paid or deposited, when due, and in any event before any penalty attaches, all real estate taxes, assessments, governmental charges, water charges, sewer charges and other fees, taxes, charges and assessments of every kind and nature whatsoever assessed or charged against or constituting a lien on the Premises or any interest therein ("Impositions") and all mortgages, encumbrances and liens against the Premises which are not a Permitted Encumbrance ("Liens") and will upon demand furnish to the Beneficiary proof of the payment of any such Impositions and Liens. In the event that an Event of Default has occurred under this Deed of Trust or the Loan Agreement, the Beneficiary may require that such amount be deposited with the Beneficiary as provided in Section 3.11 hereof. In the event of a court decree or an enactment after the date hereof by any legislative authority of any law imposing upon a beneficiary the payment of the whole or any part of the Impositions herein required to be paid by the Grantor, or changing in any way the laws relating to the taxation of deeds of trust or debts secured by deeds of trust or a beneficiary's interest in mortgaged premises so as to impose such Imposition on the Issuer or the Beneficiary or on the interest of the Issuer or the Beneficiary in the Premises, then, in any such event, the Grantor shall bear and pay the full amount of such Imposition, provided that, if for any reason payment by the Grantor of any such Imposition would be unlawful, or if the payment thereof would constitute usury or render the Indebtedness Secured Hereby wholly or partially usurious, the Beneficiary, at its option, may declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable, without prepayment premium, or the Beneficiary, at its option, may pay that amount or portion of such Imposition as renders the Indebtedness Secured Hereby unlawful or usurious, in which event the Grantor shall concurrently therewith pay the remaining lawful and nonusurious portion or balance of said Imposition.

**Section 3.3. *Contest of Impositions; Liens and Levies.*** The Grantor shall not be required to pay, discharge or remove any Imposition or any Lien so long as the Grantor shall in good faith contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection of the Lien or Imposition so contested and the sale of the Premises, or any part thereof, to satisfy the same, provided that the Grantor shall, prior to the date such Lien or Imposition is due and payable, have either provided Beneficiary with evidence of affirmative title insurance coverage over the full amount of such lien or given an amount equal to 100% of the amount being contested to the Beneficiary to insure such payments plus interest and penalties thereon, and prevent any sale or forfeiture of the Premises by reason of such nonpayment. Any such contest shall be prosecuted with due diligence and the Grantor shall promptly after final determination thereof pay the amount of any such Lien or Imposition so determined, together with all interest and penalties which may be payable in connection therewith. Notwithstanding these provisions, the Grantor shall (and, if the Grantor shall fail so to do, the Beneficiary may, but shall not be required to) pay any such Lien or Imposition notwithstanding such contest if, in the reasonable opinion of the Beneficiary, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed.

**Section 3.4. *Protection of Security.*** The Grantor shall promptly notify the Beneficiary of and appear in and defend any suit, action or proceeding that affects the



Premises or the rights or interest of the Beneficiary hereunder and the Beneficiary may elect to appear in or defend any such action or proceeding. The Grantor agrees to indemnify from, and reimburse the Mortgage Trustee and the Beneficiary for, any and all loss, damage, expense or cost arising out of or incurred in connection with any such suit, action or proceeding, including costs of evidence of title and reasonable attorneys' fees, billed on an hourly basis, and such amounts, together with interest thereon at the Default Rate, shall become additional Indebtedness Secured Hereby and shall become immediately due and payable.

**Section 3.5. *Operating Statements.*** The Grantor covenants and agrees with the Beneficiary, as long as any amount secured hereby remains unpaid, at the Grantor's sole cost and expense, to furnish the Beneficiary and the Significant Bondowner the financial statements at the times and in the manner required under Section 5.07 of the Loan Agreement. The Beneficiary has no obligation to review or analyze such statements.

**Section 3.6. *Additional Assurances.*** The Grantor agrees upon reasonable request by the Beneficiary to execute and deliver such further instruments, deeds and assurances, including financing statements under the Uniform Commercial Code, and will do such further acts as may be necessary or proper to carry out more effectively the purposes of this Deed of Trust and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the granting clause hereof, or intended so to be. The Grantor agrees to pay any recording fees, filing fees, note taxes, mortgage registry taxes or other charges arising out of or incident to the filing or recording of this Deed of Trust, such further assurances and instruments and the issuance and delivery of the Bonds. No further instrument, deed, assurance or act will change the economic terms of the transactions described in, or expand the liability of the parties under, this Deed of Trust.

**Section 3.7. *Operation of Premises.*** The portion of the Premises which constitutes the Project as defined in the Indenture shall be used in a careful and proper manner and only as residential apartment units and related businesses and only as permitted by the Redevelopment Contract, the Loan Agreement, and the Land Use Restriction Agreement. The Grantor represents and warrants to the Beneficiary that all licenses and permits necessary for the conduct of business on the Premises have been obtained or will be obtained at the necessary time therefor.

**Section 3.8. *Claims Against Premises.*** Except as permitted by Section 3.3, the Grantor will pay, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Premises or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom, whether paramount or subordinate to this Deed of Trust, and in general will do or cause to be done everything necessary so that the first lien of this Deed of Trust shall be fully preserved, at the cost of the Grantor, without expense to the Issuer or the Beneficiary.

**Section 3.9. Subrogation.** The Beneficiary at its option shall be subrogated for further security to the lien of any prior encumbrance, mechanics' or vendor's lien on the Premises paid out of the proceeds of the loan hereby secured, even though the same be released of record.

**Section 3.10. Insurance.** The Grantor shall keep the Premises continuously insured against such risks and in such amounts, with reasonable deductible provisions that are standard and customary in the industry and acceptable to the Insurance Consultant (as defined herein). The Grantor, at the Grantor's sole expense, shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid in a timely manner the premiums for at least the following insurance with respect to the Premises and the Grantor (unless the requirement therefor shall be waived in writing by the Sole Bondowner:

(i) direct damage "all risks" property insurance covering loss, including, but not limited to, the following:

- (1) fire;
- (2) extended coverage perils;
- (3) vandalism and malicious mischief;
- (4) water damage;
- (5) debris removal; and
- (6) collapse;

in each case on a replacement cost basis in an amount equal to the full insurable value of the Premises. "Full insurable value" means an amount sufficient to prevent the application of any coinsurance contribution on any loss but in no event less than the lesser of

(i) 100% of the actual replacement cost of the Premises, without deduction for depreciation, but excluding costs of excavation, foundation, footings, parking lots, sidewalks and underground utilities or (ii) the principal amount of the Bonds then Outstanding;

(ii) comprehensive general liability insurance covering Grantor's activities at the Premises in the amount of \$1,000,000 for injury to or death of any one person, \$2,000,000 for injury to or death of any number of persons in one occurrence, property damage liability insurance in the amount of \$1,000,000, and a policy providing umbrella coverage of at least \$3,000,000;

(iii) flood insurance, if the Premises is located in an area identified as having "special flood hazards" as such term is defined pursuant to applicable federal law;

(iv) income protection insurance or rental value insurance equal to 100% of the Project Rents for a period of indemnification of not less than one year

(including not less than 90 days after completion of any repairs or restoration of the Premises);

(v) workers' compensation insurance as required by the laws of the State of Missouri; and

(vi) fidelity insurance with a single loss limit of not less than \$100,000.

(b) The Proceeds of the insurance carried under this Section shall be applied as provided in Section 3.14. The Beneficiary does not represent in any way that the insurance specified herein or specified below, whether in scope, overall coverage or limits of coverage, is sufficient to protect the business or interests of the Grantor.

(c) Each insurance policy obtained in satisfaction of the foregoing requirements:

(i) shall be by an insurer or insurers rated Ax or higher by A.M. Best, Inc., and

(ii) shall be in such form and with such provisions (including, without limitation and where applicable, the loss payable clause, the waiver of subrogation clause, the deductible amount, if any, the standard mortgagee endorsement clause and provisions relieving the insurer of liability to the extent of minor claims and the designation of the named insureds) as are generally considered standard provisions for the type of insurance involved. Without limiting the generality of the foregoing, all insurance policies required under clauses (i) and (iii) of paragraph (a) of this Section shall contain a standard mortgagee clause in favor of the Beneficiary and the insurance policy required under clause (ii) of paragraph (a) of this Section shall name the Issuer and the Beneficiary as additional insureds.

