

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this “**Regulatory Agreement**”) is made and entered into as of August 1, 2013, by and between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (together with any successor to its rights, duties and obligations, the “**Issuer**”), and 73 CAROL LN., L.P., a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the “**Owner**”); and is agreed to and acknowledged by CORPORATION FOR BETTER HOUSING, a California nonprofit public benefit corporation (the “**Ground Lessor**”).

WITNESSETH:

WHEREAS, pursuant to Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “**Housing Law**”), the Issuer proposes to issue its Multifamily Housing Revenue Bonds (Oak Ridge Family Apartments Project) 2013 Series A (the “**Bonds**”), secured under a Master Pledge and Assignment, dated as of August 1, 2013 (the “**Pledge and Assignment**”), among the Issuer, Mechanics Bank, as agent thereunder (the “**Agent**”) and Mechanics Bank, as holder of the Bonds (the “**Holder**”);

WHEREAS, the proceeds of the Bonds will be used to fund a loan to the Owner pursuant to a Construction to Permanent Loan Agreement, dated as of August 1, 2013, between the Agent, on behalf of the Issuer, and the Owner (as supplemented and amended from time to time, the “**Loan Agreement**”), to provide financing for the acquisition, construction and development of a multifamily rental housing project, generally known as Oak Ridge Family Apartments and located on the real property site described in Exhibit A hereto (as further described herein, the “**Project**”);

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

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

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1 or in the Pledge and Assignment.

“**Administrator**” means the Issuer or any administrator or program monitor appointed by the Issuer to administer this Regulatory Agreement, and any successor administrator appointed by the Issuer.

“**Affordable Rents**” means thirty percent (30%) of an amount equal to sixty percent (60%) of the median gross income for the Area (adjusted for household size as described in Section 7(g)), less a utility allowance calculated as set for in U.S. Treasury Regulation 1.42-10.

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

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

“**Bond Program Report**” means the report to be filed by the Owner with the Administrator, on behalf of the Issuer, pursuant to Section 4(f) hereof, which shall be submitted electronically through the FOCUS Program or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

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

“**CDLAC Conditions**” has the meaning given such term in Section 7(h) of this Regulatory Agreement.

“**Certificate of Continuing Program Compliance**” means the Certificate to be filed by the Owner with the Administrator, on behalf of the Issuer, pursuant to Section 4(f) hereof, which shall be substantially in the form attached as Exhibit C hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

“**Closing Date**” means [August __, 2013] the date the Bonds are issued and delivered to the initial purchaser thereof.

“**Code**” means the Internal Revenue Code of 1986.

“**Completion Date**” means the date on which the Project is first available for occupancy.

“**County**” means the County of Contra Costa, California.

“**Deed of Trust**” means the Construction to Permanent Deed of Trust, with Assignment of Rents, Security Agreement and Fixture Filing executed as of [August 1, 2013] by the Owner and Corporation for Better Housing, collectively, as trustor, naming the Agent, in its capacity as agent for the Issuer, as beneficiary thereunder, encumbering (among other things) the Project and securing the Loan, as recorded in the official records of County of Contra Costa, California.

“**FOCUS Program**” means (a) the web based compliance report system located at www.housingcompliance.org/ContraCosta utilized by the Issuer to verify the Owner’s compliance with this Regulatory Agreement, or (b) any other program used by the Issuer that is substantially similar to the program described in the preceding clause (a) to verify the Owner’s compliance with this Regulatory Agreement.

“**Gross Income**” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed under section 8 of the United States Housing Act of 1937 (or, if such program is terminated, under such program as in effect immediately before such termination).

“**Ground Lease**” means that certain Amended and Restated Ground Lease, dated as of [_____, 2013], between the Ground Lessor, as lessor, and the Owner, as lessee, pursuant to which the Owner holds a leasehold estate in the real property site described in [Exhibit A](#) hereto.

“**Ground Lessor**” means the Corporation for Better Housing, a California nonprofit public benefit corporation, owner of the fee estate in the real property site described in [Exhibit A](#) hereto.

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

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

“**Income Certification**” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as [Exhibit B](#) hereto or in such other comparable form as may be provided by the Issuer to the Owner, or as otherwise approved by the Issuer.

