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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

among

DOUGLAS COUNTY HOUSING AUTHORITY,
as Issuer

and

THE HUNTINGTON NATIONAL BANK,
as Trustee

and

BHRHUD, LP,
as Borrower

relating to

\$10,355,000
Douglas County Housing Authority
Multifamily Housing Revenue Bonds
(Blair High Residences Project)
Series 2016-A

\$7,545,000
Douglas County Housing Authority
Multifamily Housing Revenue Bonds
(Blair High Residences Project)
Series 2016-B

Dated as of April 1, 2017

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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 dated as of April 1, 2017 by and among **DOUGLAS COUNTY HOUSING AUTHORITY**, a public body, corporate and politic, exercising necessary and essential governmental functions and a political subdivision of the State of Nebraska, organized by, but independent from, Douglas County, Nebraska (the “Issuer”), **THE HUNTINGTON NATIONAL BANK**, a national banking association, duly organized and existing under the laws of the United States of America and authorized to accept and execute the duties contemplated by, and solely in its capacity as Trustee under, the Indenture (as hereinafter defined), (the “Trustee”), and **BHRHUD, LP**, a Nebraska limited partnership (the “Borrower”), a Nebraska limited liability company, together with its successors and assigns permitted hereunder.

W I T N E S S E T H :

WHEREAS, the Issuer has determined that it is in the best interest of the citizens of Douglas County, Nebraska (the “County”) to assist in providing decent, safe and sanitary housing for low and moderate income persons at rentals which they can afford; and

WHEREAS, the Issuer is a duly constituted public instrumentality within the meaning of those terms in the Regulations of the Department of the Treasury and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Nebraska Housing Agency Act, Sections 71-1572 to 71-15,168, inclusive, of the Reissue Revised Statutes of Nebraska, as amended, (the “Act”) authorizes the Issuer to loan bond proceeds to finance multifamily housing for low and moderate income tenants and to enter into agreements with others for the purpose of maintaining and increasing the quantity of affordable housing within the County; and

WHEREAS, in furtherance of the purpose of maintaining and increasing the quantity of affordable housing for citizens of the County, the Issuer will issue pursuant to the Act its Multifamily Housing Revenue Bonds (Blair High Residences Project) Series 2016-A (the “Series A Bonds”) and Multifamily Housing Revenue Bonds (Blair High Residences Project) Series 2016-B (the “Series B Bonds”) in the maximum combined aggregate principal amount of \$17,900,000 (together, the “Bonds”); and

WHEREAS, proceeds from the Series A Bonds will be loaned by the Issuer (the “Series A Loan”) to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”), dated as of April 1, 2017 between the Issuer and the Borrower for the purpose of providing financing to the Borrower to finance the costs of acquisition, construction and equipping of a multifamily housing complex (the “Project”) for rental to low and moderate income persons as more fully described in the Loan Agreement and located within the County, and paying certain costs of issuance of the Bonds. The Borrower will rent or lease at least 40% of the dwelling units in the

Project to families or individuals of low income (within the meaning of Section 142(d) of the Code), as more particularly described herein, all for the public purpose of assisting persons of low and moderate income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, proceeds from the Series B Bonds will be loaned by the Issuer (together with the Series A Loan, the “Loan”) to the Borrower pursuant to a Financing Agreement (the “Financing Agreement”), dated as of April 1, 2017 (the “Financing Agreement”) among the Issuer, Sterling Bank, Cedar Rapids Bank & Trust and the Borrower; and

WHEREAS, the Issuer has determined pursuant to the Act that all dwelling units in the Project shall be rented or leased to families or individuals whose income does not exceed 100% of the median gross income for the Omaha, Nebraska metropolitan statistical area; and

WHEREAS, the Code and the regulations and rulings promulgated with respect thereto prescribe that the acquisition, construction, use and operation of the Premises be restricted in certain respects, and in order to ensure that the Premises will be used and operated in accordance with the Code and the Act, the Issuer, the Trustee and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the use and operation of the Premises; and

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

Section 1. Definitions and Interpretation. Terms not defined herein shall be assigned the meanings set forth in the Indenture, Financing Agreement or the Loan Agreement, as applicable. The following terms shall have the respective meanings assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

“*Act*” means the Nebraska Housing Agency Act, Sections 71-1572 to 71-15,168, inclusive, of the Reissue Revised Statutes of Nebraska, as amended.

“*Adjusted Family Income*” means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to Section 142(d)(2)(B) of the Code.

“*Affiliate*” means a limited or general partner or member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code or a person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“*Borrower*” means BHRHUD, LP, a limited liability company organized and existing under the laws of the State of Nebraska.

“*Borrower Cost Certificate*” means the Borrower Cost Certificate of the Borrower dated as of the Closing Date, with respect to certain Project Costs, delivered to the Issuer by the Borrower.

“*Certificate of Continuing Program Compliance*” means the certificate substantially in the form of Exhibit C hereto as required by Section 4 hereof.

“*Closing Date*” means the date of issuance and delivery of the Bonds.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended, together with the regulations promulgated pursuant thereto.

“*County*” means Douglas County, Nebraska.

“*Financing Agreement*” shall mean the Financing Agreement, dated as of April 1, 2017 among the Issuer, Sterling Bank, Cedar Rapids Bank & Trust and the Borrower pursuant to which the Series B Bonds are authorized to be issued and the proceeds thereof to be loaned to the Borrower, and any supplements thereto.

“*HUD*” means the U.S. Department of Housing and Urban Development and any successor agency.

“*Indenture*” means that Trust Indenture, dated as of April 1, 2017, between the Issuer and the Trustee, pursuant to which the Series A Bonds are authorized to be issued, and any supplements thereto.

“*Housing Act*” means the United States Housing Act of 1937, as amended.

“*Income Certification*” means the documents substantially in the form of Exhibit B hereto, or in the alternate HUD Form 50059 or other appropriate HUD form for tenants receiving assistance under Section 8 of the Housing Act.

“*Inducement Date*” means August 28, 2015.

“*Issuer*” means Douglas County Housing Authority, a public body, corporate and politic, exercising necessary and essential governmental functions and a political subdivision of the State of Nebraska, organized by, but independent from, Douglas County, Nebraska.

“*Investor Limited Partner*” means CREA Blair High Residences, LLC, a Delaware limited liability company together with its successors and/or assigns, each serving as an investor limited partner of the Borrower.

“*Loan*” means the loan from the Issuer to the Borrower to be evidenced by the Loan Agreement.

