

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:  
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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

by and between

**CITY OF SANTA ROSA,  
as Issuer**

and

**UHC 00596 SANTA ROSA, L.P.,  
a California limited partnership**

dated as of October 1, 2017

relating to:

**City of Santa Rosa  
2017 Multifamily Housing Revenue Note  
(The Crossings on Aston Apartments)**

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## **REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS**

**THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS** (as supplemented and amended from time to time, this "Regulatory Agreement") is made and entered into as of October 1, 2017, by and between the CITY OF SANTA ROSA, a municipal corporation and chartered city organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Issuer"), and UHC 00596 SANTA ROSA, L.P., a California limited partnership, duly organized, validly existing and in good standing under the laws of the State of California (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Owner").

### **WITNESSETH:**

WHEREAS, pursuant to Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law"), the Issuer proposes to issue its 2017 Multifamily Housing Revenue Note (The Crossings on Aston Apartments) (the "Note") under a Funding Loan Agreement, dated as of October 1, 2017 (as supplemented and amended from time to time, the "Funding Loan Agreement"), by and between the Issuer and Citibank, N.A., as Funding Lender (the "Funding Lender");

WHEREAS, the proceeds of the Note will be used to fund a loan (the "Loan") to the Owner pursuant to the Borrower Loan Agreement, dated as of the date thereof, by and between the Issuer and the Owner (as supplemented and amended from time to time, the "Borrower Loan Agreement"), to provide, in part, financing for the acquisition, construction and development of the multifamily rental housing project which shall be known as The Crossing on Aston Apartments, to be located on the real property site described in Exhibit A hereto (as further described herein, the "Project");

WHEREAS, in order to assure the Issuer and the owners of the Note that interest on the Note will be excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986 (the "Code"), and to satisfy the public purposes for which the Note is authorized to be issued under the Housing Law, and to satisfy the purposes of the Issuer in determining to issue the Note, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met;

NOW, THEREFORE, in consideration of the issuance of the Note by the Issuer and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer and the Owner hereby agree as follows:

**Section 1. Definitions and Interpretation.** Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Funding Loan Agreement or Borrower Loan Agreement, as applicable.

**"Administrator"** means any administrator or program monitor, or affiliate agency such as the Housing Authority of the City of Santa Rosa, appointed by the Issuer to administer this Regulatory Agreement, and any successor administrator appointed by the Issuer. The initial Administrator shall be the Issuer.

**"Area"** means the Metropolitan Statistical Area or County, as applicable in which the Project is located as defined by the United States Department of Housing and Urban Development.

**"Available Units"** means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Note is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

**"CDLAC"** means the California Debt Limit Allocation Committee or its successors.

**"CDLAC Conditions"** has the meaning given such term in Section 28(a).

**"Certificate of Continuing Program Compliance"** means the Certificate to be filed by the Owner with the Administrator, on behalf of the Issuer, pursuant to Section 4(e) hereof, which Certificate shall contain the information set forth in, and to be in substantially the form attached hereto as Exhibit D or such other form as may be prescribed by the Issuer and/or CDLAC.

**"City"** means the City of Santa Rosa, California.

**"Closing Date"** means October \_\_, 2017, the date the Note is issued and delivered to the initial purchaser thereof.

**"Completion Certificate"** means the certificate of completion relating to the Project required to be delivered to the Issuer and the Funding Lender by the Owner pursuant to Section 2(g) of this Regulatory Agreement, which shall be substantially in the form attached hereto as Exhibit C.

**"Completion Date"** means the date of the completion of the acquisition and construction of the Project, as set forth in the Completion Certificate.

**"County"** means the County of Sonoma, California.

**"Deed of Trust"** means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of October 1, 2017, executed as of the date thereof by the Owner, as trustor, for the benefit of the Issuer, as beneficiary, and the deed of trust trustee thereunder, encumbering (among other things) the Project, securing the Loan and recorded in the official records of the County of Sonoma, State of California.

**"Equity Investor"** means RBC Tax Credit Equity, LLC and its successors and assigns.

**"Funding Lender"** means Citibank, N.A., and its successors and assigns.

**"Gross Income"** means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed under Section 8 of the Housing Act.

**"Housing Act"** means the United States Housing Act of 1937, as amended, or its successor.

**"Housing Law"** means Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended.

**"Income Certification"** means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as Exhibit B hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

**"Limited Partners"** means, together, the Equity Investor and any special limited partner or other limited partner established by the Equity Investor or a related entity.

**"Low Income Tenant"** means a tenant occupying a Low Income Unit.

**"Low Income Unit"** means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of "low-income families" under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. If all the occupants of an Available Unit are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the unit shall not constitute a Low Income Unit unless such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit's status as a Low Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

**"Note"** means the City of Santa Rosa 2017 Multifamily Housing Revenue Note (The Crossings at Aston Apartments).

**"Note Counsel"** means an attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and the tax-exempt nature of interest on, obligations issued by states and their political subdivisions, who is or are selected by the Governmental Lender and duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

**"Project"** means the 27-unit multifamily rental housing development (including one manager's unit) to be located in the City of Santa Rosa on the real property site described in Exhibit A hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition, construction and development of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Note or the proceeds of any payment by the Owner pursuant to the Borrower Loan Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Borrower Loan Agreement.