“**Investor Limited Partner**” means Alliant Tax Credit Facility, Ltd., a Florida limited partnership company, its successors and assigns.

“**Low Income Tenant**” means a tenant occupying a Low Income Unit.

“**Low Income Unit**” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of

median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. If all the occupants of an Available Unit are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the unit shall not constitute a Low Income Unit. The determination of an Available Unit's status as a Low Income Unit shall be made by the Owner upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant. In the event a new tenant occupies a unit during a particular lease term, the status of the unit as a Low Income Unit shall be re-determined at that time, based upon an Income Certification of the new tenant and holdover tenant. In the case of the holdover tenant(s), income will be based upon the greater of (i) the Gross Income in a new Income Certification of the holdover tenant(s) and (ii) the Gross Income of the most recent prior Income Certification(s) for the holdover tenant(s).

“Owner” means 73 Carol Ln., L.P., a California limited partnership, the owner of the Project and the holder of a leasehold estate, pursuant to the Ground Lease, in the real property site described in Exhibit A hereto.

“Project” means the 29-unit multifamily rental housing development (plus one manager unit) located on the real property site described in Exhibit A hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the construction and development of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Bonds or the proceeds of any payment by the Owner pursuant to the Loan Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Loan Agreement.

“Qualified Project Period” means the period beginning on the first day on which at least 10% of the units in the Project are first occupied and ending on the latest of the following:

- (A) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;
- (B) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding;
- (C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; or
- (D) such later date as may be set forth in the CDLAC Conditions.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

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

“**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; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, under the Code.

“**Transfer**” means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (1) an installment sales agreement wherein Owner agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Owner leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions; provided that the granting of the Deed of Trust shall not constitute a “Transfer”.

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

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

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

Section 2. [Representations, Covenants and Warranties of the Owner.](#)

(a) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner that are contained in the Tax Certificate.

(b) The Owner hereby represents and warrants that the Project is located entirely within the County of Contra Costa.

(c) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Bonds to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise

in analyzing the financial or other consequences of such transactions or otherwise relied on the Issuer in any manner except to issue the Bonds in order to provide funds to assist the Owner in constructing and developing the Project.

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

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

(b) All of the dwelling units in the Project will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park.

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

(e) All of the Available Units in the Project (except for not more than one unit set aside for resident manager or other administrative use) will be available for rental during the Qualified Project Period on a continuous basis to members of the general public, on a first-come-first-served basis, and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units.

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a

single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

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

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

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

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

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

(c) For the Qualified Project Period, the Owner will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant. In lieu of obtaining an annual Income Certification, the Owner may, with respect to any particular twelve-month period ending September 30, deliver to the Administrator no later than October 15 of such year a certification that as of September 30 of such year, no residential unit in the Project was occupied within the preceding twelve months by a new resident whose income exceeded the limit applicable to Low Income Tenants upon admission to the Project. The

Administrator may at any time and in its sole and absolute discretion notify the Owner in writing that it will no longer accept certifications of the Owner made pursuant to the preceding sentence and that the Owner will thereafter be required to obtain annual Income Certifications for tenants. The Owner will also provide such additional information as may be required in the future by the Code or State law, as the same may be amended from time to time, or by the Issuer, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Issuer, copies of Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator or the Issuer, as requested.

(d) The Owner 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 a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(e) The Owner will maintain complete and accurate records pertaining to the Low Income Units, and will permit any duly authorized representative of the Issuer, the Administrator, the Agent, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Owner will prepare and submit to the Administrator, on behalf of the Issuer, not less than quarterly, commencing not less than three months after the Completion Date, a Certificate of Continuing Program Compliance executed by the Owner in substantially the form attached hereto as Exhibit C and a Bond Program Report via the FOCUS Program. During the Qualified Project Period, the Owner shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before January 31 of each year (or such other date as may be required by the Code).

(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner, the Issuer, the Agent or the Administrator, on behalf of the Issuer, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for

information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) and that if upon any such certification such tenant's Gross Income exceeds the applicable income limit under Section 4(b), such tenant may cease to qualify as a Low Income Tenant and such tenant's rent may be subject to increase.