“*Loan Agreement*” means that Loan Agreement by and between the Issuer and the Borrower dated as of April 1, 2017 pursuant to which the Issuer will loan the proceeds of the

Series A Bonds to the Borrower for the purpose of providing financing to the Borrower to finance the acquisition, construction and equipping by the Borrower of the Project.

“*Low Income Tenant*” means a tenant whose Adjusted Family Income does not exceed limits determined in a manner consistent with determinations of lower-income families under Section 8 of the Housing Act, except that the percentage of median gross income that qualifies as lower income shall be 60% of Median Gross Income for the Area. If all the occupants of a unit are students (as defined under Section 151(c) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Low Income Tenants. The determination of a tenant’s status as a Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such tenant and annually thereafter and at any time the Borrower has knowledge that the number of occupants in that unit has increased, on the basis of an Income Certification executed by the tenant.

“*Median Gross Income for the Area*” means, with respect to the Project, the median income for the households in the area which includes the standard metropolitan statistical area in which the Project is located, as determined from time to time by the Secretary of Housing and Urban Development, under Section 8 of the Housing Act (or if such program is terminated, median income determined under the program in effect immediately before such termination) in accordance with Section 142 of the Code and/or any Treasury Regulation, rule or revenue procedure amending, modifying or superseding the same (but only to the extent such change applies to the Borrower and to the Project), in each case adjusted for family size.

“*Majority Owner*” means the Owner of a majority of the outstanding principal amount of the Series B Bonds.

“*Moderate Income Tenants*” means tenants whose annual income does not exceed one hundred percent (100%) of the Median Gross Income for the Area.

“*Mortgage*” means any deed of trust, mortgage or similar instrument encumbering the Project Site, as such instrument may be amended or supplemented.

“*Holder*” or “*Owner*” means any person in whose name or names the Bonds shall be registered on the registration books of the Trustee.

“*Premises*” means the Project and the Project Site.

“*Project*” means the Blair High Residences Project (see Exhibit A) in the County.

“*Project Costs*” means, to the extent authorized by the Code and the Act, any and all costs incurred by the Borrower with respect to the acquisition and construction of the Project, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of housing and related or subordinate facilities and improvements, and all other work in connection therewith, including Qualified Project Costs and all costs of financing, including, without limitation, the cost of consulting, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors’ and developer’s overhead and

supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or other entity or person for expenditures made, with the approval of the Issuer, for the Project).

"Project Site" means the real property described in Exhibit A.

"Qualified Project Costs" means the Project Costs incurred not earlier than the date 60 days prior to the Inducement Date which are chargeable to a capital account for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that only such portion of the interest accrued on the Bonds during the construction of the Project shall constitute Qualified Project Costs as bear the same ratio to all such interest or fees, as applicable, as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing on or after the construction is complete at the Project shall not be Qualified Project Costs; and provided finally that if any portion of the Project Site is being constructed by the Borrower or an Affiliate (whether as a general contractor or a subcontractor),

"Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in constructing or rehabilitating the Project Site (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed, 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 construction or payments received by such Affiliate due to early completion (or any portion thereof). *"Qualified Project Costs"* do not include costs of delivering the Bonds.

"Qualified Project Period" means the period beginning on the first day on which 10% of the dwelling units in the Project are first occupied and ending on the latest of (a) the date which is 15 years after the date on which 50% of the dwelling units in the Project are first occupied, (b) the first date on which no Tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) is issued with respect to the Project is outstanding or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

"Regulations" means the Income Tax Regulations promulgated or proposed (if deemed appropriate in the Opinion of Bond Counsel) by the Department of the Treasury pursuant to the Code.

"State" means the State of Nebraska.

"Tax Certificate" means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, executed and delivered by the Issuer and the Borrower, as amended, modified, supplemented or restated from time to time.

“*Trustee*” means The Huntington National Bank, a national banking association.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter 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 defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1 notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, 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 provision hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Acquisition of the Project. The Borrower hereby represents, covenants and agrees as follows:

(a) The Borrower will acquire and construct the Project for an amount not less than the amount of proceeds of the Loan financed from proceeds of the Bonds. The Borrower 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 Borrower is or will be obligated to expend at least 5% of the proceeds of the Loan financed from proceeds of the Bonds.

(b) Money on deposit in any fund or account in connection with the Bonds, whether or not such money was derived from other sources, will not be used by or under the direction of the Borrower in a manner which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, and the Borrower specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Bonds from being “arbitrage bonds” under the Code.

(c) The Borrower’s reasonable expectations respecting the total cost of the acquisition and construction of the Project are accurately set forth in the Borrower Cost Certificate submitted to the Issuer on the Closing Date.

(d) The Borrower has acquired the Project and will, promptly following the Closing Date, commence the acquisition and construction of the Project and will proceed with due diligence to complete the same.

(e) The Borrower reasonably expects to complete the acquisition and construction of the Project and to expend the full amount of the proceeds of the Loan for Project Costs prior to the date which is 30 months after the Closing Date.

(f) The Borrower agrees that the full amount of each disbursement of Bond proceeds from the Indenture and Financing Agreement will be allocated in a manner that applies such disbursements to pay or to reimburse the Borrower for the payment of Project Costs and that, after taking into account each such disbursement and allocation thereof, (i) the aggregate disbursements of Loan proceeds will have been allocated in a manner that applies such disbursements to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an aggregate amount equal to 95% or more of the aggregate disbursements of the Loan; and (ii) less than 25% of the proceeds of the Loan expended will be disbursed to pay or to reimburse the Borrower for the cost of acquiring land.

(g) [Reserved]

(h) Notwithstanding anything contained herein to the contrary, all of the proceeds of the Bonds shall, for federal income tax purposes, be (i) allocated on a pro rata basis to each building in the Project and the land on which such building is located and (ii) used exclusively to pay costs of the acquisition or construction of the Project which are includible in the aggregate basis of any building and the land on which the building is located, in a manner such that each building satisfies the requirements of Code Section 42(h)(4)(B).

(i) [Reserved].

(j) The Borrower (and any Affiliate) 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 Loan to be applied in a manner contrary to the requirements of this Regulatory Agreement, nor will it take or omit to take any such action if the Borrower (or any Affiliate) knows that such action or omission may cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the Indenture, the Financing Agreement, the Loan Agreement, the Act or the Code.

(k) [Reserved]

(l) No proceeds of the Bonds shall be expended to acquire any structures other than buildings within the meaning of Section 147(d) of the Code.

