

MORTGAGE

THIS MORTGAGE (hereafter the "Mortgage") made this ____ day of _____, 20__ by and between _____, a Kentucky _____, whose address is _____ ("Mortgagor") and **Kentucky Housing Corporation**, a de jure municipal corporation and political subdivision of the Commonwealth of Kentucky, whose address is 1231 Louisville Road, Frankfort, Franklin County, Kentucky 40601 (hereafter "Mortgagee").

WITNESSETH:

Mortgagor hereby recites and agrees as follows, which recitations and agreements constitute a part of this Mortgage:

A. Mortgagor has requested that Mortgagee make a loan to Mortgagor, in the principal amount of \$_____ (the "Loan"). Mortgagee has agreed to make the Loan, and as a condition precedent thereto has required that Mortgagor grant this Mortgage to Mortgagee as collateral for the Loan.

B. Mortgagor has determined that it is to Mortgagor's direct and indirect economic benefit that Mortgagee make the Loan to Mortgagor, and therefore has agreed to execute and deliver this Mortgage in order to secure repayment of the Loan.

NOW, THEREFORE, MORTGAGOR, in consideration of the Loan, hereby conveys to Mortgagee in fee simple, with Covenant of General Warranty, certain real estate located in _____ County, Kentucky (more particularly described in Exhibit A attached hereto and incorporated herein by reference);

TOGETHER with all privileges and appurtenances thereunto belonging, Mortgagor's interest as lessor in any leases affecting the premises, and all revenues, rents, issues and profits from the premises (whether payable under a lease or otherwise), and all the estate, right, title and interest of Mortgagor, at law or in equity, of, in and to the real estate herein described, and every part thereof, and together with all buildings and improvements now existing or hereafter constructed or placed thereon; and together with all heating, ventilating, and air conditioning equipment relative thereto and all fixtures, now or hereafter located in or upon or affixed to the real estate, and all machinery, apparatus, equipment and articles of personal property of every kind and description belonging to Mortgagor, now or hereafter located in or upon or affixed to the real estate, all of which are and shall be a part of said real estate and a portion of the security for the Loan; and together with all insurance or condemnation proceeds accruing or arising or relative to any of the foregoing during the term of this Mortgage;

ALL the foregoing property, interests and rights encumbered by this Mortgage are hereafter collectively referred to as the "Premises".

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, revenues, issues and profits therefrom, unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor covenants that Mortgagor is well seized of the Premises and each portion thereof, and has full right and power to grant, bargain, sell, convey, mortgage and warrant the same in the manner and form written. Mortgagor

represents and warrants to Mortgagee that the granting of this Mortgage has been and is duly authorized. Mortgagor covenants that the Premises are free from all liens and encumbrances whatsoever, excepting; (i) the lien of general taxes not yet due and payable, easements and restrictions of record, and restrictions and zoning laws affecting the Premises, if any; [and] (ii) any leases as may now or hereafter affect any portion of the Premises [and (iii) that certain Mortgage in favor of _____ (as described in Paragraph 6 below).] Mortgagor warrants and will defend the Premises, with the privileges and appurtenances thereunto belonging, to Mortgagee, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of Mortgagee, at Mortgagor's sole expense.

THIS MORTGAGE is given to secure: (a) Payment of the Loan, same being evidenced by a promissory note of even date herewith and any modifications, extensions or renewals thereof, executed and delivered by Mortgagor to Mortgagee, in the principal amount of _____ **AND NO/100 DOLLARS (\$ _____ .00)** (hereafter the "Note"), and payment of interest thereon at the rate(s) and in the manner provided therein; the entire principal amount advanced and all interest thereon, if not sooner paid, being due and payable by Mortgagor on demand, but no later than _____ as more particularly described by the Note; (b) Mortgagor's obligations to Mortgagee under the terms and conditions of a Tax Credit Exchange Program Assistance Agreement of even date herewith ("Agreement"); and (c) payment by Mortgagor of its obligations to Mortgagee of all sums expended or advanced by Mortgagee pursuant to any provisions and performance of each and every of Mortgagor's covenants, conditions and agreements contained in this Mortgage, the Note, Agreement and any other instrument or agreement evidencing, securing or otherwise pertaining to the Loan (hereafter the "Loan Documents"). (Hereafter all references to the "Loan" where appropriate shall include all advances made and expenses incurred by Mortgagee pursuant to this Mortgage for the protection of the Premises and all other security for the Loan.)