(d) All such policies, or a certificate or certificates of the insurers that such insurance is in full force and effect, shall be deposited with the Beneficiary (together with receipts indicating that premiums are being paid in accordance with the terms of each such policy) and copies furnished to the Beneficiary and, prior to expiration of any such policy, the Grantor shall furnish the Beneficiary with a certificate confirming that such policy has been renewed or replaced or is no longer required by this Deed of Trust; provided, however, that the insurance so required may be provided by blanket policies now or hereafter maintained by the Grantor. The Beneficiary shall have no responsibility for monitoring compliance with the insurance requirements. All policies evidencing such insurance required to be obtained under the terms of this Deed of Trust shall provide for 30 days' prior written notice to the Grantor and the Beneficiary of any cancellation, reduction in amount or material change in coverage. Losses under such policies shall be adjusted by the Grantor.

(e) In the event the Grantor shall fail to maintain, or cause to be maintained, the full insurance coverage required by this Deed of Trust, the Beneficiary may (but shall be under no obligation to) contract for the required policies of insurance and pay the premiums

on the same; and the Grantor agrees to reimburse the Beneficiary to the extent of the amounts so advanced, with interest thereon at the Default Rate.

(f) In the event of a foreclosure of this Deed of Trust or any acquisition of the Premises by the Beneficiary, all such policies and any Proceeds payable therefrom, whether payable before or after a foreclosure sale or during the period of redemption, if any, shall become the absolute property of the Beneficiary to be utilized at its discretion. In an Event of Default, including, but not limited to, the failure of the Grantor to obtain and keep any required insurance, the Grantor empowers the Beneficiary to effect the above insurance upon the Premises at the Grantor's expense and for the benefit of the Beneficiary in the amounts and types aforesaid for a period of time through any period of redemption from foreclosure sale and, if necessary therefor, to cancel any or all existing insurance policies. Once every three years, the Grantor agrees to cause its insurance coverage to be re-appraised by a reputable insurance agent with at least five years' experience in insurance for multifamily apartments (the "Insurance Consultant") and shall furnish the Beneficiary copies of the reappraisal reports and insurance recommendations and agrees to obtain additional coverage as required by the reappraisal reports and insurance recommendations.

(g) The following notice is provided pursuant to Section 427.120, R.S.Mo. As used herein, "you" means the Grantor and "we" means the Beneficiary:

**Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.**

**Section 3.11. Escrows.** If an Event of Default has occurred under this Deed of Trust or the Loan Agreement, at the request of the Beneficiary, the Grantor shall pay, or cause to be paid, to the Beneficiary, at the times and in such amounts required under the Loan Agreement, as a deposit to pay the costs of real estate taxes, assessments and insurance premiums next due ("Charges"), an amount to be sufficient to pay the Charges 15 days in advance of when due. The first payment shall include such sums which, together with the monthly payments next to be made, will equal the annual Charges 15 days in advance of when due. In the event the deposits on hand shall not be sufficient to pay all of the Charges 15 days in advance of when the same shall become due from time to time, or

the prior deposits shall be less than the currently estimated monthly amounts, then at the request of the Beneficiary, the Grantor shall pay to the Beneficiary, on demand of the Beneficiary, any amount necessary to make up the deficiency. The excess of any such deposits shall be credited to subsequent payments to be made for such items. If an Event of Default shall occur under the terms of this Deed of Trust, at the Beneficiary's sole option, the deposits made to the Beneficiary shall be transferred to the Bond Fund. All deposits are hereby pledged as additional security for the Indebtedness Secured Hereby and shall be held for the purposes set forth in this paragraph. The Grantor shall promptly deliver, or provide for delivery of, each real estate tax statement for the Premises to the Beneficiary.

**Section 3.12. *Damage or Destruction of the Premises.*** The Grantor shall give the Beneficiary prompt notice of any damage to or destruction of the Premises causing a loss in excess of \$50,000. All losses shall be adjusted as provided in Section 3.10. Any reasonable expense incurred by the Beneficiary in the adjustment and collection of insurance proceeds, including the cost of any independent appraisal of the loss or damage on behalf of the Beneficiary, shall be reimbursed to the Beneficiary first out of any proceeds and second by the Grantor. The Proceeds shall be deposited and disbursed as set forth in Section 3.14.

**Section 3.13. *Condemnation.*** The Grantor shall give the Beneficiary prompt notice of any actual or threatened condemnation or eminent domain proceedings affecting the Premises and hereby assigns, transfers and sets over to the Beneficiary the entire proceeds of any award or claim for damages or settlement in lieu thereof for all or any part of the Premises taken or damaged under such eminent domain or condemnation proceedings, the Beneficiary being hereby authorized to intervene in any such action and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Unless any condemnation award will be sufficient to discharge the Indenture, the Grantor will not enter into any agreements with the condemning authority permitting or consenting to the taking of the Premises or agreeing to a settlement unless the prior written consent of the Beneficiary (to be given at the direction of the Sole Bondowner) is obtained. Any reasonable expenses incurred by the Beneficiary in intervening in such action or collecting such proceeds, including reasonable attorneys' fees, shall be reimbursed to the Beneficiary first out of the proceeds and second by the Grantor. The Proceeds shall be deposited and disbursed as set forth in Section 3.14.

**Section 3.14. *Disposition and Disbursement of Insurance and Condemnation Proceeds.*** The Grantor shall have the option to receive, hold and apply insurance or condemnation Proceeds to the extent such Proceeds are less than or equal to \$50,000 per occurrence or \$100,000 per calendar year in the aggregate. The Grantor may apply such Proceeds to the restoration or repair of the Premises, provided that any Proceeds not so applied shall be deposited to the Project Fund established under the Indenture and applied in accordance with Section 507 of the Indenture. The Grantor shall provide an accounting to the Beneficiary of the use of such Proceeds promptly upon the completion of the repair and restoration.

If the amount of any casualty or condemnation loss is greater than \$100,000 per occurrence or \$200,000 per calendar year in the aggregate, the Proceeds shall be deposited in the Project Fund established under the Indenture and applied in accordance with Section 403 of the Indenture. Any Proceeds not required to repair or restore the Premises (as certified by the Grantor to the Beneficiary) will be applied by the Beneficiary to the purpose described in Section 403 of the Indenture. If at any time during the repair or restoration, the Proceeds are less than the estimated cost to restore or repair the Project, the Grantor shall transfer to the Beneficiary for deposit into the Project Fund the amount of such shortfall.

Notwithstanding the foregoing provisions of this Section, if the sum of the Proceeds and moneys on deposit in the Funds and Accounts under the Indenture is equal to or greater than the principal amount of Bonds Outstanding and accrued interest, then the Grantor shall have the option to direct the redemption of the Bonds in whole pursuant to the Indenture.

#### **ARTICLE IV. HAZARDOUS SUBSTANCES**

**Section 4.1. *General Covenant Relating to Hazardous Substances.*** The Grantor covenants, represents and warrants to the Beneficiary, its successors and assigns, that, to the best of Grantor's knowledge and except as disclosed in the Area-Wide Phase I Environmental Site Assessment dated September 30, 2022, prepared by New Horizons Enterprises, LLC, the Premises and their prior and existing uses have at all times complied with and will comply with, and the Grantor has not violated, is not in violation and will not violate, in connection with the ownership, use, maintenance or operation of the Premises and the conduct of the business related thereto, any applicable federal, state, county or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to asbestos, underground storage tanks and other environmental matters (being hereinafter collectively referred to as the "Environmental Laws"), including, by way of illustration and not by way of limitation, (i) the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, and the Toxic Substances Control Act (including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to any of said Environmental Laws) and (ii) all other applicable environmental standards or requirements. Without limiting the generality of the foregoing:

- (i) except in the ordinary course of business, and then in compliance with all Environmental Laws and at all times not above any *de minimis* non-reportable levels, the Grantor, its agents, employees and independent contractors (a) have and will operate the Premises and have and at all times will receive, handle, use, store, treat, transport and dispose of all oil or other petroleum products and all other toxic, dangerous or hazardous chemicals, materials, substances, pollutants and wastes, and any chemical, material or substance exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority or which, even if not so prohibited, limited or regulated, may or could pose a hazard to the health and safety of the occupants of the Premises or the

occupants and/or owners of property near the Premises (all the foregoing being hereinafter collectively referred to as “Hazardous Materials”) in strict compliance with all applicable environmental, health or safety statutes, ordinances, orders, rules, standards, regulations or requirements and (b) have removed from the Premises all Hazardous Materials;

(ii) there are no existing or pending statutes, orders, standards, rules or regulations relating to environmental matters requiring any remedial actions or other work, repairs, construction or capital expenditures with respect to the Premises, nor has the Grantor received any notice of any of the same;

