

BOND PLEDGE AGREEMENT

THIS BOND PLEDGE AGREEMENT (this “**Agreement**”) dated as of [REDACTED], 2024 by and between **PASSCO COVINGTON RIDGE DST**, a Delaware statutory trust (“**Pledgor**”), and **KEYBANK NATIONAL ASSOCIATION**, a national banking association (“**Lender**”), and acknowledged by and agreed to by the **COUNTY OF KENTON, KENTUCKY**, a County and political subdivision organized and existing under the laws of the Commonwealth of Kentucky (the “**Issuer**”), and acknowledged by **THE HUNTINGTON NATIONAL BANK**, Cincinnati, Ohio (“**Trustee**”).

WHEREAS, the Issuer has issued and sold those certain County of Kenton, Kentucky Maximum Aggregate Principal Amount Taxable Industrial Building Revenue Bonds, Series 2020 in the maximum principal amount of \$37,345,000.00 (the “**Original Bonds**”), pursuant to that certain Order No. 20-30 adopted by the Fiscal Court of the Issuer September 8, 2020 and that certain Trust Indenture, dated as of October 1, 2020 (as may be amended from time to time, the “**Indenture**”), between Issuer and Trustee;

WHEREAS, **CPI18 API TAPESTRY ON THE RIDGE LLC**, a Delaware limited liability company (“**Bond Holder Predecessor**”) purchased all of the Original Bonds pursuant to that certain Bond Purchase Agreement, dated as of October 29, 2020 (“**Bond Purchase Agreement**”);

WHEREAS, Bond Holder Predecessor merged with Pledgor which, as the surviving entity, benefits from a portion of the Original Bonds in the amount of \$37,345,000.00 (the “**Bonds**”);

WHEREAS, Bond Holder Predecessor used a portion of the proceeds of the Bonds to finance the construction and installation of certain buildings, structures, equipment and improvements for use as residences on the property (the “**Project**”), on the land, as more particularly described in Exhibit A attached hereto (the “**Land**”);

WHEREAS, Pledgor leases the Land from the Issuer pursuant to that certain Agreement of Lease, dated as of October 1, 2020 (as may be amended from time to time, the “**Ground Lease**”), by and between Bond Holder Predecessor and Issuer;

WHEREAS, Bond Holder Predecessor, as successor to Arlington Properties, Inc., an Alabama corporation, the City of Covington, Kentucky, the Kenton County School District, the Covington Independent School District, and Issuer entered into that certain Agreement in Lieu of Taxes, dated as of June 16, 2020 (as may be amended from time to time, the “**PILOT Agreement**”), which obligates Bond Holder Predecessor to make certain payments to the Issuer, the Kenton County School District, the Covington Independent School District, in lieu of *ad valorem* real property taxes for the Project upon completion;

WHEREAS, Bond Holder Predecessor merged with Bond Holder which, as the surviving entity, benefits from all of its rights, title interests and obligations in and to the Bonds, the Bond Purchase Agreement, the Indenture, and the PILOT Agreement and all other instruments entered

**Fannie Mae
Bond Pledge Agreement**

into in connection therewith (collectively, the “**Bond Documents**”), to Pledgor, and Pledgor is now the beneficial owner and holder of the Bonds;

WHEREAS, on or about the date hereof, Lender is making a loan (the “**Loan**”) to Pledgor and certain affiliates of Pledgor;

WHEREAS, the Loan is evidenced by one or more certain Multifamily Notes (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, collectively the “**Note**”), and secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Instrument**”), which will be assigned to Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. §1716 et seq., as amended from time to time (“**Fannie Mae**”), pursuant to that certain Assignment of Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of the date hereof;

WHEREAS, the Loan is governed by that certain Multifamily Loan and Security Agreement dated as of [REDACTED], 2024, by and between Pledgor, Lender and the other parties thereto (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), which was assigned to Fannie Mae, pursuant to that certain Assignment of Collateral Agreements and Other Loan Documents, dated as of [REDACTED], 2024 (the Note, the Instrument, the Loan Agreement and all other written agreements executed in connection with the Loan but excluding the Loan application and Loan commitment, in each case to evidence or secure the payment and performance of any of the obligations under or in respect of the Loan, and any written renewals, extensions, and amendments of the foregoing, are hereinafter referred to as the “**Loan Documents**”);

WHEREAS, to induce Lender to make the Loan, Pledgor will simultaneously herewith collaterally assign its interest in the Ground Lease and PILOT Agreement pursuant to that certain Collateral Assignment, dated as of the date hereof, by and among Pledgor, Lender, the Issuer and others; and

WHEREAS, Lender is unwilling to make the Loan to Pledgor unless the parties hereto execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledge.