(m) No proceeds of the Bonds will be used to pay or reimburse any cost (i) incurred more than sixty days prior to the Inducement Date, (ii) incurred more than 18 months prior to the earlier of the date of such payment or reimbursement or the date the Project is placed in service or (iii) incurred more than three years prior to such payment or reimbursement. The acquisition, construction and equipping of the Project by the Borrower commenced less than 60 days prior to the Inducement Date, and as of 60 days prior to the Inducement Date (A) neither the Borrower nor any related person had made any expenditure for which reimbursement is sought in connection with the acquisition, construction or equipping of the Project, (B) no on-site work had been commenced by the Borrower or any related person in connection with the construction

of the Project, and (C) no off-site fabrication of any portion of the Project had been commenced by the Borrower or any related person. The Project consists, and shall at all times consist, of property which is land or is subject to the allowance for depreciation provided in Section 167 of the Code.

Section 3. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) on a continuous basis commencing with the Completion Date. To that end, for the term hereof, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be equipped and operated for the purpose of providing multifamily residential rental properties, and the Borrower shall lease, manage and operate or shall cause to be leased, managed and operated the Project to provide multifamily residential rental property comprised of a building or structure or several proximate buildings or structures, each consisting of one or more dwelling units and facilities functionally related and subordinate thereto, in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations, 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 shall be similarly constructed and each dwelling unit in the Project will contain complete, separate and distinct areas for living, sleeping, eating, cooking and sanitation for a single person or a family, including a living area, sleeping area, bathing and sanitation area and cooking area 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, will ever be leased or rented for a period of less than 30 days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court on a transient basis.

(d) The Project is located in the County for rental to low and moderate income persons. All of the improvements at the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of such facility.

(e) The Borrower will not sell all or any portion of the Project as condominium units during the term of this Regulatory Agreement.

(f) No dwelling unit located in any building of the Project containing fewer than five units shall be occupied at any time by the Borrower.

(g) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. The Borrower shall not take any steps in

connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(h) All of the dwelling units will be available for rental on a continuous basis to members of the general public, and the Borrower 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 to Low Income Tenants and Moderate Income Tenants and pursuant to the requirements of any regulatory agreement executed between the Borrower and HUD.

Section 4. Low Income Tenants/Moderate Income Tenants. Pursuant to requirements of Section 142(d) of the Code, Section 1.103-8(b) of the Regulations, and 71-15,124 of the Act, the Borrower hereby represents, warrants and covenants as follows:

(a) At all times during the Qualified Project Period, the Borrower will lease or rent at least 40% of the dwelling units in the Project that are available for occupancy to Low Income Tenants, or hold such percentage of units which were last occupied for longer than thirty-one days by Low Income Tenants available for lease or rental to Low Income Tenants. Low Income Tenants will have equal access to all common areas in the Project. A tenant's status as a Low Income Tenant shall be determined as of the date of such tenant's initial occupancy of a dwelling unit in the Project and annually recertified as provided in paragraph (e) below. No tenant qualifying as a Low Income Tenant at such tenant's initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that, should a Low Income Tenant's Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant occupies a dwelling unit in the Project that constitutes a portion of the 40% requirement of this paragraph, the next available unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant and such dwelling unit occupied by the new Low Income Tenant shall then constitute a portion of the 40% requirement of this paragraph; and provided, further, that, until such next available unit is rented to a tenant who is a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of this paragraph.

(b) At all times following the Completion Date, until the day when the Bonds are no longer outstanding (or such shorter period described in paragraph (k) below), the Borrower shall rent no less than 100% of the total number of units of the Project to Moderate Income Tenants. For the purposes of this paragraph (b), a vacant unit which was most recently occupied by a Moderate Income Tenant is treated as rented and occupied by a Moderate Income Tenant until reoccupied, at which time the character of such unit shall be redetermined. No tenant qualifying as a Moderate Income Tenant at such tenant's initial occupancy shall be denied continued occupancy of a unit in the

Project because, after admission, such tenant's annual income increases to exceed the qualifying limit for Moderate Income Tenants.

(c) [Reserved].

(d) The Borrower will not give preference to any particular class or group of applicants for occupancy other than Low Income Tenants and Moderate Income Tenants in leasing or renting the dwelling units in the Project on the same terms as other tenants.

(e) The Borrower will obtain from each tenant in the Project who is either a Low Income Tenant or a Moderate Income Tenant, at the time of execution of the lease pertaining to the unit occupied by such tenant: (i) an executed and complete Income Certification substantially in the form of Exhibit B or the form of HUD Form 50059 or other appropriate HUD Form; and (ii) a written certification, acknowledgment and acceptance that (A) such lease is subordinate to the Bond Documents, the Reimbursement Documents and the Subordinate Debt Documents, (B) all statements made in the Income Certification or similar form submitted by such tenant are accurate, (C) the family income and eligibility requirements of this Regulatory Agreement are substantial and material obligations of tenancy in the Project, (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Borrower, the Trustee and the Issuer, and (E) failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project. On or prior to the one year anniversary of each lease, the Borrower shall obtain a recertification of each tenant's income in the form of an executed Income Certification.

(f) The Borrower will cause to be prepared and submitted to the Issuer and Trustee on the first day of the Qualified Project Period, and thereafter by the twentieth day of each February, commencing with the first such date following the Completion Date, or any annual schedule as determined by the Issuer, a Certificate of Continuing Program Compliance in a form attached as Exhibit C herein or in the case of tenants receiving assistance under Section 8 of the Housing Act, HUD Form 50059 or other applicable HUD form.

(g) The Borrower will maintain complete and accurate records pertaining to the dwelling units comprising the Project occupied or held vacant and available for occupancy by Low and Moderate Income Tenants including executed Income Certifications and will permit any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the incomes of Low and Moderate Income Tenants residing at the Project during normal business hours.

(h) [Reserved].

(i) [Reserved].

(j) On or before each March 31 from the Closing Date through the Qualified Project Period, the Borrower shall submit to the Internal Revenue Service a completed

Form 8703 certifying as to whether the Project continues to meet the requirements of Section 142(d) of the Code, and shall provide a copy to the Issuer and the Trustee.

(k) This Regulatory Agreement, subject to the provisions of Section 11 herein, shall remain in full force and effect for a term and period equal to the Qualified Project Period.

Section 5. Tax-exempt Status of the Bonds. The Borrower and the Issuer each hereby represents, warrants and agrees that:

(a) it will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and, if it 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) it will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Majority Owner Representative, to comply fully with 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 103 of the Code and governed by Section 148 of the Code; and

(c) it will file of record such documents and take such other steps as are necessary, in the opinion of Bond Counsel filed with the Issuer, the Trustee and the Majority Owner Representative, 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 Douglas County, Nebraska.