(iii) no Hazardous Materials have been or will be released into the environment, or have been spilled, discharged or disposed of at, on or near the Premises except as previously disclosed in writing to the Beneficiary by or on behalf of the Grantor, nor have or will the Premises be used at any time by any person as landfill or a disposal site for Hazardous Materials or for garbage, waste or refuse of any kind, except for certain materials that have been previously disclosed in writing to the Beneficiary by or on behalf of the Grantor;

(iv) there are no electrical transformers or other equipment containing dielectric fluid containing polychlorinated biphenyls located in, on or under the Premises, nor is there any friable asbestos contained in, on or under the Premises, nor will the Grantor permit the installation of same;

(v) except in the ordinary course of business, and then in compliance with all Environmental Laws, there are no locations off the Premises where Hazardous Materials generated by or on the Premises have been treated, stored, deposited or disposed of;

(vi) there are no underground storage tanks nor, to the best of the Grantor’s knowledge, have any been removed from the Premises;

(vii) no notices of any violation of any of the matters referred to in the foregoing sections relating to the Premises or their use have been received by the Grantor and there are no writs, injunctions, decrees, orders or judgments outstanding, and no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Premises, nor is there any basis for any such lawsuit, claim, proceeding or investigation being instituted or filed; and

(viii) the Premises are not listed in the United States Environmental Protection Agency’s National Priorities List of Hazardous Waste Sites nor any other log, list, schedule, inventory or record of Hazardous Materials or Hazardous Waste sites, whether maintained by the United States or any state or local governmental unit.

(b) The Grantor shall deliver to the Beneficiary on each May 1, commencing May 1, 2023, a certificate to the effect that the above representations continue to be true.

(c) With the exception of the representations and warranties above regarding the non-receipt of notice by the Grantor described in subparagraph (a)(ii) above, the absence of underground storage tanks on the Premises as of the date hereof described in subparagraph (a)(vi) above, the absence of notices of violations described in subparagraph (a)(vii) above and the non-inclusion of the Premises on the various lists described in subparagraph (a)(viii) above, all statements by the Grantor as set forth in this Section 4.1 as to past or existing facts shall be deemed representations and warranties made to the best of the Grantor's knowledge after having made due inquiry. All other statements of past or existing facts shall be deemed representations and warranties by the Grantor, without limitation, based upon actual knowledge or inquiry. All such statements regarding future acts to be performed or refrained from shall be deemed covenants to be complied with by the Grantor, without limitation based upon knowledge or inquiry. For purposes of this Section, inquiry means a review of the Phase I Environmental Site Assessment.

**Section 4.2. *Environmental Indemnification.*** The Grantor agrees to indemnify and reimburse the Mortgage Trustee, the Beneficiary and the Bondowners, their successors and assigns, for any breach of these representations and warranties and from any liability, penalty, loss, damage, expense or cost arising out of or incurred by the Mortgage Trustee, the Beneficiary or the Bondowners which is the result of a breach of, misstatement of or misrepresentation of the above covenants, representations and warranties, or for any liability, penalty, loss, damage, expense or cost sustained as a result of there being located on the Premises any Hazardous Materials or dangerous, toxic or hazardous pollutants, chemicals, wastes or substances, together with all attorneys' fees incurred in connection with the defense of any action against the Beneficiary arising out of the above. These covenants, representations, warranties and indemnities shall be deemed continuing covenants, representations, warranties and indemnities running with the Land for the benefit of the Mortgage Trustee and the Beneficiary, and their successors and assigns, including any purchaser at a foreclosure sale, any transferee of the title of the Mortgage Trustee or the Beneficiary or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Premises claiming through or under the title of the Mortgage Trustee or the Beneficiary, shall survive any foreclosure of this Deed of Trust, any acquisition of title of the Mortgage Trustee or the Beneficiary and the resignation or removal of the Mortgage Trustee and/or the Beneficiary. The amount of all such indemnified loss, damage, expense or cost shall bear interest thereon at the Default Rate, and shall become so much additional Indebtedness Secured Hereby and shall become immediately due and payable in full on demand of the Mortgage Trustee or the Beneficiary, their successors and assigns. The indemnification contained in this Section shall be a personal monetary obligation of the Grantor.



## **ARTICLE V. LEASES AND RENTS**

**Section 5.1. *Grantor to Comply with Leases.*** The Grantor will, at its own cost and expense:

(i) faithfully abide by, perform and discharge each and every obligation, covenant and agreement to be performed by the Grantor as landlord under any leases, written or oral, now in existence or hereafter arising, for the use or occupancy of all or any portion of the Premises (collectively, the “Leases”);

(ii) enforce or secure the performance of each and every material obligation, covenant, condition and agreement of the Leases by the tenants thereunder to be performed;

(iii) except in connection with the Permitted Encumbrance or the Indebtedness Secured Hereby, not borrow against, pledge or further assign any rentals due under the Leases;

(iv) neither (1) permit the prepayment of any rents due under any Lease for more than 30 days in advance or for more than the next accruing installment of rents, nor (2) anticipate, discount, compromise, forgive or waive any such rents except as permitted by subparagraph (vii) below;

(v) not waive, excuse, condone or in any manner release or discharge any tenants of or from the obligations, covenants, conditions and agreements by said tenants to be performed under the Leases;

(vi) not permit any tenant to assign or sublet its interest in its Lease unless required to do so by the terms of the Lease and then only if such assignment does not work to relieve the tenant of any liability for payment of and performance of its obligations under the Lease;

(vii) not terminate any Lease or accept a surrender thereof or a discharge of the tenant unless required to do so by the terms of its Lease or in connection with a settlement of such Lease or unless the Grantor and the tenant shall have executed a new Lease effective upon such termination for the same term at a rental not less than as provided in the terminated Lease and on terms no less favorable to the landlord than as in the terminated Lease;

(viii) not consent to a subordination of the interest of any tenant to any party other than the Beneficiary; and

(ix) not amend or modify any Lease or alter in any material respect the obligations of the parties thereunder.

(b) Notwithstanding anything contained in this Article V, the Grantor may engage in the activities described in subparagraphs (a)(v), (vi), (vii) and (ix) but only in the ordinary and prudent course of business with due regard for the security afforded the Beneficiary by the Loan Agreement and otherwise in compliance with the provisions of Section 2.3.

**Section 5.2. *Beneficiary's Right to Perform Under Leases.*** Should the Grantor fail to perform, comply with or discharge any obligations of the Grantor under any Lease or should the Beneficiary become aware of or be notified by any tenant under any Lease of a failure on the part of the Grantor to so perform, comply with or discharge its obligations under the Lease, the Beneficiary, after 30 days written notice to the Grantor, may, but shall not be obligated to, and without further demand upon the Grantor, and without waiving or releasing the Grantor from any obligation in this Deed of Trust contained, remedy such failure, and the Grantor agrees to repay upon demand all sums expended and costs incurred by the Beneficiary in remedying any such failure, together with interest at the Default Rate. All such sums, together with interest as aforesaid, shall become so much additional Indebtedness Secured Hereby, but no such advance shall be deemed to relieve the Grantor from any Default hereunder. The Beneficiary shall not be required to make advances as set forth in the Indenture.

**Section 5.3. *Assignment of Leases and Rents.*** The Grantor hereby sells, assigns and transfers to the Beneficiary all of the Leases, rents, income and profits now due and which may hereafter become due under or by virtue of any Lease, whether written or oral, or any agreement for the use or occupancy of the Premises, it being the intention of this Deed of Trust to establish an absolute transfer and assignment of all such Leases and agreements and all of the rents, income, profits and benefits accruing from the Premises unto the Beneficiary, and the Grantor does hereby appoint irrevocably the Beneficiary its true and lawful attorney in its name and stead, which appointment is coupled with an interest to collect and retain all of the rents, income, profits and benefits accruing from the Premises, provided the Beneficiary grants the Grantor the revocable privilege to collect and retain the rents, income, profits and benefits accruing from the Premises unless and until a Loan Agreement Payment Default (as such term is defined in the Indenture) exists under this Deed of Trust.