**"Project Status Report"** means the report to be filed by the Owner with the Administrator, on behalf of the Issuer, pursuant to Section 4(e) hereof, which shall be substantially in the form attached as Exhibit E hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

**"Qualified Project Costs"** - means costs paid with respect to the Project that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Owner or but for a proper election by the Owner to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during rehabilitation or construction of the Project (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the Project; and provided further that interest accruing after the date of completion of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed or rehabilitated by an affiliate (within the meaning of the Code) (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such affiliate in constructing or rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the affiliate, and (C) any overhead expenses incurred by the affiliate that are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the date of a declaration of "official intent" to reimburse costs paid with respect to the Project (within the meaning of §1.150-2 of the United States Treasury Regulations) or the date of issue of the Note, and (iv) if the costs were previously paid and are to be reimbursed with proceeds of the Loan such costs were (A) costs of issuance of the Note, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of construction of the Project that do not exceed twenty percent (20%) of the issue price of the Note (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid).

**"Qualified Project Period"** means the period beginning on the date on which ten percent (10%) of the units in the Project are first occupied and ending on the later of the following:

(A) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;

(B) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding;

(C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; or

(D) such later date as set forth in CDLAC Conditions, as defined in Section 28(a) hereof.

**"Regulations"** means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

**"Regulatory Agreement"** means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

**"Servicer "** means the Servicer appointed pursuant to the provisions of the Borrower Loan Agreement.

**"Tax Certificate"** shall mean the Tax Certificate and Agreement, dated the Closing Date, executed and delivered by the Issuer and the Owner.

**"Tax-Exempt"** means with respect to interest on any obligations of a state or local government, including the Note, that such interest is excluded from gross income for federal income tax purposes; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, under the Code.

**"Transfer"** means the conveyance, assignment, sale or other disposition and of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (1) an installment sales agreement wherein Owner agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Owner leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

## **Section 2. Representations, Covenants and Warranties of the Owner.**

(a) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner contained in the Tax Certificate and the Borrower Loan Agreement relating to the Project.

(b) The Owner hereby represents and warrants that the Project is located entirely within the City.

(c) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Note to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Note in order to provide funds to assist the Owner in constructing and developing the Project.

(d) The Owner has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the acquisition and construction of the Project, pursuant to which the Owner is or will be obligated to expend at least the lesser of (i) 2-1/2 percent of the principal amount of the Note or (ii) \$100,000.

(e) The Owner's reasonable expectations respecting the total cost of the acquisition and construction of the Project and the disbursement of Bond proceeds are accurately set forth in the Tax Certificate.

(f) The Owner will proceed with due diligence to complete the acquisition and construction of the Project and expects to expend the full amount of the proceeds of the Loan for Project Costs related to the Project prior to \_\_\_\_\_ 1, 201\_\_.

(g) On the Completion Date of the Project, the Owner will submit to the Issuer and the Funding Lender a duly executed and completed Completion Certificate.

(h) The Owner (and any affiliated party) will not take or omit to take, as applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Note to be applied in a manner contrary to the requirements of the Funding Loan Agreement, the Borrower Loan Agreement, this Regulatory Agreement, the CDLAC Conditions (as defined in Section 28 hereof), the Act or the Code.

**Section 3. Qualified Residential Rental Project.** The Owner hereby acknowledges and agrees that the Project is to be owned, managed and operated as a "residential rental project" (within the meaning of section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be constructed, developed and operated for the purpose of providing multifamily residential rental property. The Owner will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Housing Law, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than one unit set aside for a resident manager or other administrative use) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct



facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Owner may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the City).

(e) All of the Available Units in the Project will be available for rental during the period beginning on the date hereof and ending on the termination of the Qualified Project Period on a continuous, "first-come, first-served" basis to members of the general public; and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units or as otherwise required pursuant to any agreement entered into with the Issuer or any other public agency.

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Owner; provided, however, that if the Project contains five or more dwelling units, this provision shall not be construed to prohibit occupancy of not more than one dwelling unit by a resident manager or maintenance personnel, any of whom may be the Owner.

(h) The Owner shall deliver to the Administrator (i) within 30 days after the date on which 10% of the dwelling units in the Project are occupied, a written notice specifying such date, and (ii) within 30 days after the date on which 50% of the dwelling units in the Project are occupied, a written notice specifying such date.

(i) The Owner shall not discriminate on the basis of race, creed, color, sex, source of income (e.g. TANF, SSI), physical disability, age (except as set forth herein), national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

**Section 4. Low Income Tenants; Reporting Requirements.** Pursuant to the requirements of the Code, the Owner hereby represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than 40% of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of Section 4(a) hereof unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Qualified Project Period, the Owner will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, in the form attached as Exhibit B hereto, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. The Owner will provide such additional information as may be required in the future by the Code, the State or the Issuer, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Issuer, copies of Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator and/or the Issuer, as requested.