AND MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES THAT:

1. Mortgagor agrees to pay the principal of and interest on the Loan evidenced by the Note and secured hereby, to be paid at the times and in the manner provided in the Note.

2. Mortgagor will pay or will have paid all taxes, assessments, and other similar charges levied upon the Premises before the same become delinquent, and will promptly deliver to Mortgagee, if requested, receipts of the proper officers therefore; Mortgagor's failure to pay or to have paid any such charges shall at Mortgagee's election constitute a default hereunder. Or, at Mortgagee's sole option in the event of delinquency, Mortgagee may pay such delinquent taxes, assessments, and charges, including any penalties or interest thereon (of which payment, amount and validity thereof, the receipt of the proper officer shall be conclusive evidence) and any amount so paid by Mortgagee shall become immediately due and payable by Mortgagor, shall be secured by this Mortgage and shall bear interest from date of advance until paid at an annual rate of twelve percent (12%).

3. Mortgagor hereby assigns to Mortgagee all leases and rents, revenues, issues and profits of the Premises (whether or not payable under a lease) as further security for the payment of all amounts by Mortgagee and by Mortgagor and performance of all Mortgagee's and Mortgagor's obligations under the Loan Documents, and grants Mortgagee the right to enter on the Premises for the purpose of collecting same, and to promote, manage and/or operate the Premises or any part thereof in such manner as Mortgagee may elect, and to apply the revenues received therefrom, after

payment of all necessary charges and expenses, to the obligations secured by this Mortgage, upon Mortgagor's default under any covenants, conditions, or agreements contained in the Note, herein or in any other Loan Document. While this is a present assignment, Mortgagee will not exercise its rights hereunder unless and until Mortgagor shall be in default hereunder or Mortgagor shall be in default under any other Loan Document. Mortgagor shall, and hereby agrees that it will, indemnify Mortgagee, its officers, agents and employees for and hold each of them harmless from any and all claims and demands whatsoever which may be asserted against Mortgagee, its officers, agents or employees by reason of any actual or alleged undertakings or obligations on Mortgagee's part to perform or discharge any terms, covenants or agreements relative to use or occupancy of the Premises or any part thereof or for waste committed or permitted on the Premises, or by reason of any actual or allegedly dangerous or defective condition or conditions of the Premises resulting in loss or injury to any lessee or to any other person, including Mortgagee's reasonable costs and attorney's fees incurred by reason of any of the foregoing. Provided, that said obligation to indemnify Mortgagee shall not apply to any loss, injury or damage caused by the gross negligence or willful misconduct of Mortgagee, its officers, agents or employees.

4. Mortgagor covenants to maintain liability insurance on the Premises in amounts and with companies acceptable to Mortgagee. Mortgagor further covenants to keep the improvements now existing or hereafter erected on or in the Premises insured against loss or damage by, or abatement of rental income, resulting from fire and "all risk" perils. Mortgagor covenants to maintain flood insurance as required by the Flood Disaster Protection Act of 1973, as amended and any additional flood insurance required by the Mortgagee. All perils insured, with the exception of flood, shall be in an amount not less than the full replacement value of the property. Mortgagor agrees to promptly pay or have paid when due all premiums on such insurance and further agrees, if requested by the Mortgagee, to furnish a certificate from the company carrying such insurance acknowledging that such insurance is adequate in an amount to prevent the operation of any coinsurance provision contained therein. All such insurance shall be carried by companies approved by the Mortgagee in its reasonable discretion and, the policies and renewals thereof shall be deposited with and held by the Mortgagee and have attached thereto standard non-contributing mortgage clauses (in favor of and entitling the Mortgagee to collect any and all proceeds payable under all such insurance) as well as the standard waiver of subrogation endorsement, all to be in a form acceptable to the Mortgagee. The originals of all such policies shall be delivered to the Mortgagee. In the event of Mortgagor's failure to comply with any of the requirements of this paragraph, same shall at Mortgagee's option constitute a default hereunder. Or, Mortgagee may, in its discretion, obtain any insurance required hereunder and pay the premiums due therefore, and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