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

Section 5. [Tax-Exempt Status of Bonds](#). The Owner and the Issuer, as applicable, each hereby represents, warrants and agrees as follows:

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

(b) The Owner and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer (with a copy to the Agent and the Owner), in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 6. [Additional Requirements of the Housing Law](#). In addition to the requirements set forth above, the Owner hereby agrees that it shall comply with each of the requirements of Section 52080 of the Housing Law, including the following:

(a) Not less than 40% of the total number of units in the Project shall be available for occupancy on a priority basis to Low Income Tenants; which units may be the same units that satisfy the requirements of Section 4(a) of this Regulatory Agreement. The units made available to meet this requirement shall be of comparable quality and offer a range of sizes and numbers of bedrooms comparable to the units that are available to other tenants in the Project.

(b) The rental payments (inclusive of any utilities allowance) for the Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 60% of the median adjusted gross income for the Area.

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

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

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

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

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

(h) This Regulatory Agreement shall be recorded in the office of the county recorder of the County of Contra Costa, California, and shall be recorded in the grantor-grantee index to the names of the Owner as grantor and to the name of the Issuer as grantee

Section 7. [Additional Requirements of the Issuer; CDLAC Requirements](#). In addition to the requirements set forth above and to the extent not prohibited thereby, the Owner hereby agrees to comply with each of the requirements of the Issuer set forth in this Section 7, as follows:

(a) The Owner will pay to the Issuer all of the amounts required to be paid by the Owner under Section 20 of this Regulatory Agreement and will indemnify the Issuer and the Agent as provided in Section 9 of this Regulatory Agreement.

(b) Rental payments paid by Low Income Tenants for the Low Income Units shall not exceed Affordable Rents.

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

(d) The Owner shall submit to the Administrator, on behalf of the Issuer, within fifteen (15) days after receipt of a written request, any information or completed forms requested by the Issuer or the Administrator in order to comply with reporting requirements of the Internal Revenue Service or the State.

(e) The Owner shall not discriminate on the basis of race, creed, color, religion, sex, sexual orientation, marital status, national origin, source of income (e.g. SSDI), ancestry or handicap in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation or management of the Project, and will not discriminate on the basis of household size so long as the tenants meet the household size standards of Section 8 of the Housing Act. Further, the Owner shall not permit occupancy in any unit in the Project by more persons than is permissible under the Section 8 household size standards.

(f) The Owner shall comply with any reasonable request made by the Administrator (if other than the Issuer) or the Issuer to deliver to any such Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and, upon reasonable notice and during normal business hours, to make the Project and the books and records with respect thereto available for inspection by the Issuer or the Administrator as an agent of the Issuer.

(g) For purposes of Section 7(b), the base rents shall be adjusted for household size, to the extent permitted by law, and in making such adjustments it shall be assumed that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit.

(h) The Owner shall comply with the conditions set forth in Exhibit A to that certain CDLAC Resolution No. 13-30 relating to the Project and adopted on May 15, 2013, as revised by the CDLAC letter date [____, 2013] (collectively, the “**CDLAC Conditions**”), as they may be modified or amended from time to time, which conditions are incorporated herein by reference and made a part hereof. The Owner will prepare and submit to CDLAC, not later than March 1, until the end of the Qualified Project Period, a Certificate of CDLAC Program Compliance, in substantially the form attached to the CDLAC Conditions, executed by an authorized representative of the Owner. The Issuer and the Administrator shall have no obligation to monitor the Owner’s compliance with the CDLAC Conditions.

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

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

Section 8. [Modification of Covenants](#). The Owner and the Issuer hereby agree as follows:

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

(b) To the extent that the Housing Law, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer (with a copy to the Agent), impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, at its sole discretion, and the Owner (with the consent of the Agent), and only upon receipt by the Issuer of the written opinion of Bond Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Bonds or violate the requirements of the Housing Law, and otherwise in accordance with Section 22 hereof.

(c) The Owner and the Issuer shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 8, and each of the Owner and the Issuer hereby appoints, pursuant to the Agency Agreement, the Agent as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner 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 Owner or the Issuer defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the Issuer or the Owner, the Agent shall not be required to take any action under this subsection. Nothing in this subsection (c) shall be construed to allow the Agent to execute an amendment to this Regulatory Agreement on behalf of the Issuer.