(b) Upon a Loan Agreement Payment Default, and whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale of the Premises or during any period of redemption, the Beneficiary, without regard to waste, adequacy of the security or solvency of the Grantor, may revoke the privilege granted the Grantor hereunder to collect the rents, issues and profits of the Premises, and may, at its option, without notice:

(i) in person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require the Grantor to give, notice to any or all tenants under any Lease authorizing and directing the tenant to pay such rents and profits to the Beneficiary; collect all of the rents, issues and profits; enforce the payment thereof and exercise all of the

rights of the landlord under any Lease and all of the rights of the Beneficiary hereunder; may enter upon, take possession of, manage and operate the Premises or any part thereof; may cancel, enforce or modify any Lease, and fix or modify rents, and do any acts which the Beneficiary deems proper to protect the security hereof with or without taking possession of the Premises; or

(ii) apply for the appointment of a receiver in accordance with the statutes and law made and provided for, which receivership the Grantor hereby consents to, who shall collect the rents, profits and all other income of any kind; manage the Premises so as to prevent waste; execute leases within or beyond the period of receivership and apply the rents, profits and income in the following order:

(1) to payment of all reasonable fees, charges and expenses of any receiver appointed hereunder, the Beneficiary and the Mortgage Trustee;

(2) to application of tenants' security deposits as required by Missouri law;

(3) to payment when due of prior or current real estate taxes or special assessments with respect to the Premises or to the periodic escrow for payment of the taxes or special assessments then due;

(4) to payment when due of premiums for insurance of the type required by this Deed of Trust or, if this Deed of Trust so requires, to the periodic escrow for the payment of premiums then due;

(5) to payment of all expenses for normal maintenance of the Premises; and

(6) if received prior to a foreclosure sale, payment to the Beneficiary for deposit into the Revenue Fund for application as provided for therein, provided if the Premises shall be foreclosed and sold pursuant to a foreclosure sale and if the Beneficiary is the purchaser at the foreclosure sale, the rents shall be paid to the Beneficiary to be applied to the extent of any deficiency remaining after the sale, the balance to be retained by the Beneficiary and, if the Premises are redeemed by the Grantor or any other party entitled to redeem, to be applied as a credit against the redemption price provided, if the Premises are not redeemed, any remaining excess rents shall be paid to the Beneficiary and deposited in the Revenue Fund for application as provided therein, whether or not a deficiency exists.

(c) The entering upon and taking possession of the Premises, the collection of such rents and profits and the application thereof as aforesaid shall not cure or waive any defaults under this Deed of Trust or in any way operate to prevent the Beneficiary from pursuing any other remedy which it may now or hereafter have under the terms of this Deed of Trust nor shall it in any way be deemed to constitute the Beneficiary a mortgagee-

in-possession. The rights and powers of the Beneficiary hereunder shall remain in full force and effect both prior to and after any foreclosure of this Deed of Trust and any sale pursuant thereto and until expiration of the period of redemption from said sale, regardless of whether a deficiency remains from said sale. The purchaser at any foreclosure sale, including the Beneficiary, shall have the right, at any time and without limitation as provided in Missouri law, to advance money to any receiver appointed hereunder to pay any part or all of the items which the receiver would otherwise be authorized to pay if cash were available from the Premises and the sum so advanced, with interest at the Default Rate, shall be a part of the sum required to be paid to redeem from any foreclosure sale. The rights hereunder shall in no way be dependent upon and shall apply without regard to whether the Premises are in danger of being lost, materially injured or damaged or whether the Premises are adequate to discharge the Indebtedness Secured Hereby. The rights contained herein are in addition to and shall be cumulative with the rights given in any separate instrument, if any, assigning any Leases, rents and profits of the Premises and shall not amend or modify the rights in any such separate agreement. The Beneficiary shall not be required to make any advances as set forth in the Indenture.

## **ARTICLE VI. SECURITY AGREEMENT**

**Section 6.1. *Security Agreement.*** This Deed of Trust, in addition to being a first lien on real estate, is also a security agreement under the Uniform Commercial Code of the State of Missouri (the “Commercial Code”) by and between the Grantor, as debtor, and the Beneficiary, as the secured party, upon all Personal Property, including, without limitation, any collateral listed on any schedule of collateral attached hereto, and creates a prior security interest in and a first lien on all Personal Property until the Indebtedness Secured Hereby is paid in full. Any Personal Property installed in or used in the Premises is to be used by the Grantor solely for the Grantor’s business purposes or as the equipment and fixtures leased or furnished by the Grantor, as landlord, to tenants of the Premises, and such Personal Property will be kept at the buildings on the Premises and will not be removed therefrom without the consent of the Beneficiary and may be affixed to such buildings but will not be affixed to any other real estate.

**Section 6.2. *Financing Statements.*** The Grantor will file all financing statements necessary to establish and perfect the Beneficiary’s security interest in the Personal Property and will subsequently deliver all financing statements that may from time to time be required by law or as requested by the Beneficiary to establish, perfect and continue the priority of the Beneficiary’s security interest in the Personal Property and shall pay all expenses incurred by the Beneficiary in connection with the renewal or extensions of any financing statements executed in connection with the Premises, shall give advance written notice of any proposed change in the Grantor’s name, identity or structure and will execute and deliver to the Beneficiary prior to or concurrently with such change all additional financing statements that are required to establish and perfect the priority of the Beneficiary’s security interest.

**Section 6.3. *Remedies of the Beneficiary with Respect to the Personal Property.***

(a) Upon the occurrence of any Event of Default, the Beneficiary will have all rights and remedies granted by law, and particularly by the Commercial Code, including, without limitation, the right to take possession of all Personal Property, and for this purpose the Beneficiary may enter upon any premises on which any or all of the Personal Property is situated and take possession of and operate the Personal Property (or any portion thereof) or remove it therefrom. The Beneficiary may require the Grantor to assemble the Personal Property or any part thereof and make it available to the Beneficiary at a place to be designated by the Beneficiary that is reasonably convenient to all parties. Unless the Personal Property or any part thereof is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Beneficiary will give the Grantor reasonable notice of the time and place of any public sale or reasonable notification of the time after which a private sale of such Personal Property is to be made. This requirement of sending reasonable notice will be met if the notice is given to the Grantor as herein provided at least 10 days before the time of the sale or disposition.

(b) The remedies of the Beneficiary hereunder are cumulative and separate, and the exercise of any one or more of the remedies provided for herein or under the Commercial Code shall not be construed as a waiver of any of the other rights of the Beneficiary, including having any Personal Property deemed part of the realty upon any foreclosure thereof. If notice to any party of the intended disposition of the Personal Property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least 10 days prior to such intended disposition and may be given by advertisement in a newspaper accepted for legal publications either separately or as part of a notice given to foreclose the Real Property or any portion thereof or may be given by private notice if such parties are known to the Beneficiary. Neither the grant of a security interest pursuant to this Deed of Trust nor the filing of a financing statement pursuant to the Commercial Code shall ever impair the stated intention of this Deed of Trust that all Personal Property comprising the Premises, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the real property mortgaged hereunder, irrespective of whether such item is physically attached to the real property or any such item is referred to or reflected in a financing statement.

**Section 6.4. *Maintenance of Personal Property.*** Subject to the provisions of this Section, in any instance where the Grantor in its sound discretion determines that any Personal Property subject to a security interest under this Deed of Trust has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary for the operation of the Premises, the Grantor may, at its expense, remove and dispose of it and substitute and install other items having the same function, provided that such removal and substitution shall not impair the operating utility and unity of the Premises or the value of the Premises. All substituted items shall become a part of the Premises and subject to the lien of this Deed of Trust. Any amounts received or allowed the Grantor upon the sale or other disposition of the removed items of Personal Property shall be applied first against the cost of acquisition and installation of the substituted items. Nothing herein contained shall be construed to prevent any tenant from removing from the Premises trade fixtures, furniture and equipment installed by the tenant and removable by the tenant under the terms of its

lease, on the condition, however, that the tenant shall, at its own cost and expense, repair any and all damage to the Premises resulting from or caused by the removal thereof.

**Section 6.5. *Fixture Filing.*** THIS DEED OF TRUST SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO ALL GOODS CONSTITUTING A PART OF THE COLLATERAL WHICH ARE OR ARE TO BECOME FIXTURES RELATED TO THE PREMISES. FOR PURPOSES OF THE COMMERCIAL CODE, THE FOLLOWING INFORMATION IS FURNISHED:

(a) The name and address of the record owner of the real estate described in this Deed of Trust and the Grantor, as Debtor is:

PG/PGN, LP  
Attention: Brian Collins  
c/o Dromara Development, LLC  
3619 E. 35<sup>th</sup> Street  
Kansas City, Missouri 64128

The name and address of the Beneficiary as Secured Party is:

UMB Bank, N.A.  
928 Grand, 12<sup>th</sup> Floor  
Kansas City, Missouri 64106  
Attention: Corporate Trust Department

(b) Information concerning the security interest evidenced by this Deed of Trust may be obtained from the Secured Party at its address above; and

(c) This document covers goods that are or are to become fixtures.