In the event of any loss or damage to the Premises or any portion thereof, Mortgagor will give immediate notice thereof to Mortgagee, and Mortgagee may thereupon make proof of claim relative to such loss or damage, if same is not promptly made by Mortgagor. Mortgagor hereby authorizes Mortgagee (should Mortgagee so elect) to settle, adjust, or compromise any claims for loss, damage, or destruction under any such policy or policies of insurance and collect the proceeds thereof, and to this end hereby grants Mortgagee the Mortgagor's power of attorney for such purposes (which power of attorney is a power coupled with an interest, same being irrevocable for the term of this Mortgage); provided, that Mortgagee will exercise its rights under this sentence only in the event Mortgagor is in default on the Loan or under the Loan Documents. All such proceeds of fire and extended coverage insurance, to the full extent of the Loan, are hereby assigned to

Mortgagee and shall be payable to Mortgagee if Mortgagee should so elect, and Mortgagor hereby authorizes and directs any affected insurance company to make payment thereof directly to Mortgagee. All such insurance proceeds or any portion thereof may, at the sole discretion of Mortgagee, be applied in whole or in part to restoration, repair, replacement, or rebuilding of the Premises and/or to and in reduction of the Loan. The delivery to Mortgagee of any such policies or certificates of insurance, or renewals thereof, shall constitute an assignment to Mortgagee of all unearned premiums thereon as further security for the payment of the Loan. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the Loan, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the Mortgagee.

5. Mortgagor will have maintained or will maintain the Premises in good condition and repair and will not commit or allow any waste or destruction, reasonable wear and tear excepted. Mortgagor will comply with, or cause to be complied with, any applicable statutes, ordinances, regulations, or requirement of any governmental authority relative to the Premises and the use and maintenance thereof, and will promptly repair, restore, replace, or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty or as the result of any proceeding referred to in paragraph (7) hereof. No buildings, structures, or improvements hereafter erected on the Premises shall be removed, demolished, or substantially or structurally altered in any respect by Mortgagor, on Mortgagor's behalf, or by any tenant or by any other party without the prior written consent of Mortgagee by its duly authorized officer. Mortgagee, and any person authorized by Mortgagee, may enter upon and inspect the Premises at all reasonable times.

6. Mortgagor will not create, suffer or allow any charge, lien or encumbrance (whether superior or inferior to the lien of this Mortgage) upon the Premises or any part thereof [**save that certain Mortgage in favor of** _____, dated _____, which secures a loan to _____ in the original principal amount of \$ _____ and is evidenced by that certain Mortgage, of record in Mortgage Book _____, Page _____, in the Office of the Clerk of _____ County, Kentucky (the "First Mortgage")], leases as have been approved by Mortgagee and the lien of general and special taxes duly levied and assessed but not yet due and payable, without prior written consent of Mortgagee by its duly authorized officer. Mortgagor will pay or will have paid promptly when due any charges for utilities or services including but not limited to electricity, gas and water; should Mortgagor or any tenant fail to pay such charges, Mortgagee may pay the same, and any amount so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

