

Prepared by and Return to:
Paul L. Gunn, MSB#5071
Watkins & Eager PLLC
400 East Capitol Street, Suite 300 (39201)
Post Office Box 650
Jackson, Mississippi 39205
601-965-1810

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BC 11/27/12 3:45:30
DK W BK 695 PG 65
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

AMENDMENT TO LAND USE RESTRICTION AGREEMENT

This AMENDMENT TO LAND USE RESTRICTION AGREEMENT is made as of August 9, 2012, by Walls Partners, L.P., a Mississippi limited partnership ("Borrower") and Mississippi Regional Housing Authority No. II, a public body corporate and politic organized and existing under the laws of the State of Mississippi ("Agency").

WHEREAS, Borrower has obtained financing from Red Mortgage Capital, LLC (the "Lender") for the benefit of the project known as Laurel Park Apartments (the "Project"), which loan is secured by a Multifamily Deed of Trust; Assignment of Rents and Security Agreement ("Security Instrument") dated as of November 1, 2012 and recorded in the Office of the Chancery Clerk of Desoto County, Mississippi (the "Records") on November 27, 2012 in Book 3542 at Page 649, and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, On June 1, 2000, the Agency issued its Multifamily Housing Revenue Bonds (Laurel Park Apartments) Series 2000 and loaned the proceeds therefrom to the Borrower, which Agency required certain restrictions to be recorded against the Project; and

Whereas Borrower entered into that certain Land Use Restriction Agreement dated as of June 1, 2000 ("Restrictive Covenants") with respect to the Project on the property described in Exhibit "A" attached hereto and made a part hereof, which is recorded in Book 374 at Page 664 in the Office of the Chancery Clerk of Desoto County, Mississippi.

WHEREAS, HUD is requiring that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider/Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) **In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider/Amendment, the provision contained in this Rider/Amendment shall govern and be controlling in all respects.**

(b) The following terms shall have the following definitions:

WBB
(PL)

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"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Red Mortgage Capital, LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, except the requirements in 26 U.S.C. 42(h)(6)(E)(ii), the provisions hereof are expressly subordinate to (i) the Security Instrument, (ii) the HUD Regulatory Agreement and (iii) Program Obligations. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the Security Instrument, HUD Regulatory Agreement, or Program Obligations, the provisions of the Mortgage Loan Documents and Program Obligations shall control and supersede the enforcement of the Restrictive Covenants.

(d) In the event of foreclosure, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate, with the exception of the requirements of 26 U.S.C. 42(h)(6)(E)(ii) above, or as otherwise approved by HUD.

(e) Borrower and the Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the terms of the Security Instrument, the HUD Regulatory Agreement, or any other document relating to the Mortgage Loan to Borrower for the Project, provided that, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants to the extent not in conflict with the Mortgage Loan Documents or Program Obligations.

(f) Except for the Agency's reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project or any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.
- iv. A HUD-approved collateral assignment of any HAP contract.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

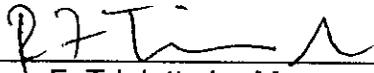
(i) No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.

[Intentionally Left Blank- Signatures on Following Page]

**SIGNATURE PAGE TO
AMENDMENT TO LAND USE RESTRICTION AGREEMENT**

BORROWER:

**WALLS PARTNERS, L.P., a
Mississippi limited partnership
By: Laurel Park, LLC, a Mississippi limited
liability company, its general partner**

By:  _____
Rodney F. Triplett, Jr., Manager

AUTHORITY:

**MISSISSIPPI REGIONAL HOUSING AUTHORITY NO. II,
a public body corporate and politic of the State of Mississippi**

By: _____

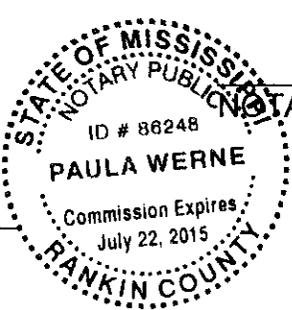
Print Name: _____

Title: _____

STATE OF MISSISSIPPI
COUNTY OF Madison

PERSONALLY APPERARED BEFORE ME, the undersigned authority in and for the said county and state, on this 26 day of November 2012 within my jurisdiction, the within named **Rodney F. Triplett, Jr.**, who acknowledged that he is Manager of Laurel Park, LLC, a manager-managed Mississippi limited liability company which is the general partner of Walls Partners, L.P., a Mississippi limited partnership and that in said capacity as manager for and on behalf of the said limited liability company as general partner of the said limited partnership, and as the act and deed of said limited liability company as general partner of said limited partnership and as the act and deed of such limited partnership he executed the above and foregoing instrument, after having first been duly authorized by said limited liability company and said limited partnership so to do.

GIVEN UNDER MY HAND and official seal, this the 26 day of November 2012.

My Commission Expires: 7/22/2015


NOTARY PUBLIC

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said County and State on this the ___ day of _____ 2012, within my jurisdiction, the within named _____, who acknowledged that (s)he is the _____ of the Mississippi Regional Housing Authority No. II, a public body corporate and politic of the State of Mississippi and as its act and deed and for and on behalf of said entity (s)he executed the above and foregoing instrument after having first been duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the ___ day of _____ 2012.