**Section 6.6. *Grantor To Comply with Prior Security Instruments.*** The Grantor shall at its sole cost and expense perform, comply with and discharge all obligations of the Grantor under any prior secured financing arrangements (whether lease purchase, conditional sales or pure lease arrangements) for any property subject to this security interest. The Grantor shall not permit a surrender, assignment or transfer of its interest in any such property or permit or suffer a default to exist under such prior financing arrangements.

## ARTICLE VII. REMEDIES UPON HAPPENING OF DEFAULT

**Section 7.1. *Remedies Exercisable by Beneficiary.*** If an Event of Default exists, after any applicable notice and cure period, the Beneficiary may take any one or more of the following actions:

(i) Take any one or more of the remedial steps set forth in the Indenture or any of the Loan Documents.

(ii) Declare any or all of the Indebtedness Secured Hereby to become immediately due and payable in full.

(iii) Without notice or demand, institute suit or take any other action at law or in equity to enforce the rights of the Beneficiary to the extent permitted by the law, including, to the extent so permitted, the enforcement of the payment of the Indebtedness Secured Hereby or performance of the Grantor's obligations hereunder, by action at law or by suit in equity, to foreclose this Deed of Trust, or both, concurrently or otherwise, and one action or suit shall not abate or be a bar to or waiver of the Beneficiary's right to institute or maintain the other, provided the Beneficiary shall have only one full payment and satisfaction of said obligations. The extension of this right and option to the Beneficiary shall in no way be construed as limiting or in any other way affecting the power of sale under Section 7.2 or the rights provided under Article VI.

(iv) Personally, or by its agents or attorneys, enter into and upon all or any part of the Premises and exclude the Grantor, its agents and servants wholly therefrom and, having and holding the same, use, occupy and control the Premises, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, at the expense of the Premises or the Grantor, from time to time, either by purchase, repairs or construction, maintain and restore the Premises, complete the construction or development of the improvements and, in the course of such completion, make such changes in the contemplated improvements as it may deem desirable and insure the same, make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable, manage and operate the Premises and exercise all rights and powers of the Grantor with respect thereto, either in the name of the Grantor or otherwise as it shall deem best, collect and receive all earnings, revenues, rents, issues, profits and income of the Premises and every part thereof, and after deducting the reasonable expenses of conducting the business thereof and all maintenance, repairs, renewals, replacements, alterations, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Premises, or any part thereof, as well as just and reasonable compensation for the services of the Beneficiary and for all attorneys, counsel, agents, clerks, servants and other employees properly engaged and employed by it, the Beneficiary shall apply the money arising as aforesaid as set forth in Section 7.6. The Beneficiary shall have no obligation to make advances as set forth in the Indenture.

(v) Direct the Mortgage Trustee to sell the Premises or any part thereof in accordance with the power of sale under Section 7.2.

(vi) Exercise any of the rights and remedies of a secured party under the Commercial Code or other applicable laws and require the Grantor to assemble any

collateral covered hereby and make it available to the Beneficiary at a place to be designated by the Beneficiary that is reasonably convenient to both parties.

(vii) Without notice to the Grantor, to apply at any time to a court having jurisdiction thereof for the appointment of a receiver of the Premises or any part thereof and of all rents, incomes, profits, issues and revenues thereof, from whatever source derived; and thereupon it is hereby expressly covenanted and agreed that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases; and said appointment shall be made by the court ex parte as a matter of strict right to the Beneficiary, and without reference to the adequacy or inadequacy of the value of the Premises, or to the solvency or insolvency of the Grantor or any party defendant to such suit. The Grantor hereby specifically waives the right to object to the appointment of a receiver as aforesaid and hereby expressly consents that such appointment shall be made ex parte and without notice to the Grantor as an admitted equity and as a matter of absolute right to the Beneficiary. In order to maintain and preserve the Premises and to prevent waste and impairment of its security, the Beneficiary may, at its option, advance moneys to the appointed receiver and all such sums advanced shall become secured obligations and shall bear interest from the date such payment was due to be paid by the Grantor at the Default Rate.

(b) The Beneficiary shall have the right from time to time to take action to recover any portion of the Indebtedness Secured Hereby, as the same becomes due, without regard to whether or not all obligations secured hereby shall be due, and without prejudice to the right of the Beneficiary thereafter to bring an action of foreclosure, or any other action, or commence foreclosure proceedings under the power of sale under Section 7.2, for an Event of Default or Events of Default existing at the time such earlier action was commenced.

**Section 7.2. *Power of Sale; Purchase by Beneficiary.General.*** If an Event of Default has occurred and is continuing, the Mortgage Trustee, or the agent or successor of the Mortgage Trustee, at the request of the Beneficiary, shall have the right and option to invoke any or all rights and remedies provided for herein or in any other instruments securing payment of the Indebtedness Secured Hereby, including enforcing this Deed of Trust by selling all or any part of the Premises, including the Real Property constituting a portion thereof, as provided in this Article VII. In addition, upon the occurrence of any such Event of Default, the Beneficiary shall have the option, without declaring the entire Indebtedness Secured Hereby due, to proceed with foreclosure through the courts, conducting the sale as hereinafter provided. The Beneficiary shall have the right to require an environmental assessment or an assessment under the Americans with Disabilities Act of 1990 prior to exercising its power to proceed with foreclosure and the Grantor hereby authorizes reimbursement of all reasonable fees and expenses incurred in connection with any assessment from the proceeds of the foreclosure sale or other amounts held by the Beneficiary for the benefit of the Grantor. In the event the Beneficiary is entitled or required to commence an action or otherwise exercise remedies to acquire control or possession of any or all of the Project, the Beneficiary shall not be required to commence



any such action or exercise any such remedy if the Beneficiary has determined in good faith that it may incur liability under an Environmental Law as the result of the presence at or release on or from the Project of any Hazardous Material or under the Americans with Disabilities Act of 1990 unless the Beneficiary has received security or indemnity, from a person, in an amount and in a form all satisfactory to the Beneficiary in its sole discretion, protecting the Beneficiary from all such liability.

(b) *Sale of Premises.* The Mortgage Trustee, at the request of Beneficiary, shall proceed to sell, either by himself or by agent or attorney, the Premises or any part thereof at public venue or outcry at the customary place to the highest bidder for cash after first giving notice as required by the statutes of the State of Missouri and upon such sale the Mortgage Trustee shall receive the proceeds of such sale and shall execute and deliver deed or deeds or other instruments of conveyance, assignment and transfer to the property sold, to the purchaser or purchasers thereof. In addition, the Mortgage Trustee and/or Beneficiary may proceed by suit or suits at law or in equity to enforce the Indebtedness Secured Hereby to foreclose this Deed of Trust and/or pursue any other remedy available to it at law or in equity and in such event Mortgage Trustee shall be entitled to a reasonable fee for his services and Mortgage Trustee and Beneficiary shall be entitled to a reasonable fee for the services of their attorneys and agents, and for all expenses, costs and outlays. The Beneficiary from time to time may sell or otherwise dispose of any personal property encumbered hereby at public or private sales in such place and manner as Beneficiary shall elect. If notice of such sale is required by law, such notice shall be deemed reasonable and proper if mailed at least 10 days before such sale to the Grantor at the Grantor's last address shown on Beneficiary's records, whether or not such notice is actually received or accepted.

(c) *Manner of Sale.* In any sale or sales made by Mortgage Trustee under the power herein granted, or upon any sale or sales under or by virtue of any judicial proceedings: (i) the whole of the Premises, real, personal and mixed, may be sold in one parcel as an entirety, or the Premises may be sold in separate parcels as may be determined by Mortgage Trustee in his discretion; (ii) all recitals contained in any deed or other instrument of conveyance, assignment or transfer made and delivered by Mortgage Trustee in pursuance of the powers granted and conferred herein, shall be prima facie evidence of the facts therein set forth; (iii) such sale or sales shall operate to divest the Grantor of all right, title, interest, claim and demand, either at law or in equity, under statute or otherwise, in and to the Premises and every part thereof so sold and shall be a perpetual bar, both in law or equity, against the Grantor and any and all persons claiming or to claim from, through or under the Grantor; and (iv) Beneficiary may bid for and purchase the Premises or any part thereof and may make payment therefor by presenting to the Mortgage Trustee the Note and other Loan Documents secured hereby or the other evidences of the Indebtedness Secured Hereby so that there may be endorsed as paid thereon the amount of such bid which is to be applied to the payment of the Indebtedness Secured Hereby as herein provided. Each time it shall become necessary to insert an advertisement of foreclosure, and sale is not had, the Mortgage Trustee shall be entitled to receive its customary fee, which shall not be less than the sum of One Hundred Dollars (\$100.00) for services and the amount of all advertising charges from the Grantor, all of which shall be further secured hereby. Upon the foreclosure and/or sale of the Premises, or any part

thereof, the proceeds of such sale or sales shall be applied as follows: First, to the cost and expense of executing this trust, including reasonable compensation of the Mortgage Trustee and reasonable attorneys' fees and expenses, outlays for documentary stamps, cost of procuring title insurance commitments, continuing abstracts, title searches or examinations reasonably necessary or proper; next, to the payment of any and all advances made by the Mortgage Trustee or Beneficiary as provided for herein, with interest thereon as hereinabove provided; next, to the payment of the balance of the Indebtedness Secured Hereby, with interest thereon as therein provided, in such order as Beneficiary shall determine; and any surplus thereafter shall be paid to the Grantor or any other party legally entitled thereto.