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

(i) the Pledge and Assignment, the Agency Agreement, the Loan Agreement and all documents related thereto, or the execution or amendment thereof or in connection with transactions contemplated thereby, including the issuance, sale, resale or remarketing of the Bonds (provided that such agreement to indemnify shall not be deemed to create any personal liability on the part of the Owner or any of its partners for the payment of principal of and interest on the Loan);

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

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

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

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

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

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

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

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Regulatory Agreement, the Owner shall remain obligated to indemnify each Indemnified Party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such Indemnified Party has consented to such transfer and to the assignment of the rights and obligations of the Owner hereunder.

The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses hereunder shall survive the final payment or defeasance of the Bonds. The provisions of this Section shall survive the term of the Bonds and this Regulatory Agreement but only as to claims arising from events occurring during the term of this Regulatory Agreement.

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

Section 11. [Reliance](#). The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, in the exemption from California personal income taxation of interest on the Bonds and in the Tax-Exempt status of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer, the Administrator and the Agent may rely upon statements and certificates of the Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer may consult with counsel, and the opinion of such counsel shall be full and complete authorization

and protection in respect of any action taken or suffered by the Issuer or the Administrator hereunder in good faith and in conformity with such opinion.

Section 12. [Sale or Transfer of the Project](#). For the Qualified Project Period, the Owner shall not, except as otherwise provided below, Transfer the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Owner shall not be in default hereunder or under the Loan Agreement, if in effect (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee undertakes to cure any defaults of the Owner to the reasonable satisfaction of the Issuer; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement; (3) either (a) the transferee or its property manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project, or another management company reasonably acceptable to the Issuer will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Owner or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Owner's obligations under this Regulatory Agreement and the Loan Agreement (if then in effect), including without limitation an instrument of assumption hereof and thereof, and delivery to the Issuer of an opinion of such transferee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer of an opinion of Bond Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Bonds; and (D) receipt by the Issuer of all fees and/or expenses then currently due and payable to the Issuer by the Owner. The Issuer shall have at least 30 days to review and approve the form of the documents described in this paragraph.

It is hereby expressly stipulated and agreed that any Transfer of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this Section 12. Nothing contained in this Section 12, nor any consent granted by Issuer hereunder, shall waive or otherwise affect any provision of any Loan Agreement or of any other document or instrument between the Owner and any other party, including, but not limited to, the Agent or the Holder,

which requires the Owner to obtain the consent of such other party as a precondition to sale, transfer or other disposition of the Project. Upon any Transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The Issuer hereby consents to transfers of partnership interests within the Owner and, subject to the requirements of the Tax Certificate, no further consent of the Issuer shall be required for any such transfers.

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

The foregoing notwithstanding, restrictions on Transfer of the Project, consents of the Issuer, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any Transfer of title to the Project to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion under the Deed of Trust or to any subsequent transfer by a third party following foreclosure, deed in lieu of foreclosure or comparable conversion under the Deed of Trust. Nothing contained in this Regulatory Agreement shall affect any provision of the Deed of Trust or any of the other Loan Documents that requires the Owner to obtain consent of any other party, including the Agent or the Holder as a precondition to any Transfer of the Project. The Owner acknowledges that neither the Agent nor the Holder has consented to any such transfer. No covenant obligating the Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a Transfer upon foreclosure, deed in lieu of foreclosure or comparable conversion under the Deed of Trust. Any written consent to a Transfer obtained from the Issuer must be deemed to constitute conclusive evidence that the Transfer is not a violation of the Transfer provisions of this Section 12.

Section 13. [Term](#). Subject to the terms of the following paragraph, this Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly

agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds and discharge of the Pledge and Assignment and the Loan Agreement.

