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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

UMB BANK, N.A.
KANSAS CITY, MISSOURI
Attention: Corporate Trust Department

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REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS

By and Among

NEBRASKA INVESTMENT FINANCE AUTHORITY,
as Issuer

and

UMB BANK, N.A.
as Trustee

and

CAMBURY HILLS APARTMENTS, L.P.,
as Borrower

DATED AS OF SEPTEMBER 1, 1997

Relating to

\$11,300,000
NEBRASKA INVESTMENT FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(CAMBURY HILLS APARTMENTS PROJECT)
SERIES 1997

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**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "Regulatory Agreement") is made and entered into as of September 1, 1997 by and among the NEBRASKA INVESTMENT FINANCE AUTHORITY, a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions organized and existing under the laws of the State of Nebraska (the "Issuer"), and UMB BANK, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, with its principal corporate trust office located in Kansas City, Missouri, and duly authorized to accept and execute trusts of the type contemplated by the Indenture (as hereinafter defined), as trustee (together with its permitted successors and assigns, the "Trustee") and CAMBURY HILLS APARTMENTS, L.P., a Missouri limited partnership (together with its successors and assigns), as the owner of the property described in Exhibit A hereto (the "Borrower").

WITNESSETH:

WHEREAS, the Nebraska Investment Finance Authority Act, Neb. Rev. Stat. Sections 58-201 et seq. (1993), as amended (the "Act"), has been enacted by the Legislature of Nebraska; and

WHEREAS, the Act provides for the creation of the Issuer for the purpose of alleviating a shortage of rental housing available at rents which persons and families of low and moderate income can afford, and a shortage of capital for investment in such housing; and

WHEREAS, pursuant to the Act, the Issuer is authorized to carry out the public purposes described therein by issuing its revenue bonds to make loans to finance the acquisition and construction of qualified multifamily rental housing developments, and by entering into any agreements made in connection therewith; and

WHEREAS, to alleviate the creation of slums and blighted areas, prevent deterioration of the quality of living conditions within this State, alleviate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident prevention and other public services and facilities, and increase employment in the construction industry, which constitute valid public purposes for the issuance of revenue bonds under the Act, the Issuer has determined it to be in furtherance of its public purposes and the public purposes of the Act to issue its Multifamily Housing Revenue Bonds (Cambury Hills Apartments Project) Series 1997 (the "Bonds") and use the Bond proceeds to make a loan to the Borrower, to finance the acquisition, equipping and construction of the multifamily rental housing project of the Borrower located in Omaha, Nebraska on the site more particularly described in Exhibit A hereto (the "Project"); and

WHEREAS, in order for interest on the Bonds to be excluded from gross income for federal income tax purposes under the Code (as herein defined), and the income tax regulations (the "Regulations") and rulings with respect to the Code, in order to provide availability to moderate-income tenants as required by the Act, and in order for certain tax credits to be available to the Borrower under the Code and the Regulations and rulings with respect thereto, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the Issuer and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping and completion of the Project and in order to ensure that the Project will be used and operated in accordance with the Code, the Act and the additional requirements of the Issuer; and

WHEREAS, all things necessary to make the Bonds when issued as provided in the Indenture, the valid, binding and legal special obligations of the Issuer according to the import thereof and to constitute the Indenture a valid assignment of the amounts pledged to the payment of the principal and premium, if any, and interest on the Bonds have been done and performed, and the creation, execution and delivery of the Indenture and the execution and issuance of the Bonds, subject to the terms thereof, in all respects have been duly authorized;

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 are hereby acknowledged, the Issuer, the Trustee and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. 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. Capitalized terms used in this Regulatory Agreement and not defined herein shall have the meanings ascribed to such terms in Article I of the Indenture:

"*Adjusted 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) as calculated in the manner prescribed in Sections 142 and 42 of the Code as they shall be in effect on the Closing Date.

"*Affiliated Party*" means 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).

"*Applicable Income Percentage*" means the percentage of area median gross income which may not be exceeded by individuals or families qualifying as Low Income Tenants or Qualified LIHTC Tenants which, with respect to the Project, shall be 60%.

"*Applicable Set-Aside Percentage (Bonds)*" means the percentage of units in the Project to be leased to Low Income Tenants which, with respect to the Project, shall be 40% (and includes the percentage of units in the Project to be leased to Qualified LIHTC Tenants).

"*Applicable Set-Aside Percentage (LIHTC)*" means the percentage of units in the Project to be leased to Qualified LIHTC Tenants which, with respect to the Project, shall be 50% (and includes the percentage of units in the Project to be leased to Low Income Tenants).

"*Area*" means the Omaha, Nebraska, Metropolitan Statistical Area.

"*Authorized Borrower Representative*" means any person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Trustee containing the

specimen signature of such person and signed on behalf of the Borrower by Cambury Hills Development, L.L.C., the general partner of the Borrower, which certificate may designate an alternate or alternates.

"*Bond 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, selected by the Issuer and approved by the Credit Enhancer 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 but shall not include counsel for the Borrower or the Trustee.

"*Bondholder*" or "*holder*" or "*owner*" means, when used with respect to the Bonds, the owner of a Bond then outstanding under the Indenture as shown on the registration books maintained by the Trustee pursuant to the Indenture.

"*Bonds*" means the Issuer's Multifamily Housing Revenue Bonds (Cambury Hills Apartments Project), Series 1997 authorized, authenticated and delivered under the Indenture.

"*Borrower*" means Cambury Hills Apartments, L.P., a Missouri limited partnership, and its permitted successors and assigns.

"*Certificate of Continuing Program Compliance (Bonds)*" means the Certificate of Continuing Program Compliance (Bonds) with respect to the Project to be filed by the Borrower with the Issuer and the Trustee pursuant to Section 4 hereof, which shall be substantially in the form attached hereto as Exhibit C or such other form as may from time to time be prescribed by the Issuer.

"*Certificate of Continuing Program Compliance (LIHTC)*" means the Certificate of Continuing Program Compliance (LIHTC) to be filed by the Borrower with the Issuer and the Trustee pursuant to Section 4 hereof which shall be substantially in the form attached hereto as Exhibit D or such other form as may from time to time be prescribed by the Issuer.

"*Closing Date*" means the date of issuance of the Bonds.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Completion Certificate*" means the certificate of completion of the Project required to be delivered to the Issuer and the Trustee by the Borrower pursuant to Section 2(g) hereof.

"*Completion Date*" means the date of the completion of the construction, improving and equipping of the Project, as that date shall be certified as provided in Section 2(g) hereof.

"*Costs of Issuance*" means costs of issuing the Bonds as defined in the Indenture.

"*County*" means Douglas County, Nebraska.

"*Credit Enhancer*" means Financial Security Assurance Inc. or any successor thereto.

"*Determination of Taxability*" means either refusal by the Borrower to consent to any amendment or supplement hereto or to the Loan Agreement which, in the opinion of Bond Counsel, is necessary or advisable to maintain the exclusion of interest on the Bonds from gross income for federal income tax

purposes; or any of (1) the enactment of applicable legislation, (2) a final judgment or order of a court of original or appellate jurisdiction, (3) a final ruling or decision of the Internal Revenue Service or (4) the filing with the Trustee of an opinion of Bond Counsel, in each case to the effect that the interest on the Bonds (other than interest on any Bond for any period during which such Bond is held by a "substantial user" of any facility financed with the proceeds of the Bonds or a "related person," as such terms are used in Section 147(a) of the Code) is includable in the gross incomes of all recipients thereof for federal income tax purposes.

"*Dwelling Units*" means the units of multifamily residential rental housing comprising the Project.

"*Functionally Related and Subordinate*" means and includes facilities for use by tenants (for example, laundry facilities, parking areas and recreational facilities), provided that the same are of a character and size commensurate with the character and size of the Project as described in Section 1.103.8(3) of the Regulations.

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

"*Income Certification*" means the Income Computation and Certification attached hereto as Exhibit B or in such other form as may from time to time be provided by the Issuer to the Borrower.

"*Indenture*" means the Trust Indenture dated as of September 1, 1997 between the Issuer and the Trustee, relating to the issuance of the Bonds, and any indenture supplemental thereto.

"*Inducement Date*" means April 18, 1997.

"*LIHTC*" means Low Income Housing Tax Credit.

"*Loan Agreement*" means the Loan Agreement dated as of September 1, 1997, by and among the Issuer, the Borrower and the Trustee, as it may be amended from time to time.

"*Low Income Tenants*" means persons or families with Adjusted Income which 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 the Applicable Income Percentage of Median Income for the Area with adjustments for family size. 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.

"*Low Income Units*" means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Section 4(b) hereof.

"*Median Income for the Area*" means the median income for the Area as determined by the Secretary of Housing and Urban Development under Section 8, or if programs under Section 8 are terminated, median income for the Area determined under the method used by the Secretary prior to such termination.

"*Moderate Income Tenants*" means persons or families with Adjusted Income which does not exceed 150% of the Median Income for the Area, as may be adjusted from time to time.

"*Moderate Income Units*" means the units in the Project required to be rented to Moderate Income Tenants pursuant to Section 4(e) hereof.

"*Mortgage Loan*" means the loan made by the Issuer to the Borrower for the purpose of financing the acquisition, equipping and construction of the Project evidenced by the Loan Agreement.

"*Net Proceeds*" means the proceeds of the Bonds.

"*Occupancy Date*" means the first day on which the Project is placed in service as provided in Section 42 of the Code.

"*Project*" means the Project Facilities and the Project Site.

"*Project Facilities*" means the buildings, structures and other improvements on the Project Site to be reconstructed, constructed or improved by the Borrower, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project.

"*Project Site*" means the parcel or parcels of real property described in Exhibit A, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances thereunto appertaining.

"*Qualified LIHTC Tenants*" means and includes individuals and families whose Adjusted Income is equal or less than the Applicable Income Percentage of Median Income for the Area (including adjustments for family size) as elected and determined in accordance with the Code and Regulations. Tenant income is to be calculated in a manner consistent with the determination of annual income under Section 8, and not in accordance with the determination of gross income for federal income tax liability. Except as otherwise provided herein, the occupants of a Dwelling Unit shall not be considered to be Qualified LIHTC Tenants if any occupant is a student (as defined in Section 151(c)(4) of the Code). Notwithstanding the foregoing, a unit is not disqualified as a Qualified LIHTC Unit merely because it is occupied (i) by a student receiving AFDC assistance under Title IV of the Social Security Act, (ii) by a student in a government-supported job training program, (iii) entirely by full-time students who are single parents and their children, provided such occupants are not dependents of another person or (iv) by full-time students who are married and file a joint return. The determination of whether an individual or family is a Qualified LIHTC Tenant shall be made by the Borrower upon initial occupancy of a unit in the Project by such Tenant and at least annually thereafter on the basis of the current income of such occupants. Any unit occupied by an individual or family who is a Qualified LIHTC Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Qualified LIHTC Tenant, provided that, should such Qualified LIHTC Tenant's income subsequently exceed 140% of the applicable income limit, such tenant shall no longer be a Qualified LIHTC Tenant if, after such determination of income, but prior to the next determination, any residential unit of comparable or smaller size is rented to a tenant who is not a Qualified LIHTC Tenant.

"*Qualified LIHTC Unit*" means a residential unit in the Project designated for occupancy by Qualified LIHTC Tenants.

"*Qualified Project Costs*" means the Project Costs incurred not earlier than the date 60 days prior to the Inducement Date which constitute costs of a residential rental project within the meaning of Section 1.103-8 of the Regulations and which are chargeable to a capital account with respect to the Project 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; provided further that such interest shall cease to be a Qualified Project Cost on the Completion Date; and provided further that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (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 Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which 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 construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance.

"*Qualified Project Period (Bonds)*" means the period beginning on the first day on which 10% of the Dwelling Units are occupied and ending on the latest of (a) the date which is 15 years after the date on which 50% of the Dwelling Units are 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) 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.

"*Qualified Project Period (LIHTC)*" means the period beginning on the first day on which the Project is placed in service and ending on the date 30 years after the Occupancy Date.

"*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 from time to time.

"*Regulatory Agreement*" means this Regulatory Agreement and Declaration of Restrictive Covenants, together with any amendments or supplements hereto, as it may be amended from time to time.

"*Rent Restricted Unit*" means a Dwelling Unit if the gross rent with respect to the Dwelling Unit does not exceed 30% of the imputed income limitation applicable to such Dwelling Unit (based on the number of bedrooms therein in accordance with Section 42(g)(2)(C) of the Code).

"*Section 8*" means Section 8 of the United States Housing Act of 1937, as amended.

"*State*" means the State of Nebraska.

"*Successor in Interest*" has the meaning assigned to such term in Section 7.

"*Tax-exempt*" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes (other than interest on any Bond for any period during which such Bond is held by a "substantial user" of any facility financed with the proceeds of the Bonds or a "related person," as such terms are used in Section 147(a) of the Code); 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 or environmental tax, under the Code.

"*Trustee*" means UMB Bank, N.A., or any successor Trustee serving as such under the Indenture.

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 and words of the singular number shall be construed to include the plural number, and vice versa. 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, 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.

Section 2. Acquisition, Construction, Equipping and Completion of the Project. The Borrower hereby represents as of the date hereof, covenants and agrees as follows:

(a) The Borrower has incurred, or will incur within six months after the Closing Date, a substantial binding obligation to commence the acquisition, construction, equipping and completion of the Project, pursuant to which the Borrower is or will be obligated to expend at least 5% of the proceeds of the Mortgage Loan.

(b) The Borrower has commenced the acquisition, construction, equipping and completion of the Project, and will proceed with due diligence to complete the same.

(c) The Borrower reasonably expects to complete the acquisition, construction, equipping and completion of the Project and to expend the full amount of the proceeds of the Mortgage Loan for Qualified Project Costs prior to the date 36 months from the Closing Date.

(d) The full amount of each disbursement will be applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs and that, after taking into account the proposed disbursement, (i) the aggregate disbursements of Mortgage Loan proceeds will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to 97% or more of the aggregate disbursements of the Mortgage Loan (provided, however, that if the Borrower provides the Trustee with an opinion of Bond Counsel to the effect that the Tax-exempt status of the Bonds will not be adversely affected if less than the aforesaid percentage, but not less than 95%, is disbursed for such purpose, then the certificate may refer to

such lesser percentage as may be specified by Bond Counsel); (ii) less than 25% of the proceeds of the Mortgage Loan will have been disbursed to pay or to reimburse the Borrower for the cost of acquiring land and (iii) not more than 2% of the proceeds of the Mortgage Loan will have been disbursed to pay or reimburse the Borrower for Costs of Issuance.

(e) [Reserved].

(f) The Borrower (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds of the Mortgage 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 Affiliated Party) 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, this Agreement, the Loan Agreement, the Act or the Code.

(g) On the Completion Date, the Borrower shall evidence the Completion Date by providing a certificate (the "Completion Certificate") to the Trustee and the Issuer, signed by an Authorized Borrower Representative, stating the total cost of the Project and identifying the total Qualified Project Costs and further stating that (i) construction of the Project has been completed substantially in accordance with the plans, specifications and work orders therefor, and all labor, services, materials and supplies used in construction have been paid for and (ii) all other facilities necessary in connection with the Project have been acquired, constructed and installed substantially in accordance with the plans and specifications and work orders therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights of the Borrower against third parties for the payment of any amount not then due and payable which exist at the date of such certificate or which may subsequently exist. The Borrower will provide to the Authority a cost certification by an independent qualified professional upon completion of the Project by December 1 of the year in which the Project is placed in service.

The Completion Certificate shall be delivered to the Trustee no later than the date 36 months from the Closing Date unless the Borrower delivers to the Trustee a certificate of the Issuer approving an extension of such date, accompanied by an Opinion of Bond Counsel to the effect that such extension will not result in interest on the Bonds being included in gross income for federal income tax purposes.

If the Mortgage Loan is insufficient to pay the costs of the Project in full, the Issuer shall be under no obligation to provide for payment of any additional costs of completing the Project.

The Borrower further agrees to spend additional moneys for payment of any costs of the Project sufficient to ensure that the portion of Bond proceeds (i) spent on land is no more than 25% of the amount spent for all purposes and (ii) spent on Qualified Project Costs is at least 97% of the amount spent for all purposes, except that, upon receipt by the Borrower, the Trustee and the Issuer of an approving opinion of Bond Counsel, the percentage of such amounts so used may be 95%.

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" as such phrase is

used in Section 42(d) of the Code, on a continuous basis during the Qualified Project Period (LIHTC) and as such phrase is used in Section 142(d) of the Code on a continuous basis during the Qualified Project Period (Bonds). For the term of this Regulatory Agreement, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) the Project will be developed for the purpose of providing multifamily residential rental property, and the Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprising 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 and Section 1.103-8(b) of the Regulations and the Act, as the same shall be amended from time to time, 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 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, a sink and a refrigerator;

(c) none of the Dwelling Units in the Project will at any time be utilized on a transient basis, none of the Dwelling Units in the Project shall be leased or rented for a period of less than six months and neither the Project nor any portion thereof shall be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park, trailer court, mobile home park, or recreational vehicle park or by a cooperative housing corporation (as defined in section 216(b)(1) of the Code);

(d) no part of the Project will at any time be converted to condominium ownership, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses;

(e) once available for occupancy, each Dwelling Unit will be available for rental on a continuous basis to members of the general public on a nontransient basis, 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 Qualified LIHTC Tenants, Low Income Tenants or Moderate Income Tenants;

(f) the Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, which have similarly constructed units financed pursuant to a common plan, together with Functionally Related and Subordinate facilities which shall be owned by the Borrower or an Affiliated Party as evidenced by the ownership, management, accounting and operation of the Project;

(g) no Dwelling Unit in the Project shall be occupied by the Borrower;

(h) the Borrower shall not discriminate on the basis of race, religion, creed, color, ethnic group identification, sex, source of income (e.g., AFDC, SSI), mental or physical disability, age, national origin, marital or familial 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;

(i) the estimated cost of the acquisition and construction of the Project will be in excess of \$11,300,000;

(j) if the Borrower becomes aware of any situation, event or condition which would result in noncompliance of a Dwelling Unit, the Project or the Borrower with Section 42 or Section 142(d) of the Code or the Regulations, the Borrower shall promptly give written notice thereof to the Issuer;

(k) each building in the Project will remain suitable for occupancy taking into account local health, safety and building codes;

(l) the Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 or a successor federal program, and, in connection therewith, the Borrower will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants;

(m) the Borrower will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting the Borrower or the Project to noncompliance with Section 42 or Section 142(d) of the Code and the Regulations;

(n) the Borrower (or the Property Manager) shall attend in each year of the Qualified Project Period (LIHTC) at least one of the property management/compliance monitoring sessions sponsored by the Issuer; and

(o) the Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in Section 42 of the Code and applicable regulations.

Section 4. Low Income Tenants; Qualified LIHTC Tenants; Moderate Income Tenants; Records and Reports. Pursuant to the requirements of the Code and the Act, the Borrower hereby represents, warrants and covenants as follows:

(a) the Borrower shall execute and deliver to the Issuer and the Trustee a certificate identifying the beginning date and earliest ending date of the Qualified Project Period (Bonds) and the Qualified Project Period (LIHTC), in substantially the form attached as Exhibit E hereto or such other form as may be required by the Issuer;

(b) throughout the Qualified Project Period (Bonds) at least the Applicable Set-Aside Percentage (Bonds) of the Dwelling Units shall be occupied by Low Income Tenants before any additional units are occupied by persons who are not Low Income Tenants; and for the Qualified Project Period (Bonds) no less than the Applicable Set-Aside Percentage (Bonds) of the total number of completed Dwelling Units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this paragraph (b), a vacant unit which was most

recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant 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. In determining whether the requirements of this subsection (b) have been met, fractions of units shall be treated as entire units;

(c) no tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that if, as a result of an increase in income or decrease in family size, a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceeds 140% of the then applicable income limit for a Low Income Tenant of the same family size, the next available Dwelling Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant; 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 Applicable Set-Aside Percentage (Bonds) requirement of paragraph (b) of this Section 4;

(d) throughout the Qualified Project Period (LIHTC), at least the Applicable Set-Aside Percentage (LIHTC) of the completed Dwelling Units in the Project shall be both (1) Rent Restricted Units and (2) occupied by Qualified LIHTC Tenants, and, unless the requirements of clauses (1) and (2) are satisfied, no additional units shall be rented or leased to any other tenants after initial rental occupancy of Dwelling Units by Qualified LIHTC Tenants, as required by Section 42 of the Code. For purposes of satisfying the requirement that not less than the Applicable Set-Aside Percentage (LIHTC) of the Dwelling Units be occupied by Qualified LIHTC Tenants, no Qualified LIHTC Tenant shall be denied continued occupancy because, after admission, the Qualified LIHTC Tenant's family income exceeds the applicable qualifying income level set forth in the definition of "Qualified LIHTC Tenant" herein. The Borrower shall at all times during the Qualified Project Period (LIHTC) maintain the percentage requirements of this Regulatory Agreement by providing the next available units of comparable or smaller size to Qualified LIHTC Tenants as needed to achieve compliance with the foregoing requirements. If necessary, the Borrower shall refrain from renting Dwelling Units in the Project to persons other than Qualified LIHTC Tenants in order to avoid violating the requirement that at all times during the Qualified Project Period (LIHTC) at least the Applicable Set-Aside Percentage (LIHTC) of the completed Dwelling Units in the Project shall be both a Rent Restricted Unit and occupied by Qualified LIHTC Tenants;

(e) at all times during the Qualified Project Period (Bonds), to maintain the Dwelling Units in the Project not required to be occupied by Low Income Tenants or Qualified LIHTC Tenants for occupancy by Moderate Income Tenants;

(f) the Borrower will obtain, complete and maintain on file Income Certifications from each Low Income Tenant, Qualified LIHTC Tenant and Moderate Income Tenant residing in the Project, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant, Qualified LIHTC Tenant or Moderate Income Tenant in the Project and (ii) thereafter, with respect to such Tenants, annual Income Certifications (obtained and updated each year during occupancy by such Tenants), each of which must be filed with the Issuer in accordance with this Regulatory Agreement. The Borrower will obtain such additional information as may be required in the future by the Issuer and by Sections 42 and 142(d) of the

Code, 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 Section 42 of the Code or obligations which are Tax-exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Tenants commencing or continuing occupation of a Dwelling Unit (and not previously filed with the Issuer) shall be attached to the Monthly Tenant Report which, beginning upon the commencement of the Qualified Project Period (Bonds) or the Qualified Project Period (LIHTC), whichever is earlier, is to be filed with the Issuer no later than the fifteenth day of each month (or such other period and date as specified by the Issuer) until the end of the Qualified Project Period (Bonds) or the Qualified Project Period (LIHTC), whichever is later. The Borrower shall verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the two most recent tax years, (3) conduct a credit/income history (i.e., through TRW) or similar search or (4) contact the applicant's current employer, and any additional inquiries or documentation that the Issuer shall deem relevant or other forms of independent verification satisfactory to the Issuer;

(g) the Borrower will maintain complete and accurate records pertaining to the occupancy of the Dwelling Units by Low Income Tenants, Qualified LIHTC Tenants and Moderate Income Tenants 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 Project, including those records pertaining to the occupancy of the Dwelling Units. The Issuer shall have the right to perform an on-site inspection of the Project throughout the Qualified Project Period (Bonds) and the Qualified Project Period (LIHTC), in addition to the requirement that the Borrower submit to the Issuer information on tenant income, supporting documentation and rent for each Low Income Unit, Qualified LIHTC Unit and Moderate Income Unit as described herein;

(h) the Borrower will prepare and submit to the Issuer and the Trustee (i) not later than January 15 of each year following the first year in which 10% of the Dwelling Units in the Project are occupied, until the end of the Qualified Project Period (Bonds), a Certificate of Continuing Program Compliance (Bonds) executed by the Borrower stating the percentage of the Dwelling Units of the Project which were occupied or deemed occupied, pursuant to paragraph (b) of this Section 4, by Low Income Tenants during such period and (ii) not later than January 15 of each year following the first year in which 10% of the units in the Project are occupied, until the end of the Qualified Project Period (LIHTC), a Certificate of Continuing Program Compliance (LIHTC) (a copy of the Form 8609 Schedule A Annual Statement and the Annual Tax Credit Summary Report (the form of which is attached hereto as Exhibit G)), executed by the Borrower and a statement including the number of Dwelling Units of the Project which, as of the first date of each calendar year, were occupied by Qualified LIHTC Tenants (or were deemed to be occupied by Qualified LIHTC Tenants as provided in subparagraph (d) above for all or part of such period), together with copies of annual Income Certifications (and supporting documentation) collected by the Borrower and not previously submitted and (iii) in each case, a certification to the effect that (i) either (A) no unremedied default has occurred under this Regulatory Agreement, or (B) a default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Borrower to remedy such default; and (ii) that, to the knowledge of the Borrower, no Determination of Taxability has occurred, or if a Determination of

Taxability has occurred, setting forth all material facts relating thereto. The Borrower will immediately notify the Issuer if at any time the Dwelling Units in the Project are not occupied or available for occupancy as provided above;

(i) on or before each February 15 during the Qualified Project Period (Bonds) the Borrower will submit to the Issuer a draft of the completed Code Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. On or before each March 31 during the Qualified Project Period (Bonds) the Borrower will submit such completed form to the Secretary of the Treasury, regardless of whether or not the Issuer has responded to such draft;

(j) each lease or rental agreement pertaining to a Dwelling Unit shall contain a provision to the effect that the Borrower has relied on the income certification and supporting information supplied by the Low Income Tenant, Qualified LIHTC Tenant or Moderate Income Tenant, as the case may be, in determining qualification for occupancy of the Dwelling Unit and that any material misstatement in such certification (whether or not intentional) or failure to provide supporting income verification or failure by such person to annually update the Income Certification will be cause for immediate termination of such lease or rental agreement, and such person shall be subject to (and by execution of the lease or rental agreement, consents to) immediate eviction proceedings in accordance with State law for failure to qualify as a Low Income Tenant, Qualified LIHTC Tenant or Moderate Income Tenant, as applicable. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with Section 4(f) hereof and to recertification if the number of occupants in the units increases and that if upon any such certification such tenant's Adjusted Income exceeds 140% of the then applicable income limit for a tenant of the same family size, such tenant may cease to qualify as a Low Income Tenant, Qualified LIHTC Tenant or Moderate Income Tenant, as the case may be, and such tenant's rent, if restricted, is subject to increase if after such determination of income but prior to the next determination any Dwelling Unit of comparable or smaller size is rented to a tenant who is not a Qualified LIHTC Tenant;

(k) the Borrower shall collect and keep records for each qualified low-income building in the Project that indicate for each year during the Qualified Project Period (LIHTC) the following information for each building in the Project and retain such records for at least six years after the due date (with extensions) for filing the federal tax return for that year (provided, however, that the records for the first year of the Qualified Project Period (LIHTC) must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building):

(i) the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

(ii) the percentage of residential rental units in the building that are Qualified LIHTC Units;

(iii) the rent charged on each residential rental unit in the building, including any utility allowances;

(iv) the number of occupants in each Qualified LIHTC Unit and changes in the number of occupants in each Qualified LIHTC Unit;

(v) the Qualified LIHTC Unit vacancies in the building and information that indicates when and to whom the next available units were rented;

(vi) the annual income certification of each Qualified LIHTC Tenant per Qualified LIHTC Unit;

(vii) documentation to support each Qualified LIHTC Tenant's annual income certification (for example, a copy of the Qualified LIHTC Tenant's federal income tax return, Forms W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation). With respect to Qualified LIHTC Tenants only, in the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this subsection (k) is satisfied if the public housing authority provides a statement to the Borrower declaring that the tenant's income does not exceed the applicable income limit under Code Section 42(g);

(viii) the eligible basis and the qualified basis of the building at the end of the first year of the Qualified Project Period (LIHTC); and

(ix) the character and use of the non-residential portion of the building included in the eligible basis of the building under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the Project);

(l) the Borrower shall permit any duly authorized representative of the Issuer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the incomes of the Qualified LIHTC Tenants residing in the Project;

(m) the Borrower shall submit any other information, documents or certifications requested by the Issuer which the Issuer shall deem reasonably necessary to substantiate the Borrower's continuing compliance with the provisions of the occupancy restrictions specified in this Regulatory Agreement; and

(n) at all times during the term of this Regulatory Agreement, 75% of the leased units shall be occupied by individuals whose income is 60% or less of area median gross income as such term is defined and used in Section 42(g) of the Code, subject, however, to the right of the Borrower as afforded in Section 42(g) of the Code and the related Regulations to lease units to individuals initially satisfying the aforementioned income test but whose income is subsequently increased above the established income ceiling.

Section 5. Tax-exempt Status of the Bonds. The Borrower makes the following representations, warranties and agreements for the benefit of the Issuer, the Trustee and the holders of the Bonds from time to time:

(a) The Borrower 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 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) The Borrower will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower, 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 the interest on which is Tax-exempt under Section 142(d) of the Code.

(c) The Borrower will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower, in order to insure that the requirements and restrictions of this Regulatory Agreement will, subject to Section 12, 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.

(d) The Borrower will not enter into any agreements which would result in the payment of principal or interest on the Bonds being "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Subject to Section 12 hereof, the Borrower will include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project prior to the expiration of the Qualified Project Period (Bonds) and the Qualified Project Period (LIHTC) 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.

(f) The Borrower agrees and acknowledges that it will not purchase Bonds in amounts related to the principal amount of the Mortgage Loan.

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

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower and to the Credit Enhancer, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement in order to maintain the Tax-exempt status of interest on the Bonds, this Regulatory Agreement shall be deemed to be automatically amended, without the consent or approval of any other person, to impose such additional or more restrictive requirements. The parties hereto hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

(b) To the extent that the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower and to the Credit Enhancer, 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, the Trustee and the Borrower and approved by the Credit Enhancer and accompanied by the Favorable Opinion of Bond Counsel (as defined in the Indenture). The Issuer shall be under no obligation to agree to any such amendment, it being understood that each of the requirements of this Regulatory Agreement is a specific requirement of the Issuer, whether or not required by State or federal law.

(c) The Borrower, the Issuer and, if applicable, 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 appoints the Trustee as its true and lawful attorney-in-fact 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 obligations under this subsection (c); provided, however, that unless directed in writing by the Issuer, the Trustee shall take no action under this subsection (c) without first notifying the Borrower or the Issuer or both of them, as is applicable, unless directed in writing by the Issuer or the Borrower and without first providing the Borrower and the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 6. Nothing in this Section 6(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the Issuer.

Section 7. Indemnification. The Borrower shall indemnify and hold harmless the Issuer and the Trustee and the respective officers, members, supervisors, directors, officials and employees and each of them 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, or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto), or (b) 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 any of the Bonds, or any tenants or applicants for tenancy in the Project or any other person, by the Borrower, or any Authorized Borrower Representative, including, but not limited to, statements or representations of facts, financial information or partnership affairs. 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 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 for indemnification described in this Section 7 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 have the sole right and duty to assume, and will 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. 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 7 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 7, 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 7 or from any liability under this Section 7 unless the failure to provide notice prejudices in any way 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 the indemnifying party's election 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 7 for any attorneys' fees or expenses subsequently incurred by such indemnified party 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 within a reasonable time after notice of commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel to represent the indemnified party at the expense of the indemnifying party. Notwithstanding the foregoing, the Trustee shall not be indemnified for income tax, franchise tax or similar tax liability.

Notwithstanding any other provision of this Regulatory Agreement to the contrary, neither the Bank, the Trustee nor the Credit Enhancer, as the case may be, nor any successor in interest to the Bank, the Trustee or the Credit Enhancer, as the case may be (each a "Successor in Interest"), will assume or be subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to such Successor in Interest, whether by foreclosure or deed in lieu of foreclosure. Following any transfer of title to a Successor in Interest, any obligation of such Successor in Interest under this Section shall be limited to acts and omissions of such Successor in Interest which occur following such transfer of title by such Successor in Interest, and only during the period of such Successor in Interest's ownership and operation of the Project. The Borrower shall remain liable under this Section for its actions and omissions prior to any transfer of title to a Successor in Interest, notwithstanding any consent given pursuant to Section 11.

Section 8. Consideration. The Issuer has issued the Bonds to provide funds to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct, equip and complete the Project. 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 on the terms and conditions set forth herein.

Section 9. Reliance. The Borrower hereby recognizes and agrees that the representations, warranties, covenants and agreements set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, and in the exemption from gross income for federal income tax purposes 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 Low Income Tenants, Qualified LIHTC Tenants and Moderate Income Tenants, and upon audits of the books and records of the Borrower pertaining to the

Project. In addition, the Issuer and the Trustee 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 or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, neither the Issuer nor the Trustee shall be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate delivered by the Borrower with respect to the occurrence or absence of a default unless it knows, or in the exercise of reasonable care should have known from the face of such notice or certificate, that the notice or certificate is erroneous or misleading.

Section 10. Location of the Project. The Borrower hereby represents and warrants that the Project will be located entirely within the Area.

Section 11. Sale or Transfer of the Project. The Borrower hereby covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof, without obtaining the prior written consent of the Issuer, the Credit Enhancer and the Trustee, which consent shall not be unreasonably withheld by the Issuer or the Trustee and shall be given by the Trustee and the Issuer if (a) the Borrower shall not be in default hereunder; (b) the purchaser or assignees shall certify that the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (c) evidence reasonably satisfactory to the Issuer that the purchaser or assignee shall be willing and capable of complying with the terms and conditions of this Regulatory Agreement; (d) the purchaser or assignee shall execute any document requested by the Issuer or the Trustee with respect to the assumption of the Borrower's obligations under this Regulatory Agreement, including, without limitation, an instrument of assumption hereof, and shall deliver to the Issuer an opinion of counsel for the transferee to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such purchaser or assignee; (e) either (i) evidence satisfactory to the Issuer 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 shall not have any reason to believe that the purchaser or assignee is incapable of complying with, or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project; (f) 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, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee, (iii) a Favorable Opinion of Bond Counsel (as defined in the Indenture) and (iv) a Certificate of Continuing Program Compliance (Bonds) and a Certificate of Continuing Program Compliance (LIHTC) (and a "bring-down" certificate, if necessary) current as of the date of transfer; (g) the Borrower shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this Section 11; and (h) 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. Any voluntary sale, transfer or other disposition of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 11. Except as provided in Section 12 hereof, it is hereby expressly stipulated and agreed that (a) any voluntary sale, transfer or other disposition of the Project in violation of this Section 11 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, and (b) neither a transfer of the Project in foreclosure nor a transfer of the Project by deed in lieu of foreclosure shall constitute a voluntary sale, transfer or other disposition of the Project, it being understood and agreed that this Section 11 shall not be applicable to any transfer of the Project to or by a Successor in Interest following foreclosure or deed in lieu of foreclosure, provided the conditions of Section 12(b) and (d) hereof are satisfied.

Nothing contained in this Section 11 shall affect any provision of any other document or instrument between the Borrower and the Credit Enhancer or any other party which requires the Borrower to obtain the consent of the Credit Enhancer or such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer which complies with this Regulatory Agreement, and upon indemnification of the Issuer and the Trustee by the Borrower for acts or omissions occurring during such period as the Borrower owned the Project, the Borrower shall be fully released from its obligations hereunder, to the extent such obligations have been assumed by the transferee of the Project, without the necessity of further documentation.

Section 12. Term. (a) This Regulatory Agreement and each of the provisions hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 12, shall terminate in its entirety at the end of the Qualified Project Period (Bonds) or the Qualified Project Period (LIHTC), whichever is later, it being expressly agreed and understood that the provisions hereof which are required to remain in effect for the Qualified Project Period (Bonds) shall terminate at the end of the Qualified Project Period (Bonds) and the provisions hereof which are required to remain in effect for the Qualified Project Period (LIHTC) shall terminate at the end of the Qualified Project Period (LIHTC); provided, further, that, except as otherwise provided in this Section 12, the provisions hereof are intended to survive the retirement of the Bonds, discharge of the Mortgage Loan and termination of the Indenture and the Loan Agreement.

(b) Specifically with respect to the 15-year extended use period of the Qualified Project Period (LIHTC),

(i) notwithstanding subsection (a) above, the Borrower shall comply with the requirements of Section 42 relating to the 15-year extended use period (30 years total); provided, however, that, with respect to any building that is part of the Project, this Regulatory Agreement shall terminate:

(1) on the date such building is acquired by foreclosure or deed in lieu of foreclosure; or

(2) if the Borrower has properly requested in accordance with Code Section 42(h)(6) within the period specified in Section 42(h)(6)(I) that the Issuer assist in procuring a "qualified contract," as defined in Section 42 of the Code, for the acquisition of the low-income portion of such building and the Issuer is unable to present a qualified contract, one year after the date the written request was submitted to the Issuer.

(ii) Notwithstanding subsection (b)(i) above, certain Section 42 rent requirements shall continue for a period of three years following the termination of this Regulatory Agreement. During such three-year period, the Borrower shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such low income unit.

(c) Notwithstanding the foregoing, the provisions of **Section 7** hereof shall, in the case of the Trustee, survive the term of this Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of this Regulatory Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

(d) The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements set forth herein shall terminate and be of no further force and effect in the event of involuntarily noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency which prevents the Issuer or the Trustee from enforcing the provisions hereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the portion of the Bonds attributable to the Project is retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in **Sections 2 through 5** of this Regulatory Agreement. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period (Bonds) or Qualified Project Period (LIHTC), as applicable, after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any related person (within the meaning of **Section 147(a)(2)** of the Code) obtains an ownership interest in the Project for tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any related person as described above will obtain an ownership interest in the Project for tax purposes.

(e) 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 (which shall be prepared, completed and recorded at the expense of the Borrower); 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 13. Covenants To Run With the Land. The Borrower hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Borrower 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 Borrower'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.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of the Mortgage or any subsequent mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 14. Burden and Benefit. The Issuer, the Trustee 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 Borrower's legal interest in the Project is rendered less valuable thereby. The Issuer, the Trustee 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, Moderate Income Tenants and Qualified LIHTC Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 15. 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, development and improvement of the Project Site.

Section 16. Default; 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 30 days after notice thereof shall have been given to the Borrower, then the Issuer, or the Trustee, acting on behalf of the Issuer, shall declare an "Event of Default" to have occurred hereunder, provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 30 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 30 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 30 days will not adversely affect the Tax-exempt status of interest on the Bonds. The Trustee hereby consents to any correction of the default by the Issuer on behalf of the Borrower. Notwithstanding the foregoing, if such default relates to provisions herein with respect to restrictions imposed by Section 42 of the Code or any other restrictions imposed by the Issuer hereunder related to low-income housing tax credits, the Issuer will file with the IRS a copy of IRS Form 8823, after 60 days from the date of notice, explaining the nature of the non-compliance and whether or not such non-compliance has been corrected. Non-compliance includes, but is not limited to: (1) failure to receive or non-allowance to inspect tenant Income Certifications, supporting documentation and rent records, (2) upon inspection, non-compliance with provisions of Section 42, and (3) any change in the applicable fraction or eligible basis that would result in a decrease in the qualified basis (as defined in Section 42 of the Code). The Issuer is authorized and entitled to do all acts necessary to comply with the monitoring and notification responsibilities set forth in Section 42(m)(i)(B)(iii) of the Code and any Regulations or other interpretations thereof by the IRS or the courts. Pursuant to Section 42(m)(2)(D) of the Internal Revenue Code, as amended, and based on estimates of costs on the date the Bonds are issued, the Issuer has determined and hereby certifies that the housing credit dollar amount allocated to this Project does not exceed the amount determined by the Issuer to be necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period. In arriving at this conclusion, the Issuer has taken into consideration the factors set forth in Section 42(m)(2)(B)(i) through (iv), as required by the Code.

Following the declaration of an Event of Default hereunder, the Trustee or the Issuer may, at its option and subject to the provisions of the Indenture, take any one or more of the following steps:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations with respect to the covenants, reservations and restrictions contained herein and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

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

(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 Borrower hereunder, provided that no such action may be taken unless any claim for damages, indemnification or any other monetary obligation and all costs related thereto shall be subordinate in all respects to the Mortgage Loan and the other Mortgage Loan Documents (and each of the Trustee and the Issuer hereby specifically agree to such subordination), and provided further that neither the Issuer nor the Trustee shall not seek to enforce any monetary claim against the Borrower if such action could cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law now or hereafter in effect.

The Trustee shall have the right, in accordance with this **Section 16** 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, provided that prior to taking any such act the Trustee shall give the Issuer written notice of its intended action. All fees, costs and expenses of the Trustee incurred in taking any action pursuant to this **Section 16** shall be the sole responsibility of the Borrower and shall be subordinate in all respects to any amounts due with respect to the Bonds or to the Credit Enhancer.

In the event the Borrower shall fail to submit to the Issuer or the Trustee the Income Certifications, the Monthly Tenant Reports, the Certificates of Continuing Program Compliance (Bonds) or the Certificates of Program Compliance (LIHTC) at the times set forth in **Section 4** hereof and the Issuer or the Trustee shall determine to inspect the books and records of the Borrower to determine whether the Borrower is in compliance with the terms of this Regulatory Agreement, the Borrower shall, upon demand by the Issuer or the Trustee, pay all expenses and costs of the Issuer and the Trustee in determining whether or not the Borrower is in compliance with the terms of this Regulatory Agreement, provided, however that the payment of such expenses and costs shall be subordinate in all respects to any amounts due with respect to the Bonds or to the Credit Enhancer.

Upon determining that a violation of this Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing (within 10 days of such determination) to the Controlling Party and the Credit Enhancer (if it is not the Controlling Party), inform the Controlling Party and the Credit Enhancer (if it is not the Controlling Party) that such violation has occurred, the nature of the violation and that (i) the violation has been cured by the Borrower, (ii) the violation has not been cured by the Borrower, but the Borrower has agreed to cure the same within 30 days, or (iii) the Borrower has notified the Issuer or the Trustee that such violation is incurable. Neither the Issuer nor the Trustee shall be under any obligation to cure a violation under this Regulatory Agreement.

The Issuer and the Trustee acknowledge that, notwithstanding the occurrence of any violation of this Regulatory Agreement, neither the Issuer nor the Trustee shall have any right to cause or direct acceleration of the Bonds or the Mortgage Loan, to enforce the Bonds or the Mortgage Note or to foreclose on the Mortgage, and that no person other than the Controlling Party and the Credit Enhancer, if it is not the Controlling Party, shall have the right to (a) declare the Bonds or the principal balance of the Mortgage Note to be immediately due and payable or (b) commence foreclosure or other like action, without express written authorization from the Controlling Party and the Credit Enhancer, if it is not the Controlling Party.

Section 17. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture. The Trustee is entering into this Regulatory Agreement solely in its capacity as trustee under the

Indenture, and the duties, powers, rights and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture.

The Trustee may at all times assume compliance with this Regulatory Agreement unless otherwise notified in writing by the Issuer, or unless it has actual knowledge of noncompliance.

After the date on which no Bonds remain Outstanding, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the Issuer.

Section 18. Recording and Filing. The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto, to be recorded and filed in the real property records of the County and in such other places as the Issuer or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 19. Governing Law. This Regulatory Agreement shall be governed by the laws of the State. The Trustee's rights, duties and obligations hereunder are governed in their entirety by the terms and provisions of the Indenture.

Section 20. Amendments. Except as set forth in Section 6 hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the Issuer, the Trustee (so long as the Bonds are Outstanding) and the Borrower or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the Issuer of (i) 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 and with, (ii) the written consent of the Trustee and (iii) the prior written consent of Financial Security.

Anything to the contrary contained herein notwithstanding, the Issuer, the Trustee and the Borrower hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Bonds remain Tax-exempt. The party or parties requesting such 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 an opinion as to the effect of such proposed amendment upon the Tax-exempt status of interest on the Bonds.

Section 21. Notices. Any notice required to be given hereunder shall be sufficiently given and shall be deemed given upon receipt following the date on which the same shall have been given by mail, postage prepaid, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Issuer: Nebraska Investment Finance Authority
200 Commerce Court
1230 O Street
Lincoln, NE 68508
Attention: Executive Director
Telephone: (402) 434-3900
Telecopier: (402) 434-3921

To the Trustee,
Registrar, Tender
Agent and paying agent:

For correspondence, notices and presentation of Bonds for
payment:

UMB Bank, N.A.
928 Grand Ave., 13th Floor
Kansas City, MO 64106
Attention: Corporate Trust Department
Telephone: (816) 860-7565
Telecopier: (816) 221-0438

Borrower:

Cambury Hills Apartments, L.P.
c/o Wilhoit Properties
1730 East Republic Road, Suite F
Springfield, MO 65808
Attention: Mr. Vaughn C. Zimmerman
Telephone: (417) 883-1632
Telecopier: (417) 883-6340

with copies to:

Carl C. Lang, Esq.
Rosenblum, Goldenhersh, Silverstein & Zafft, P.C.
Suite 400
7733 Forsyth Boulevard
St. Louis, MO 63105
Telephone: (314) 726-6868
Telecopier: (314) 726-6786

To SAI:

SunAmerica Inc.
One SunAmerica Center
Los Angeles, CA 90067-6022
Attention: Michael L. Fowler
Telephone: (310) 772-6000
Telecopier: (310) 772-6179

with copies to:

SunAmerica Inc.
One SunAmerica Center
Los Angeles, CA 90067-6022
Attention: Treasurer
Telephone: (310) 772-6000
Telecopier: (310) 772-6635

and to: Wayne H. Hykan
Brownstein Hyatt Farber & Strickland P.C.
22nd Floor
410 17th Street
Denver, CO 80202
Telephone: (303) 534-6335
Telecopier: (303) 623-1956

To SunAmerica Finance: SunAmerica Affordable Housing Finance Corp.
SunAmerica Inc.
One SunAmerica Center
Los Angeles, CA 90067-6022
Attention: Michael L. Fowler
Telephone: (310) 772-6000
Telecopier: (310) 772-6179

with copies to: SunAmerica Inc.
One SunAmerica Center
Los Angeles, CA 90067-6022
Attention: Treasurer
Telephone: (310) 772-6000
Telecopier: (310) 772-6635

and to: Wayne H. Hykan
Brownstein Hyatt Farber & Strickland P.C.
22nd Floor
410 17th Street
Denver, CO 80202

Financial Security: Financial Security Assurance Inc.
350 Park Avenue
New York, NY 10022
Attention: Surveillance Department
Telephone: (212) 826-0100
Telecopier: (212) 339-3518
(212) 339-3529

Bank: NationsBank, N.A.
7800 Forsyth, Suite 450
St. Louis, MO 63105
Attention: Mr. Richmond W. Coburn, Vice President
Telephone: (314) 466-0552
Telecopier: (314) 466-0585

A duplicate copy of each notice, certificate or other communication given hereunder to any of the foregoing shall also be given each of the others. 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. Each party to this Regulatory Agreement giving notice to one of the

other parties hereto shall, in each case, also send a copy to the third party and to Financial Security and, prior to the Expiration Date, the Bank.

Section 22. 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 23. 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.

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

NEBRASKA INVESTMENT FINANCE
AUTHORITY

By: 
Executive Director

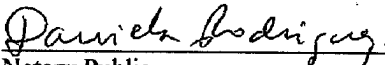
ACKNOWLEDGMENT

Florida
STATE OF ~~NEBRASKA~~)
COUNTY OF Dade) ss.

On this 10 day of 6, in the year 1997, before me, Timothy R. Kenny, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the foregoing instrument as Executive Director of the Nebraska Investment Finance Authority (the "Issuer"), and acknowledged to me that the Issuer executed it.

Given under my hand and official seal this 10 day of 6, 1997.

[SEAL] DANIELA RODRIGUEZ
Notary Public - State of Florida
My Commission Expires Aug. 3, 2001
Commission # CC668832


Notary Public

My Commission Expires:

Daniela Rodriguez
Print Name

UMB BANK, N.A., as Trustee

By: [Signature]
Title: Sr. Vice President

ACKNOWLEDGMENT

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 8th day of October, 1997, before me personally appeared Frank Bramwell of UMB Bank, N.A., proved to me on the basis of satisfactory evidence to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that [she] [he] executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said bank.

WITNESS my hand and official seal.

~~NOTARIAL SEAL AFFIXED REGISTER OF DEEDS~~

Carrie Shelnett
Notary Public

My Commission Expires:

Carrie Shelnett
Print Name

CARRIE SHELNETT
NOTARY PUBLIC STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXP FEB. 19, 2001

CAMBURY HILLS APARTMENTS, L.P., a Missouri limited partnership

By Cambury Hills Development, L.L.C., a Missouri limited liability company, General Partner

By Cambury Hills Investments, Inc., a Missouri corporation, Member

By: _____
Title: President

ACKNOWLEDGMENT

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 8th day of October, 1997, before me personally appeared Vaughn Zimmerman, proved to me on the basis of satisfactory evidence to be President of Cambury Hills Investments, Inc., a Missouri corporation, Member of Cambury Hills Development, L.L.C., a Missouri limited liability company, General Partner of Cambury Hills Apartments, L.P., a Missouri limited partnership (the "Borrower"), who executed the within instrument on behalf of said Borrower and acknowledged to me that such President executed the same.

WITNESS my hand and official seal.

[SEAL]

Carrie Shelnett
Notary Public

My Commission Expires:

Carrie Shelnett
Print Name

CARRIE SHELNETT
NOTARY PUBLIC STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXP FEB. 19, 2001

NOTARIAL SEAL AFFIXED
REGISTER OF DEEDS

EXHIBIT A

LEGAL DESCRIPTION

Lot 2, Maple Creek Subdivision, located in the East Half of the Northwest Quarter of Section 10, Township 15 North, Range 11 East of the 6th P.M., Douglas County, Nebraska.

**EXHIBIT B
INCOME COMPUTATION AND CERTIFICATION**

Project Name _____

Initial Application _____

Unit No. _____

No. of Bedrooms _____

Annual Recertification _____

1. List all occupants of the unit, their relationship to each other (if any), ages, and whether they are students (for this purpose, a student is anyone who has been or will be a full-time student at an educational institution with regular facilities and students during five months of the year this Application is submitted, other than correspondence school).

<u>Occupant</u>	<u>Relationship</u>	<u>Soc. Sec. Number</u>	<u>Age</u>	<u>Student</u>

2. If all the occupants listed above are students, do any of the students file a joint return for federal income tax purposes? Yes ___ (If yes, obtain a copy of their most recent year's tax return) No ___ Not Applicable ___

3. Please answer each of the following questions. For each "Yes" answer provide details in the chart on the next page.

	<u>Yes</u>	<u>No</u>	<u>Annual Amount</u>
Is any member of your household employed full-time, part-time or seasonally?	___	___	___
Does any member of your household expect to work for any period during the next 12 months?	___	___	___
Does any member of your household work for someone who pays them in cash?	___	___	___
Is any member of your household on leave of absence from work due to lay-off, medical, maternity or military leave?	___	___	___
Does any member of your household now receive or expect to receive unemployment benefits?	___	___	___
Does any member of your household now receive or expect to receive child support?	___	___	___
Is any member of your household entitled to child support that he/she is not now receiving?	___	___	___
Does any member of your household receive or expect to receive welfare assistance?	___	___	___
Does any member of your household receive or expect to receive Social Security benefits?	___	___	___

Does any member of your household receive or expect to receive income from a pension or annuity? _____

Does any member of your household receive regular cash contributions from individuals not living in the unit or from agencies? _____

Does any member of your household receive income from assets including interest on checking or savings accounts, interest and dividends from certificates of deposit, stocks or bonds, or income from the rental of property? _____

EXHIBIT B cont.

For each source of income that your household receives, give the source of the income and the amount of income that can be expected from that source during the next 12 months.

FAMILY MEMBER	SOURCE / TYPE OF INCOME	ANNUAL INCOME

4. List all checking and savings accounts (including IRS's, Keogh accounts and Certificates of Deposit) of all household members, including accounts disposed of during the past two years.

FINANCIAL INSTITUTION	ACCOUNT NO.	BALANCE	INTEREST RECEIVED

5. List the value of all stocks, bonds, trusts, pension contributions, or other assets:

6. Do you own a home or other real estate?

7. Did you have any assets in the last two years not listed above? _____ If yes, did you dispose of any assets for less than fair market value? _____ (This means that the assets were either given away or sold at less than the allotted market value.) What were the assets, the market value at the time of disposition, the amount received and the date you disposed of the assets?

Annual Household Income \$ _____

Actual Income from Assets if Valued at Less than \$5,000 \$ _____

Actual Income from Assets if Valued at More than \$5,000 = \$ _____

Asset Value Greater than \$5,000 X Imputed Rate of 2.5 % = \$ _____

For Assets Valued at More than \$5,000,
Add to Total Income the **Greater of Actual or Imputed** Income \$ _____

Total Household Income: \$ _____

EXHIBIT B cont.

RESIDENT'S STATEMENT: I/we understand that the above information is being collected to determine my/our eligibility for residency. I/we authorize the owner/manager to verify all information provided on this Application/Certification and my/our signature is our consent to obtain such verification. I/we certify that I/we have revealed all assets currently held or previously disposed of and that I/we have no other assets than those listed on this form (other than personal property). I/we further certify that the statements made in this Application/Certification are true and complete to the best of my/our knowledge and belief and are aware that false statements are punishable under Federal law.

Signature of Head of Household:

Date:

Signature of Spouse or Co-Tenant:

Date:

BORROWER'S STATEMENT: Based on the representations herein and upon the proof and documentation obtained, the household named in **Section 1** of this Application/Certification is eligible under the provisions of Section 42 and Section 142 of the Internal Revenue Code, as amended, to live in a unit in the development. Based on the representations herein and upon the proofs and documentation obtained, the household constitutes a [check applicable boxes] " Low Income Tenant; " Qualified LIHTC Tenant; " Moderate Income Tenant whose anticipated annual income for the next 12 months does not exceed \$_____ (Qualifying income).

Signature of Borrower's or Developer's
Authorized Representative:

Date:

Blank

**EXHIBIT B cont.
REQUEST FOR VERIFICATION OF EMPLOYMENT**

TO: (Name & address of employer)

Date:

RE:

SS#:

The person listed has indicated that he or she is employed by your firm. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

Sincerely,

Project Manager

I hereby authorize the above named management agent to make inquiries regarding my employment for the purpose of determining my eligibility for occupancy.

Signed:

Date:

THE FOLLOWING TO BE COMPLETED BY EMPLOYER:

Name:

Presently Employed:

Yes _____
No _____

Date Employed _____
Date Terminated _____

Projected Gross Earnings for the Next Twelve Months

	Projected earnings next 12 months // thru //	Previous Year 19
Hourly pay rate * Hours worked per week	\$	\$
Base Pay/Salary	\$	\$
Regular Overtime	\$	\$
Shift Differential	\$	\$
Commissions	\$	\$
Bonus	\$	\$
Total Projected Gross Earnings	\$	\$

Remarks: (if employee was off work for any length of time, please indicate time period and reason)

Employer's Signature

Title

Telephone

Date

Please return form to:

EXHIBIT B cont.
MILITARY PAY VERIFICATION

TO: (Name & address of employer)

Date:

RE:

SS#:

The person listed has indicated that he or she is employed by the military. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.
Sincerely,

Project Manager

I hereby authorize the above named management agent to make inquiries regarding my employment for the purpose of determining my eligibility for occupancy.

Signed:

Date:

Gross Earnings anticipated over next 12 months:

Monthly Base Pay

Grade Level

BAQ

Probability of Continued Enlistment:

FED-RATE

Commuted Rations

Clothing Allowance

Other Special Pay

Hazardous Duty Pay

Total Monthly Entitlement

Total Annual Entitlement

Authorized Official Name and Title:

Signature

Date

Military Agency

Address

Phone

City

State

Zip

Please return form to:

EXHIBIT B cont.
SOCIAL SECURITY VERIFICATION

CLAIMANT NAME

DATE OF BIRTH

SOCIAL SECURITY #

S.S. CLAIM #

ADDRESS

I do hereby authorize the Social Security Administration to furnish to the (Project Name)
_____ information regarding the amount of the monthly payment made to me.

Signature

Date

Indicate information needed by checking spaces below:

- The gross amount of the monthly social security benefit is \$ _____
The amount deducted for Medicare is \$ _____
The net amount of the social security check each month is \$ _____
The above amount became effective _____
Month Year
- The monthly payment of the supplemental security income payment is \$ _____
The above amount became effective _____
Month Year

Other information needed - please specify on reverse side.

Complete Only If You are unable to verify information requested:

- Claim Still Pending
 No record based on identifying information
 Other - see reverse side of form

SIGNATURE AND TITLE OF AUTHORIZED SOCIAL SECURITY OFFICIAL

DATE

PHONE NUMBER

PLEASE RETURN TO:

EXHIBIT B cont.
VERIFICATION OF SOCIAL SERVICES

CLIENT:

DATE:

ADDRESS:

TO WHOM IT MAY CONCERN:

The client listed above has indicated that he or she is receiving income from your agency. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

Sincerely,

Project Manager

I hereby authorize the above named management agent to make inquiries regarding my income for the purpose of determining my eligibility for occupancy.

Signed:

Date:

Detailed Budget Statement Provided

Monthly payment from this Agency:

AFDC

GA

Child Support Pass Through

Other

Other known income

Payments over the last 6 months

Remarks - Please indicate any anticipated changes in:

- (1) The monthly payment:
- (2) The family status of the Applicant:

Signature of Social Worker

Title

Date

Phone

PLEASE RETURN TO:

EXHIBIT B cont.
CHILD SUPPORT AND/OR ALIMONY AUTHORIZATION
(Completed by Clerk of Court)

TO

Date:

RE

The person listed above has indicated that he or she is receiving court ordered support. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

Sincerely,

Project Manager

I hereby authorize the above named management agent to make inquiries regarding my child support/alimony for the purpose of determining my eligibility for occupancy.

Signed:

Date:

This will certify that the above name person receives \$_____ per _____ in child support and \$_____ per _____ in alimony (A copy of the account ledger may be substituted.)

Signature of Clerk of Court Official

Date

PLEASE RETURN FORM TO:

EXHIBIT B cont.
CHILD SUPPORT AND/OR ALIMONY VERIFICATION
(Completed by Spouse)

TO

Date:

RE

The person listed above has indicated that he or she is receiving court ordered support from you. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

Sincerely,

Project Manager

I hereby authorize the above named management agent to make inquiries regarding my child support/alimony for the purpose of determining my eligibility for occupancy.

Signed:

Date:

This will certify that I pay \$_____ per _____ in child support to:

Name:

for the support of

This will certify that I pay \$_____ per _____ in alimony to:

(Name)

Signature of Former Spouse

Date

PLEASE RETURN FORM TO:

EXHIBIT B cont.
PENSION OR WORKER'S COMPENSATION VERIFICATION

DATE

RE:

Client or Employee

TO WHOM IT MAY CONCERN:

The client listed above has indicated that he or she is receiving a payment from you. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

Sincerely,

Project Management Agent

You are hereby authorized to furnish all information requested on this inquiry.

Signed:

Date:

Weekly

Monthly

Payments to Employee \$

Weeks or amount still to be paid

Effective Date

Ending Date if known

Retirement Pension Number

Current Gross Monthly Retirement Income

\$ _____

Total Gross Pension Income expected for the next 12 months

\$ _____

Remarks: (Please indicate any anticipated changes.)

By

Date

Title

Phone

PLEASE RETURN FORM TO:

EXHIBIT B cont.
VERIFICATION OF UNEMPLOYMENT BENEFITS

RE: CLIENT:

ADDRESS:

CLAIM NO.

The above individual has indicated he/she is receiving benefits from your agency. Information provided will remain confidential and will be used solely for the purpose of determining eligibility for occupancy.

BY

TITLE

I hereby authorize the above named management agent to make inquiries regarding my household income for the purpose of determining my eligibility for occupancy.

Signed:

Date:

Weekly payments to client

Beginning date of payments

Ending date if know

Is this client entitled to an extension of benefits? _____ If yes, for how long?

Remarks:

By

Date

Title

Phone

PLEASE RETURN FORM TO:

EXHIBIT B cont.
UNEMPLOYED APPLICATION AFFIDAVIT

This Affidavit is to be signed by all individuals 18 years of age and over when no income for them is indicated on the accompanying income certification.

Check as applicable:

I am not presently employed, but I anticipate becoming employed within the next twelve months.

Based on my past work experience, skills and income history as reflected in my income tax return for the most recent tax year (copy attached) and with adjustments to reflect circumstances anticipated within the next twelve months, I expect to earn \$_____ per year when I become employed.

I am not presently employed and do not anticipate becoming employed within the next twelve months.

Applicant/Resident

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE
(BONDS)

FOR THE YEAR ENDING _____

\$ _____

NEBRASKA INVESTMENT FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(CAMBURY HILLS APARTMENTS PROJECT)
SERIES 1997

The undersigned, being the Authorized Borrower Representative of Cambury Hills Apartments, L.P., a Missouri limited partnership (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the Borrower's participation in the multifamily housing program of the Nebraska Investment Finance Authority (the "Issuer"), including, without limitation, the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of September 1, 1997, among the Borrower, the Issuer and UMB Bank, N.A., as Trustee.

As of the date of this certificate the following percentages of completed residential units in the Project (i) are occupied by Low Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants:	_____ %
	Unit Nos. _____
Held vacant for occupancy continuously since last occupied by Low Income Tenant:	_____ %
	Unit Nos. _____
Vacant Units:	_____ %
Low Income Tenants who commenced occupancy of units during the preceding year:	Unit Nos. _____

Occupied by Moderate Income Tenants:	_____ % Unit Nos. _____
Held vacant for occupancy continuously since last occupied by Moderate Income Tenant:	_____ % Unit Nos. _____
Vacant Units:	_____ %
Moderate Income Tenants who commenced occupancy of units during the preceding year:	Unit Nos. _____

Attached is a separate sheet (the "Occupancy Summary") listing, among other items, the following information for each unit in the Project: the number of each unit, the occupants of each unit and the size, in square feet, of each unit. It also indicates which units are occupied by Low Income Tenants and Moderate Income Tenants and which units became Low and Moderate Income Units during the preceding year. The information contained thereon is true and accurate.

The Borrower has received an annual Income Certification from each Low Income Tenant and Moderate Income Tenant as well as supporting documentation.

The undersigned hereby certifies that (1) a review of the activities of the Borrower during such year and of the Borrower's performance under the Loan Agreement has been made under the supervision of the undersigned; (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Borrower is not in default under any of the terms and provisions of the above documents [or describe the nature of any default in detail and set forth the measures being taken to remedy such default]; and (3) to the knowledge of the Borrower, no Determination of Taxability (as such term is defined in the Regulatory Agreement) has occurred [or, if a Determination of Taxability has occurred, set forth all material facts relating thereto].

CAMBURY HILLS APARTMENTS, L.P.

By Cambury Hills Development, L.L.C., a Missouri limited liability company, General Partner

By Cambury Hills Investments, Inc., a Missouri corporation, Member

By: _____
Title: President

EXHIBIT D

CERTIFICATE OF CONTINUING
PROGRAM COMPLIANCE (LIHTC)

TO: Nebraska Investment Finance Authority
Attention: Executive Director

The undersigned, on behalf of Cambury Hills Apartments, L.P., a Missouri limited partnership (the "Borrower"), hereby represents, warrants and certifies for the 12-month period preceding the date hereof that:

1. The Borrower has read and is thoroughly familiar with the provisions of the Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") among the Borrower, the Nebraska Investment Finance Authority (the "Authority") and UMB Bank, N.A., as Trustee, covering the Project referred to therein (the "Project").
2. As of the date of this Certificate, the following percentages of complete residential rental units in the Project (i) are occupied by Qualified LIHTC Tenants (as such term is defined in the Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Qualified LIHTC Tenant vacated such unit, as indicated:

Occupied by Qualified LIHTC Tenants: _____ % Unit Nos.:

Held vacant for occupancy
continuously since last
occupied by Qualified
Tenants: _____ % Unit Nos.:
3. At no time since the date of filing of the last Certification of Continuing Program Compliance has less than the Applicable Set-Aside Percentage (LIHTC) (as defined in the Agreement) of the completed units in the Project been occupied by or been last occupied by Qualified LIHTC Tenants.
4. The Borrower has received an annual Income Certification from each Qualified LIHTC Tenant as well as supporting documentation, except in the case of a tenant receiving housing assistance payments under Section 8, where the local housing authority has provided a statement to the Borrower declaring the tenant's income does not exceed the applicable income limits under Section 42 of the Code.
5. Each Qualified LIHTC Unit in the Project was a Rent Restricted Unit as required by Section 42(g)(2) of the Code.
6. All units in the Project were for use by the general public and used on a non-transient basis.

7. Each building in the Project was suitable for occupancy, taking into account local health, safety and building codes.
8. There has been no change in the eligible basis or the applicable fraction, as per Section 42(c)(1)(B) of any building in the Project (or, if there has been any change, the nature of the change is described in an attachment hereto).
9. Reasonable attempts were or are being made to rent any available Qualified LIHTC Unit to Qualifying Tenants and while a Qualified LIHTC Unit was vacant, no units of comparable or smaller size were rented to non-Qualified LIHTC Tenants.
10. If the income of a Qualified LIHTC Tenant increased above the Applicable Income Percentage of area median gross income, the next available unit of comparable or smaller size in the Project was or will be rented to tenants having a Qualifying Income.
11. All tenant facilities included in the eligible basis of any building in the Project (i.e. swimming pools, parking areas, etc.) were provided on a comparable basis without charge to all tenants in the building.
12. The Borrower is not in default under the terms of the Agreement.
13. An extended low-income housing commitment as described in Section 42(h)(6) and the Agreement was in effect.

THE UNDERSIGNED, ON BEHALF OF THE BORROWER, CERTIFIES THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT AND ARE GIVEN BY THE UNDERSIGNED UNDER THE PENALTY OF PERJURY.

CAMBURY HILLS APARTMENTS, L.P.

By Cambury Hills Development, L.L.C.,
a Missouri limited liability company,
General Partner

By Cambury Hills Investments, Inc., a Missouri
corporation, Member

By: _____
Title: President

EXHIBIT E

CERTIFICATE REGARDING QUALIFIED PROJECT PERIOD

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CERTIFICATE AS TO COMMENCEMENT OF QUALIFIED PROJECT PERIOD

Re: \$_____ NEBRASKA INVESTMENT FINANCE AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS (CAMBURY HILLS
APARTMENTS PROJECT) SERIES 1997

The undersigned acknowledges that the Qualified Project Period (Bonds) for the Project commenced on _____, 19____, and will terminate no earlier than _____, and that the Qualified Project Period (LIHTC) for the Project commenced on _____, 19____ and will terminate no earlier than _____.

Dated: _____, 19____

CAMBURY HILLS APARTMENTS, L.P.

By Cambury Hills Development, L.L.C.,
a Missouri limited liability company,
General Partner

By Cambury Hills Investments, Inc., a Missouri
corporation, Member

By: _____
Title: President

EXHIBIT F
MONTHLY TENANT REPORT

Project Name:

Total Number of Units:

Required Number of Units To Be Leased to
Low Income Tenants:

Required Number of Units To Be Leased to
Qualified LIHTC Tenants

Month of Report:

Number of Units Leased
% Units Leased of Total Units

Units Leased to Low Income Tenants*
% Units Leased to Low Income Tenants**

Units Leased to Qualified LIHTC Tenants*
% Units Leased to Qualified LIHTC Tenants**

Units Leased to Moderate Income Tenants
% Units Leased to Moderate Income Tenants

Attached is a current tenant listing (**Exhibit F1**) and all new Income Certifications, including any annual Income Certifications recertifying Tenant Income.

Borrower/Manager Statement: The information on this form has been verified as required by the Regulatory Agreement between the Nebraska Investment Finance Authority and the Undersigned. I certify the incomes reported on the Tenant List are true and complete to the best of my knowledge and belief and are given under the penalty of perjury.

Property Borrower or Manager

***If tenants are so qualified, such units may be the same.

EXHIBIT F1

CURRENT TENANT LISTING

Date

Page 1 of ____ pages

_____ Tenant List

Apartment Number	Resident's Name	Combined Annual Income	Tenant Type (Low Income, Qualified LIHTC Income or Moderate Income)

EXHIBIT G
ANNUAL TAX CREDIT SUMMARY REPORT AS OF DECEMBER 31, [YEAR]

Project Name _____ *Location* _____ *County* _____ *Report*
Date _____ *BIN#* _____

Date Bldg Placed in Service ___/___/___ *Allocation Yr* _____ *Total # of Units in Bldg* _____ *Total # of LIHTC Units in Bldg* _____
Election: 20/50 _____ *or 40/60* _____

Project Borrower _____ *Management Agent* _____ *Form prepared*
by _____ *Phone#* _____

Unit#	# of Brs	Leased to Tenant Name	Total # in Hschoold	Move-in Date	Move-in Gross Annual Income	Max Income for size Hschoold	Less than Max (Y or N)	Recert Date(s)	Recert Income	Increase less than 140% (Y or N)	Rental Assst Paymt	Tenant Rent (1)	Utility Allow (2)	Gross Rent (1) (2) (3)	Max Rent Allowed (4)	G/ Rent (3) less than Max (4) (Y or N)	Move- out Date

Return to:
CAPITOL TITLE
P.O. Box 6577
Lincoln, NE 68506