7. If all or any part of the Premises are damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Premises, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the Loan then remaining unpaid, is hereby assigned by Mortgagor to Mortgagee, who may collect and receive the same and give proper receipts therefore in the name of Mortgagor, and the same shall be paid forthwith to Mortgagee. To such end, Mortgagor hereby grants to Mortgagee the Mortgagor's power of attorney (which power of attorney is a power coupled with an interest and shall be irrevocable for the term of this Mortgage). Any award or payment so received by Mortgagee during the continuation of any default or threatened default may, at the sole option of Mortgagee, be retained and applied, in whole or in part, to the Loan (whether or not then due and payable), in such

manner as Mortgagee may determine and/or released, in whole or in part, to Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Premises which may have been affected by such taking, alteration, or proceeding. Provided that absent the continuation of default or threatened default the Mortgagee will release said sums to Mortgagor, to be applied to restoration of the Premises. Mortgagee shall not be obligated to see to the application of any amounts so released to Mortgagor. In the event of a material and adverse effect upon the value of the Premises by reason of any such damage, taking or acquisition, and should the proceeds or award payable therefore not satisfy in full the Loan, same shall constitute an event of default hereunder and on the Loan and Note.

8. If Mortgagee shall incur or expend any sums, including reasonable attorney's fees, to sustain the lien of this Mortgage or its priority, or to protect or enforce any of Mortgagee's rights hereunder or under any other Loan Document, to protect the Premises as collateral for the Loan, or to recover any portion of the Loan, all such sums shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid. All such sums shall be secured by this Mortgage and shall be a lien on the Premises prior to any right, title, interest, or claim, in, to or upon the Premises attaching or accruing subsequent to the lien of this Mortgage.

9. Mortgagor will not hereafter lease the Premises, except leases executed in Mortgagor's ordinary course of business, nor will Mortgagor assign, alter, terminate or otherwise materially modify the terms of any lease affecting the Premises to which Mortgagor is a party, nor further encumber or assign (in whole or in part) the rents, revenues, income, or profits arising from the Premises or any portion thereof without the prior written consent of Mortgagee by its duly authorized officer, or in any other manner impair the value of the Premises or the security of this Mortgage for the payment of the Loan.

10. Mortgagor will observe and perform all covenants, conditions, and agreements imposed on it by any lease or leases now or hereafter affecting the Premises, or any portion thereof. If Mortgagor shall default in its performance of any of the terms, covenants, conditions, or obligations imposed upon it by any such lease or leases, which default would give the other party or parties thereto the right to terminate or cancel said lease or leases and if same may have a material adverse effect on the value of the Premises as security or the Loan then, at the sole option of Mortgagee, the entire Loan shall become immediately payable and collectible by foreclosure or otherwise, without notice or demand. Provided, that in the event of any such default by Mortgagor (whether as lessor, lessee, sub lessee or otherwise), Mortgagee shall have the right but not the obligation to cure any such default of Mortgagor, in such manner and to the extent Mortgagee may deem advisable to protect its interest in the Premises. In the event that Mortgagee should so elect, then any and all sums so expended by Mortgagee relative to effecting any such cure shall become immediately due and owing Mortgagee by Mortgagor, shall be secured hereby and shall bear interest at the rate specified in numerical paragraph (2) hereof until paid.

11. With respect to the Premises and the operation and promotion thereof, Mortgagor will keep or will cause to be kept proper books of record and account in accordance with generally accepted accounting principles consistently applied. Mortgagee shall have the right to examine said books of record and account at such reasonable times and intervals as Mortgagee may elect.

12. In the event that Mortgagee (a), grants any extension of time or forbearance for payment of any portion of the Loan; (b) takes, or realizes, other additional security for the payment thereof, (c) waives or does not exercise any right granted herein, under the Note or under any other Loan Document; (d) grants any release, with or without consideration, of all or any part of the security held for the payment of the Loan; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Note; then and in any such event, such act or failure to act shall not release Mortgagor or (if applicable) any of its principals or any co-maker, sureties, or guarantors of this Mortgage or of the Note, under any covenant of this Mortgage, the Note or other Loan Documents nor preclude Mortgagee from exercising any right or privilege herein or therein granted or intended to be granted in the event of any other existing or subsequent default and without in any manner impairing or affecting the lien or priority of this Mortgage.