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of (i) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Issuer from enforcing such provisions, or (ii) foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure, or condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, exercise of power of sale, or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Notwithstanding any other provision of this Regulatory Agreement, this Regulatory Agreement may be terminated upon agreement by the Issuer and the Owner upon receipt by the Issuer and Holder of an opinion of Bond Counsel (with a copy to the Agent) to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

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

Section 15. [Burden and Benefit](#). The Issuer and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Issuer and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the

Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

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

Section 17. Default; Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer or the Administrator, on behalf of the Issuer, to the Owner (with a copy to Agent and to the investor limited partner of the Owner), or for a period of 60 days from the date the Owner should, with reasonable diligence, have discovered such default, then the Issuer shall declare an “Event of Default” to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer shall have the right to enforce the obligations of the Owner under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Housing Law or the Code.

Following the declaration of an Event of Default hereunder, the Issuer, subject to the provisions of the Pledge and Assignment, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

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

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

(iii) with the consent of the Agent, which consent shall not be unreasonably withheld, take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

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

The Issuer hereby agrees that cure of any Event of Default made or tendered by any partner of the Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Promptly upon delivering, or receiving, written notice that a violation of this Regulatory Agreement has occurred, the Issuer shall inform the Agent in writing that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable. All reasonable fees, costs and expenses (including reasonable attorney's fees) of the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Owner.

Section 18. [Reserved.]

Section 19. [Recording and Filing](#). (a) The Owner shall cause this Regulatory Agreement, and all amendments and supplements hereto, to be recorded and filed in the real property records of the County and in such other places as the Issuer may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

(b) The Owner and the Issuer will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Bond Counsel filed with the Issuer (with a copy to the Agent), in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

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

Section 20. [Payment of Fees](#). Notwithstanding any prepayment of the Loan and/or a discharge of the Pledge and Assignment, the Owner shall continue to pay (or, to the extent allowed under the Code, may prepay the present value at such time of) the Issuer Fee (as defined below) and such other costs and expenses as provided herein, unless such prepayment of the Loan is made in connection with a refunding of the Bonds.

The Owner agrees to pay to the Issuer (i) an initial fee of \$8,125, which shall be paid on or before the Closing Date, and (ii) the Issuer's annual fee (the "Issuer Fee") in the amount of in an amount equal to the greater of \$5,000 per year or 0.125% per annum of the principal amount of Bonds outstanding, payable in advance on [September 1] of each year; [provided that the Issuer Fee for the year ending [August 31, 2014] shall be payable on the Closing Date.]

Section 21. [Governing Law](#). This Regulatory Agreement shall be governed by the laws of the State of California.

Section 22. [Amendments; Waivers.](#) (a) Except as provided in Section 8(a) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title (with the prior written consent of the Holder), and duly recorded in the real property records of the County, and only upon receipt by the Issuer of (i) an opinion from 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 Housing Law, and (ii) the written consent of the Agent.

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

Section 23. [Notices.](#) Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses set forth below, or at such other addresses as may be specified in writing by the parties hereto:

If to the Issuer: County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attention: Community Development Bond Program Manager

If to the Agent: Mechanics Bank
725 Alfred Noble Drive
Hercules, California 94547
Attention: Loan Services

If to the Owner: 73 Carol Ln., L.P.,
a California Limited Partnership
15303 Ventura Blvd., Suite 1100
Sherman Oaks, CA 91403
Attention: David Sclafani

With a copy to the Investor Limited Partner:

Alliant Tax Credit Facility, Ltd., a Florida limited partnership
c/o Alliant Asset Management Company, LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

Unless otherwise specified by the Administrator, the address of the Administrator is:

County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553

The Issuer, the Administrator, the Agent and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery.

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

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

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

Section 26. [Limitation on Liability](#). Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, except Section 9 hereof, (i) the liability of the Owner under this Regulatory Agreement to any person or entity, including, but not limited to, the Agent or the Issuer and their successors and assigns, is limited to the Owner's interest in the Project, the Collateral and the amounts held in the funds and accounts created under the Pledge and Assignment, or any rights of the Owner under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Owner under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Regulatory Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Pledge and Assignment, any rights of the Owner under the Pledge and Assignment or any other documents relating to the Bonds or any rights of the Owner under any guarantees relating to the Project), its partners, members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Pledge and Assignment or any agreement securing the obligations of the Owner under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Loan Agreement and the Tax Agreement.