In connection with the transfer of a fee simple interest in the Project, the Borrower hereby covenants to obtain an agreement from any transferee to abide by the requirements and restrictions of this Regulatory Agreement.

Section 6. Modification of Special Tax Covenants. The Borrower, the Trustee and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Code or the Regulations shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, the Majority Owner and the Borrower, impose requirements upon the ownership or operation of the Project or the Bonds more restrictive than those imposed by this Regulatory Agreement in order to preserve the tax-exempt status of interest on the Bonds, this Regulatory Agreement shall be deemed to be automatically amended or modified to provide such more restrictive requirements.

(b) The Borrower, the Issuer and the Trustee shall execute, deliver and, if applicable, file of record any and all documents and instruments, necessary to

effectuate the intent of this Section 6, and each of the Borrower and the Issuer hereby irrevocably appoint the Trustee as its true and lawful attorney-in-fact (which appointment is coupled with an interest) to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Borrower or the Issuer defaults in the performance of its obligation under this subsection 6(b); provided, however, that the Trustee shall take no action under this subsection 6(b) without receiving direction to do so by Bond Counsel and notifying in writing the Borrower or the Issuer, or both of them (as is applicable) of its intention to take such action and without first providing the Borrower or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 6.

Section 7. Consideration. The Issuer has issued the Bonds, inter alia, to provide funds to loan to the Borrower to provide financing to enable the Borrower to fund its acquisition and construction of the Project, all for the purpose, among others, of inducing the Borrower to operate the Project as set forth herein. In consideration of the issuance of the Bonds by the Issuer, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which the Project can be put for the term hereof.

Section 8. Reliance. The Issuer, the Trustee and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, and in the exemption from inclusion in gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Borrower, Low Income and Moderate Income Tenants, and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the Issuer and the Trustee may consult with Bond Counsel, and the opinion of such Bond Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion.

The Trustee shall be protected in acting pursuant to this Regulatory Agreement upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons, as defined in the Indenture. The Trustee shall have no duty to investigate or verify the accuracy or completeness of any such document.

As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Borrower or Issuer by an Authorized Officer, or such other Person or Persons as may be designated for such purpose by the Borrower or Issuer as sufficient evidence of the facts therein contained without investigation or verification of the accuracy or completeness of such instrument, paper or proceeding, and prior to the occurrence of a default of which the Trustee has been notified, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

Section 9. Project in the County. The Borrower hereby represents and warrants that the Project is located entirely within the County.

Section 10. Payment of Issuer Fees. All additional secured costs under the Bond Documents, including the Issuer Fee, shall be the obligation of the Borrower as they become due. Nonpayment of any such fees shall be an event of default under this Regulatory Agreement after notice and lapse of applicable cure periods therein.

Section 11. Term. This Regulatory Agreement shall become effective upon its execution and delivery and issuance of the Bonds. Unless, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, termination of this Regulatory Agreement at some earlier time will not cause interest payable on the Bonds to become includable in the gross income for federal income tax purposes of any Holder thereof, or unless the events described in the following sentence occur, this Regulatory Agreement shall remain in full force and effect for a term and period equal to the Qualified Project Period, and provided further that the provisions of this Regulatory Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture, the Financing Agreement and the Loan Agreement if such occurs prior to the expiration of the Qualified Project Period. The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement and all and several of the terms hereof shall terminate and be of no further force and effect in the event (i)(a) of a foreclosure of the lien of the Mortgage or delivery of a deed in lieu of foreclosure, pursuant to which a lender or a purchaser or transferee pursuant to such foreclosure or deed in lieu of foreclosure shall take possession of the Project or (b) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, change in federal law or an action of a federal agency after the date of the issuance of the Bonds which prevents the Issuer or the Trustee from enforcing the requirements of this Regulatory Agreement, or condemnation or a similar event (all of the foregoing events being referred to herein as "Noncompliance Events") and (ii) within a reasonable period thereafter, the Bonds and any refunding bonds no longer remain outstanding; provided, however, that the preceding provisions of this sentence will cease to apply and the restrictions contained in this Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provision as a result of any Noncompliance Event the Borrower 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. Upon the termination of all and several of the terms of this Regulatory Agreement, and upon the receipt by the Issuer and the Trustee of an opinion of Bond Counsel confirming such termination, 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 12. Covenants to Run With the Land. The Issuer and the Borrower hereby subject the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with and equitable servitude upon the land and shall pass to and be binding upon the Issuer's and the Borrower's successors in title or leasehold interest, respectively, to the Project. 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 so long as the same are in effect, regardless of whether such covenants, reservations and restrictions are set forth in such contract deed or other instruments.

Section 13. Burden and Benefit. The Issuer and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Issuer's legal interest and the Borrower's interest in the Project is rendered less valuable thereby. The Issuer and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants and Moderate Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 14. Uniformity: Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the Project in order to establish and carry out a common plan for the use, development and improvement of the Project.

Section 15. Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of thirty days after notice thereof shall have been given by the Issuer or the Trustee to the Borrower, then the Trustee, acting in its own behalf or on behalf of the Issuer, or the Issuer if the Bonds are no longer outstanding shall declare an "Event of Default" to have occurred hereunder, and, at its option, may take any one or more of the following steps:

- (a) by mandamus or other suit, action or proceeding at law or in equity, require the Borrower to perform its obligations and covenants hereunder and seek to enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;
- (b) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project; or
- (c) take such other action at law or in equity as is necessary to enforce the obligations, covenants and agreements of the Borrower hereunder.

The Trustee shall have the right, in accordance with this Section 15 and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer, to exercise any or all of the rights or remedies of the Issuer hereunder. All reasonable fees, costs and expenses of the Trustee incurred in taking any action pursuant to this Section 15 shall be the obligation of the Borrower. Nonpayment of any such fees shall be a default under this Regulatory Agreement.

The Investor Limited Partner shall be entitled (but not obligated) to cure any violation of the Borrower's obligations under this Regulatory Agreement or an adverse development within the time frame provided to the Borrower under this Regulatory Agreement. The Issuer and the Trustee agree that cure of any violation of the Borrower's obligations under this Regulatory

Agreement by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 16. Recording and Filing. The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of Douglas County, Nebraska and in such other places as the Issuer or the Trustee may reasonably request. Furthermore, upon compliance with this Regulatory Agreement and the termination of it as set forth in Section 11 hereof, the Borrower may have this Regulatory Agreement and all amendments and supplements hereto removed from the property records of Douglas County, Nebraska and such other places as the Borrower requests. The Borrower shall pay all reasonable fees and charges incurred in connection with any such recording or removal.