(a) To the extent not prohibited pursuant to the applicable Bond Documents, Pledgor hereby pledges, hypothecates, assigns, transfers, sets over and delivers unto the Lender all its right, title and interest to, and hereby grants to Lender a first priority lien on, and security interest in, all of Pledgor’s right, title and interest in, to and under the following (collectively, the “**Pledged Bond**”

Collateral”): (a) all Bonds and all rights under the Indenture; (b) all accounts, general intangibles, income, earnings, profits, interest, premium or other rights of payment in whatever form in respect of the Bonds; (c) all proceeds (cash and non-cash) arising out of the sale, exchange, collection, enforcement or other disposition of all or any portion of the Bonds; and (d) all other rights afforded the owner or holder of the Bonds under the Indenture or any other documents, instruments, or agreements delivered in connection therewith. The Pledged Bond Collateral shall serve as security for the payment and performance when due of any one or more of the obligations, now existing or hereafter created, of Pledgor under this Agreement, the Note, the Loan Agreement, the Instrument and all other Loan Documents (the “**Secured Obligations**”). This Pledge shall constitute a security agreement within the meaning of the Uniform Commercial Code of the State of Kentucky, and Pledgor hereby grants to Lender a security interest in the Pledged Bond Collateral subject to the provisions hereof.

(b) Pledgor shall, and shall cause the Trustee to, reflect on their respective records that the Bonds are registered in the name of Pledgor and subject to the pledge in favor of Lender. Hereafter, if any future Bonds are issued, Pledgor shall cause such future Bonds to be delivered (and to instruct the Issuer and Trustee to deliver) physical possession of such future Bonds directly to Lender, except that, until demand for delivery to the Lender at particular address, physical possession by Lender shall be accomplished by the Trustee holding the Bonds on behalf of Lender.

Upon issuance of any such future Bonds, (i) Pledgor hereby agrees to deliver to Lender a blanket endorsement to such future Bonds and a certificate that the representations and warranties in Section 3 are true and correct as of such date with respect to such future Bonds and (ii) each of Lender, Pledgor and Trustee shall reflect on their respective records that such future Bonds are owned beneficially by Pledgor subject to the pledge in favor of Lender. Notwithstanding the foregoing, in the event Pledgor receives possession of any such future Bonds, Pledgor shall deliver such future Bonds to Lender within two (2) business days along with the blanket endorsement and certificate regarding representations and warranties described in the preceding sentence. With respect to the matters covered by this Agreement, in the event of any conflict between this Agreement and the terms of the Loan Agreement, the terms of this Agreement shall govern.

2. Obligations Secured. This Agreement is made, and the security interest created hereby is granted to the Lender, to secure, ratably, the prompt performance and payment in full when due of all of the Secured Obligations. Pledgor covenants that the security interest in, the pledge of, and the assignment and delivery of, the Pledged Bond Collateral hereunder will create a valid, perfected, first priority security interest in favor of Lender in and to the Pledged Bond Collateral, and the proceeds thereof, subject to no prior Lien (as defined below) or to any agreement actually known to Pledgor or to which Pledgor is a party purporting to grant to any third party a security interest in any or all of the Pledged Bond Collateral. Pledgor covenants and agrees that it will defend Lender’s right, title and security interest in and to the Pledged Bond Collateral and the proceeds thereof against the claims and demands of all persons whomsoever. Notwithstanding anything to the contrary herein or any of the Pledged Bond Collateral, the interest of the Pledgor therein is assigned and transferred to Lender as collateral security only, and Lender, merely by its acceptance hereof, shall not be deemed to have assumed or become liable for any of the responsibilities, obligations, duties or liabilities of Pledgor under any of the Bond Documents, whether provided for by the terms thereof, arising by operation of law or otherwise.