NOTARY PUBLIC
My Commission Expires:

**SIGNATURE PAGE TO
AMENDMENT TO LAND USE RESTRICTION AGREEMENT**

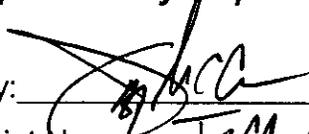
BORROWER:

**WALLS PARTNERS, L.P., a
Mississippi limited partnership
By: Laurel Park, LLC, a Mississippi limited
liability company, its general partner**

By: _____
Rodney F. Triplett, Jr., Manager

AUTHORITY:

**MISSISSIPPI REGIONAL HOUSING AUTHORITY NO. II,
a public body corporate and politic of the State of Mississippi**

By:  _____
Print Name: Jeff McClure
Title: Executive Director

STATE OF MISSISSIPPI
COUNTY OF _____

PERSONALLY APPERARED BEFORE ME, the undersigned authority in and for the said county and state, on this ___ day of _____ 2012 within my jurisdiction, the within named **Rodney F. Triplett, Jr.**, who acknowledged that he is Manager of Laurel Park, LLC, a manager-managed Mississippi limited liability company which is the general partner of Walls Partners, L.P., a Mississippi limited partnership and that in said capacity as manager for and on behalf of the said limited liability company as general partner of the said limited partnership, and as the act and deed of said limited liability company as general partner of said limited partnership and as the act and deed of such limited partnership he executed the above and foregoing instrument, after having first been duly authorized by said limited liability company and said limited partnership so to do.

GIVEN UNDER MY HAND and official seal, this the ___ day of _____ 2012.

NOTARY PUBLIC

My Commission Expires:

STATE OF MISSISSIPPI
COUNTY OF Lafayette

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said County and State on this the 27 day of November 2012, within my jurisdiction, the within named Jeff McClure, who acknowledged that (s)he is the Executive Director of the Mississippi Regional Housing Authority No. II, a public body corporate and politic of the State of Mississippi and as its act and deed and for and on behalf of said entity (s)he executed the above and foregoing instrument after having first been duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the 27 day of November 2012.

Cindy Waller
NOTARY PUBLIC

My Commission Expires:

June 15, 2012

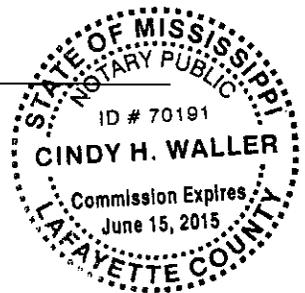


EXHIBIT "A"
LEGAL DESCRIPTION

Laurel Park Apartments, in Sections 33 and 34, Township 1 South, Range 9 West, DeSoto County, Mississippi according to a map or plat thereof recorded in Plat Book 73 at Pages 17-18 in the office of the Chancery Clerk of DeSoto County, Mississippi, as ratified by Ratification of Plat filed in Book 602 at Page 434 of the aforesaid Chancery Clerk's office.

Together with a non-exclusive easement for ingress and egress over the following described property:

Part of Section 34, Township 1 South, Range 9 West, DeSoto County, Mississippi and being more particularly described as follows, to-wit:

Commencing at a point on the east line of Section 33, Township 1 South, Range 9 West a distance of 1940.60 feet north of the southeast corner of said Section 33; thence run South $89^{\circ} 56' 28''$ East a distance of 1406.13 feet to a point on the west right-of-way line of U.S. Highway 61 at MDOT Station 459+88.24 and the **POINT OF BEGINNING**; thence run North $66^{\circ} 40' 55''$ West a distance of 26.49 feet to the point of curvature of a curve to the left; thence run northwesterly a distance of 84.84 feet along said curve ($D=01^{\circ}51'55''$, $R=2606.00'$, $CD=N 67^{\circ} 36' 53'' W$, $LC=84.84'$) to the point of tangency of said curve; thence run North $68^{\circ} 32' 51''$ West a distance of 890.87 feet to a point on the East line of the above described 15.01 acre tract; thence run North $43^{\circ} 47' 18''$ East a distance of 4.03 feet to a point; thence run North $23^{\circ} 00' 42''$ East a distance of 64.29 feet to a point; thence run South $68^{\circ} 32' 51''$ East a distance of 887.59 feet to the point of curvature of a curve to the right; thence run southeasterly a distance of 87.06 feet along said curve ($D=01^{\circ} 51' 55''$, $R=2674.00'$, $CD=S 67^{\circ} 36' 53'' E$, $LC=87.06'$) to the point of tangency of said curve; thence run South $66^{\circ} 40' 55''$ East a distance of 26.49 feet to a point on said west right-of-way line of said U. S. Highway 61; thence run South $23^{\circ} 19' 05''$ West a distance of 68.00 feet along said west right-of-way line to the **POINT OF BEGINNING** and containing 1.56 acres. Bearings are based on true north as determined by solar observation. The above description was written from a plat of survey by Danny S. Rutherford, P.E.L.S., dated June 13, 2000.