The Owner shall make a good faith effort to verify that the income information provided by an applicant in a Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(d) The Owner will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Issuer or the

Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) The Owner will prepare and submit to the Administrator, on behalf of the Issuer, annually (unless requested more frequently by the Issuer) commencing not later than the first anniversary date of the Closing Date, a Certificate of Continuing Program Compliance executed by the Owner in substantially the form attached hereto as Exhibit D and a Project Status Report in substantially the form attached hereto as Exhibit E. During the Qualified Project Period, the Owner shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

(f) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner, the Issuer or the Administrator, on behalf of the Issuer, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under Section 4(b), the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

For purposes of this Section 4, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

**Section 5. Tax-Exempt Status of Note.** The Owner and the Issuer, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Owner and the Issuer will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Note and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Owner and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Note Counsel filed with the Issuer (with a copy to the Owner), in order to insure that the requirements and

restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

(c) The Owner will take such action or actions as may be necessary, in the written opinion of Note Counsel filed with the Issuer, the Servicer and the Owner, to comply fully with the Housing Law and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under section 142(d) of the Code to the extent necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Note.

(d) The Owner will use, directly or indirectly, less than twenty-five percent (25%) of the proceeds of the Note for the acquisition of land.

(e) The Owner (and any person related to it within the meaning of section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Note to be applied in a manner contrary to the requirements of the Loan Documents or this Regulatory Agreement.

(f) The Owner will assure that not less than 95% of the proceeds of the Note including interest earnings thereon, will be disbursed for Qualified Project Costs.

(g) The Owner will assure that an amount not in excess of two percent (2%) of the proceeds of the Note will be used for costs of issuance of the Note, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the original purchaser of the Note are retained as a discount on the purchase of the Note, such retention shall be deemed to be an expenditure of proceeds of the Note for said fees.

(h) The Owner will assure that no proceeds of the Note shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(i) The Owner hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any document (other than the Mortgage and in any leases to individual occupants of units in the Project) transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement during the term of this Regulatory Agreement.

(j) The Owner will not enter into any agreements that would result in the payment of principal of or interest on the Note being "federally guaranteed" within the meaning of section 149(b) of the Code.

(k) The Owner will assure that money on deposit in any fund or account representing the proceeds of or held in connection with the Note, whether or not such money was derived from other sources, shall not be used by or under the direction of the Owner, in a manner which would cause the Note to be "arbitrage bonds" within the

meaning of section 148 of the Code, and the Owner specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Note from being "arbitrage bonds" under the Code.

(l) The Owner hereby agrees to comply with the requirements of section 148(f) of the Code and to rebate excess investment earnings to the federal government.

(m) The Owner agrees not to acquire any of the Note so long as it is the owner or a substantial user (as defined in the Code) of the Project.

(n) The Note upon issuance and delivery shall be considered "private activity bonds" within the meaning of the Code with respect to which CDLAC has transferred a portion of the State of California's private activity bond allocation (within the meaning of section 146 of the Code) equal to the principal amount of the Note.

(o) The Owner hereby covenants that no proceeds of the Note shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in section 147(d) of the Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with proceeds of the Note (within the meaning of the Code); and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds of the Note.

**Section 6. Requirements of the Housing Law.** In addition to the other requirements set forth herein, the Owner hereby agrees that it shall comply with each of the requirements of Section 52080 of the Housing Law, including the following:

(a) Not less than 40% of the total number of units in the Project shall be Low Income Units. The units made available to meet this requirement shall be of comparable quality and offer a range of sizes and numbers of bedrooms comparable to the units that are available to other tenants in the Project.

(b) Subject to the provisions of Section 7(d) hereof, the maximum rental amount for the Low Income Units shall not exceed 30% of an amount equal to 60% of the median adjusted gross income for the Area.

(c) The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Owner shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

(d) The units reserved for occupancy as required by Section 4(a) shall remain available on a priority basis for occupancy at all times on and after the Closing Date and continuing through the Qualified Project Period.

(e) During the three (3) years prior to the expiration of the Qualified Project Period, the Owner shall continue to make available to eligible households Low Income Units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(f) Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure and redemption of the Note, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by subsection (a) of this Section shall remain available to any eligible tenant occupying a reserved unit at the date of such expiration or termination, at the rent determined by subsection (b) of this Section, until the earliest of (1) the household's income exceeds 140% of the maximum eligible income specified above, (2) the household voluntarily moves or is evicted for good cause (as defined in the Housing Law), (3) 30 years after the date of the commencement of the Qualified Project Period, or (4) the Owner pays the relocation assistance and benefits to households as provided in Section 7264(b) of the California Government Code.

(g) Except as set forth in Section 13 hereof, the covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(h) This Regulatory Agreement shall be recorded in the office of the County recorder, and shall be recorded in the grantor-grantee index under the name of the Owner as grantor and under the name of the Issuer as grantee.

**Section 7. Requirements of the Issuer.** In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Owner hereby agrees to comply with each of the requirements of the Issuer set forth in this Section 7, as follows:

(a) For the duration of the Qualified Project Period, notwithstanding any retirement of the Note or termination of the Borrower Loan Agreement, the Owner will pay to the Issuer all of the amounts required to be paid by the Owner under the Funding Loan Agreement, the Borrower Loan Agreement and this Regulatory Agreement and will indemnify the Issuer (and related parties) as provided in Section 9 of this Regulatory Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the Issuer, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer upon reasonable advance notice to the Owner.