Section 17. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of Nebraska. The rights, duties and obligations of the Trustee hereunder shall be governed by the terms hereof. If there is any conflict between the Trustee's rights, duties, and obligations hereunder and its rights, duties, and obligations under the Indenture, the Indenture shall prevail.

Section 18. Amendments. Except as provided in Section 6(a) and (b) hereof, this Regulatory Agreement shall 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 Douglas County, Nebraska and only upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel that such amendment will not adversely affect the Tax-exempt status of interest on the Bonds and is not contrary to the provisions of the Act.

The party or parties requesting an amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and a request that such Bond Counsel render to the Issuer and the Trustee, an opinion as to the effect of such proposed amendment upon the Tax-exempt status of interest on the Bonds.

Section 19. Notice. All notices, certificates or other communications hereunder shall be given sufficiently and shall be deemed given when hand delivered to the addressee, when sent by telecopy or other facsimile telecommunication or on the second day following the day on which the same have been mailed by registered or certified mail, postage prepaid, addressed as follows:

Issuer:	Douglas County Housing Authority 5404 North 107th Plaza Omaha, NE 68134 Attn: Sheila Miller, Chief Executive Officer
Borrower:	BHRHUD, LP c/o Clarity Development Company 3814 Farnam Street, Suite 201 Omaha, NE 68131

Phone: 402-981-3735
E-mail: nagarwal@claritydevco.com
Attention: Neeraj Agarwal

With a copy to: Smith Slusky
8712 W. Dodge Road,
Suite 400
Omaha, NE 68114
Attention: Thomas McLeay
Telephone: (402) 501-8129

With a copy to: CREA Blair High Residences, LLC
c/o CREA, LLC
30 South Meridian Street, Suite 400
Indianapolis, Indiana 46204
Attention: Asset Management

and a copy to: Applegate and Thorne-Thomsen, P.C.
440 S. LaSalle Street, Suite 1900
Chicago, IL 60605
Attention: Warren P. Wenzloff

Trustee: The Huntington National Bank
45 North Pennsylvania St. – INHP61
Indianapolis, IN 46204
Attention: Mark Hudson
Email: Mark.Hudson@huntington.com
Telephone: (317) 237-2542

A duplicate copy of each notice, certificate or other communication given hereunder by any party hereto to another party hereto shall also be given to all of the parties specified above. Failure to provide any such duplicate notice pursuant to the foregoing sentence, or any defect in any such duplicate notice so provided shall not constitute a default hereunder. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 20. Sale or Transfer of the Project. Except for transfers allowed under the Mortgage, the Borrower hereby covenants and agrees not to voluntarily (which term shall not be interpreted to include the granting by the Borrower of a deed-in-lieu of foreclosure, sale by foreclosure or other comparable conversion of the Loan) sell, transfer or otherwise dispose of the Project, or any portion thereof (except for a grant of the Mortgage, utility or service easements or licenses benefiting the Project or tenants and except for individual tenant use as contemplated hereunder and laundry leases), or equity interests in the Borrower aggregating more than 50% of the equity interest in the Borrower, or any general partner interest in the Borrower, without obtaining the prior written consent of the Issuer, which consent shall not be unreasonably

withheld, delayed or conditioned by the Issuer and shall be given by the Issuer if: (a) the Borrower is not in default hereunder or under the Financing Agreement or the Loan Agreement; (b) the purchaser or assignee is not in default under any obligations it may have to the Issuer, and the purchaser or assignee certifies that the continued operation of the Project will comply with the provisions of this Regulatory Agreement; (c) evidence reasonably satisfactory to the Issuer is presented to establish that the purchaser or assignee is willing to comply and capable of complying with the terms and conditions of this Regulatory Agreement; (d) either (i) evidence satisfactory to the Issuer is presented to establish that the purchaser or assignee has at least three years' experience in the ownership, operation and management of rental housing projects, without any record of material violations of discrimination restrictions or other state or federal laws or regulations applicable to such projects or (ii) the purchaser or assignee agrees to retain a property management firm which the Issuer determines has the experience and record described in subclause (i) above or (iii) the Issuer determines that it has no reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee and relating to the Project; (e) the Issuer and the Trustee shall have received (i) reasonable evidence satisfactory to the Issuer and the Trustee that the Borrower's purchaser or transferee has assumed in writing and in full, the Borrower's duties and obligations under this Regulatory Agreement, the Financing Agreement and the Loan Agreement, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement, the Financing Agreement and the Loan Agreement and that such obligations and this Regulatory Agreement, the Financing Agreement and the Loan Agreement are binding on the transferee, (iii) unless waived by the Issuer, an opinion of Bond Counsel that such transfer will not adversely affect the Tax-exempt nature of the interest on the Bonds (which shall also be addressed to the Majority Owner Representative) and (iv) from the Borrower, a Certificate of Continuing Program Compliance (and a "bring-down" certificate, if necessary) current as of the date of transfer; (f) the Borrower or transferee pays all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this Section 20; and (g) such other conditions are met as the Issuer and the Trustee may reasonably impose to assure compliance by the Project with the requirements of this Regulatory Agreement. The foregoing provisions of this Section 20 shall not apply to a transfer by foreclosure or deed-in-lieu of foreclosure or other similar involuntary transfers, and shall not operate to limit any restrictions on transfer that are set forth in the Financing Agreement, the Loan Agreement or any other document. Any sale, transfer or other disposition of the Project or any portion thereof in violation of this Section 20 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Upon any sale or other transfer which complies with this Regulatory Agreement, the Borrower shall be fully released from its obligations hereunder, but only to the extent such obligations have been assumed by the transferee of the Project, without the necessity of further documentation. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 20. Notwithstanding anything else in this Section 20, investor partnership interests in the Borrower and general partner interest in the Borrower (provided Clarity Development Company, LLC maintains control of the general partnership interest in the Borrower) may be transferred among affiliates or subsidiaries of a common parent entity without complying with the requirements hereof.

To the extent this Regulatory Agreement has not terminated pursuant to Section 11 hereof, consent of the Issuer and delivery of items (a) through (g) of the preceding paragraph shall be required for any transfer of the Project subsequent to the purchase at foreclosure or transfer pursuant to deed in lieu of foreclosure as described in the preceding sentence.