13. Mortgagor will not hereafter make or permit, without the prior written consent of the Mortgagee by its duly authorized officer (a) any sale or transfer of the Premises, or the execution of any contract for deed relative to the Premises, or any assumption of the Loan, any condominium conversion or any use of the Premises or any part thereof for any purpose other than that presently contemplated by the parties hereto; (b) any material alternation, removal or demolition of any buildings, improvements, fixtures, apparatus, machinery, and equipment now or hereafter located or erected upon the Premises; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any fixtures, apparatus, machinery, equipment or personal property in or upon any of the buildings or improvements comprising a part of the Premises; (d) any assignment of the revenues, rents, income or profits from the Premises; (e) any mortgage, lien or encumbrance upon the Premises, or any part thereof (whether prior or inferior to the lien of this Mortgage) affecting or adverse to the lien hereof, **[save the lien of the First Mortgage,]** general and special taxes duly levied and assessed and not yet due and payable and any lease now or hereafter affecting any portion of the Premises. Any of the foregoing without Mortgagee's prior written consent shall be and constitute a default by Mortgagor on this Mortgage and on the Loan.

14. In the event of Mortgagor's default in the performance of any of the covenants and conditions contained in this Mortgage or in the Note, Agreement, Declaration of Land Use Restrictive Covenants for Low Housing Tax Credits and Subordination Agreement or under any other Loan Document, or in the event of Mortgagor's default in payment of the Loan or any part thereof, and (absent an express contrary grace or curative period) shall such failure, omission or default not have been fully corrected by Mortgagor to the complete satisfaction of Mortgagee within thirty (30) days after the Mortgagee gives Mortgagor written notice of the occurrence of any such default; **[or in the event a default shall occur on the First Mortgage,** and shall such default remain uncured beyond any applicable grace or curative period]; or in the event any representation or warranty of the Mortgagor herein contained, or in the event any representation or warranty of the Mortgagor contained in any other Loan Document shall prove to be untrue or misleading in any material respect; or in the event of any petition in bankruptcy, receivership, or reorganization filed by or against Mortgagor shall not be vacated within sixty (60) days), any assignment or composition for the benefit of creditors made or entered into by Mortgagor, or in the event of any judgment or proceeding entered or brought against Mortgagor or the Premises or to foreclose any lien thereon or on any part thereof; or in the event of a substantial adverse change in financial position of Mortgagor or the Premises; or in the event of an unauthorized encumbrance or change in ownership of the Premises or of any other security for the Loan; or if in the opinion of Mortgagee there is any material decline in the value of the Premises or any other security for the Loan; or should Mortgagor default on any other indebtedness, liability or obligation now or hereafter owing Mortgagee by Mortgagor beyond any applicable grace or curative period; or in the event of Mortgagor's dissolution or other