(c) The Owner acknowledges that the Issuer has appointed the Administrator to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. The Owner shall comply with any reasonable request made by the Administrator or the Issuer to deliver to any such Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer. The fees and expenses of the Administrator shall be paid by the Issuer.

(d) For purposes of Section 6(b), the base rents shall be adjusted for household size (one and one-half persons per bedroom), to the extent permitted by law and shall be calculated less a utility allowance.

(e) The Owner shall comply with the conditions set forth in Exhibit A to that certain CDLAC Resolution No. 17-63 relating to the Project and adopted on July 19, 2017 (the "CDLAC Conditions"), as they may be modified or amended from time to time, which conditions are incorporated herein by reference and made a part hereof. The Owner will prepare and submit to the Administrator, 30 days prior to the CDLAC reporting date of March 1 of each year (or such other date as may be required by CDLAC), until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance, in substantially the form attached to the CDLAC Conditions, executed by an authorized representative of the Owner. The Issuer and the Administrator shall have no obligation to monitor the Owner's compliance with the CDLAC Conditions.

(f) Except as otherwise provided in Section 13 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after the Closing Date, which is the date of recordation of the Deed of Trust, as required by the CDLAC Conditions.

Any of the foregoing requirements of the Issuer contained in this Section 7 (except (e) and (f) above, which may only be waived with the consent of CDLAC) may be expressly waived by the Issuer, in its sole discretion, in writing, but (i) no waiver by the Issuer of any requirement of this Section 7 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Note Counsel that any such provision is not required by the Housing Law and may be waived without adversely affecting the exclusion from gross income of interest on the Note for federal income tax purposes; and (ii) any requirement of this Section 7 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Note Counsel to the effect that compliance with any such requirement would cause interest on the Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Housing Law or any other state or federal law.

**Section 8. Modification of Covenants.** The Owner and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Housing Law, the Regulations or the Code shall, in the written opinion of Note Counsel filed with the Issuer and the Owner, retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Note, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Housing Law, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Note Counsel filed with the Issuer and the Owner, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement

may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, at its sole discretion, and the Owner, and only upon receipt by the Issuer of the written opinion of Note Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Note or violate the requirements of the Housing Law, and otherwise in accordance with Section 22 hereof.

(c) The Owner and the Issuer shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8, and the Issuer hereby appoints the Servicer as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Note Counsel) if either the Owner or the Issuer defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the Issuer or the Owner, the Servicer shall take no action under this subsection without first notifying the Owner or the Issuer, or both of them, as is applicable, and without first providing the Owner or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 8. Nothing in this subsection (c) shall be construed to allow the Servicer to execute an amendment to this Regulatory Agreement on behalf of the Issuer or the Owner.

**Section 9. Indemnification; Other Payments.** Subject to the limitations set forth in Section 28 hereof, to the fullest extent permitted by law, the Owner agrees to indemnify, hold harmless and defend the Issuer and each of its officers, governing members, directors, officials, employees, attorneys, agents, volunteers and staff (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Note, the Funding Loan Agreement, the Borrower Loan Agreement, this Regulatory Agreement, the Tax Certificate and all documents related hereof or thereto, or the execution or amendment thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale, resale or remarketing of the Note;

(ii) any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, construction or rehabilitation of, the Project or any part thereof;

(iii) any lien or charge upon payments by the Owner to the Issuer or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer in respect of any portion of the Project;

(iv) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof;



(v) the defeasance and/or redemption, in whole or in part, of the Note;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure document for the Note or any of the documents relating to the Note, or any omission or alleged omission from any offering statement or disclosure document for the Note of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(vii) any declaration of taxability of interest on the Note, or allegations (or regulatory inquiry) that interest on the Note is taxable for federal tax purposes;

except to the extent such damages are caused by the gross negligence or willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Owner shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Owner if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel. In addition to the foregoing, the Owner shall pay upon demand all of the fees and expenses paid or incurred by the Issuer in enforcing the provisions hereof.

The provisions of this Section 9 shall survive the final payment or defeasance of the Note and this Regulatory Agreement; provided, however, the provisions of this Section shall survive the term of this Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

**Section 10. Consideration.** The Issuer has agreed to issue the Note to provide funds to lend to the Owner to finance the Project, all for the purpose, among others, of inducing the Owner to acquire, construct, develop and operate the Project. In consideration of the issuance of the Note by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

**Section 11. Reliance.** The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons, including but not limited to the Administrator and the Funding Lender, interested in the legality and validity of the Note, in the exemption from California personal income taxation of interest on the Note and in the Tax-Exempt status of the interest on the Note. In performing their duties and obligations hereunder, the Issuer and the Administrator may rely upon statements and certificates of the Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer may consult with counsel, and the opinion of

such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer hereunder in good faith and in conformity with such opinion.