Section 21. Indemnification. The Borrower shall indemnify and hold harmless the Issuer and the Trustee and the respective officers, members, commissioners, directors, officials and employees of each of them (collectively, the “Indemnified Parties”) against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or related to (a) the design, construction, installation, operation, use, occupancy, maintenance, financing (except for payment of debt service thereunder) or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto), (b) the Bonds including, without limitation, its issuance, administration or payment and any inquiry, audit or controversy relating to the tax-exempt status thereof, or (c) any written statements or representations with respect to the Borrower, the Project or the Bonds made or given to the Issuer or the Trustee, or any underwriters or purchasers of the Bonds, or any tenants or applicants for tenancy in the Project or any other person, by the Borrower, including, but not limited to, statements or representations of facts, financial information or limited liability company affairs; provided, however, that this provision shall not require the Borrower to indemnify the Indemnified Parties from any claims, costs, fees, expenses or liabilities arising from, in the case of the Trustee and its related Indemnified Parties, the fraud, gross negligence, or willful misconduct of such parties and, in the case of the Issuer and its related Indemnified Parties, the fraud or willful misconduct of such parties. The Borrower also shall pay and discharge and shall indemnify and hold harmless the Issuer and the Trustee from (i) any lien or charge upon payments by the Borrower to the Issuer and the Trustee hereunder or under the Indenture and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges are sought to be imposed, the Issuer or the Trustee shall give prompt notice to the Borrower and the Borrower shall, as provided in the following paragraph, have the right to assume the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, provided that the Issuer and the Trustee shall have the right to review and approve or disapprove any such compromise or settlement which exceeds \$250,000. In addition thereto, the Borrower will pay upon demand all of the reasonable fees and expenses paid or incurred by the Trustee and/or the Issuer in enforcing the provisions hereof against the Borrower.

Promptly after receipt by any party entitled to indemnification under this Section 21 of notice of the commencement of any suit, action or proceeding, such Indemnified Party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 21, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any Indemnified Party otherwise than under this Section 21 or from any liability under this Section 21 unless the failure to provide notice prejudices the defense of such suit, action or proceeding. In case any such action is brought against any Indemnified Party, and it notifies the

indemnifying party, the indemnifying party shall be entitled to participate in, and to the extent that it may elect by written notice delivered to the Indemnified Party promptly after receiving the aforesaid notice from such Indemnified Party (but shall not be required) to assume, the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; provided, however, if the defendants in any such action include both the Indemnified Party and the indemnifying party and the Indemnified Party shall have reasonably concluded that there are legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the Indemnified Party or parties shall have the right to select separate counsel to assert such legal defenses and otherwise to participate in the defense of such action on behalf of such Indemnified Party or parties. Upon receipt of notice from the indemnifying party to such Indemnified Party of its election so to assume the defense of such action and approval by the Indemnified Party of counsel, the indemnifying party shall not be liable to such Indemnified Party under this Section 21 for any attorneys' fees or expenses subsequently incurred by such Indemnified Party for the engagement of separate counsel in connection with defense thereof unless (i) the Indemnified Party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence, or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party or shall not have employed such counsel within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of separate counsel to represent the Indemnified Party at the expense of the indemnifying party. Notwithstanding the foregoing, and notwithstanding anything to the contrary in the Indenture or the Loan Agreement, the Trustee shall not be indemnified for income tax, franchise tax or similar tax liability. Notwithstanding the foregoing, neither the Borrower nor any of its partners shall be personally liable for any indemnification obligation under the Bond Documents which would result in the repayment of principal on and/or interest under the Loan.

Section 22. Borrower to Make Filings. The Borrower hereby represents and covenants that it will comply with, and make all filings required by, all effective rules, rulings or Regulations promulgated by the Department of the Treasury or the Internal Revenue Service with respect to the obligations such as the Bonds, if any.

Section 23. 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 24. 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 25. HUD Rider. The provisions of the HUD Rider to Regulatory Agreement and Declaration of Restrictive Covenants attached to this Regulatory Agreement as Exhibit D are incorporated into this Regulatory Agreement by this reference as if fully set forth in this Section 25.

IN WITNESS WHEREOF, the Issuer, the Trustee and the Borrower have executed this Regulatory Agreement by duly authorized representative, all on the date first written hereinabove.

**DOUGLAS COUNTY HOUSING
AUTHORITY, as Issuer**

By Sheila Miller
Sheila Miller
Chief Executive Officer

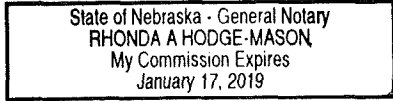
ACKNOWLEDGMENT

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)


The foregoing instrument was acknowledged before me on this 16th day of March, 2017, by Sheila Miller, the Chief Executive Officer of the Douglas County Housing Authority, on behalf of the authority.

Rhonda A Hodge-Mason
Notary Public

My commission expires:
1/17/19



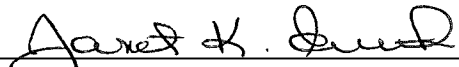
THE HUNTINGTON NATIONAL BANK, as
Trustee

By: 
Mark A. Hudson
Vice President

ACKNOWLEDGEMENT

STATE OF INDIANA)
) ss.:
COUNTY OF MARION)

The foregoing instrument was acknowledged before me on this 28th day of March, 2017, by Mark A. Hudson, Vice President of The Huntington National Bank, on behalf of such association.


Notary Public

My commission expires:

September 7, 2024

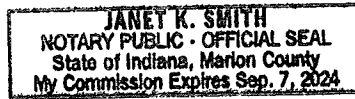


EXHIBIT A

PROJECT SITE

Lot 1, Blair Commons, a subdivision as surveyed, platted in Douglas County, Nebraska as shown in Plat filed August 12, 2016 at Instrument No. 2016065452, records of Douglas County, Nebraska.

EXHIBIT B

FORM OF INCOME VERIFICATION

TAX-EXEMPT FINANCED RENTAL APARTMENTS

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. Part 5 Subpart F). You should make certain that this form is at all times up to date with the HUD Regulations.

Re: Blair High Residences, 9451 Vernon Plaza, Omaha, Nebraska 68134.

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for occupancy of Apartment #_____ in the Blair High Residences located at 9451 Vernon Plaza, Omaha, Nebraska 68134.

2. List all the occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is any individual who has been, or will be, a full-time student at an educational institution during five months (whether consecutive or not) of the year in which this application is submitted, other than a correspondence school, with regular facilities and students).