(d) *Waiver of Rights.* The Grantor shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, and hereby waives the benefit of such laws. The Grantor, for itself, its successors and assigns, hereby wholly waives the period of redemption and any right of redemption provided under any existing or future law in the event of a foreclosure of this Deed of Trust. The Grantor, for itself and all who may claim through or under it, hereby waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and hereby agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. The Grantor hereby waives any order or decree of foreclosure, pursuant to the rights herein granted, on behalf of the Grantor, and each and every person acquiring any interest in or title to the Premises, subsequent to the date of this Deed of Trust, and on behalf of all other persons to the extent permitted by applicable law.

(e) *Application of Proceeds; Effect of Sale.* The proceeds of such sale shall be applied as provided in Section 606 of the Indenture. Payment of the purchase price to the Beneficiary shall satisfy the obligation of the purchaser at such sale therefor, and such purchaser shall not be bound to look after the application thereof. Notwithstanding the foregoing, if any person or party other than the then owners of the Premises shall notify the Beneficiary of a claim to said sums or any part thereof prior to disbursement thereof by the Beneficiary, then the Beneficiary, at its option, may interplead all or any part of said funds into a court of competent jurisdiction and, in such event, the Beneficiary shall be entitled to recover from such sums so deposited an amount equal to the reasonable attorneys' fees and other reasonable costs, charges and expenses incurred by it, in connection with such proceedings, to the full extent permitted by all applicable laws. Such sale shall forever be a bar against the Grantor, its successors and assigns and all other persons claiming under any of them from making any claims against the Premises. It is expressly agreed that the recitals in each conveyance to the purchaser shall be full evidence of the truth of the matters therein stated, and all lawful prerequisites to said sale shall be conclusively presumed to have been performed.

(f) *Abandonment of Sale.* If foreclosure should be commenced by the Mortgage Trustee, the Mortgage Trustee, at the request of the Beneficiary, may at any time before the sale abandon the sale, and may at any time or times thereafter again commence

foreclosure or, irrespective of whether foreclosure is commenced, the Beneficiary may at any time after the occurrence of an Event of Default institute suit for collection of all or any part of the Indebtedness Secured Hereby or foreclosure of the lien of this Deed of Trust or both. If the Beneficiary should institute suit for collection of the Indebtedness Secured Hereby and foreclosure of the lien of this Deed of Trust, the Beneficiary may at any time before the entry of final judgment dismiss the same and sell the Premises, or any part thereof, in accordance with the provisions hereof.

(g) *Right To Purchase.* The Beneficiary shall have the right, but in no event the obligation, to become the purchaser at any sale made hereunder, being the highest bidder, and credit upon all or any part of the Indebtedness Secured Hereby shall be deemed cash paid for the purpose of this Article.

(h) *Surrender of Possession.* In the event that there be a trustee's sale hereunder, and, if at the time of such sale, the Grantor or its successors or assigns is or are occupying the part of the Premises so sold, each and all shall immediately surrender and deliver possession of the part of the Premises so sold to the purchaser at such sale and, in the event of their failure to do so, they shall thereupon become the tenant of the purchaser at such sale, which tenancy shall be a tenancy at sufferance, terminable at the will of such purchaser as landlord, at a rental per day determined by such purchaser, such rental to be due and payable daily to such purchaser. An action of forcible entry and detainer and any other legal proceedings may be brought by any purchaser if the tenant holds over after a demand in writing for possession of any part of the Premises, and this Deed of Trust and the trustee's deed delivered at such sale shall constitute the lease and agreement under which any such tenant's possession arose.

**Section 7.3. *No Remedy Exclusive.*** No remedy conferred upon or reserved to the Beneficiary herein or in any other document or instrument evidencing, securing or otherwise relating to the Indebtedness Secured Hereby is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every remedy given to the Beneficiary or now or hereafter existing at law or in equity or by statute. No delay or omission of the Beneficiary to exercise any right or power accruing upon any Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or any acquiescence therein, and every power and remedy given by this Deed of Trust or the Loan Documents to the Beneficiary may be exercised from time to time as often as may be deemed expedient by the Beneficiary. Nothing in this Deed of Trust or in the Loan Documents or any other document or instrument evidencing, securing or otherwise relating to the Indebtedness Secured Hereby shall affect the obligation of the Grantor to pay the Note.

**Section 7.4. *Advances by Beneficiary.*** The Beneficiary may, in its sole discretion, and without waiving its right to exercise any remedies under this Deed of Trust, pay, either before or after delinquency, any or all of those certain obligations required by the terms hereof and by the terms of the Loan Documents to be paid by the Grantor for the protection of the Premises or for the collection of the Indebtedness Secured Hereby. All sums so advanced by the Beneficiary shall bear interest from the date any such sums were

due until paid by the Grantor at the Default Rate, and shall become a part of the original Indebtedness Secured Hereby and shall be secured by this Deed of Trust. The Beneficiary shall have no obligation to make advances as set forth in the Indenture.

**Section 7.5. *Payment of Costs, Charges, Etc.*** The Grantor agrees to pay all fees, charges and expenses incurred in the procuring and making of this Deed of Trust or in the perfection of the lien and security interest hereof, including, without limitation, fees and expenses relating to the examination of title to the Premises, title insurance premiums, costs and expenses; surveys; recording, documentary, transfer, registration or similar fees or taxes; architects', engineers' and other similar fees; and attorneys' fees. The Grantor agrees to pay all and singular the reasonable costs, charges and expenses, including attorneys' fees and abstract costs, with interest thereon at the Default Rate, reasonably incurred or paid at any time by the Beneficiary because of the failure of the Grantor to perform, comply with and abide by each and every one of the agreements, conditions and covenants of the Loan Documents, the Bonds, this Deed of Trust or any other document evidencing, securing or otherwise relating to the Indebtedness Secured Hereby. In addition, the Grantor agrees to pay all and singular the reasonable costs, charges and expenses, including attorneys' fees, billed on an hourly basis, incurred or paid at any time by the Issuer or the Beneficiary in connection with the consideration of any requests by the Grantor for the Beneficiary's consent or approval of any matter set forth herein for which the Beneficiary's consent or approval is required other than approval of leases to tenants in the ordinary course of the Grantor's business and approval of a sale, transfer or encumbrance described in Section 2.3 for which a consent fee is paid to the Beneficiary pursuant to the terms of such section.

**Section 7.6. *Application of Proceeds.*** If at any time any of the assets subject to the lien of this Deed of Trust are to be utilized to make payments upon the Indebtedness Secured Hereby, all moneys held or collected pursuant to this Deed of Trust by the Beneficiary shall be paid over to the Beneficiary and shall be applied as set forth in Section 606 of the Indenture.

**Section 7.7. *No Waiver.*** Any failure by the Beneficiary to insist upon the strict performance by the Grantor of any of the terms and provisions hereof shall not be deemed to be a waiver of any terms and provisions hereof, and the Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the Grantor of any and all of the terms and provisions of this Deed of Trust to be performed by the Grantor, and the Beneficiary may resort for the payment of the Indebtedness Secured Hereby to any other security therefor held by the Beneficiary in such order and manner as the Beneficiary may elect.

**Section 7.8. *Status of Grantor Upon Foreclosure.*** In the event of any such foreclosure sale or sale under the power herein granted, the Grantor (if the Grantor shall remain in possession) shall be deemed a tenant holding over at will and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over at will.