Section 27. [Third-Party Beneficiary](#). CDLAC is intended to be and shall be a third-party beneficiary of this Regulatory Agreement. CDLAC shall have the right (but not the

obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity, but solely in accordance with Section 17 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the Holders of the Bonds.

Section 28. [Acknowledgement of Regulatory Agreement by Ground Lessor.](#)

The Ground Lessor acknowledges that each of the terms, restrictions and covenants of this Regulatory Agreement shall apply to and burden, for the duration of the Qualified Project Period, the fee estate in the real property site described in Exhibit A hereto, and expressly acknowledges that such terms, restrictions and covenants are intended to run with the land.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

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

COUNTY OF CONTRA COSTA

By: _____
Authorized Representative

[Signatures continue on following page.]

[Signature page to Regulatory Agreement]

73 CAROL LN., L.P.,
a California limited partnership

By: Corporation for Better Housing,
a California nonprofit public benefit corporation,
its general partner

By: _____
Name: David Sclafani
Its: Senior Vice President

[Ground Lessor Acknowledgment of Regulatory Agreement.]

AGREED TO AND ACKNOWLEDGED BY:

CORPORATION FOR BETTER HOUSING,
a California nonprofit public benefit corporation, as Ground Lessor

By: _____

David Sclafani

Its: Senior Vice President

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

EXHIBIT B

TENANT INCOME CERTIFICATION

Initial Certification 1st Recertification Other:

Effective Date:
Move-in Date:
(YYYY-MM-DD)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
Address: _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

Vacant

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (YYYY/MM/DD)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above

TOTAL INCOME (E):

\$

PART IV. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset

TOTALS:

\$ \$

Enter Column (H) Total
If over \$5000

\$

Passbook Rate
X 2.00%

X

= (J) Imputed Income

\$

Enter the greater of the total of column I, or J: imputed income

TOTAL INCOME FROM ASSETS (K)

\$

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$

Effective Date of Move-in Income Certification:

Household Size at Move-in Certification:

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME
FROM ALL SOURCES:
From item (L) on page 1

\$

Unit Meets Income
Restriction at:
 60% 50%
 40% 30%
 %

RECERTIFICATION ONLY:

Current Income Limit x 140%:
\$ _____

Household Income exceeds 140% at
recertification:
 Yes No

Current Income Limit per Family Size: \$ _____

Household Income at Move-in: \$ _____

Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Rent \$ _____
Utility Allowance \$ _____

Rent Assistance: \$ _____
Other non-optional charges: \$ _____

GROSS RENT FOR UNIT:
(Tenant paid rent plus Utility Allowance &
other non-optional charges)

\$

Unit Meets Rent Restriction at:
 60% 50% 40% 30% %

Maximum Rent Limit for this unit: \$ _____

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?
 yes no

If yes, Enter student explanation*
(also attach documentation)

Enter
1-5

- *Student Explanation:
1 AFDC / TANF Assistance
2 Job Training Program
3 Single Parent/Dependent Child
4 Married/Joint Return
5 Former Foster Care

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit
See Part V above.

b. HOME
Income Status
 ≤ 50% AMGI
 ≤ 60% AMGI
 ≤ 80% AMGI
 OI**

c. Tax Exempt
Section 1.
Income Status
 50% AMGI
 60% AMGI
 80% AMGI
 OI**

d. AHDP
Income Status
 50% AMGI
 80% AMGI
 OI**

e. _____
(Name of Program)
Income Status

 OI**

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

ARTICLE II Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

- *Move-in Date Enter the date the tenant has or will take occupancy of the unit. (YYYY-MM-DD)
- *Effective Date Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification. (YYYY-MM-DD)
- Property Name Enter the name of the development.
- County Enter the county (or equivalent) in which the building is located.
- BIN # Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
- Address Enter the address of the building.
- Unit Number Enter the unit number.
- # Bedrooms Enter the number of bedrooms in the unit.
- *Vacant Unit Check if unit was vacant on December 31 of requesting year.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

- | | | | | | |
|---|---|-------------------|---|---|----------------------------|
| H | - | Head of Household | S | - | Spouse |
| A | - | Adult co-tenant | O | - | Other family member |
| C | - | Child | F | - | Foster child(ren)/adult(s) |
| L | - | Live-in caretaker | N | - | None of the above |

Enter the date of birth, student status, and last four digits of social security number or alien registration number for each occupant. If tenant does not have a Social Security Number (SSN) or alien registration number, please enter the numerical birth month and last two digits of birth year (e.g. birthday January 1, 1970, enter "0170"). If tenant has no SSN number or date of birth, please enter the last 4 digits of the BIN.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total
- *Effective Date of Income Certification Enter the effective date of the income certification corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the effective date listed in Part I.
- *Household Size at Certification Enter the number of tenants corresponding to the total annual household income entered in Box L. If annual income certification is not required, this may be different from the number of tenants listed in Part II.