	Occupant	Relationship	Age	Student (Yes or No)	Social Security Number
(a)	_____	_____	_____	_____	_____
(b)	_____	_____	_____	_____	_____
(c)	_____	_____	_____	_____	_____
(d)	_____	_____	_____	_____	_____
(e)	_____	_____	_____	_____	_____
(f)	_____	_____	_____	_____	_____

3. If all of the occupants are students, answer the following questions for each occupant

(a) Is any student listed in paragraph 2 above married and files a joint return for federal income tax purposes? List any such students.

Name(s) No Not Applicable

(b) Is any student listed in paragraph 2 above (i) a single parent living with his/her children, (ii) not a dependent of another individual and (iii) whose children are not dependents of an individual other than their parents? List any such students.

Yes	Name(s)	No	Not Applicable
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(c) Is any student listed in paragraph 2 above a student receiving assistance under Title IV of the Social Security Act (Temporary Assistance for Needy Families)? List any such students.

Yes	Name(s)	No	Not Applicable
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(d) Is any student listed in paragraph 2 above a student enrolled in a job-training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State or local laws? List any such students.

Yes	Name(s)	No	Not Applicable
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(e) Is any student listed in paragraph 2 a student who was previously under the care and placement responsibility of a foster care program (under part B or E of Title IV of the Social Security Act)? List any such students.

Yes	Name(s)	No	Not Applicable
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4. The total anticipated income for each person listed in paragraph 2 above during the 12-month period commencing with the date occupancy will begin including:

full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);

lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973; is as follows:

Occupant	Anticipated Annual Income	Source of Income or Employer
(a) _____ _____	\$ _____	_____
(b) _____ _____	\$ _____	_____
(c) _____ _____	\$ _____	_____
(d) _____ _____	\$ _____	_____
(e) _____ _____	\$ _____	_____
(f) _____ _____	\$ _____	_____
TOTAL	\$ _____	

5.(a) Do the persons whose income or contributions are included in Item 4 above have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the

values of necessary items of personal property such as furniture and automobiles and interest in Indian trust land)?

_____ Yes _____ No

(b) Have the persons whose income or contributions are included in Item 4 above disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value?

_____ Yes _____ No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

_____ Yes _____ No

(d) If the answer to (c) above is yes,

(i) insert the total value of all such assets owned or disposed of
\$ _____; and

(ii) state:

(A) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

\$ _____

(B) the amount of such income, if any, that was included in Item 4 above:

\$ _____

6. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter, the "Borrower"), has any family relationship to the Borrower or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member and ownership, direct or indirect, by a partner of the individual.

7. This Income Certification is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in

paragraph 4 is reasonable and based upon such investigation as the undersigned deemed necessary.

8. I/we will assist the Borrower in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

9. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Income Certification will constitute a material breach of my/our agreement with the Borrower to lease the unit and will entitle the Borrower to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.

10. The undersigned hereby acknowledge and agree that on or before January 1 (or upon Lease renewal) of each year the undersigned and any other current residents of such apartment will complete and deliver a new Income Certification, in the form then in use, to the Borrower and that the undersigned's rent is subject to increase 30 days after written notice is given to the undersigned stating that the undersigned no longer qualifies as a Low Income Tenant under the Regulatory Agreement.

11. RESIDENT(S) STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury. In the event this Income Certification is executed more than five days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

- (a) _____ Date: _____
- (b) _____ Date: _____
- (c) _____ Date: _____
- (d) _____ Date: _____
- (e) _____ Date: _____
- (f) _____ Date: _____

[The signatures of all persons over the age of 18 years listed in Number 2 above are required]

12. Calculation of Eligible Income:

- (a) Enter the amount entered for entire household in 4 above: \$ _____
- (b) Enter income derived from assets (line 5(d)(ii)(A)): \$ _____

(c) Subtract (b) from (a) \$ _____

(d) Multiply the amount entered in 5(d)(i) by the current passbook savings rate to determine the total annual earnings on assets [5(d)(i)] if invested in passbook savings.

Passbook rate _____ % X _____ = \$ _____

(e) Enter the greater of (b) or (d) \$ _____

(f) TOTAL ELIGIBLE INCOME (Line (e) + (c)) \$ _____

13. The amount entered in 12(f):

(a) _____ Qualifies the applicant(s) as a Low Income Tenant(s).

(b) _____ Qualifies the applicant(s) as a Moderate Income Tenant(s).

(c) _____ Does not qualify the applicant(s) as a Low Income Tenant(s) or a Moderate Income Tenant(s).

14. Number of apartment unit assigned: _____

Bedroom size: _____ Rent: \$ _____

Tenant-paid Utilities:

Water _____ Gas _____ Electric _____

Trash _____ Other (list type) _____

15. Was this apartment unit last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Low Income Tenants or Moderate Income Tenants?

_____ Yes _____ No

16. Method used to verify applicant(s) income:

_____ Employer income verification

_____ Social Security Administration verification

_____ Department of Social Services verification

_____ Copies of tax returns

_____ Other (_____)

17. Method used to verify responses, if any, in paragraph 3 of this Income Certification:

_____ Copies of Tax Returns

_____ Evidence of participation in an enumerated program

18. BORROWER'S STATEMENT: Based on the representations herein and upon the proofs and documentation submitted pursuant to paragraph 8 hereof, the family or individual(s) named in paragraph 2 of this Income Certification is/are eligible under the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants to live in a unit in the Project.

Date _____

Signature of Authorized Borrower Representative:

By _____
Name _____
Title _____

EXECUTION OF ITEMS 19 AND 20

_____ IS _____ IS NOT NECESSARY.

Initials: _____.

19. If this Income Certification was executed by me/us more than five days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of _____, 20____ and state:

_____ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.

_____ (b) The following information is provided to update the information previously provided in the Income Certification:

(a) _____ Date: _____

(b) _____ Date: _____

(c) _____ Date: _____

(d) _____ Date: _____

(e) _____ Date: _____

(f) _____ Date: _____

20. BORROWER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 19 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 19 hereof.

Date _____

Signature of Authorized Borrower
Representative

By _____

Name _____

Title _____

[Remainder of page intentionally left blank]

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the issuance of tax-exempt bonds by the Douglas County Housing Authority for persons of low or moderate income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages _____

Overtime _____

Bonuses _____

Commissions _____

Total Current Income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Date

By _____

Name _____

Title _____

I hereby grant you permission to disclose my income to _____,
in order that they may determine my income eligibility for rental of an apartment located in their
project which has been financed by an issuance of tax-exempt bonds by the Douglas County
Housing Authority.