**Section 12. Transfer of the Project.** For the Qualified Project Period, the Owner shall not Transfer the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Owner shall not be in default hereunder or under the Borrower Loan Agreement, if in effect, which evidence shall include a Certificate of Continuing Program Compliance current as of a date no longer than forty-five (45) days prior to delivery thereof, or, if the Owner is in default hereunder or under the Borrower Loan Agreement, that the transferee agrees to undertake to cure any defaults of the Owner to the reasonable satisfaction of the Issuer; (2) the Owner has complied with the provisions of Section 28(d)(i) related to notice to CDLAC of transfer of the Project; (3) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (4) either (a) the transferee or its property manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project, or another management company reasonably acceptable to the Issuer will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Owner or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (5) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Owner's obligations under this Regulatory Agreement and the Borrower Loan Agreement (if then in effect), including without limitation an instrument of assumption hereof and thereof, and delivery to the Issuer of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer of an opinion of Note Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Note; and (D) receipt by the Issuer of all fees and/or expenses then currently due and payable to the Issuer by the Owner. Notwithstanding the foregoing, the execution and delivery of a Purchase Option Agreement in favor of Owner's general partner or an affiliate thereof shall not be an event of default hereunder.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this Section 12. Nothing in this Section shall affect any provision of any other document or instrument between the Owner and any other party requires the Owner to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder

to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under the Deed of Trust without the consent of the Issuer or compliance with the provisions of this Section 12. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any transfer of the Project shall constitute conclusive evidence that the transfer is not in violation of this Section 12. Nothing in this Section shall affect any provision of any other document or instrument between the Owner and any other party that requires the Owner to satisfy certain conditions or obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Upon any sale or other transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project. The Issuer hereby approves (i) the transfer of limited partnership interests in the Owner to the Limited Partners, (ii) any transfer of or in the interests of the Limited Partners in the Owner and (iii) the removal and replacement of the General Partner in accordance with the terms of the Partnership Agreement.

For the Qualified Project Period, the Owner shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) Permitted Encumbrances, or (B) a Transfer in accordance with the terms of this Regulatory Agreement, in each case upon receipt by the Issuer of an opinion of Note Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Note (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Borrower Loan Agreement or the Deed of Trust; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

**Section 13. Term.** This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Note and discharge of the Borrower Loan Agreement and the Funding Loan Agreement and the Note.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Issuer from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Note is retired or amounts received as a

consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Issuer and the Owner upon receipt by the Issuer of an opinion of Note Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Note for federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

**Section 14. Covenants to Run With the Land.** Notwithstanding Section 1461 of the California Civil Code, the Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

**Section 15. Burden and Benefit.** The Issuer and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Issuer and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Note were issued.

**Section 16. Uniformity; Common Plan.** The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

**Section 17. Default; Enforcement.** If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer to the Owner, or for a period of 60 days from the date the Owner should, with reasonable diligence, have discovered such default, then the Issuer shall declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60

days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Note Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Note. The Issuer hereby agrees that any cure of any default hereunder made or rendered by Owner's limited partners shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made by the Owner. The Issuer shall have the right to enforce the obligations of the Owner under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Housing Law or the Code.

Following the declaration of an Event of Default hereunder, the Issuer, subject to the terms of the Funding Loan Agreement and the Borrower Loan Agreement, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

- (i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer hereunder; and

- (ii) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project;

- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer may fully obtain the benefits of this Regulatory Agreement made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

The Issuer hereby agrees that cure of any Event of Default made or tendered by any partner of the Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner, provided, however, that the Limited Partners are under no obligation to cure any default by the Owner.

All reasonable fees, costs and expenses (including reasonable attorney's fees) of the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Owner.

**Section 18. [Reserved].**

**Section 19. Recording and Filing.**

- (a) The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County, and in such other places as the Issuer or the Servicer may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

- (b) The Owner and the Issuer will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Note Counsel, in

order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Owner hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure or comparable involuntary conversion of the Deed of Trust, whereby the owner of the Note becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

**Section 20. Payment of Fees.** Notwithstanding any prepayment of the Loan, throughout the term of this Regulatory Agreement, the Owner shall continue to pay to the Issuer its administration fee described below and in the event of default, to the Issuer reasonable compensation for any services rendered by it hereunder and reimbursement for all expenses reasonably incurred by either of them in connection therewith.

For the term of the Qualified Project Period under this Regulatory Agreement the Owner shall pay to the Issuer an annual administration fee (defined as the Ongoing Governmental Lender Fee in the borrower Loan Agreement) in an amount equal to one eighth of one percent (.125%) of the original principal amount of the Note issued, payable to the Issuer in advance in equal semiannual installments of \$\_\_\_\_\_ on each October 1 and April 1 commencing on the Closing Date, and payable in a pro rata amount for the initial period from the Closing Date to April 1, 2018. The fee of the Issuer referenced in this section shall in no way limit amounts payable by the Owner under Section 7 hereof, or arising in connection with the Issuer's enforcement of the provisions of this Regulatory Agreement. The Owner shall owe and pay such fee during the term of the Qualified Project Period.

**Section 21. Governing Law.** This Regulatory Agreement shall be governed by the laws of the State of California.

**Section 22. Amendments; Waivers.** (a) Except as provided in Section 8(a) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the Issuer of an opinion from Note Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Note and is not contrary to the provisions of the Housing Law.