termination of existence, merger or consolidation with any other entity, change in control of the Property or the Mortgagor, or any of its partners, shareholders, members or owners (as defined by HUD regulations for transfer of physical asset applications) without Mortgagee's prior written consent; then, and in such event, at Mortgagee's sole option, without further notice or demand, the same being hereby expressly waived by Mortgagor as evidenced by Mortgagor's execution of this Mortgage, the Loan shall become due, payable and collectible. Upon the happening of any such event, in addition to any other right of remedy which Mortgagee may now or hereafter have at law or in equity, and not by way of limitation, Mortgagee shall have the right and power to exercise any or all or any combination of the following remedies: (a) to declare the Loan due and payable (and same shall thereupon be due and payable) and to foreclose upon this Mortgage and the lien hereof and to receive all amounts deposited in the Reserve Fund for Replacements account or any other escrow accounts and apply the same, after payment of all necessary charges and expenses deemed by Mortgagee to be necessary, to payment of the Loan; (b) to sell the Premises according to law as an entirety or in separate parcels; (c) to apply without notice (same being hereby expressly waived by Mortgagor) for the appointment of a receiver to collect the revenues and profits of the Premises and to preserve the security hereof as a matter of right, either before or after any foreclosure sale, without regard to the value of the Premises or any other property as security for the amount due Mortgagee, or the solvency of any entity liable for the payment of such amounts; (d) to enter upon and take possession of the Premises without application to any court, with the irrevocable consent of Mortgagor as evidenced by Mortgagor's execution of this Mortgage, and collect the revenues, issues and profits thereof, and, without the appointment of any receiver or application being made therefore, to manage, promote and/or operate the Premises, either in Mortgagee's name or Mortgagor's name, by whatever means Mortgagee may elect, and receive all the revenues, issues and profits therefrom, and apply the same, after payment of all necessary charges and expenses deemed by Mortgagee to be necessary, to payment of the Loan. All the foregoing rights and powers are effective and may be enforced by Mortgagee either in conjunction with or without any action to foreclose this Mortgage, and without applying at any time for a receiver for the Premises. The foregoing rights and remedies are independent of and in addition to any statutory right to appointment of a receiver. Written notices required by the foregoing paragraph shall be sent by certified mail.

15. Any sale under this Mortgage shall operate to divest all right, title and interest of Mortgagor in and to the Premises and rights so sold; shall be a perpetual bar both in law and equity against the Mortgagor; and shall be in bar of any equity or right of redemption, the same being expressly waived by Mortgagor.

16. Mortgagor represents and warrants that no hazardous substances are present on the Premises. Furthermore, Mortgagor represents, warrants and agrees that Mortgagor will not use, generate, treat, store, dispose of or otherwise introduce any such hazardous substances into or on the Premises. Mortgagor represents, warrants and agrees that there is no current and will be no future unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic affluent or discharge) or condition in or on or affecting the Premises or affecting the health of any person in or on the Premises. The Mortgagor shall pay immediately when due the cost of removal of any such wastes or substances, and shall keep the Premises free of any lien imposed pursuant to laws, rules, regulations and orders pertaining to hazardous wastes or substances and the removal thereof; in the event Mortgagor fails to do so, Mortgagee may declare this Mortgage and the Loan and Note to be in default. The Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and against all loss, cost, damage and expense (including, without

limitation, attorneys' fees and cost incurred in the investigation, defense and/or settlement of claims) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagee of any claim relating to the presence or removal of any hazardous waste or substance referred to in this paragraph, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto. The obligations of Mortgagor under this paragraph to indemnify Mortgagee and hold Mortgagee harmless shall survive payment of the Loan and Note and shall survive release of this Mortgage and shall extend to the representatives, successors and assigns of Mortgagee.

17. Whenever used in this Mortgage, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, representatives, successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "Mortgagee" shall include the legal representatives, successors and assigns of Mortgagee; the term "person" shall include any individual, partnership, corporation, trustee, or unincorporated association. The singular shall include the plural and the plural, the singular; the gender used shall include the other genders. The invalidity or unenforceability of any one (1) or more phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the validity or enforceability of the remaining portions of this Mortgage or of any part hereof. If this Mortgage is invalid or unenforceable as to any part of the Loan, or if this Mortgage is invalid or unenforceable as to any part of the Premises, the unsecured or partially unsecured portion of the Loan shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Loan; and all payments made on the Loan, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Loan which is not secured or fully secured by this Mortgage.

18. All the terms, covenants, conditions and agreements herein set forth shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, attorneys, representatives, successors and assigns, as the case may be, of the parties hereto.