3. Representations and Warranties. Pledgor hereby represents and warrants to Lender as of the date hereof (and as of any other date on which such representation or warranty is required to be remade or is deemed remade by Pledgor) and covenants as follows:

(c) Title and Liens. Pledgor is, and will at all times continue to be, until the redemption of the Bonds or Lender's exercise of its remedies as set forth in this Agreement, the legal and beneficial owner of the Pledged Bond Collateral, and none of the Pledged Bond Collateral is subject to any Lien, except for the Lien granted hereby. As used herein, the term "Lien" shall mean any lien, pledge, charge, security interest, security title, mortgage, hypothecation, option preferential arrangement which has the practical effect of constituting a security interest or encumbrance, or encumbrance or servitude of any kind in respect of such asset to secure or assure payment of any indebtedness or other obligations, including any guaranty, whether by consensual agreement or by operation of statute or other law, or by any agreement, contingent or otherwise, to provide any of the foregoing.

(d) [INTENTIONALLY OMITTED].

(e) Authority, etc. Pledgor has the requisite limited liability company power and authority to pledge the Pledged Bond Collateral pledged by it in the manner hereby done or contemplated.

(f) No Approval. No consent or approval of Trustee, Issuer or any other governmental authority or of any other party was or is necessary to the validity of the pledge effected hereby or to the performance of the provisions hereof, except where such consent or approval has already been obtained or will be obtained by the execution of this Agreement.

(g) Outstanding Bonds. The Bonds pledged hereunder by Pledgor constitute one hundred percent (100%) of all Bonds issued and outstanding under the Indenture with respect to the Project. No additional Bonds have been issued under the Indenture with respect to the Project.

4. Covenants. Pledgor hereby unconditionally covenants and agrees as follows as to the Pledged Bond Collateral:

(a) No Liens; No Sale of Pledged Bond Collateral. Other than any Liens created by or expressly permitted under the Loan Documents, Pledgor will not create, assume or incur, any Lien on any of the Pledged Bond Collateral (or any interest therein), and will not, without the prior written consent of the Lender, which consent may be withheld by Lender in its sole and complete discretion, sell, lease, assign, transfer or otherwise dispose of all or any portion of the Pledged Bond Collateral (or any interest therein). Pledgor will defend its title or interest in the Pledged Bond Collateral against any and all Liens (other than the Lien created herein), however arising, and will take all necessary actions to prevent or contest the placement of any other Lien on the Pledged Bond Collateral promptly upon the earlier to occur of (i) Pledgor learning of the necessity

of such actions and (ii) Lender notifying Pledgor that Lender believes such actions are necessary.

(b) Direction to Issuer. Pledgor hereby irrevocably authorizes and directs the Issuer, at no cost or expense to the Issuer, upon the occurrence of an Event of Default and written notice of same to Issuer from Lender, to recognize the claims of Lender hereunder and render any performance of Issuer under the PILOT Agreement and the Ground Lease to Lender, without investigating the reason for any action taken by Lender, the validity or the amount of indebtedness owing to Lender, or the existence of any Event of Default. Issuer is hereby irrevocably authorized by Pledgor to rely upon and comply with any written notice or written demand by Lender for the performance of any obligations of Issuer under the PILOT Agreement and the Ground Lease. Pledgor irrevocably agrees that Issuer shall not be liable to Pledgor or any person claiming under Pledgor, for rendering any performance to Lender and further acknowledges and agrees that Issuer's performance under the PILOT Agreement and the Ground Lease is not secured by any pledge of the general revenues of Issuer and is solely limited to the revenues derived from the Project and paid by Pledgor to the Trustee.

(c) No Amendments. Pledgor, in its capacity as "owner of the Bonds" and the "Company" under the Indenture, will not consent to any modification, alteration, amendment, addition to, rescission of any of the terms or provisions in the Indenture or any supplemental indenture or any other document delivered in connection therewith, without first having received the written consent of Lender.

5. Event of Default Defined. For purposes of this Agreement, "**Event of Default**" shall mean:

(a) Pledgor shall fail to observe or perform any covenant or agreement contained in Section 4 of this Agreement, unless such failure to perform (A) has no material adverse effect on Lender or the Loan and (B) is cured within the Grace Period (defined below), as the same may be extended pursuant to Section 5(b) below;

(b) Pledgor shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by the immediately preceding clause (a)) for a period of thirty (30) days after written notice thereof has been given to such Pledgor by Lender (the "**Grace Period**"); provided, however, that Lender may extend the Grace Period up to an additional sixty (60) days (for a total of ninety (90) days from the date of default) if (i) Pledgor promptly commences and diligently pursues the cure of such default and delivers (within the Grace Period) to Lender a written request for more time and (ii) Lender determines in good faith that (A) such default cannot be cured within the Grace Period but can be cured within ninety (90) days after the default, (B) no lien or security interest created by this Agreement will be impaired prior to completion of such cure, and (C) Lender's immediate exercise of any remedies provided under this Agreement or by law is not necessary for the protection or preservation of the Pledged Bond Collateral or Lender's security interest;

(c) any representation and warranty made herein shall have not been true and correct in all material respects when made; provided, however, that if the factual circumstances that created any false or misleading representation or warranty (A) are remedied within thirty (30) days after the earlier to occur of Pledgor's discovery of such factual circumstances or Lender's written notice of such false or misleading representation or warranty and (B) have no material adverse effect on Lender or the Loan, then no such Event of Default shall be deemed to have occurred under this Section 5(c); and

(d) an Event of Default under and as defined in the Loan Agreement or any of the other Loan Documents shall occur and be continuing.

6. Remedies upon Default.

(a) If any Event of Default shall exist, Lender, without demand of performance or other demand, advertisement or notice of any kind to or upon Pledgor or any other person (all and each of which demands, advertisements and/or notices are to the extent allowed by applicable law hereby expressly waived, except as may be expressly required pursuant to the Loan Agreement and the notice specified below of time and place of public or private sale), may forthwith, to the extent not prohibited by Laws, collect, receive, appropriate and realize upon the Pledged Bond Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase, contract to sell or otherwise dispose of and deliver said Pledged Bond Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale or sales, public or private, to purchase the whole or any part of said Pledged Bond Collateral so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safekeeping or otherwise of any and all of the Pledged Bond Collateral or in any way relating to the rights of Lender hereunder, including reasonable outside attorneys' fees (which shall be limited to fees actually incurred by Lender based upon the standard billing rates of the professionals providing services to Lender) and legal expenses actually incurred by Lender, to the payment in whole or in part of the Secured Obligations in such order as Lender may elect, Pledgor remaining liable for any deficiency remaining unpaid after such application, and only after so applying such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-610 of the Uniform Commercial Code as in effect in the State of Kentucky, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more than ten (10) days' notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Pledgor if it has signed after an Event of Default a statement expressly renouncing any right to notification of sale or other intended disposition. In addition to the rights and remedies granted to Lender in this Agreement and in any other instrument or agreement securing, evidencing or

relating to any of the Secured Obligations, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Kentucky at that time.

(b) In addition to exercising the power of sale herein conferred upon it, if any Event of Default shall exist, the Lender shall also have the option to proceed by suit or suits at law or in equity to foreclose this Agreement and sell the Pledged Bond Collateral or any portion thereof pursuant to judgment or decree of a court or courts having competent jurisdiction.

(c) In addition to the foregoing, if any Event of Default shall exist, the Lender shall have all other rights, powers and remedies which are available to it under the laws of the jurisdiction in which the relevant Issuer was organized or created.

(d) The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights or remedies which it would otherwise have.

(e) Notwithstanding anything to the contrary contained in subsections (a) through (d) of this Section 6, Lender may not exercise any remedies in Section 6 of this Agreement other than through a contemporaneous foreclosure under the Instrument or conveyance in lieu of foreclosure.

7. Application of Proceeds of Sale and Cash. The proceeds of any sale of the whole or any part of the Pledged Bond Collateral, together with any other moneys held by the Lender under the provisions of this Agreement, shall be applied by the Lender in accordance with the terms of the Loan Agreement. Pledgor shall remain liable and will pay, on demand, any deficiency remaining in respect of the Secured Obligations.

8. Lender Appointed Attorney-in-Fact. From and after the occurrence and during the existence of an Event of Default, Pledgor hereby constitutes and appoints Lender as the attorney-in-fact of Pledgor with full power of substitution either in the Lender's name or in the name of Pledgor to do any of the following with respect to the Pledged Bond Collateral: (a) to perform any obligation of Pledgor hereunder in Pledgor's name or otherwise; (b) to ask for, demand, sue for, collect, receive, receipt and give acquittance for any and all moneys due or to become due under and by virtue of any Pledged Bond Collateral; (c) to prepare, execute, file, record or deliver notices, assignments, financing statements, continuation statements, applications for registration or like papers to perfect, preserve or release the Lender's security interest in the Pledged Bond Collateral or any of the documents, instruments, certificates and agreements described in Section 1 hereof; (d) to verify facts concerning the Pledged Bond Collateral in its own name or a fictitious name; (e) to endorse checks, drafts, orders and other instruments for the payment of money payable to Pledgor, representing any interest or dividend or other premium or distribution payable in respect of the Pledged Bond Collateral or any part thereof or on account thereof and to give full discharge for the same; (f) to exercise all rights, powers and remedies which such Pledgor would have, but for this Agreement, under the Pledged Bond Collateral; and (g) to carry out the provisions of this Agreement and to take any action and execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes hereof, and to do all acts and things and execute all documents in the name of such Pledgor or otherwise, deemed by Lender as necessary, proper

and convenient in connection with the preservation, perfection or enforcement of its rights hereunder. Nothing herein contained shall be construed as requiring or obligating Lender to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice, or to take any action with respect to the Pledged Bond Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by Lender or omitted to be taken with respect to the Pledged Bond Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Pledgor or to any claim or action against Lender except to the extent of Lender's gross negligence, fraud or willful misconduct. The power of attorney granted herein (i) is irrevocable, (ii) shall be deemed to be coupled with an interest, (iii) is effective immediately, and (iv) is exercisable and enforceable only during the existence of an Event of Default.

9. Reimbursement of Lender. Pledgor agrees to pay upon demand (as defined in the Loan Agreement) to Lender the amount of any and all reasonable expenses actually incurred, including the reasonable fees, disbursements and other charges of its outside counsel and of any experts or agents, that Lender actually incurs in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or any sale of, collection from, or other realization upon any of the Pledged Bond Collateral, (iii) the exercise or enforcement of any of the rights of Lender hereunder, or (iv) the failure by Pledgor to perform or observe any of the provisions hereof. Any such amounts payable as provided hereunder shall be additional obligations secured hereby, by the Instrument and by any and all other Loan Documents that secure the Secured Obligations.

10. Further Assurances. Pledgor shall, at its sole cost and expense, take all action that may be necessary or desirable in Lender's sole discretion as directed by Lender, so as at all times to maintain the validity, perfection, enforceability and priority of Lender's security interest in the Pledged Bond Collateral, or to enable Lender to exercise or enforce its rights hereunder, including without limitation (a) causing any entities into which Pledgor may be divided to grant to Lender a first priority, perfected lien on the Pledged Bond Collateral, (b) promptly upon Lender's written request, delivering to Lender, endorsed or accompanied by such instruments of assignment as Lender may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Pledged Bond Collateral, and (c) promptly upon Lender's written request, executing and delivering financing statements, pledges, designations, notices and assignments, in each case in form and substance reasonably satisfactory to Lender, relating to the creation, validity, perfection, priority or continuation of the security interest granted hereunder. Pledgor hereby authorizes Lender to execute and file in all necessary and appropriate jurisdictions (as determined by Lender) one or more financing or continuation statements (or any other document or instrument referred to in the immediately preceding clause (c)) in the name of Pledgor and, subject to Section 8 hereof, to sign Pledgor's name thereto. Pledgor authorizes Lender to file any such financing statement, document or instrument without the signature of Pledgor to the extent permitted by applicable law. To the extent permitted by applicable law, a carbon, photographic, xerographic or other reproduction of this Agreement or any financing statement is sufficient as a financing statement. Any property comprising part of the Pledged Bond Collateral required to be delivered to Lender pursuant to this Agreement shall be accompanied by proper instruments of assignment duly executed by Pledgor and by such other instruments or documents as the Lender may reasonably request.

11. Indemnification. Pledgor agrees to indemnify and hold Lender, any corporation controlling, controlled by, or under common control with Lender and any officer, attorney, director, shareholder, agent or employee of the Lender or any such corporation and Issuer and any employee, officer, elected official or representative of Issuer (each an “**Indemnified Person**”), harmless from and against any Losses (as defined in the Loan Agreement), brought against or incurred by an Indemnified Person, in any manner arising out of or, directly or indirectly, related to or connected with this Agreement, including without limitation, the exercise by the Lender of any of its rights and remedies under this Agreement or any other action taken by Lender pursuant to the terms of this Agreement or against any and all losses, claims, damages, expenses or liabilities to which any Indemnified Person may become subject under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, the rules or regulations under said Acts, or any amendments of said Acts, insofar as such losses, claims; damages, expenses, liabilities or actions arise out of or are based upon the failure to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, related solely to the initial issuance of the Bonds and the pledge of the Bonds to Lender pursuant to this Agreement; provided, however, Pledgor shall not be liable to an Indemnified Person for any Losses to the extent that such Losses result from (i) the gross negligence or willful misconduct of such Indemnified Person or (ii) the actions or omissions of such Indemnified Person following Lender’s foreclosure of or Pledgor’s interest in the Pledged Bond Collateral. Pledgor’s obligations under this section shall survive the termination of this Agreement and the payment in full of the Secured Obligations.

12. Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Bond Collateral and shall remain in full force and effect until it terminates in accordance with its terms as set forth in Section 19 hereof. Pledgor and Lender hereby agree that the security interest created by this Agreement in the Pledged Bond Collateral shall not terminate and shall continue and remain in full force and effect notwithstanding the transfer to any of Pledgor or any person designated by it of all or any portion of the Pledged Bond Collateral.

13. Security Interest Absolute. All rights of Lender hereunder, the grant of a security interest in the Pledged Bond Collateral and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Note, the Loan Agreement, the Instrument or any other Loan Document, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of the payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Note, the Loan Agreement, the Instrument, any other Loan Document or any other agreement or instrument relating to any of the foregoing, except to the extent the foregoing expressly modify Lender’s rights hereunder, (c) any exchange, release or nonperfection of any other collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Secured Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Secured Obligations or in respect of this Agreement (other than the indefeasible payment in full of all the Secured Obligations).

14. No Waiver. Neither the failure on the part of Lender to exercise, nor the delay on its part in exercising any right, power or remedy hereunder, nor any course of dealing between Lender and Pledgor shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy hereunder preclude any other or the further exercise thereof or the exercise of any other right, power or remedy.

15. Notices. Notices, requests and other communications required or permitted hereunder shall be given in accordance with the applicable terms of the Loan Agreement.

16. GOVERNING LAW. NOTWITHSTANDING ANYTHING IN THE LOAN AGREEMENT, OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) TO THE CONTRARY, EACH OF THE TERMS AND PROVISIONS, AND RIGHTS AND OBLIGATIONS OF PLEDGOR UNDER THIS AGREEMENT, SHALL BE GOVERNED BY, INTERPRETED, CONSTRUED, AND ENFORCED PURSUANT TO AND IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA (EXCLUDING THE LAW APPLICABLE TO CONFLICTS OR CHOICE OF LAW) EXCEPT TO THE EXTENT OF PROCEDURAL AND SUBSTANTIVE MATTERS RELATING ONLY TO THE CREATION, PERFECTION, AND FORECLOSURE OF LIENS AND SECURITY INTERESTS, AND ENFORCEMENT OF THE RIGHTS AND REMEDIES, AGAINST THE PROJECT, WHICH MATTERS SHALL BE GOVERNED BY THE LAWS OF THE JURISDICTION IN WHICH THE PROJECT IS LOCATED, THE PERFECTION, THE EFFECT OF PERFECTION AND NON-PERFECTION AND FORECLOSURE OF SECURITY INTERESTS ON PERSONAL PROPERTY, WHICH MATTERS SHALL BE GOVERNED BY THE LAWS OF THE JURISDICTION DETERMINED BY THE CHOICE OF LAW PROVISIONS OF THE UNIFORM COMMERCIAL CODE IN EFFECT FOR THE JURISDICTION IN WHICH PLEDGOR IS ORGANIZED. PLEDGOR AGREES THAT ANY CONTROVERSY ARISING UNDER OR IN RELATION TO THE THIS AGREEMENT, SHALL BE, EXCEPT AS OTHERWISE PROVIDED HEREIN, LITIGATED IN THE DISTRICT OF COLUMBIA. THE LOCAL AND FEDERAL COURTS AND AUTHORITIES WITH JURISDICTION IN THE DISTRICT OF COLUMBIA SHALL, EXCEPT AS OTHERWISE PROVIDED HEREIN, HAVE JURISDICTION OVER ALL CONTROVERSIES WHICH MAY ARISE UNDER OR IN RELATION TO THIS AGREEMENT, INCLUDING THOSE CONTROVERSIES RELATING TO THE EXECUTION, JURISDICTION, BREACH, ENFORCEMENT, OR COMPLIANCE WITH THE AGREEMENT, OR ANY OTHER ISSUE ARISING UNDER, RELATING TO, OR IN CONNECTION WITH THE AGREEMENT. PLEDGOR IRREVOCABLY CONSENTS TO SERVICE, JURISDICTION, AND VENUE OF SUCH COURTS FOR ANY LITIGATION ARISING FROM THIS AGREEMENT, AND WAIVES ANY OTHER VENUE TO WHICH IT MIGHT BE ENTITLED BY VIRTUE OF DOMICILE, HABITUAL RESIDENCE, OR OTHERWISE. NOTHING CONTAINED HEREIN, HOWEVER, SHALL PREVENT LENDER FROM BRINGING ANY SUIT, ACTION, OR PROCEEDING OR EXERCISING ANY RIGHTS AGAINST PLEDGOR AND AGAINST THE COLLATERAL IN ANY OTHER JURISDICTION. INITIATING SUCH SUIT, ACTION, OR PROCEEDING OR TAKING SUCH ACTION IN ANY OTHER JURISDICTION SHALL IN NO EVENT CONSTITUTE A WAIVER OF THE AGREEMENT CONTAINED HEREIN THAT THE LAWS OF THE DISTRICT OF COLUMBIA SHALL GOVERN THE RIGHTS

AND OBLIGATIONS OF PLEDGOR AND LENDER AS PROVIDED HEREIN OR THE SUBMISSION HEREIN BY PLEDGOR TO PERSONAL JURISDICTION WITHIN THE DISTRICT OF COLUMBIA.

17. Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

18. Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Pledgor shall not be permitted to assign this Agreement or any interest herein or in the Pledged Bond Collateral, or any part thereof, or any cash or property held by Lender as collateral under this Agreement except as expressly permitted in the Loan Agreement.

19. Termination. Upon the earlier to occur of (i) indefeasible payment in full of all of the Secured Obligations and (ii) the redemption of the Bonds, this Agreement shall terminate, except as expressly set forth herein. Upon termination of this Agreement in accordance with its terms Lender agrees to take such actions as Pledgor may reasonably request, and at the sole cost and expense of Pledgor, (a) to return the Pledged Bond Collateral to Pledgor, and (b) to evidence the termination of this Agreement, including, without limitation, the filing of any releases or any termination statements under the Uniform Commercial Code.

20. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

21. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute but one agreement.

23. Definitions. Terms not otherwise defined herein are used herein with the respective meanings given to them in the Instrument.

24. Limited Recourse. The provisions of Article 3 (Personal Liability) of the Loan Agreement are hereby incorporated by reference into this Agreement to the same extent and with the same force as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Pledgor has executed and delivered this Agreement under seal as of this the date first written above.

PLEDGOR:

PASSCO COVINGTON RIDGE DST

a Delaware statutory trust

By: PASSCO COVINGTON RIDGE MANAGER,
LLC

a Delaware limited liability company
its Manager

By: _____
Alan Clifton
Vice President

Agreed to, accepted and acknowledged as of the date first written above.

LENDER:

KEYBANK NATIONAL ASSOCIATION
a national banking association

By: _____(SEAL)
Kelly Blodgett
Vice President

Agreed to, accepted and acknowledged as of the date first written above.

ISSUER:

COUNTY OF KENTON, KENTUCKY

By: _____
Name: _____
Title: _____

Section 1(b) above accepted and acknowledged as of the date first written above.

TRUSTEE:

THE HUNTINGTON NATIONAL BANK

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION

[INSERT]