**Section 7.9. *Tenants' Rights on Foreclosure.*** The Beneficiary at its sole option, is authorized to foreclose this Deed of Trust subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by the Grantor, a defense to any proceeding instituted by the Mortgage Trustee to collect the sums secured hereby.

**Section 7.10. *Restoration of Beneficiary's Legal Status.*** In case the Beneficiary shall have proceeded to enforce any right, power, or remedy under this Deed of Trust by foreclosure, entry, or otherwise, and such proceedings shall have been determined adversely to the Beneficiary, then in every such case, the Grantor, the Mortgage Trustee and the Beneficiary shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Beneficiary shall continue as if no such proceeding had occurred.

## **ARTICLE VIII. MISCELLANEOUS**

**Section 8.1. *Covenants of Mortgage Trustee; Substitutions.***(a) The Mortgage Trustee covenants faithfully to perform the trust herein created. The Beneficiary may, at any time and from time to time, substitute another trustee in place of the then current Mortgage Trustee. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all the title, estate, rights, powers and trusts conferred upon the Mortgage Trustee. Such appointment shall be made by written instrument executed by the Beneficiary that shall be recorded in the public records of Jackson County, Missouri, and shall be conclusive proof of the proper appointment of the successor Mortgage Trustee.

(a) The Mortgage Trustee, shall have, in its discretion, authority to employ all proper agents and attorneys in the execution of this trust and/or in the conducting of any sale made pursuant to the terms hereof, and to pay for such services rendered out of the proceeds of the sale of the Premises, should any be realized; and if no sale be made or if the proceeds of sale be insufficient to pay the same, then the Grantor hereby undertakes and agrees to pay the cost of such services rendered to said Mortgage Trustee. The Mortgage Trustee may rely on any document believed by it in good faith to be genuine. All money received by the Mortgage Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and the Mortgage Trustee shall not be liable for interest thereon.

(b) In the event of the death, refusal, or inability for any cause, on the part of the Mortgage Trustee named herein, or of any successor trustee, to act at any time when action under the foregoing powers and trust may be required, or for any other reason satisfactory to the Beneficiary, the Beneficiary is authorized, either in its own name or through an attorney or attorneys in fact appointed for that purpose, by written instrument duly registered, to name and appoint a successor or successors to execute this trust, such appointment to be evidenced by writing, duly acknowledged; and when such writing shall

have been registered, the substituted trustee named therein shall thereupon be vested with all the right and title, and clothed with all the power of the Mortgage Trustee named herein and such like power of substitution shall continue so long as any part of the Indebtedness Secured Hereby remains unpaid.

(c) The Mortgage Trustee hereby lets the Premises to the Grantor until a sale is held under the foregoing provisions, or until the occurrence of a Default or Event of Default, upon the following terms and conditions: the Grantor and every and all persons claiming or possessing the Premises, or any part thereof, by, through, or under the Grantor, shall pay rent therefor during said term at the rate of one cent per month, payable monthly upon demand, and shall surrender immediate peaceable possession of the Premises sold under the provisions of this Deed of Trust to the purchaser thereof under such sale, without notice or demand therefor, and shall and will at once, without notice, surrender possession of the Premises and every part thereof in the event the Beneficiary shall take charge and enter as provided in this Deed of Trust.

**Section 8.2. *Estoppel Certificates.*** The Grantor, upon request of the Beneficiary, shall certify, by a writing duly acknowledged to the Beneficiary or to any proposed assignee of this Deed of Trust, the amount of principal and interest then owing on the Indebtedness Secured Hereby, whether any offsets or defenses exist against the Indebtedness Secured Hereby, the name of any lessees of the Premises or any part thereof, together with the terms of their respective leases, the rents payable thereunder and whether any default exists under said leases. Such certificate shall be executed and delivered to the Beneficiary within 30 days of such request.

**Section 8.3. *Time of the Essence.*** Time is strictly of the essence under this Deed of Trust and any amendment, modification or revision hereof.

**Section 8.4. *Warranty of Title.*** The Grantor warrants that the Grantor is lawfully seized of a marketable fee simple title in and to the Premises, subject only to the Permitted Encumbrances, and has good right to grant and convey the same and warrants that the lien of this Deed of Trust shall be a first, prior and superior lien and encumbrance on the Premises subject only to Permitted Encumbrances which are not required by this Deed of Trust or the Loan Agreement to be subordinate to this Deed of Trust, and that the security interest of this Deed of Trust is a first and prior security interest in the Premises subject only to the Permitted Encumbrances which are not required by this Deed of Trust or the Loan Agreement to be subordinate to this Deed of Trust. The Grantor hereby warrants and will defend fee simple title to any of the Real Property and title to any of the Personal Property against lawful claims of all persons other than the Permitted Encumbrances.

**Section 8.5. *Covenants Run with the Land.*** All of the grants, covenants, terms, provisions and conditions herein shall run with the Land and shall apply to, bind and inure to the benefit of the successors and assigns of the Grantor and the Beneficiary.

**Section 8.6. *Obligations Effective Upon Issuance, Sale and Delivery of Bonds.*** The several obligations of the Grantor hereunder shall arise absolutely and

unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer and the proceeds thereof paid to and received by the Beneficiary.

**Section 8.7. *Corrections and Future Acts.***The Grantor will, upon request of the Beneficiary, promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgment hereof, and will execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by the Beneficiary to carry out more effectively the purposes of this Deed of Trust, to subject to the lien and security interest hereby created any of the Grantor's properties, rights or interest covered or intended to be covered hereby, and to perfect and maintain such lien and security interest.

**Section 8.8. *Indemnification.***Subject to Section 8.11, the Grantor hereby covenants and agrees to indemnify, protect and hold harmless the Mortgage Trustee and the Beneficiary, their successors and assigns and their respective officers, directors, employees and agents, from and against any liability, damage or expense, including fees and amounts paid in settlement, which the Mortgage Trustee or the Beneficiary may incur or sustain in the execution of this Deed of Trust or in the doing of any act which the Mortgage Trustee or the Beneficiary is required or permitted to do by the terms hereof or by law, and the Grantor agrees to reimburse the Mortgage Trustee and the Beneficiary therefor in accordance with the provisions of Section 7.6. Such indemnification shall survive the termination of this Deed of Trust and the resignation or removal of the Mortgage Trustee and/or the Beneficiary.

**Section 8.9. *After-acquired Property.***All right, title and interest of the Grantor in and to all improvements, betterments, renewals, substitutes and replacements of and all additions and appurtenances to the Premises hereafter acquired, constructed, assembled or placed by the Grantor on the Premises, and all conversions of the security constituted thereby, and any other or additional interest in or to the Premises hereafter acquired by the Grantor, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, grant, conveyance or assignment or other act of the Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Grantor and specifically described in the Granting Clauses hereof.

**Section 8.10. *Amendments.***Prior to the payment in full of the Bonds or provision for such payment in accordance with Article IX of the Indenture, this Deed of Trust may not be amended or supplemented without the consent of the Grantor and the Beneficiary.

**Section 8.11. *Severability.***If any term or provision of this Deed of Trust or its application to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected and it shall be valid and enforceable to the fullest extent permitted by law.

**Section 8.12. *Successors and Assigns.*** This Deed of Trust and each and every covenant, agreement and other provision hereof shall be binding upon the Grantor and its successors and assigns, including, without limitation, each and every, from time to time, record owner of the Premises or any other person having an interest therein, shall run with the land and shall inure to the benefit of the Beneficiary (including any co-trustee appointed under the Indenture) and their successors and assigns. As used herein, the words “successors and assigns” shall also be deemed to include the heirs, representatives, administrators and executors of any natural person who is or becomes a party to this Deed of Trust. In the event that the ownership of the Premises becomes vested in a person or persons other than the Grantor, the Beneficiary shall not have any obligation to deal with such successor or successors in interest unless such transfer is permitted by this Deed of Trust and then only upon being notified in writing of such change of ownership. Upon such notification, the Beneficiary may thereafter deal with such successor in place of the Grantor without any obligation to thereafter deal with the Grantor and without waiving any liability of the Grantor hereunder or under the Indenture, the Loan Documents or the Bonds. No change of ownership shall in any way operate to release or discharge the liability of the Grantor hereunder unless such release or discharge is expressly agreed to in writing by the Beneficiary.