19. No delay or omission on the part of the Mortgagee in exercising any right or remedy hereunder or under any other Loan Documents shall operate as a waiver of such right or remedy or any other right or remedy. A waiver by Mortgagee on any one occasion shall not be a bar to or waiver of any right or remedy on any further occasion. The rights and remedies provided herein and in the other Loan Documents are cumulative, and the Mortgagee may resort to any other right or remedy or any combination thereof available under the other Loan Documents or at law or in equity without first exhausting and without affecting or impairing the security of or any right or remedy afforded by this Mortgage. No waiver shall be effective as to Mortgagee unless same shall be in writing by its duly authorized officer; any such waiver shall be construed strictly according to its terms.

20. Should Mortgagee so require, Mortgagor will pay or will have paid to Mortgagee for the term of this Mortgage, on the first day of each month, an amount equal to one-twelfth (1/12) of the annual premiums for insurance as may be required by Mortgagee relative to the Premises, and one-twelfth (1/12) of the annual taxes and assessments assessed against the Premises. Mortgagee shall hold all such sums so received for, and shall apply same to, payment of such taxes, assessments and insurance. Mortgagor shall receive no interest on any such sums received and held by Mortgagee for the benefit of Mortgagor. In the event of default, any amounts deposited with Mortgagee for taxes and insurance will be received and applied by Mortgagee as provided in paragraph 14 hereof.

21. Should Mortgagee so require, Mortgagor will, on the first day of each month, deposit the sum of \$_____ into a Reserve Fund for Replacements ("Fund") account. Mortgagee shall maintain the account for the benefit of Mortgagor and, provided there is no event of default under this Mortgage or any other Loan Document, will disburse the amounts deposited therein only for the purposes of making necessary repairs to the Premises or replacement of furniture or fixtures, upon written request of Mortgagor and with the approval of Mortgagee, which approval will not be unreasonably withheld. In the event of default, any amounts deposited in the Fund will be received and applied by Mortgagee as provided in paragraph 14 hereof.

22. Upon request of Mortgagor, Mortgagee, at Mortgagee's option, prior to release of this Mortgage, may make future advances to Mortgagor. Such future advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory note(s) or other agreements that state that the indebtedness is secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including interest or sums advanced in accordance herewith to protect the security of this Mortgage exceed the amount of the Note plus \$_____. All future advances secured by this Mortgage shall be due and payable on or before the maturity date of the indebtedness evidenced by the Note.

23. Notwithstanding any other requirements or obligations of Mortgagor, the Premises shall (absent any express contrary restriction or requirement) remain available to low- and moderate-income families as defined by KRS 198A.010(13), as may be amended from time to time, until _____.

24. In the event of any inconsistency, in the terms and provisions of this Mortgage or any other Loan Document as to the rights and remedies of Mortgagee, or in the event of any such inconsistency as between or among any two (2) or more Loan Documents, then in any such event Mortgagee shall have the right at its sole option to elect which of such provisions shall govern.

If Mortgagor shall pay to Mortgagee all sums due Mortgagee under the Note and the interest thereon, in the manner and at the times mentioned in the Note, or otherwise in connection with the Loan, and Mortgagor shall pay Mortgagee any and all other sums due from Mortgagor to Mortgagee under this Mortgage and shall fully keep and perform the terms, covenants, conditions and agreements under this Mortgage or otherwise due Mortgagee relative to the Loan, then this Mortgage and the estate granted thereby shall cease and be void, and this Mortgage shall thereupon be released by the Mortgagee at the cost and expense of Mortgagor.

This Mortgage may be executed by the parties in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

This Mortgage is taken, in part, to secure a loan made for the purpose of erecting, improving or adding to a building on the Premises.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor on the day and month and year first above written.

_____,
a Kentucky _____

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

COUNTY OF _____)

) SS.

Subscribed, sworn to and acknowledged before me this ___ day of _____, 20__ by
_____, as _____ of _____, a Kentucky
_____, for and on behalf of said _____.

My commission expires: _____

Notary Public

THIS INSTRUMENT PREPARED BY:

Lisa A. Beran, General Counsel
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, Kentucky 40601
(502) 564-7630

EXHIBIT A