Date _____

Signature _____

Please send form to: _____

[Income verification signature page]

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state (if applicable) income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Date _____

Signature _____

COMPLIANCE MONITORING REPORT

Year _____

Property: _____ Number of Units _____

Submitted by _____ Date _____

Manager

Reconciliation of Moderate and Low Income Units:

Total of Moderate and Low Income Units last year _____

Number of deletions this year..... _____

Number of additions this year..... _____

Total of [Moderate][Low] Income units this year..... _____

[MODERATE] [LOW] INCOME UNITS

The following units have been previously designated as Low Income units:

1	_____	21 _____	41 _____	61 _____
2	_____	22 _____	42 _____	62 _____
3	_____	23 _____	43 _____	63 _____
4	_____	24 _____	44 _____	64 _____
5	_____	25 _____	45 _____	65 _____
6	_____	26 _____	46 _____	66 _____
7	_____	27 _____	47 _____	67 _____
8	_____	28 _____	48 _____	68 _____
9	_____	29 _____	49 _____	69 _____
10	_____	30 _____	50 _____	70 _____
11	_____	31 _____	51 _____	71 _____
12	_____	32 _____	52 _____	72 _____
13	_____	33 _____	53 _____	
14	_____	34 _____	54 _____	
15	_____	35 _____	55 _____	
16	_____	36 _____	56 _____	
17	_____	37 _____	57 _____	
18	_____	38 _____	58 _____	
19	_____	39 _____	59 _____	
20	_____	40 _____	60 _____	

DELETIONS FROM [MODERATE] [LOW] INCOME UNITS REPORTED LAST YEAR

1	_____	11 _____
2	_____	12 _____
3	_____	13 _____
4	_____	14 _____
5	_____	15 _____
6	_____	16 _____
7	_____	17 _____
8	_____	18 _____
9	_____	19 _____
10	_____	20 _____

COMPLIANCE MONITORING REPORT CONTINUED

ADDITIONS TO [MODERATE] [LOW] INCOME TENANT UNITS

	Unit Number	Name	unit size	Monthly Income	Rent
1	_____	_____	\$ _____	\$ _____	_____
2	_____	_____	\$ _____	\$ _____	_____
3	_____	_____	\$ _____	\$ _____	_____
4	_____	_____	\$ _____	\$ _____	_____
5	_____	_____	\$ _____	\$ _____	_____
6	_____	_____	\$ _____	\$ _____	_____
7	_____	_____	\$ _____	\$ _____	_____
8	_____	_____	\$ _____	\$ _____	_____
9	_____	_____	\$ _____	\$ _____	_____
10	_____	_____	\$ _____	\$ _____	_____
11	_____	_____	\$ _____	\$ _____	_____
12	_____	_____	\$ _____	\$ _____	_____
13	_____	_____	\$ _____	\$ _____	_____
14	_____	_____	\$ _____	\$ _____	_____
15	_____	_____	\$ _____	\$ _____	_____
16	_____	_____	\$ _____	\$ _____	_____
17	_____	_____	\$ _____	\$ _____	_____
18	_____	_____	\$ _____	\$ _____	_____
19	_____	_____	\$ _____	\$ _____	_____
20	_____	_____	\$ _____	\$ _____	_____

EXHIBIT D

HUD RIDER TO REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This HUD RIDER TO REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (“Rider”) is attached to and made an integral part of the Regulatory Agreement and Declaration of Restrictive Covenants dated as of April 1, 2017, by and among BHRHUD, LP (“Borrower”), The Huntington National Bank (“Trustee”) and the Douglas County Housing Authority (“Authority”).

WHEREAS, Borrower has obtained financing from Gershman Investment Corp. (the “Lender”) for the benefit of the project known as Blair High Residences (the “Project”), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (“Security Instrument”) dated as of April 1, 2017 and recorded in the real property records of Douglas County, Nebraska on _____, 2017 as instrument number _____ (the “Records”) and is insured by the United States Department of Housing and Urban Development (“HUD”);

WHEREAS, Borrower has received a loan from the Authority of the proceeds of the Authority’s Multifamily Housing Revenue Bonds (Blair High Residences Project) Series 2016-A and Multifamily Housing Revenue Bonds (Blair High Residences Project) Series 2016-B, which Authority is requiring certain restrictions be recorded against the Project;

WHEREAS, HUD requires as a condition of its insuring Lender’s financing to the Project, that the lien and covenants of the Regulatory Agreement and Declaration of Restrictive Covenants dated as of April 1, 2017 by and among the Borrower, Authority and The Huntington National Bank, as Trustee be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

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

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the Authority, Borrower and Trustee, by their execution of the Restrictive Covenants to which this Rider is attached as an integral part, hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.

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

“Code” means the Internal Revenue Code of 1986, as amended.

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

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

“Lender” means Gershman Investment Corp., its successors and assigns.

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

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

“National Housing Act” means the National Housing Act of 1934, as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning set forth in the Program Obligations.

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

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, except the requirements in 26 U.S.C. 42(h)(6)(E)(ii), to the extent applicable, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including, without limitation, the Security Instrument and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Authority’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower’s knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In accordance with 26 U.S.C. 42(h)(6)(E)(i)(1), in the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate with the exception of the requirements of 26 U.S.C. 42(h)(6)(E)(ii) above to the extent applicable, or as otherwise approved by HUD..

(e) Borrower, Trustee and the Authority acknowledge that Borrower’s failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Authority's reporting requirement, in enforcing the Restrictive Covenants neither the Authority nor the Trustee will file any claim against the Project or the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions and Residual Receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available Residual Receipts authorized by HUD, if the Borrower is a nonprofit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Authority shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

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

(i) Notwithstanding anything to the contrary contained herein, it is not the intent of any of the parties hereto to cause a recapture of the Low Income Housing Tax Credits or any portion thereof related to any potential conflicts between the HUD Requirements and the Restrictive Covenants. Borrower represents and warrants that to the best of Borrower's knowledge the HUD Requirements impose no requirements which may be inconsistent with full compliance with the Restrictive Covenants. The acknowledged purpose of the HUD Requirements is to articulate requirements imposed by HUD, consistent with its governing statutes, and the acknowledged purpose of the Restrictive Covenants is to articulate requirements imposed by Section 42 of the Code. In the event an apparent conflict between the HUD Requirements and the Restrictive Covenant arises, the parties and HUD will work in good faith to determine which federally imposed requirement is controlling. It is the primary responsibility of the Borrower, with advice of counsel, to determine that it will be able to comply with the HUD Requirements and its obligations under the Restrictive Covenants. No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.