Any banking association or corporation into which the Beneficiary may be merged, converted or with which the Beneficiary may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Beneficiary shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Beneficiary shall be transferred, shall succeed to all the Beneficiary's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 8.13. *Notices.*** All notices, certificates or other communications hereunder shall be given to all parties identified below, shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given when delivered by hand delivery, telegram or facsimile or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as Registered or Certified Mail, Return Receipt Requested, bearing adequate postage, or delivery by reputable private courier such as Federal Express, Airborne, DHL or similar overnight delivery service, and addressed as hereinafter provided. Notices, except to the Beneficiary, shall be deemed given when mailed as provided herein. Notices to the Beneficiary shall be deemed given only when received by the Beneficiary. All parties identified below may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Deed of Trust. Any notice, certificate, report, financial statement or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel.

Each notice to the Beneficiary shall be addressed as follows:



UMB Bank, N.A.  
928 Grand, 12<sup>th</sup> Floor  
Kansas City, Missouri 64106  
Attention: Corporate Trust Department

Each notice to the Issuer shall be addressed as follows:

Land Clearance for Redevelopment Authority of Kansas City, Missouri  
4510 Wyandotte, Suite 400  
Kansas City, Missouri 64105  
Attention: Executive Director

Each notice to the Grantor shall be addressed as follows:

PG/PGN, LP  
c/o Dromara Development, LLC  
3619 E. 35<sup>th</sup> Street  
Kansas City, Missouri 64128  
Attention: Melvin Gross

Each notice to the Mortgage Trustee shall be addressed as follows:

UMB Bank, N.A.  
928 Grand, 12<sup>th</sup> Floor  
Kansas City, Missouri 64106  
Attention: Corporate Trust Services

A duplicate copy of each notice, certificate, report, financial statement or other communication given hereunder by any party shall be given to each of the other parties. Notice to Bondowners will be given by first class mail, postage prepaid, to the addresses then shown on the bond register maintained by the Bond Registrar. Each party may change its address by giving written notice of the new address to the other parties.

**Section 8.14. *Foreign Persons.*** In the event that (a) the Grantor or any partner of the Grantor now or hereafter is, or any legal or beneficial interest in a partner or stockholder of the Grantor is now or hereafter held directly or indirectly by, a “foreign person” under the International Foreign Investment Survey Act of 1976, the Agricultural Foreign Investment Disclosure Act of 1978, the Foreign Investments in Real Property Tax Act of 1980 or any similar act, the regulations promulgated pursuant to such Acts or any amendments of such Acts or regulations (“Foreign Person Acts and Regulations”) or (b) the Property is transferred by the Grantor and its successors, assigns and transferees to any person or entity that is a “foreign person” under the Foreign Persons Acts and Regulations (“Foreign Transferee”), then (i) the Grantor or the Foreign Transferee, as the case may be, shall be required to provide the Beneficiary with all information that the Beneficiary may request concerning the Grantor or the Foreign Transferee as will be necessary to enable the Beneficiary to complete all reports that it is required to file with the Internal Revenue

Service or any other governmental agency pursuant to the Foreign Person Acts and Regulations, and the Grantor shall be required to pay to the Beneficiary all costs and expenses incurred by the Beneficiary in connection with the preparation and filing of such reports, including, without limitation, legal fees, expenses and disbursements incurred by the Beneficiary in connection with such reports, (ii) the Grantor or the Foreign Transferee, as the case may be, shall be required to pay to the Beneficiary all sums that the Beneficiary is required to withhold and eventually pay to the Internal Revenue Service or other applicable governmental agency and (iii) the Grantor agrees to indemnify and hold the Beneficiary harmless from and against any loss, cost, expense, damage or liability the Beneficiary may suffer as a result of the Beneficiary's compliance with and/or the Grantor's failure to comply with the Foreign Person Acts and Regulations.

**Section 8.15. *Compliance with Executive Order and USA Patriot Act.*** Neither the Borrower, nor to the Borrower's knowledge, any of Borrower's respective officers, directors, shareholders, partners, members or associates, and no other direct or indirect holder of any equity interest in Borrower is an entity or person: (i) that is listed in the Annex to, or is otherwise subject to the provisions of United States Presidential Executive Order 13224 issued on September 24, 2001 ("Executive Order"); (ii) whose name appears on the U.S. Department of the Treasury, Office of Foreign Assets Control's ("OFAC") most current list of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, [www.treas.gov/ofac/](http://www.treas.gov/ofac/); (iii) who commits, threatens to commit or supports "terrorism", as that term is defined in the Executive Order; or (iv) who is otherwise affiliated with any entity or person listed above (any and all parties or persons described in clauses (i) through (iv) above are herein referred to as a "Prohibited Person"). Borrower covenants and agrees to use commercially reasonable efforts to ensure that neither Borrower, nor any of its respective officers, directors, shareholders, partners, members or associates, and no other direct or indirect holder of any equity interest in Borrower will: (a) conduct any business, or engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person; or (b) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order or the Uniting and Strengthening American by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. On request by Lender from time to time, Borrower further covenants and agrees promptly to deliver to Lender any such certification or other evidence as may be requested by Lender in its sole and absolute discretion, confirming that, to Borrower's knowledge, no violation of the Section shall have occurred.

**Section 8.16. *Governing Law.*** This Deed of Trust and the rights and obligations of the parties hereunder shall be construed, enforced and interpreted according to the laws of the State of Missouri. Unless the context otherwise requires, all terms used herein shall have the meaning specified in the Uniform Commercial Code as in effect in the State of Missouri at the date hereof.

**Section 8.17. *Date of Deed of Trust.*** The dating of this Deed of Trust as of November \_\_\_, 2022 is intended as and for the convenient identification of this Deed of Trust and is not intended to indicate that this Deed of Trust was executed and delivered on said date, this Deed of Trust being executed and delivered and becoming effective simultaneously with the initial issuance of the Bonds.

**Section 8.18. *Subordination to Extended Use Agreement.*** The Borrower intends that the Project qualify for an allocation of low-income housing tax credits under Section 42 of the Code (“Tax Credits”). In order to receive an allocation of Tax Credits, the Borrower will be required to record in the real property records of Jackson County, Missouri a land use restriction agreement between the Borrower and the Missouri Housing Development Commission, constituting an “extended low-income housing commitment” (as defined in Code Section 42(h)(6)(B)) (the “Extended Use Agreement”). The liens of this Deed of Trust shall automatically be subordinated to the Extended Use Agreement and, upon request, the Trustee shall execute, or cause to be executed by the appropriate parties a subordination agreement (“Subordination Agreement”), wherein the liens of this Deed of Trust is subordinated to the Extended Use Agreement in such manner as is required for tax credit purposes, provided however, that the Subordination Agreement shall be in a form, and shall contain terms, reasonably acceptable to the Trustee.

***Section 8.19 Beneficiary as Trustee.***

In the event any provision of this Deed of Trust requires the approval, consent, or action by the Beneficiary, the Beneficiary must undertake to grant or deny such approval or consent, or perform such action, only subject to and as directed by the terms of the Indenture, and may, in the Beneficiary’s sole discretion, require direction of the Owners of a majority of the Bond Obligation prior to undertaking any such approval, consent, or action.

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed in its name, all by a duly authorized signatory of its managing general partner.

**PG/PGN, LP**, a Missouri limited partnership

By: PG/PGN Owner, LLC, a Missouri limited liability company, Managing General Partner

By: PG/PGN Managing Member, LLC, a Missouri limited liability company, its Member

By: PG/PGN Manager, LLC, a Missouri limited liability company, its Manager

By: Palestine Village Community Development Corporation, a Missouri nonprofit corporation, its Member

By: \_\_\_\_\_  
Melvin Gross, President

#### **ACKNOWLEDGMENT**

STATE OF MISSOURI     )  
  ) SS  
COUNTY OF JACKSON    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me appeared Melvin Gross, to me personally known, who, being by me duly sworn, did say that he is the President of Palestine Gardens, LLC, the manager of PG/PGN, LP, a Missouri limited partnership, and that said instrument on behalf of said partnership and company, and such person duly acknowledged the execution of the same to be the free act and deed of said partnership and company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

\_\_\_\_\_  
Notary Public in and for said State  
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX*

## CONSENT AND ACKNOWLEDGMENT OF SUBORDINATION OF RIGHTS

UMB BANK, N.A., as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted, Acknowledged and Agreed to this \_\_\_\_ day of November, 2022.

**EXHIBIT A**  
**LEGAL DESCRIPTION**

Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Tract 2:

2627 E. 33<sup>rd</sup> Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

## **EXHIBIT B**

### **PERMITTED ENCUMBRANCES**

1. Land Use Restriction Agreement
2. Missouri Housing Development Commission Regulatory Agreement
3. Declaration of Land Use Restriction Agreement for Low-Income Housing Tax Credits