ARTICLE III HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

ARTICLE IV Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size.
Household income at move-in Household size at move-in	For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
Current Income Limit x 140%	For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.
*Units Meets Income Restriction at	Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

ARTICLE V Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

ARTICLE VI Part VII - Student Status

If all household members are full time* students, check “yes”. If at least one household member is not a full time student, check “no”.

If “yes” is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Full time is determined by the school the student attends.

ARTICLE VII Part VIII – Program Type

Mark the program(s) for which this household’s unit will be counted toward the property’s occupancy requirements. Under each program marked, indicate the household’s income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

- Tax Credit See Part V above.
- HOME If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household’s designation.
- Tax Exempt If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household’s designation.
- AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household’s unit will count towards the set-aside requirements, mark the appropriate box indicating the household’s designation.
- Other If the property participates in any other affordable housing program, complete the information as appropriate.

ARTICLE VIII SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).
The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.
These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

ARTICLE IX PART IX. SUPPLEMENTAL INFORMATION

- Tenant Demographic Profile Complete for each member of the household, including minors, for move-in. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.
- Resident/Applicant Initials All tenants who wish not to furnish supplemental information should initial this section. Parent/guardian may complete and initial for minor child(ren).

**Please note areas with asterisks are new or have been modified. Please ensure to note the changes or formats now being requested.*

TENANT INCOME CERTIFICATION QUESTIONNAIRE

(a)	NAME: _____	TELEPHONE NUMBER:
(b)	_____	()
<input type="checkbox"/>	Initial Certification	BIN #
<input type="checkbox"/>	Re-certification	
<input type="checkbox"/>	Other	Unit #

(A) <u>INCOME INFORMATION</u>		NO	MONTHLY GROSS INCOME
a.	YES		
<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment)	
			(use <u>net</u> income from business) \$
<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you:	
		<u>Name of Employer</u>	
		1)	\$
		2)	\$
		3)	\$
<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	
			i. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	
			ii. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	
			iii. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	
			iv. \$
<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	
			v. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	
			vi. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	
			vii. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC)	
			viii. \$
<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	
<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments.	
			ix. \$
		If yes, from how many persons do you receive support? _____	
<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support:	

<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	
			x. \$
<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings.	
			xi. \$
		If yes, list sources:	
		1)	\$
		2)	\$

<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$
<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received	xii. \$

Asset information

2.		YES	NO		INTEREST RATE	CASH VALUE
<input type="checkbox"/>	<input type="checkbox"/>			I have a checking account(s). If yes, list bank(s) 1) 2)	i. % %	ii. \$ \$
<input type="checkbox"/>	<input type="checkbox"/>			I have a savings account(s) If yes, list bank(s) 1) 2)	iii. iv. % %	v. vi. \$ \$
<input type="checkbox"/>	<input type="checkbox"/>			I have a revocable trust(s) If yes, list bank(s) 1)	vii. %	viii. \$
<input type="checkbox"/>	<input type="checkbox"/>			I own real estate. If yes, provide description:		ix. \$
<input type="checkbox"/>	<input type="checkbox"/>			I own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) 2) 3)	x. % % %	xi. \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>			I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) 2) 3)	xii. % % %	xiii. \$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>			I have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) 2)	xiv. % %	xv. \$ \$
<input type="checkbox"/>	<input type="checkbox"/>			I have a whole life insurance policy. If yes, how many policies		xvi. \$
<input type="checkbox"/>	<input type="checkbox"/>			I have cash on hand.		xvii. \$
<input type="checkbox"/>	<input type="checkbox"/>			I have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. xviii. If yes, list items and date disposed: 1) 2)		xix. \$ \$