(b) Anything to the contrary contained herein notwithstanding, the Issuer and the Owner hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Note Counsel, in order that interest on the Note remains Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Note Counsel and a request that Note Counsel render to the Issuer an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Note. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

**Section 23. Notices.** All notices, consents, approvals and requests required or permitted hereunder (a "notice") shall be deemed to be given and made when delivered by hand, by recognized overnight delivery service, confirmed facsimile transmission (provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day), or five (5) calendar days after deposited in the United States mail, registered or certified, postage prepaid, with return receipt requested, addressed as follows:

If to the Issuer: City of Santa Rosa  
90 Santa Rosa Avenue  
Santa Rosa, California 95404  
Attention: Housing and Community Services Director

Facsimile: (707) 543-3317

With a copy to: Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Stephen G. Melikian  
Facsimile: (415) 276-2088

If to the Owner: UHC 00596 Santa Rosa, L.P.  
2000 E. Fourth St, Suite 205  
Santa Ana, California 92705  
Attention: John F. Bigley  
Facsimile: (714) 835-3275

With a copy to Central Valley Coalition for Affordable Housing  
3351 "M" Street, Suite 100  
Merced, California 95348  
Attention: Christina Alley  
Facsimile: (209) 385-3770

and with a copy to: Law Offices of Patrick R. Sabelhaus  
1724 10<sup>th</sup> Street, Suite 110  
Sacramento, California 95811  
Attention: Stephen A. Strain  
Facsimile: (916) 444-3408

And a copy to: Haden Law Office  
2241 N Street  
Merced, CA 95340-3614  
Attn: Robert Haden  
(209) 723-5288

and a copy to: RBC Tax Credit Equity, LLC  
600 Superior Avenue, Suite 2300  
Cleveland, Ohio 44114  
Attention: President and General Counsel  
Facsimile: (216) 875-2612

and a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP  
633 West Fifth Street, 64th Floor  
Los Angeles, California 90071  
Attention: Kyle Arndt, Esq.

Additionally, unless otherwise specified by the Administrator or the Issuer, the address of the Administrator is:

City of Santa Rosa  
90 Santa Rosa Avenue  
Santa Rosa, CA 95404  
Attention: Housing Authority/Executive Director  
Telephone: (707) 543-3300  
Facsimile: (707) 543-3317

The Issuer, the Administrator and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. A copy of each notice of default or otherwise provided to the Owner hereunder shall also be provided to the Equity Investor, the Funding Lender and the Servicer at the addresses set forth in the Funding Loan Agreement.

A copy of each notice sent by or to the Owner shall also be sent to the manager of the Project at the address of the manager provided by the Owner to the Administrator; but such copies shall not constitute notice to the Owner, nor shall any failure to send such copies constitute a breach of this Regulatory Agreement or a failure of or defect in notice to the Owner.

The Owner shall notify the Issuer and the Administrator in writing of any change to the name of the Project or any change of name or address of the Owner or the property manager of the Project.

**Section 24. Severability.** If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

**Section 25. Multiple Counterparts.** This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

**Section 26. Limitation on Liability.** Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Owner under this Regulatory Agreement to any person or entity, including, but not limited to, the Issuer and their successors and assigns, is limited to the Owner's interest in the Project, the Trust Estate and the amounts held in the funds and accounts created under the Funding Loan Agreement, or any rights of the Owner under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any



other agreement securing the obligations of the Owner under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Regulatory Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Funding Loan Agreement, any rights of the Owner under the Funding Loan Agreement or any other documents relating to the Note or any rights of the Owner under any guarantees relating to the Project), its partners, members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Funding Loan Agreement or any agreement securing the obligations of the Owner under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Borrower Loan Agreement.

**Section 27. Third-Party Beneficiary.** The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender and CDLAC. The Funding Lender and CDLAC shall accordingly have contractual rights in this Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender and/or the Funding Lender, or to cause the Governmental Lender to enforce this Regulatory Agreement, and CDLAC shall be entitled (but not obligated) to enforce, in accordance with Section 17 hereof, the terms of the CDLAC Resolution. In addition, the Funding Lender and CDLAC are intended to be and shall be a third-party beneficiary of this Regulatory Agreement. Notwithstanding the above, CDLAC shall be entitled solely to enforce the terms of the CDLAC Resolution, and any enforcement of the terms and provisions of the CDLAC Resolution by CDLAC shall not adversely affect the interests of the Funding Lender and shall otherwise be subject to the terms, conditions and limitations otherwise applicable to the enforcement of remedies under this Regulatory Agreement. Notwithstanding the foregoing, the consent of CDLAC shall not be necessary for any amendment of this Regulatory Agreement made pursuant to Section 22 hereof.

**Section 28. Requirements of CDLAC.** In addition to other requirements set forth herein and to the extent not prohibited by the requirements set forth in Sections 4 through 6 hereof, the Owner hereby agrees to comply with each of the requirements of CDLAC set forth in this Section 28, as follows:

(a) The Owner shall comply with the CDLAC Resolution attached hereto as Exhibit F and the CDLAC Conditions set forth in Exhibit A thereto (collectively, the "**CDLAC Conditions**"), which conditions are incorporated herein by reference and made a part hereof. The Owner will prepare and submit to the Administrator, on behalf of the Issuer:

(i) not later than February 1 of each year, until the Project is completed, and on February 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the Qualified Project Period, a Certificate of Compliance, in substantially the form attached to the CDLAC Conditions or otherwise required or provided by CDLAC from time to time after the date hereof ("**Certificate of Compliance**"), which form is at the date hereof the Certificate of Continuing Program Compliance attached hereto as Exhibit D, executed by an

authorized representative of the Owner; such Certificate of Compliance shall be prepared pursuant to the terms of the CDLAC Conditions;

(ii) a certificate of completion, in substantially the form attached hereto as Exhibit C or otherwise required or provided by CDLAC from time to time after the date hereof, executed by an authorized representative of the Owner certifying among other things to the substantial completion of the Project; and

(iii) not later than February 1 of each year, a Project Status Report, as required or provided by CDLAC from time to time after the date hereof, executed by an authorized representative of the Owner.

Compliance with the terms of the CDLAC Conditions not contained within this Regulatory Agreement, but referred to in the CDLAC Conditions, are the responsibility of the Owner to report to the Issuer.

(b) The Owner acknowledges that the Issuer and the Administrator shall monitor the Owner's compliance with the terms of the CDLAC Conditions. The Owner acknowledges that the Issuer will prepare and submit to CDLAC, not later than March 1 of each year, until the Project is completed, and on March 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three-year period) until the end of the Qualified Project Period, a Self-Certification Certificate in the form provided by CDLAC. The Owner will cooperate fully with the Issuer in connection with such monitoring and reporting requirements.

(c) Except as otherwise provided in Section 13 of this Regulatory Agreement, this Regulatory Agreement shall terminate on the date 55 years after the date on which at least fifty percent (50%) of the units in the Project are first occupied or otherwise after the commencement of the Qualified Project Period.

(d) The Owner shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the Issuer, (iii) any change in the name of the Project or the Manager; (iv) any default under the Funding Loan Agreement, the Project Loan Agreement or this Regulatory Agreement, including, but not limited to, such defaults associated with the Tax-Exempt status of the Funding Loan and the Note, and the income and rental requirements as provided in Sections 4 and 6 hereof and the CDLAC Conditions; or (v) termination of this Regulatory Agreement.

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Owner after the Closing Date, at any time, that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the Holder, which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between Owner and the California Tax Credit Allocation Committee ("**TCAC Regulatory Agreement**") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Owner or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Owner and approved by

CDLAC. The Owner shall record or cause to be recorded in the real property records of the County an amendment to this Regulatory Agreement containing such revised CDLAC Conditions, executed by the parties hereto or their successor in title and pay any expenses in connection therewith. The Owner shall provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Any of the foregoing requirements of the CDLAC Conditions contained in this Section 29 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this Section 29 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Note Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Note for federal income tax purposes; and (ii) any requirement of this Section 29 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Note Counsel to the effect that compliance with any such requirement would cause interest on Note to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act or any other state or federal law.

**Section 29. Annual Reporting Covenant** . No later than January 31 of each calendar year (commencing January 31, 2018), the Owner, on behalf of the Governmental Lender, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Governmental Lender, the annual report information required by Section 8855(k)(1) of the California Government Code. This covenant shall remain in effect until the later of the date (i) Note is no longer outstanding or (ii) the proceeds of Note have been fully spent.

IN WITNESS WHEREOF, the Issuer and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

Issuer:

**CITY OF SANTA ROSA**

By: \_\_\_\_\_

Name: Chris Coursey

Title: Mayor

Borrower:

**UHC 00596 SANTA ROSA, L.P.,**  
a California limited partnership

By: UHC 00596 Santa Rosa Holdings LLC,  
a California limited liability company  
Its: General Partner

By: \_\_\_\_\_  
John F. Bigley  
Its: Manager

By: Central Valley Coalition for Affordable  
Housing, a California nonprofit public  
benefit corporation  
Its: Managing General Partner

By: \_\_\_\_\_  
Christina Alley  
Its: Chief Executive Officer

By: \_\_\_\_\_  
Jennifer Bertuccio  
Its: Secretary

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),  
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),  
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

(Seal)

## **EXHIBIT A**

### **DESCRIPTION OF REAL PROPERTY**

All that certain real property situated in the City of Santa Rosa, County of Sonoma, State of California, described as follows:



**EXHIBIT B**  
**FORM OF TENANT INCOME CERTIFICATION**  
**[to be attached]**

## EXHIBIT C

### CERTIFICATE OF COMPLETION

[check CDLAC's website for updated form]

- 1) Project Name:  
*(If project name has changed since the award of allocation please note the original project name as well as the new project name. )*
- 2) CDLAC Application No.:
- 3) Name of Bond Issuer:
- 4) Name of Owner:  
*(If Owner has changed name since the award please note the original Owner as well as the new Owner.)*
- 5) The undersigned hereby certifies that all work on the Project was substantially completed as of \_\_\_\_\_, 20\_\_

The undersigned hereby further certifies that:

- (a) the aggregate amount disbursed on the Loan to date is \$\_\_\_\_\_
  - (b) all amounts disbursed from proceeds of the Note have been applied to pay or reimburse the undersigned for the payment of Project Costs and none of the amounts disbursed from the proceeds of the Note have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and
  - (c) at least 95 percent of the amounts disbursed from the proceeds of the Note have been applied to pay or reimburse the Owner for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25 percent of the amounts disbursed from the proceeds of the Note, exclusive of amounts applied to pay the costs of issuing the Note, have been applied to pay or reimburse the Owner for the cost of acquiring land.
  - (d) the cost of the bond issuance was equal to or less than 2% of the bond proceeds issued.
- 6) The undersigned hereby certifies the project meets the general federal rule for a Qualified Project Period.  
No\_\_\_\_\_ Yes\_\_\_\_\_
- (a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Note were first occupied on \_\_\_\_\_, 20\_\_ and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Note were first occupied on \_\_\_\_\_ , 20\_\_ .

7) If no to 6) the undersigned hereby certifies the project meets the special federal rule for a Qualified Project Period.

No\_\_\_\_\_ Yes\_\_\_\_\_

(Project qualifies if it is an acquisition/rehabilitation where no more than 90% of the units were not available for occupancy within 60 days of the earlier of the project acquisition or the Bond Issuance Date.)

(a) The Note was issued on \_\_\_\_\_ , 20\_\_

(b) Property was acquired on \_\_\_\_\_ , 20\_\_

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or bond issuance) \_\_\_\_\_ , 20\_\_

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Signature of Officer

---

Printed Name of Officer

---

Title of Officer

---

Phone Number

## EXHIBIT D

### CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

[check CDLAC's website for updated form]

1. Project Name Change: No\_\_\_\_ Yes\_\_\_\_

*(If project name has changed since the award of allocation please note the original project name as well as the new project name.)*

If yes provide old and new Project Name \_\_\_\_\_

2. CDLAC Application No.:

3. Bond Issuer Change: No\_\_\_\_ Yes\_\_\_\_

*(If Bond Issuer has changed since the award as a result of refinance or refunding of an allocation please note the original Issuer as well as the new Issuer.)*

If yes provide the Name of existing and New Issuer \_\_\_\_\_  
Contact Information \_\_\_\_\_

4. Change in Owner No\_\_\_\_ Yes\_\_\_\_

*(If Owner has changed since the award affecting the CDLAC resolution please note the original Owner as well as the new Owner.)*

If yes provide the Name of the existing and New Owner \_\_\_\_\_  
Contact Information \_\_\_\_\_

5. Change in Management Company No\_\_\_\_ Yes\_\_\_\_

If yes provide the Name of the New Management Company \_\_\_\_\_

6. Has the Qualified Project Period commenced? No\_\_\_\_ Yes\_\_\_\_

No\_\_\_\_ Yes\_\_\_\_ Already Submitted Certification

If yes please submit the Certificate of Qualified Project Period (one time only)

7. Has the project been completed and placed in service?

No\_\_\_\_ Yes\_\_\_\_ Already Submitted Certification

If yes please submit Completion Certification (one time only)

8. Have any of the following events occurred associated with the bond allocation including but not limited to: defaults associated with rents and income requirements, Bond Default or a Qualified Bond Default.

No\_\_\_\_ Yes\_\_\_\_

If so, please describe and explain?

9. Has a termination of the Regulatory Agreement occurred or is a termination planned in the next year? Has proper noticing occurred?

No\_\_\_\_ Yes\_\_\_\_

If so, please describe and explain?

10.	Federally Bond Restricted Units (Reflected in PSR) _____ at 50% AMI _____ at 60% AMI	Other Restrictions (Reflected in PSR) _____ at 50% AMI _____ at 60% AMI	Total (Reported in CDLAC Resolution) _____ at 50% AMI _____ at 60% AMI
-----	--	--	--

11. Please indicate the distribution of the CDLAC restricted 10% of the 50% AMI units

Bedroom Type	# of Units in PSR	# of Units in CDLAC Resolution
1 Bedroom	_____	_____
2 Bedroom	_____	_____
3 Bedroom	_____	_____

12. If the Project has committed to and is currently providing the service amenities for a term as specified in the CDLAC resolution, please verify the services are being provided: on a regular and ongoing basis, which are provided free of charge and all hour requirements are being met:

\_\_\_\_\_ After-school Programs  
 \_\_\_\_\_ Educational, health and wellness, or skill building classes  
 \_\_\_\_\_ Health and Wellness services and programs (not group classes)  
 \_\_\_\_\_ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)  
 \_\_\_\_\_ Bona-Fide Service Coordinator/ Social Worker

Is the service being offered on an ongoing basis and provided free of charge (childcare excepted)?

No \_\_\_\_\_ Yes \_\_\_\_\_

Are all hour requirements being met?

No \_\_\_\_\_ Yes \_\_\_\_\_

**Attach evidence demonstrating that the above listed services are being provided and have met the requirements in the CDLAC Resolution. Including but not limited to MOUs and or contracts associated with the services rendered, a 12-month schedule (current reporting year) of the services offered, flyers, sign-up sheets, etc.**

"Pursuant to Section 13 of Resolution No. \_\_\_\_\_ (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on \_\_\_\_\_, I, \_\_\_\_\_, an Officer of the Owner, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with the terms and conditions set forth in the Resolution as outlined above. I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Note are issued, the terms and conditions set forth in the Resolution Exhibit A, shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

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Signature of Officer

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Printed Name of Officer

---

Title of Officer

---

Date

## EXHIBIT E

## FORM OF PROJECT STATUS REPORT

[illegible]

**EXHIBIT F**  
**CDLAC RESOLUTION**