(B)

(C) STUDENT STATUS

1. YES NO

<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: College/University, trade school, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student in the previous 5 months?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all full-time student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you: <ul style="list-style-type: none">• Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI)• Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program• Married and filing (or are entitled to file) a joint tax return• Single parent with a dependant child or children and neither you nor your child(ren) are dependent of another individual• Previously enrolled in the Foster Care program (age 18-24)
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

(ii) UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT

SIGNATURE OF APPLICANT/TENANT

DATE

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE)

DATE

EXHIBIT C

[FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE]

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Witnesseth that on this __ day of _____, 20__, the undersigned, having borrowed certain funds from the COUNTY OF CONTRA COSTA (the "Issuer") for the purpose of constructing and equipping a multifamily rental housing development (the "Project"), does hereby certify that:

1. During the preceding month (i) such Project was continually in compliance with the Regulatory Agreement executed in connection with such loan from the Issuer, (ii) ___% of the units in the Project were occupied by Low Income Tenants (minimum of 40%).

Set forth below are the names of Low Income Tenants who commenced or terminated occupancy during the preceding month.

<u>Commenced Occupancy</u>	<u>Terminated Occupancy</u>
1.	1.
2.	2.
3.	3.

The units occupied by Low Income Tenants are of similar size and quality to other units and are dispersed throughout the Project. Attached is a separate sheet listing the number of each unit and indicating which units are occupied by Low Income Tenants, the size, the number of bedrooms of such units and the number of Low Income Tenants who commenced occupancy of units during the preceding month.

2. *Select appropriate certification:* [No unremedied default has occurred under this Regulatory Agreement, the Loan Agreement, the Note or the Deed of Trust.] [A default has occurred under the _____. The nature of the default and the measures being taken to remedy such default are as follows: _____.

3. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief.

Date: _____
Owner

Witness

Unit	Low Income or Market Unit	No. of Bedrooms	Rent	Total Eligible Income (for Low Income Units)	Size (Sq. Ft.)

Total Number of Units: _____

Percentage of Low Income Units: _____

Number of Low Income Tenants commencing occupancy this month: _____

RECORDING REQUESTED BY

73 Carol Ln., L.P.,
a California limited partnership

WHEN RECORDED RETURN TO:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: Paul Toland

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

By and Between

COUNTY OF CONTRA COSTA
as Issuer

and

73 CAROL LN., L.P.,
a California Limited Partnership
as Owner

Dated as of August 1, 2013

Relating to

**COUNTY OF CONTRA COSTA
MULTIFAMILY HOUSING REVENUE BONDS
(OAK RIDGE FAMILY APARTMENTS PROJECT)
2013 SERIES A**

Section 1. Definitions and Interpretation	1
Section 2. Representations, Covenants and Warranties of the Owner	5
Section 3. Qualified Residential Rental Project.....	5
Section 4. Low Income Tenants; Reporting Requirements.....	6
Section 5. Tax-Exempt Status of Bonds.....	8
Section 6. Additional Requirements of the Housing Law.....	9
Section 7. Additional Requirements of the Issuer; CDLAC Requirements	10
Section 8. Modification of Covenants.....	11
Section 9. Indemnification; Other Payments.....	12
Section 10. Consideration	14
Section 11. Reliance.....	14
Section 12. Sale or Transfer of the Project	14
Section 13. Term	16
Section 14. Covenants to Run With the Land	17
Section 15. Burden and Benefit	17
Section 16. Uniformity; Common Plan.....	17
Section 17. Default; Enforcement	17
Section 18. [Reserved.]	18
Section 19. Recording and Filing.....	18
Section 20. Payment of Fees	19
Section 21. Governing Law.....	19
Section 22. Amendments; Waivers	19
Section 23. Notices.....	19
Section 24. Severability.....	20
Section 25. Multiple Counterparts	20
Section 26. Limitation on Liability	20
Section 27. Third-Party Beneficiary.....	21

EXHIBIT A DESCRIPTION OF REAL PROPERTY

EXHIBIT B FORM OF INCOME CERTIFICATION

EXHIBIT C FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE