RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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Attention: Paul J. Thimmig, Esq.

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

by and between the

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

and

TEMECULA GARDENS II, L.P.,
a California limited partnership

dated as of March 1, 2020

relating to:
$10,659,379
California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020A
and
$2,096,655
California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020B

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Agreement" or this "Regulatory Agreement"), dated as of March 1, 2020, is by and between the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Issuer"), and TEMECULA GARDENS II, L.P., a California limited partnership (together with any successor to its rights, duties and obligations hereunder, the "Borrower").

RECITALS:

WHEREAS, the Redevelopment Agency of the City of Temecula (the "Redevelopment Agency") has issued its 1998 Multifamily Housing Revenue Note (Mission Village Apartments) (the "1998 Note"), the proceeds of which were used to make a loan (the "1998 Loan") to Temecula Gardens, L.P., a California limited partnership (the "Prior Owner") to finance costs of a 76 unit multifamily housing facility located at 28493 Pujol Street in Temecula, California currently known as Mission Village Apartments (the "Project"), on the site described in Exhibit A hereto; and

WHEREAS, at the time of issuance of the 1998 Note, the Prior Owner and the Redevelopment Agency entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 1998 (the "Prior Regulatory Agreement") imposing various requirements on the Project in order to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and provisions of the California Health and Safety Code applicable to the Project by reason of the issuance of the 1998 Note and the use of a portion of the proceeds of the 1998 Note to finance the Project; and

WHEREAS, the Issuer now proposes to issue its California Municipal Finance Authority Multifamily Housing Revenue Bond (Mission Village II Apartments), Series 2020A and its California Municipal Finance Authority Multifamily Housing Revenue Bond (Mission Village II Apartments), Series 2020B (collectively, the "Bonds"), pursuant to Section 6547.7 of the Government Code of the State of California and Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the "Housing Act"), with the proceeds of the Bonds to be utilized to fund a loan to the Borrower pursuant to the terms of a Loan Agreement, dated as of March 1, 2020, among the Borrower, JPMorgan Chase Bank, N.A., as bondowner representative (the "Bondowner Representative") and the Issuer (as supplemented by a Construction and Permanent Loan Agreement, dated as of March 1, 2020, between the Borrower and the Bondowner Representative, the "Loan Agreement"), in order to enable the Borrower to finance costs of the acquisition of the Project by the Borrower from the Prior Owner, as well as costs of rehabilitation of the Project; and

WHEREAS, the Prior Owner will use proceeds of the sale of the Project to the Borrower to cause the 1998 Loan, and thereby the 1998 Note, to be prepaid in full; and

WHEREAS, despite the prepayment of the 1998 Note, the "Qualified Development Period," as defined in the Prior Regulatory Agreement, will continue until the Bonds are no longer outstanding, as provided in clause (b) of the definition of such term in the Prior Regulatory Agreement; and

WHEREAS, the Redevelopment Agency has been dissolved, and the City of Temecula, California (the "City"), has become the successor to the housing assets of the Redevelopment Agency, including the Redevelopment Agency's right, title and interest in the Prior Regulatory Agreement; and

WHEREAS, the City, as successor to the housing assets of the Redevelopment Agency under the Prior Regulatory Agreement, has agreed that compliance by the Borrower with the provisions of this Regulatory Agreement will fully satisfy compliance with the applicable provisions of the Prior Regulatory Agreement that would otherwise survive the prepayment of the 1998 Note, such that the City, as successor to the housing assets of the Redevelopment Agency, has agreed to the termination of the Prior Regulatory Agreement; and

WHEREAS, in order to assure the Issuer and the owner 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"), to assure the City and the owner of the 1998 Note that the interest on the 1998 Note will continue to be excluded from the gross income of the owner of the 1998 Note for federal income tax purposes under the Code, to satisfy the public purposes for which the Bonds are authorized to be issued under the Housing Act, 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.

AGREEMENT:

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 hereby are acknowledged, the Issuer and the Borrower 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, and in Section 1.01 of the Indenture of Trust, dated as of March 1, 2020, between the Issuer and the Bondowner Representative.

"Adjusted Income" means the adjusted income of a person (together with the adjusted income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed pursuant to Section 8 of the Housing Law, or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Housing Act.

"Administrator" means the Authority or any administrator or program monitor appointed by the Authority to administer this Regulatory Agreement, and any successor administrator appointed by the Authority.

"Affiliated Party" means (a) a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, (b) a person who together with the Borrower are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein), (c) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (d) an S corporation and each of its shareholders (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code.

"Area" means the metropolitan statistical area in which the Project is located, as promulgated by HUD or its successors.

"Area Median Gross Income" means the median gross income for the Area, as determined by the Secretary of the Treasury in a manner consistent with determination of lower-income families and area median gross income under Section 8 of the Housing Law and Section 3009a of the Housing and Economic Recovery Act of 2008, including adjustments for family size or, if programs under Section 8 are terminated, area median gross income determined under the method in effect immediately before such termination.

"Available Unit" means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the Closing Date 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 the rehabilitation of the Project with proceeds of the Loan is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such rehabilitation of the unit has been completed.

"Bondowner Representative" has the meaning given to such term in the Indenture.

"CDLAC" means the California Debt Limit Allocation Committee, or successor thereto.

"CDLAC Conditions" has the meaning given such term in Section 7(a).

"CDLAC Resolution" means Resolution No. 19-203 adopted by CDLAC on December 11, 2019 (and revised on March 4, 2020) a copy of which is attached hereto as Exhibit E, or any subsequent resolution adopted by CDLAC in replacement or substitution for such resolution.

"Certificate of Compliance" has the meaning given to it in Section 7(a) hereof.

"Closing Date" has the meaning given to such term in the Indenture.

"Completion Certificate" means the certificate of completion of the Project required to be delivered to the Issuer by the Borrower pursuant to Section 2(i) of this Regulatory Agreement, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit C.

"Completion Date" means the date of completion of the acquisition and rehabilitation of the Project, as that date shall be certified as provided in Section 2(i) of this Regulatory Agreement.

"County" means the County of Riverside, California.

"Housing Act" has the meaning given to such term in the recitals to this Regulatory Agreement.

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

"HUD" means the United States Department of Housing and Urban Development, or any successor thereto.

"Inducement Date" means March 15, 2019, being the date on which the Issuer adopted Resolution No. 19-029 expressing its intent to issue the Bonds to finance costs of the Project as amended by Resolution No. 19-072 of the Issuer, adopted on June 28, 2019.

"Investor Limited Partner" means initially, WNC California Holding, LLC, a California limited liability company, and its successors and assigns (including WNC Institutional Tax Credit Fund X California Series 18, L.P., a California limited partnership).

"Issuer Annual Fee" means: the greater of (i) five basis points (0.05%) times the maximum principal amount of the Bonds as of the Closing Date (for the initial Issuer Annual Fee) or on the first day of the month in which the anniversary of the Closing Date occurs (for each subsequent Issuer Annual Fee), or (ii) $4,000; provided that the Issuer Annual Fee will be based on the original maximum principal amount of the Bonds until the date on which the Bonds are paid down, in a lump sum, on the Conversion Date, notwithstanding any prior repayments of the Bonds, and following the Conversion Date, will be based on the outstanding principal amount of the Bonds as of the first day of the month in which the anniversary of the Closing Date occurs, but in no event less than $4,000 per year.

"Issuer Issuance Fee" means the amount set forth in an invoice of the Issuer delivered to the Borrower on the Closing Date.

"Manager" means the property manager of the Project, which shall meet the requirements of Section 4A(h) hereof. The Manager as of the Closing Date is Solari Enterprises, Inc.

"Project" means the 76 units of multifamily rental housing located on the real property site described in Exhibit A hereto, and consisting of those facilities, including the Borrower's leasehold interest in the real property described in Exhibit A hereto, structures, buildings, fixtures or equipment, as may at any time exist on such real property, the acquisition and rehabilitation of which 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 Borrower 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 such facilities.

"Project Costs" means, to the extent authorized by the Housing Law: (i) costs incurred directly or indirectly for or in connection with the acquisition and rehabilitation or equipping of the Project, including, but not limited to, those for preliminary planning and studies, costs incurred by prior owners of the Project properly included in the eligible basis of the Project, architectural, legal, engineering and supervisory services, labor, services, materials, fixtures, and equipment and interest incurred prior to the Completion Date; (ii) premiums attributable to all insurance required to be taken out with respect to the Project, the premium on each surety bond, if any, required with respect to work on the Project, and taxes, assessments and other charges in respect of the Project, that may become due and payable; (iii) costs incurred directly or indirectly in seeking to enforce any remedy against any contractor, subcontractor, materialman or other agent in respect of any default under any contract relating to the Project; (iv) financing, legal, financial advisory, underwriting, placement, accounting, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds and the preparation and delivery of the Loan Documents and related documents as long as such disbursements do not exceed two percent (2%) of the proceeds of the Bonds pursuant to Section 147(g) of the Code; and (v) any other incidental and necessary costs, expenses, fees and charges relating to the acquisition or rehabilitation of the Project.

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

"Qualified Project Period" means the period beginning on the Closing Date, and ending on the later of (a) the date which is 15 years after the date on which at least fifty percent (50%) of the residential units in the Project are first occupied, (b) the first day on which no Tax-Exempt private activity bond issued with respect to the Project is outstanding, (c) the date on which any assistance provided with respect to the Project under the Housing Law terminates, or (d) the date on which the Bonds are paid in full; provided that, unless otherwise amended or modified in accordance with the terms hereof, the Qualified Project Period for purposes of this Regulatory Agreement shall be such later date as set forth in the CDLAC Conditions, as provided in Section 7(c) hereof. For purposes of clause (b), the term "private activity bond" has the meaning contemplated in Section 142(d)(2)(A)(ii) of the Code.

"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.

"State" means the State of California.

"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: (a) such interest may be included in gross income of the owner of a Bond that is a "substantial user" of the Project, or a "related person," within the meaning of Section 147(a) of the Code; and (b) 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.

"Verification of Income" means a Verification of Income in the form attached to this Regulatory Agreement as Exhibit D, or in such other comparable form as may be provided by the Issuer or the Administrator to the Borrower.

"Very Low Income Tenant" means individuals or families whose Adjusted Income does not exceed fifty percent (50%) of Area Median Gross Income; provided, however, that if all the occupants of a Very Low Income Unit are students (as defined in Section 152(f)(2) of the Code) who fail to be described in Section 42(i)(3)(D) of the Code, the occupants of that Very Low Income Unit shall in no event be deemed to be "Very Low Income Tenants." The Adjusted Income of individuals and Area Median Gross Income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and Area Median Gross Income under Section 8 of the Housing Law (or, if such program is terminated, under such program in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size as prescribed under Section 8 of the Housing Law.

"Very Low Income Units" means the units in the Project required to be rented, or held available for occupancy by, Very Low Income Tenants pursuant to Sections 4(a) and 6(a) hereof.

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 Borrower. The Borrower hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The statements made in the various certificates delivered by the Borrower to the Issuer or the Bondowner Representative on the Closing Date are true and correct.

(b) The Borrower (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds of the Loan to be applied in a manner contrary to the requirements of the Loan Agreement, the Supplemental Loan Agreement, this Regulatory Agreement, the Housing Act or the Code.

(c) The Borrower will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion from gross income for federal income tax purposes or the exemption from California personal income taxation of the interest on the Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(d) The Borrower will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the Borrower, to comply fully with the Housing Act, the Code, the CDLAC Conditions and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service to the extent necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(e) The acquisition and commencement of the rehabilitation by the Borrower of the Project occurred after the date which was 60 days prior to the Inducement Date. The Borrower has incurred a substantial binding obligation to expend proceeds of the Loan pursuant to which the Borrower is obligated to expend at least five percent (5%) of the maximum principal amount of the Loan.

(f) The Borrower will proceed with due diligence to complete the acquisition and rehabilitation of the Project and the full expenditure of the proceeds of the Loan. The Borrower reasonably expects to complete the rehabilitation of the Project and to expend the full $12,807,167 maximum principal amount of the Loan for Project Costs by December 31, 2020.

(g) The Borrower's reasonable expectations respecting the total expenditure of the proceeds of the Loan have been accurately set forth in a certificate of the Borrower delivered to the Issuer on the Closing Date. At all times, the aggregate disbursements of the proceeds of the Loan will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to ninety-seven percent (97%) or more of such disbursements, and less than twenty-five percent (25%) of such disbursements shall have been used to pay for the acquisition of land or an interest therein.

(h) The Borrower or any party related to the Borrower will not purchase any of the Bonds in an amount related to the amount of the Loan.

(i) The Borrower shall deliver to the Issuer and the Bondowner Representative, when required by the CDLAC Conditions following the Completion Date, a duly executed Completion Certificate.

(j) The Borrower acknowledges that the Issuer may appoint an Administrator other than the Issuer to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. In such event, the Borrower shall comply with any reasonable request by the Issuer or the

Administrator to deliver to any such Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer.

(k) The Borrower agrees to comply with the provisions of Sections 5.01 and 5.03 of the Loan Agreement, dated as of March 1, 2020, among the Issuer, the Borrower and the Bondowner Representative, as in effect on the Closing Date.

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

(m) All of the proceeds of the Bonds and earnings from the investment of such proceeds will be used to pay Project Costs; and no more than two percent (2%) of the proceeds of the Bonds will be used to pay issuance costs of the Bonds, within the meaning of Section 147(g) of the Code.

(n) No portion of the proceeds of the Bonds shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. No portion of the proceeds of the Bonds shall be used for an office unless the office is located on the premises of the facilities constituting the Project and unless not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(o) In accordance with Section 147(b) of the Code, the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected remaining economic life of the facilities being financed by the Bonds.

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

(q) The Borrower shall comply with all applicable requirements of Section 65863.10 of the California Government Code, including the requirements for providing notices in Sections (b), (c), (d) and (e) thereof, and with all applicable requirements of Section 65863.11 of the California Government Code.

(r) The Borrower shall pay all of the costs of issuance of the Bonds, including the Issuer Issuance Fee.

(s) The Borrower 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 financing transactions or otherwise relied on the Issuer in any manner except to

issue the Bonds in order to provide funds to assist the Borrower in acquiring and rehabilitating the Project.

(t) In addition to the provisions of Section 5.03(c) of the Loan Agreement, the Borrower agrees to obtain a written report from an independent firm with experience in calculating excess investment earnings for purposes of Section 148(f) of the Code, not less than once on or about each five year anniversary of the Closing Date and within thirty (30) days of the date the Bonds have been paid in full, determining that either (i) no excess investment earnings subject to rebate to the federal government under Section 148(f) of the Code have arisen with respect to the Bonds in the prior five-year period (or, with respect to the final such report following the repayment of the Bonds, have arisen since the last five-year report); or (ii) excess investment earnings have so arisen during the prior five-year period (or, with respect to the final such report following the repayment of the Bonds, have arisen since the last five-year report), and specifying the amount thereof that needs to be rebated to the federal government and the date by which such amount needs to be so rebated. The Borrower shall provide a copy of each report prepared in accordance with the preceding sentence to the Issuer, each time within one week of its receipt of the same from the independent firm that prepared the respective report.

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

(a) The Project is being acquired and rehabilitated, and will be operated, for the purpose of providing multifamily residential rental property. The Borrower 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 Act, 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 are and will be similarly constructed units, and each dwelling unit in the Project contains 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 and the Borrower will not rent any of the units for a period of less than thirty (30) consecutive days, and none of the dwelling units in the Project will at any time be leased or rented for use 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 Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Borrower may obtain final map

approval and the Final Subdivision Public Report from the California Bureau of Real Estate and may file a condominium plan with the County or the City of Temecula, California).

(e) All of the dwelling units in the Project 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 Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except (i) not more than one unit may be set aside for a resident manager or other administrative use to the extent permitted by Section 3(h), (ii) to the extent that dwelling units are required to be leased or rented to Very Low Income Tenants hereunder, (iii) as required by any regulatory agreement entered into by the Borrower in connection with the allocation of tax credits to the Project, and (iv) as required by the Regulatory Agreement, dated as of July 1, 1998, between the former Temecula Redevelopment Agency and Temecula Gardens, L.P..

(f) The Project site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the 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) The Borrower shall not discriminate on the basis of race, creed, color, sex, source of income (e.g. AFDC, SSI), physical disability, age (except as permitted by State and federal law), national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(h) No dwelling unit in the Project shall be occupied by the Borrower. Notwithstanding the foregoing, if the Project contains five or more dwelling units, this subsection shall not be construed to prohibit occupancy of dwelling units by one or more resident managers or maintenance personnel any of whom may be the Borrower; provided that the number of such managers or maintenance personnel is not unreasonable given industry standards in the area for the number of dwelling units in the Project.

(i) The Borrower will not sell dwelling units within the Project.

(j) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer from enforcing the applicable requirements of the Code, or condemnation or similar event, the Borrower covenants that, within a "reasonable period" determined in accordance with the applicable Regulations, it will either prepay the Loan or, if permitted under the provisions of the Loan Documents, apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the applicable Regulations.

The Issuer hereby elects to have the Project meet the requirements of Section 142(d)(1)(A) of the Code.

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

(a) During the Qualified Project Period, not less than twenty percent (20%) of the units in the Project will be occupied by, or held vacant and available for occupancy by, Very Low Income Tenants. For the purposes of this paragraph (a), a vacant unit which was most recently occupied by a Very Low Income Tenant is treated as rented and occupied by a Very Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

In addition to the foregoing, the Borrower shall comply with the requirements of Section 15 of Exhibit A to the CDLAC Resolution, as required by Section 7(a), including the tenant income restrictions referenced after Section 8 of Exhibit A to the CDLAC Resolution.

(b) No tenant qualifying as a Very Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Very Low Income Tenants, and such tenant shall be deemed to continue to be a Very Low Income Tenant for purposes of the occupancy requirement of paragraph (a) of this Section 4. However, should (i) a Very Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Very Low Income Tenant of the same family size, and (ii) without such tenant qualifying as a Very Low Income Tenant, less than forty percent (40%) of the units in the Project would be occupied by Very Low Income Tenants, the next Available Unit of comparable or smaller size in the same building (within the meaning of Section 42 of the Code) must be rented to (or held vacant and available for immediate occupancy by) a Very Low Income Tenant. Until such next Available Unit is rented to a Very Low Income Tenant, the former Very Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Very Low Income Tenant for purposes of the Very Low Income Unit requirements of Section 4(a) hereof until the rental of an Available Unit of comparable or smaller size to a tenant who is not a Very Low Income Tenant.

(c) For the Qualified Project Period, the Borrower will obtain, complete and maintain on file Verifications of Income certifications for each Very Low Income Tenant, including (i) a Verification of Income dated immediately prior to the initial occupancy of such Very Low Income Tenant in the Project, and (ii) thereafter, an annual Verification of Income with respect to each Very Low Income Tenant within thirty days before or after the anniversary of such tenant's initial occupancy of a unit in the Project. In lieu of obtaining an annual Verification of Income, the Borrower may, with respect to any particular twelve-month period ending July 1 of each year, deliver to the Administrator no later than fifteen (15) days after such date, a certification that as of July 1, no Very Low Income Unit in the Project was occupied within the preceding twelve (12) months by a new resident whose income exceeded the limit applicable to Very Low Income Tenants upon admission to the Project. The Administrator may at any time and in its sole and absolute discretion notify the Borrower in writing that it will no longer accept certifications of the Borrower made pursuant to the preceding sentence and that the Borrower will thereafter be required to obtain annual Verifications of Income for tenants.

The Borrower also will provide such additional information as may be required in the future by the State of California, by the Issuer, by CDLAC and by the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Issuer, copies of Verification of Income for Very Low Income Tenants commencing or continuing occupation of a Very Low Income Unit shall be submitted to the Administrator or the Issuer, as requested.

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

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

(e) The Borrower will prepare and submit to the Administrator, on behalf of the Issuer, and the Bondowner Representative, annually, on or before February 1 of each year (or such other date specified by the Issuer or the Administrator in writing to the Borrower) during the Qualified Project Period, a Certificate of Continuing Program Compliance executed by the Borrower; provided, however, at the written direction of the Issuer, the Borrower shall prepare and submit to the Administrator, on behalf of the Issuer, quarterly, on or before January 1, April 1, July 1 and October 1 of each year a Certificate of Continuing Program Compliance.

During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

Upon the written request of the Issuer, the Borrower agrees to provide such information or reports as are necessary, in the reasonable opinion of the Issuer, to enable the Issuer to respond to reporting requirements imposed on the Issuer by the Internal Revenue Service, CDLAC or other authorities having regulatory authority with respect to the Bonds.

(f) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement. All leases pertaining to Very Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Very Low Income Unit: (i) certifies the accuracy of the statements made in the Verification of Income; (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 Borrower, the Bondowner Representative or the Administrator on behalf of the Issuer, and that the failure to provide accurate information in the Verification of Income 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 Borrower has relied on the Verification of Income and supporting information supplied by the Very Low Income Tenant in determining qualification for occupancy of the Very 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 may be subject to annual certification in accordance with Section 4(c) hereof and that if upon any such certification such tenant's Adjusted Income exceeds the applicable Very Low Income Tenant income limit under Section 4(b), such tenant may cease to qualify as a Very Low Income Tenant, and such tenant's rent is subject to increase.

Section 4A. Additional Requirements of the Issuer. In addition to the requirements set forth elsewhere in this Regulatory Agreement and to the extent not prohibited by the requirements set forth in Sections 4, 5 and 6 hereof, the Borrower hereby agrees to comply with each of the requirements of the Issuer set forth in this Section 4A, as follows:

(a) Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Issuer its administrative fee described in the second succeeding sentence and upon the occurrence of an event of default hereunder, reasonable compensation for any services rendered by it hereunder and reimbursement for all expenses reasonably incurred by the Issuer in connection therewith. The Borrower shall pay to the Issuer on the Closing Date the Issuer Issuance Fee and the first year's Issuer Annual Fee. Thereafter, the Issuer Annual Fee shall be paid by the Borrower, in advance on March 1 of each year, commencing with the first such date following the Closing Date.

The fee of the Issuer described in this Section shall in no way limit amounts payable by the Borrower under Section 9 hereof, or otherwise arising in connection with the Issuer's enforcement of the provisions of this Regulatory Agreement, but the Issuer does agree to compensate any third party Administrator appointed by it from the Issuer Annual Fee for the ordinary duties of the Administrator hereunder.

Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Issuer all fees and expenses to be paid by the Borrower to the Issuer pursuant to the provisions hereof and pursuant to provisions of the Loan Agreement.

In addition, the Borrower shall pay to the party entitled thereto as expressly set forth in this Regulatory Agreement or the Loan Agreement:

(i) all expenses incurred by the Issuer or the Bondowner Representative arising out of or in connection with the enforcement of any rights under the Loan Agreement, this Regulatory Agreement, the Indenture or any other Loan Document; and

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Regulatory Agreement, the Loan Agreement, the Indenture and any other Loan Document.

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

(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 Borrower and shall be maintained as required by the Administrator, the Issuer or the Bondowner Representative, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Administrator, the Issuer and the Bondowner Representative, upon reasonable advance notice to the Borrower.

(d) The Borrower acknowledges that the Issuer may appoint an Administrator to administer this Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements hereof. In such event, the Borrower shall comply with any request by the Administrator or the Issuer to deliver to the Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer. The ordinary fees and charges of the Administrator, if any, shall be the responsibility of the Issuer.

(e) For purposes of Section 6(b) below, the base rents shall be adjusted for household size, to the extent permitted by law.

(f) The Borrower shall comply with the provisions of Section 7 below.

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

(h) The Borrower represents and warrants, and agrees that at all times the Project shall be managed by a property manager that has at least three (3) years' experience in the operation and management of similar size rental housing projects, and at least one year's experience in the operation and management of rental housing projects containing income or rent restricted 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.

Any of the foregoing requirements of the Issuer contained in this Section 4A (except 4A(f) and (g) 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 4A 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 Housing Act 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 4A shall be void and of no force and effect if the Issuer and the Borrower 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 Housing Act or any other State or federal law.

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

(a) The Borrower 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 Borrower 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 Borrower, the Issuer and the Bondowner Representative, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County.

Section 6. Additional Requirements of the Housing Act. In addition to the requirements set forth elsewhere in this Regulatory Agreement, so long as the Bonds are outstanding the Borrower hereby agrees to comply with each of the requirements of the Housing Act applicable to the Project. Without limiting the foregoing, the Borrower agrees as follows:

(a) As provided in Section 52080(a)(1)(B) of the Housing Act, not less than forty percent (40%) of the units in the Project shall be occupied by, or held vacant and available for occupancy by, tenants described in Section 52080(a)(1)(B) of the Housing Act (it being acknowledged that units required to be set aside for Very Low Income Tenants pursuant to Section 4(a) may be counted for purposes of satisfying the requirements of this Section 6(a) if the related Very Low Income Tenants otherwise satisfy the requirements of this Section 6(a)).

(b) The rental payments paid by the occupants of the units described in paragraph (a) of this Section (excluding any supplemental rental assistance from the state, the federal government, or any other public agency to those occupants or on behalf of those units) shall not exceed thirty percent of sixty percent of area median income.

(c) The Borrower shall accept as tenants, on the same basis as all other prospective tenants, Very Low Income Tenants who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Law. The selection criteria applied to certificate holders under Section 8 of the Housing Law shall not be more burdensome than the criteria applied to all other prospective tenants.

(d) The Borrower shall ensure that units occupied as required by paragraph (a) of this Section are of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants.

(e) As provided in Section 52080(e) of the Housing Act, the Project may be syndicated after prior written approval of the Issuer. The Issuer shall grant that approval only after it determines that the terms and conditions of the syndication (1) shall not reduce or limit any of the requirements of the Housing Act or regulations adopted or

documents executed pursuant to the Housing Act, (2) shall not cause any of the requirements in this Agreement to be subordinated to the syndication agreement, or (3) shall not result in the provision of fewer assisted units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement. The Issuer hereby acknowledges that this Section 6(e) does not apply to any syndication of federal tax credits for the Project as contemplated by the Borrower's partnership agreement.

(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 required to be reserved for occupancy pursuant to Section 6(a) shall remain available to any eligible household occupying a reserved unit at the date of such expiration or termination, at a rent not greater than the amount required by Section 6(b), until the earliest of any of the following occur:

(1) The household's income exceeds 140 percent of the maximum eligible income specified in Section 6(a).

(2) The household voluntarily moves or is evicted for "good cause." "Good cause" for the purposes of this section means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the occupancy agreement which detrimentally affect the health, safety, occupancy or quiet enjoyment of other persons or the structure, the fiscal integrity of the Project or the purposes or special programs of the Project.

(3) Thirty years after the date of commencement of the Qualified Project Period.

(4) The Borrower pays the relocation assistance and benefits to tenants as provided in subdivision (b) of Section 7264 of the Government Code.

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

(h) Section 52080(e) of the Housing Act provides that the tax credits for the Project may be syndicated only after prior written approval of the Issuer, and that the Issuer shall grant such approval only after it determines that the terms and conditions of the syndication (1) shall not reduce or limit any of the requirements of the Housing Act or regulations adopted or documents executed pursuant to the Act, (2) shall not cause any of the requirements of the Issuer set forth in this Section 6 hereof to be subordinated to the syndication agreement, or (3) shall not result in the provision of fewer assisted units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement. For purposes of Section 52080(e) of the Housing Act, the Issuer hereby approves the initial syndication of tax credits for the Project under Section 42 of the Code to the Investor Limited Partner or any affiliate thereof (and any further syndication to investors of the Investor Limited Partner or any affiliate (or entity in which the Investor Limited Partner or an affiliate is the general partner or manager) thereof, or successors entities to the Investor Limited Partner or an affiliate). Any other syndication shall require the prior written approval of the Issuer.

(i) 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, during the three years prior to expiration of the Qualified Project Period, the Borrower shall continue to make available to eligible households reserved units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(j) This Section shall not be construed to require the Issuer to monitor the Borrower's compliance with the provisions of paragraph (f), or that the Issuer shall have any liability whatsoever in the event of the failure by the Borrower to comply with any of the provisions of this Agreement.

(k) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Borrower.

(l) This Regulatory Agreement shall be recorded in the office of the County Recorder of the County, and shall be recorded in the grantor-grantee index to the names of the Borrower as grantor and to the name of the Issuer as grantee.

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

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

(i) not later than February 1 of each year, until the acquisition and rehabilitation of the Project is completed, and on February 1 every three years thereafter (such that the next succeeding year shall be the beginning of each such three year period) until the end of the Qualified Project Period, a Certificate of Compliance II for Qualified Residential Rental Projects, in the form of Exhibit B hereto or as otherwise required or provided by CDLAC from time to time ("Certificate of Compliance"), executed by an Authorized Borrower Representative; with such Certificate of Compliance to be prepared pursuant to the terms of the CDLAC Conditions;

(ii) a certificate of completion, in the form of Exhibit C hereto or as otherwise required or provided by CDLAC from time to time, executed by an Authorized Borrower Representative certifying among other things to the substantial completion of the acquisition and rehabilitation of the Project; and

(iii) not later than February 1 every three years after the filing of a certificate of completion until the end of the Qualified Project Period, a California Tax Credit Allocation Committee Status Report or equivalent documentation, as required or provided by CDLAC from time to time, executed by an Authorized Borrower Representative.

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

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

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

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

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Borrower after the Closing Date, at any time, that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the owner of the Bonds, which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between Borrower and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Borrower or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Borrower and approved by CDLAC. The Issuer may, in its sole and absolute discretion, require that the Borrower enter into an amendment to this Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties hereto or their successor in title and duly recorded in the real property records of the County. The Borrower shall pay any costs and expenses in connection therewith and provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Any of the foregoing requirements of the CDLAC Conditions contained in this Section 7 may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC 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 Housing Act 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 Borrower 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 Housing Act or any other State or federal law.

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

(a) To the extent any amendments to the Housing Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer, the Bondowner Representative and the Borrower, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, 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 Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Bondowner Representative and the Borrower, 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, in its sole discretion, and the Borrower, 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 Act, and is otherwise in accordance with Section 22 hereof.

(c) The Borrower 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 Borrower and the Issuer hereby appoints the Bondowner Representative as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Issuer, as is applicable, any such document or instrument (in such form as may be approved by Bond Counsel, as evidenced by receipt of the opinion required by paragraph (b) above) if either the Borrower or the Issuer defaults in the performance of its obligations under this subsection (c); provided, however, that unless directed in writing by the Issuer or the Borrower, the Bondowner Representative shall take no action under this subsection (c) without first notifying the Borrower or the Issuer, or both of them, as is applicable, and without first providing the Borrower or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 8. Nothing in this subsection (c) shall be construed to allow the Bondowner Representative to execute an amendment to this Regulatory Agreement on behalf of the Issuer.

Notwithstanding any other provision of this Regulatory Agreement, whenever an opinion of Bond Counsel is required or requested to be delivered hereunder after the Closing Date, the Bondowner Representative, the Issuer and the Borrower shall accept (unless otherwise directed in writing by the Issuer) an opinion of Bond Counsel in such form and with such disclaimers as may be required so that such opinion will not be treated as a "covered opinion" for purposes of the Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 CFR Part 10.

Section 9. Indemnification.

(a) To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Issuer, the Bondowner Representative, and each of their respective past, present and future officers, members, 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 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 Bonds, the Indenture, the Loan Agreement, the Loan, this Regulatory Agreement or any of the other Loan Documents, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of any of the Bonds;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees, tenants or licensees in connection with 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 or rehabilitation of, the Project or any part thereof;

(iii) any lien or charge upon payments by the Borrower to the Issuer and the Bondowner Representative hereunder or under the Loan Agreement, 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 by the Borrower of the Loan Agreement or of any of the other Loan Documents;

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

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

(vii) any declaration of taxability of interest on any of the Bonds, or allegations that interest on a Bond is taxable or any regulatory audit or inquiry regarding whether interest on any of the Bonds is taxable; or

(viii) the Bondowner Representative's acceptance or administration of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Bondowner Representative or any of its respective officers, members, directors, officials, employees and agents, to the extent, with

respect to any such Indemnified Party, such damages are caused by the willful misconduct of the respective Indemnified Party seeking indemnification; or (B) in the case of the foregoing indemnification of the Issuer or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent, with respect to any such Indemnified Party, such damages are caused by the willful misconduct of the respective Indemnified Party seeking indemnification. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, 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 Borrower 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 Borrower 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.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Section 4A(a), this Section 9 and Section 20 shall survive the final payment or defeasance of the Bonds and in the case of the Bondowner Representative any resignation or removal. The provisions of this Section shall survive the termination of this Regulatory Agreement.

(c) The Borrower acknowledges that its obligations under this Section 9 are not subject to the non-recourse provisions of Section 29 hereof (the "Non-Recourse Provisions"); provided, however, that nothing contained in this Section 9 shall otherwise change or modify the applicability of the Non-Recourse Provisions to the Borrower's other obligations under this Regulatory Agreement, or cause the obligation of the Borrower to pay principal and interest on the Loan or amounts owing with respect to the Bonds to be a recourse obligation of the Borrower.

(d) The obligations of the Borrower under this Section are independent of any other contractual obligation of the Borrower to provide indemnity to the Issuer or otherwise, and the obligation of the Borrower to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Borrower. The Issuer shall be entitled simultaneously to seek indemnity under this Section and any other provision under which it is entitled to indemnity, but shall not recover twice for the same loss.

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

Section 11. Reliance. The Issuer and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, in the exemption from State personal income taxation of interest on the Bonds and in the Tax-Exempt status of the interest on the Bonds. When acting hereunder, the Issuer and the Bondowner Representative may rely upon statements and certificates of the Very Low Income Tenants, and upon audits, if any, of the books and records

of the Borrower pertaining to the Project. In addition, the Issuer and the Bondowner Representative 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 Bondowner Representative hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Borrower exists under this Regulatory Agreement, the Issuer shall not be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely on any written notice or certificate delivered to the Issuer or the Bondowner Representative by the Borrower with respect to the occurrence or absence of a default unless it knows that the notice or certificate is erroneous or misleading.

Section 12. Sale or Transfer of the Project. For the Qualified Project Period, the Borrower shall not, except as provided below and in accordance with the Loan Agreement and the other Loan Documents, sell, transfer or otherwise dispose of the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall be given as promptly as practicable following: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Borrower shall not be in default hereunder or under the Loan Agreement (which may be evidenced by a certificate of the Borrower) or the purchaser or assignee undertakes to cure any defaults of the Borrower 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 purchaser or assignee or its property manager has at least three years' experience in the ownership, operation and management of similarly-sized 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 government requirements applicable to such projects, or (b) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (c) the transferring Borrower or its management company will continue to manage the Project for at least one year following such transfer and during such period will provide training to the transferee and its manager in the responsibilities relating to the Very Low Income Units; and (4) the person or entity which is to acquire the Project does not have pending against it, and does not have a history of, building code violations or significant and material 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 purchaser or assignee of any document requested by the Issuer with respect to the assumption of the Borrower's obligations under this Regulatory Agreement and the Loan Agreement, including without limitation an instrument of assumption hereof, and delivery to the Issuer of an opinion of such purchaser or assignee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such purchaser or assignee; (C) receipt by the Issuer of an opinion of Bond Counsel addressed to the Issuer and the Bondowner Representative to the effect that any such sale, transfer or other disposition will not adversely affect the Tax-Exempt status of interest on the Bonds; (D) receipt by the Issuer and Bondowner Representative of all fees and/or expenses then currently due and payable to the Issuer and Bondowner Representative; and (E) satisfaction of such other conditions or matters as are set forth in the Loan Agreement and the other Loan Documents. The Issuer hereby consents to a transfer of the Project by the Borrower to its general partner or its affiliate, if the Issuer receives the documents listed in the preceding sentence.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 12 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Nothing in this Section shall affect any provision of any other document or instrument between the Borrower and any other party which requires

the Borrower to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Upon any sale or other transfer which complies with this Regulatory Agreement, the Borrower shall be fully and automatically released from its obligations hereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 12, except that no consent of the Issuer shall be required in the case of any transfer of the Project to a partner of the Borrower if any applicable conditions set forth in the Loan Agreement and any conditions set forth in the other Loan Documents are satisfied.

Notwithstanding anything contained in this Section 12 to the contrary, neither the consent of the Issuer nor the delivery of items (A) through (E) of the preceding paragraph shall be required in the case of (a) the execution, delivery and recordation by Borrower of any mortgage or deed of trust encumbering all or any part of the Project, or (b) a foreclosure or deed in lieu of foreclosure by the holder of any deed of trust or mortgage whereby the mortgagee or beneficiary or a purchaser at a foreclosure sale becomes the owner of the Project, and nothing contained in this Section 12 shall otherwise affect the right of the mortgagee or beneficiary or a purchaser at a foreclosure sale to foreclose on the Project or to accept a deed in lieu of foreclosure. The Issuer's consent otherwise required by the preceding paragraph shall not be required in connection with any purchase of the Project by a partner of the Borrower as allowed for in the Borrower's partnership agreement, but there shall be delivered in connection with the foregoing the documents described in clauses (B) and (D) of the preceding paragraph. In addition, the provisions of this Section 12 shall not apply to (i) the replacement of the initial managing general partner of the Borrower by an entity formed by or that is a subsidiary of the initial managing general partner of the Borrower, (ii) the withdrawal of any limited partner of the Borrower from its partnership, (iii) any transfer of limited partnership interests in the Borrower and the admission of a substitute limited partner, (iv) any transfer of direct or indirect interests in any limited partner of the Borrower, or (v) any transfer of interests pursuant to the provisions of the Borrower's partnership agreement as in effect from time to time, including but not limited to the removal of a general partner of the Borrower and replacement thereof by an affiliate of a limited partner of the Borrower pursuant to the Borrower's partnership agreement.

For the Qualified Project Period, the Borrower shall not: (1) except pursuant to the provisions of this Regulatory Agreement, the Loan Agreement and the other Loan Documents (and upon receipt by the Borrower of an opinion of Bond Counsel that such action will not adversely affect the Tax-Exempt status of interest on the Bonds), or except upon a sale, transfer or other disposition of the Project in accordance with the terms of this Regulatory Agreement, subordinate or encumber any of the Project or grant commercial leases (not including any laundry, cable, management office equipment, resident service (including but not limited to convenience vending, or satellite television) or similar or related leases) of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project (except for apartment leases); (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 Documents; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Section 13. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date 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 Indenture, the Loan Agreement and the other Loan Documents.

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date that prevents the Issuer and the Bondowner Representative from enforcing such provisions, or condemnation, foreclosure, transfer of title by deed in lieu of foreclosure, or a similar event, but only if, within a reasonable period, either the Bonds are fully retired or amounts received as a consequence of such event are used to provide a project which meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal 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 Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in interest to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. For the term of this Regulatory Agreement, 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 Borrower hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Issuer and the Borrower 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 Very 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 Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of thirty (30) days after notice thereof shall have been given by the Issuer or the Bondowner Representative to the

Borrower (with a copy to the Investor Limited Partner), or for a period of thirty (30) days from the date the Borrower should, with due diligence, have discovered such default, then the Issuer or the Bondowner Representative, acting on its own behalf or on behalf of the Issuer (to the extent directed in writing by the Issuer, subject to the provisions of the Indenture), 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 thirty (30) days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said thirty (30) days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within thirty (30) days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer and the Bondowner Representative shall have the right to enforce the obligations of the Borrower under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary in the opinion of Bond Counsel to insure compliance with the Housing Act or the Code.

Any partner of the Borrower shall have the right but not the obligation to cure any Event of Default, and the Issuer and the Bondowner Representative agree to accept any cure tendered by any such partner on behalf of the Borrower within any cure period specified above.

Following the declaration of an Event of Default hereunder the Issuer, or the Bondowner Representative may, at their respective options, 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 Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Bondowner Representative hereunder;

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

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

(iv) declare a default under the Loan Agreement and (subject to any applicable cure periods set forth in the Loan Agreement) proceed with any remedies provided therein; and

(v) order and direct the Borrower in writing to terminate the then manager of the Project and to select a replacement Manager meeting the requirements of Section 4A(h) within 60 days of such written direction, and to notify the Issuer in writing of the identity of the replacement Manager and that certify that such replacement Manager satisfies the requirements of Section 4A(h).

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

The Bondowner Representative shall have the right (but no obligation), in accordance with this Section and the provisions of the Indenture, without the consent or approval of the

Issuer, to exercise any or all of the rights or remedies of the Issuer hereunder; provided that prior to taking any such action the Bondowner Representative shall give the Issuer written notice of its intended action. After the Indenture has been discharged, the Issuer may act on its own behalf to declare an "Event of Default" to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Bondowner Representative.

All fees, costs and expenses of the Bondowner Representative and the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

No breach or default under this Regulatory Agreement shall defeat or render invalid the Deed of Trust or any like encumbrance upon the Project or any portion thereof given in good faith and for value.

Section 18. References to Bondowner Representative. After the date on which no Bond remains outstanding under the Indenture, all references to the Bondowner Representative in this Regulatory Agreement shall be deemed references to the Issuer.

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

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

(c) The Borrower 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 (other than in any document granting a security interest to the Bondowner Representative and, provided, however, that no such assignment shall be required in connection with the transfer of the Project to the Bondowner Representative or to the Bondholders by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan) to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 20. Payment of Administration Fees. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Issuer its fees described in Section 4.A.(a) and in the event of default, to the Administrator, the Issuer and to the Bondowner Representative reasonable compensation for any services rendered by any of them hereunder and reimbursement for all expenses reasonably incurred by any of them in connection therewith.

Section 21. Governing Law and Venue. This Regulatory Agreement shall be governed by and construed in accordance with the Constitution of, and laws applicable to contracts made and performed in, the State, and any action arising out of this Regulatory Agreement shall be filed and maintained in San Diego County, California unless the Issuer waives this requirements in writing.

Section 22. Amendments; Waivers. (a) Except as otherwise provided in Section 8 above, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County, and only upon receipt by the Issuer and the Bondowner Representative of 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 Act.

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

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

Section 23. Notices. 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 or the Administrator:	California Municipal Finance Authority 2111 Palomar Airport Road, Suite 320 Carlsbad, CA 92011 Attention: John P. Stoecker
with a copy to:	Jones Hall 475 Sansome Street, Suite 1700 San Francisco, CA 94111 Attention: Ronald E. Lee, Esq.
The Bondowner Representative:	JPMorgan Chase Bank, N.A. Chase Community Development Banking 560 Mission Street, 3rd Floor San Francisco, CA 94105 Attention: Shani Ryan
with a copy to:	JPMorgan Chase Bank, N.A. Chase Community Development Banking 201 N. Central Avenue, 14th Floor Mail Stop AZ1-1240 Phoenix, AZ 85004 Attention: Loan Administration

and a copy to:	JP Morgan Chase Bank, N.A. Legal Department Mail Code: NY1-E089 4 New York Plaza, 21st Floor New York, NY 10004-2413 Attention: Michael R. Zients, Executive Director and Assistant General Counsel
and a copy to:	FisherBroyles LLP 3777 Long Beach Boulevard, Suite 280 Long Beach CA 90807 Attention: Ken Krug, Esq.
The Borrower:	Temecula Gardens II, L.P. c/o Affirmed Housing Group, Inc. 13520 Evening Creek Drive North, Suite 160 San Diego, CA 92128 Attention: Executive Vice President, Housing
with a copy to:	Katten Muchin Rosenman LLP 2029 Century Park East, Suite 2600 Los Angeles, CA 90067 Attention: David Cohen, Esq.
and a copy to:	the Investor Limited Partner
The Investor Limited Partner:	WNC California Holding, LLC c/o WNC & Associates, Inc. 17782 Sky Park Circle Irvine, CA 92614 Attention: David N. Shafer
with a copy to:	Holland & Knight LLP 10 St. James Avenue, 11th Floor Boston, MA 02116 Attention: Jonathan Sirois, Esq.

A copy of each notice hereunder to the Issuer or the Administrator shall also be given to the Bondowner Representative. The Issuer, the Administrator, the Bondowner Representative and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission.

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. Third Party Beneficiaries; Enforcement. The Bondowner Representative, CDLAC, the City (as successor to the housing assets of the Redevelopment Agency) and the

owner and any former owner of the 1998 Note are intended to be and shall each 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 in accordance with Section 17 hereof, provided that any such action or remedy shall not materially adversely affect the interests and rights of the owners of the Bonds. The City and any owner or former owner of the 1998 Note shall have the right (but not any obligation) to enforce the provisions of this Regulatory Agreement. Pursuant to Section 52080(k) of the Housing Act, the requirements of Section 6 may be enforced either in law or in equity by any resident, local agency (including, but not limited to, the City), entity, or by any other person adversely affected by the Borrower's failure to comply with the requirements of that Section.

Section 27. The Bondowner Representative. The Bondowner Representative shall be entitled, but shall have no duty, to act with respect to enforcement of the Borrower's performance hereunder. The Bondowner Representative, either on its own behalf or as the agent of and on behalf of the Issuer, may, in its sole discretion, act hereunder and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Bondowner Representative. In connection with any such performance, all provisions of the Indenture relating to the rights, privileges, powers and protections of the Bondowner Representative shall apply with equal force and effect to all actions taken (or omitted to be taken) by the Bondowner Representative in connection with this Regulatory Agreement. Neither the Bondowner Representative nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith except for its or their own negligence or willful misconduct. In the event of any claim or dispute, the Bondowner Representative may consult with legal counsel selected by it (the reasonable fees of which counsel shall be paid by the Borrower) and any action taken or suffered by it reasonably and in good faith in accordance with the opinion of such counsel shall be full justification and protection to it. The Bondowner Representative may at all times assume compliance with this Regulatory Agreement unless otherwise notified in writing by or on behalf of the Issuer, or unless it has actual knowledge of noncompliance.

After the date on which the Bonds are no longer outstanding as provided in the Indenture, the Bondowner Representative shall have no further rights, duties or responsibilities under this Regulatory Agreement, and all references to the Bondowner Representative in this Regulatory Agreement shall be deemed references to the Issuer.

Section 28. No Interference or Impairment of Loan. Notwithstanding anything herein to the contrary, (i) the occurrence of an event of default under this Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Loan Documents, except as may be otherwise specified in the Loan Documents, and shall not impair, defeat or render invalid the lien of the Deed of Trust (as also provided in the seventh paragraph of Section 17), and (ii) neither of the Issuer nor any other person shall:

(a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other mounts due and payable under, the Loan;

(b) interfere with or attempt to interfere with or influence the exercise by the Bondowner Representative of any of its rights under the Loan Agreement, including, without limitation, the Bondowner Representative remedial rights under the Loan Documents upon the occurrence of an event of default by the Borrower under the Loan; or

(c) upon the occurrence of an event of default under the Loan Agreement, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Loan, it being understood and agreed that the Issuer may not, without the prior written consent of the Bondowner Representative, on account of any default under this Regulatory Agreement, seek, in any manner, to cause the Loan to become due and payable, to enforce the Loan Agreement or to foreclose on the Deed of Trust or cause the Bondowner Representative to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable, or cause the Bondowner Representative to foreclose or take any other action under the Loan Documents or any other documents which action would or could have the effect of achieving any one or more of the foregoing actions, events or results (the foregoing, however, shall not require the prior written consent of the Bondowner Representative to enforce its Reserved Rights, as defined in the Indenture, subject to the provisions of the second succeeding paragraph).

No person other than the Bondowner Representative shall have the right to declare the principal balance of the Loan to be immediately due and payable or to initiate foreclosure or other like action.

The foregoing prohibitions and limitations shall not in any way limit the rights of the Issuer to specifically enforce this Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Code and the Housing Act, and shall not be construed to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Regulatory Agreement or its Reserved Rights, provided that the prosecution of a claim for indemnification or to enforce its Reserved Rights shall not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, composition, reorganization, conservation or other similar law in effect now or in the future.

Notwithstanding anything in this Regulatory Agreement to the contrary, any right of the Issuer to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under this Regulatory Agreement which includes any monetary claim for indemnification, damages or any other monetary obligation sought to be enforced against the Project shall be subject and subordinate in all respects to the repayment in full of all amounts due on the Loan under the Loan Documents.

All obligations of the Borrower under this Regulatory Agreement for the payment of money, including monetary claims for indemnification and damages shall not be secured by or in any manner constitute a lien on the Project, and the Issuer shall not have the right to enforce such obligations other than directly against the Borrower pursuant to Section 17 of this Regulatory Agreement.

No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner unless specifically assumed in writing by a subsequent owner, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the owner of the Project at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the owner of the Project.

Notwithstanding the above, the provisions of this Section 28 shall not in any way limit or alter the Issuer's authority, power or activities as a governmental regulatory agency pursuant to applicable laws and regulations relating to the Project or otherwise.

Section 29. Limitation on Borrower Liability. Notwithstanding any other provision or obligation to the contrary contained in this Regulatory Agreement, and except for the Borrower's obligations under Section 9 of this Regulatory Agreement (which are not subject to the provisions and limitations of this Section 29) (i) the liability of the Borrower under this Regulatory Agreement to any person or entity, including, but not limited to, the Bondowner Representative or the Issuer and their successors and assigns, is limited to the Borrower's interest in the Project, the revenues therefrom, including the amount held in the funds and accounts created under the Indenture and the Loan Documents, or any rights of the Borrower 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 Borrower 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 the Project or any other agreement securing the Borrower's obligations under this Regulatory Agreement), shall be rendered against the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture and the Loan Documents, any rights of the Borrower under the Indenture or any other documents relating to the Bonds or any rights of the Borrower under any guarantees relating to the Project), its partners, successors, transferees or assigns and each of their respective officers, directors, employees, partners, members, managers, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Indenture or any agreement securing the obligations of the Borrower under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding. The foregoing provisions of this Section 29 shall in no way limit or alter the Borrower's obligations and liability under the Loan Documents.

Section 30. Limited Liability. All obligations of the Issuer incurred under this Regulatory Agreement shall be limited obligations, payable solely and only from Bond proceeds and other amounts derived by the Issuer from the Loan or otherwise under the Loan Agreement.

Section 31. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, 2021), the Borrower, on behalf of the Issuer, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Issuer, the annual report information required by Section 8855(k)(1) of the California Government Code. This covenant shall remain in effect until the later of the date (i) the Bonds are no longer Outstanding or (ii) the proceeds of the Bonds have been fully spent.

Section 32. Conflict With Other Affordability Agreement. In the event of any conflict between the provisions of this Regulatory Agreement and the agreement referred to in clause (iii) or (iv) of Section 3(e), the provisions providing for the most affordable units, with the most affordability, in the Project shall prevail, so long as at all times the requirements of Section 2, 3, 4, 4A and 6 of this Regulatory Agreement are in any event satisfied. Notwithstanding the foregoing, a breach or default under any agreement referred to in Section 3(e)(iii) or (iv) shall not, in itself, constitute a breach or a default under this Regulatory Agreement.

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

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

By: _____
Authorized Signatory

TEMECULA GARDENS II L.P.,
a California limited partnership

By: AHG Temecula Gardens II, LLC,
a California limited liability company
Its: Administrative General Partner

By: Affirmed Housing Group, Inc.,
a Delaware corporation
Its: Manager

By: _____
James Silverwood,
President

By: Las Palmas Foundation,
a California nonprofit public benefit corporation
Its: Managing General Partner

By: _____
Joseph M. Michaels,
President

[Signature Page to Regulatory Agreement and Declaration of Restrictive Covenants – Mission Village II Apartments]

03042.143:J16580

ACKNOWLEDGMENT

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

State of California
County of San Bernardino)

On February 27, 2020 before me, A. Avelar-Alvarez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

A. AVELAR-ALVAREZ
COMM. #2278846
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
MY COMM. EXP. FEB 25, 2023

Signature _____ **(Seal)**

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

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

By: _____
Authorized Signatory

TEMECULA GARDENS II L.P.,
a California limited partnership

By: AHG Temecula Gardens II, LLC,
a California limited liability company
Its: Administrative General Partner

By: Affirmed Housing Group, Inc.,
a Delaware corporation
Its: Manager

By: _____
James Silverwood,
President

By: Las Palmas Foundation,
a California nonprofit public benefit corporation
Its: Managing General Partner

By: _____
Joseph M. Michaels,
President

[Signature Page to Regulatory Agreement and Declaration of Restrictive Covenants – Mission Village II Apartments]

03042.143:J16580

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

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

State of California
County of San Diego

On February 27, 2020 (*Date*) before me, Bryna Geary, Notary Public (*Here Insert Name and Title of the Officer*),

personally appeared James Silverwood (*Name(s) of Signer(s)*),

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

BRYNA GEARY
Notary Public - California
San Diego County
Commission # 2248542
My Comm. Expires Jul 1, 2022

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

WITNESS my hand and official seal.

Signature Bryna Geary
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General	☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____

©2019 National Notary Association

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

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

By: _____
Authorized Signatory

TEMECULA GARDENS II L.P.,
a California limited partnership

By: AHG Temecula Gardens II, LLC,
a California limited liability company
Its: Administrative General Partner

By: Affirmed Housing Group, Inc.,
a Delaware corporation
Its: Manager

By: _____
James Silverwood,
President

By: Las Palmas Foundation,
a California nonprofit public benefit corporation
Its: Managing General Partner

By: _____
Joseph M. Michaels,
President

[Signature Page to Regulatory Agreement and Declaration of Restrictive Covenants – Mission Village II Apartments]

03042.143:J16580

NOTARY ACKNOWLEDGMENT

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

State of California
County of San Diego } ss.

On Feb. 27, 2020, before me, Mary White, Notary Public
Date — Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Joseph M. Michaels
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____ [Seal]
Notary Public

MARY WHITE
Notary Public - California
San Diego County
Commission # 2303150
My Comm. Expires Aug 27, 2023

EXHIBIT A

DESCRIPTION OF PROPERTY

THE FOLLOWING LAND SITUATED IN THE CITY OF TEMECULA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

BEING PARCEL 2 TOGETHER WITH A PORTION OF PARCEL 1 AS CONVEYED IN GRANT DEED RECORDED DECEMBER 11, 1991 AS INSTRUMENT NO. 429068 OFFICIAL RECORDS, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID PARCEL 1 SAID POINT BEING ON THE SOUTHWESTERLY LINE OF THE TEMECULA TOWNSHIP AS SHOWN BY MAP RECORDED IN BOOK 74 PAGE 86 OF RECORDS OF SURVEY, RECORD OF RIVERSIDE COUNTY, CALIFORNIA, ALSO BEING THE MOST EASTERLY CORNER OF PARCEL 2 AS SHOWN ON PARCEL MAP NO. 23969 RECORDED IN PARCEL MAP BOOK 169 PAGES 11 THROUGH 13, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE, ON THE SOUTHWESTERLY LINE OF SAID TEMECULA TOWNSHIP SOUTH 45° 32' 38" EAST, 24.14 FEET TO THE TRUE POINT OF BEGINNING; THENCE, LEAVING SAID TOWNSHIP LINE, PARALLEL WITH THE SOUTHWESTERLY LINE OF PARCEL 2 OF SAID PARCEL MAP, SOUTH 44° 22' 52" WEST (SHOWN AS SOUTH 44° 24' 40" WEST ON PARCEL MAP NO. 23969), 77.83 FEET; THENCE SOUTH 11° 03' 25" WEST, 211.79 FEET; THENCE SOUTH 44° 24' 45" WEST, 98.45 FEET; THENCE SOUTH 45° 35' 15" EAST, 115.00 FEET TO A POINT LYING 280.00 FEET NORTHEASTERLY OF THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS "NORTH 44° 25' 51" EAST, 632.66 FEET" ON THE NORTHERLY LINE OF PARCEL 23 AS SHOWN ON PARCEL MAP NO. 18254, RECORDED IN PARCEL MAP BOOK NO. 116 PAGES 69 THROUGH 78, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE ON THE NORTHERLY LINES OF SAID PARCEL 23 AND PARCEL 25, NORTH 44° 24' 45" EAST, 353.00 FEET TO THE SOUTHWESTERLY LINE OF SAID TEMECULA TOWNSHIP, ALSO BEING THE MOST NORTHERLY CORNER OF PARCEL 25 AS SHOWN ON SAID PARCEL MAP NO. 18254; THENCE ON THE SOUTHWESTERLY LINE OF THE TEMECULA TOWNSHIP, NORTH 45° 32' 38" WEST, 231.49 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

BEING A PORTION OF LOT 1 BLOCK 37 AND ALL OF LOT 10 OF BLOCK 36, TOWN OF TEMECULA, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA TOGETHER WITH VACATED STREETS ABUTTING SAID LOTS, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGE 726 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 10; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10, SOUTH 44° 31' 09" WEST 209.85 FEET TO THE SOUTHWESTERLY LINE OF SAID TOWN OF TEMECULA; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE NORTH 45° 29' 42" WEST 147.98 FEET TO THE INTERSECTION OF THE SAID SOUTHWESTERLY LINE OF THE TOWN OF TEMECULA WITH A LINE THAT IS PARALLEL WITH AND EIGHT FEET SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF SAID LOT; THENCE NORTHEASTERLY ALONG SAID LINE NORTH 44° 31' 09" EAST 209.84 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 1; THENCE SOUTH 45° 30' 01" EAST 147.98 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS PURSUANT TO THAT CERTIFICATE OF PARCEL MERGER NO. PA 98-0424 APPROVED BY THE CITY OF TEMECULA, RECORDED MARCH 11, 1999 AS INSTRUMENT NO. 099979 OF OFFICIAL RECORDS.

PARCEL 3:

THOSE PORTIONS OF LOTS 2 THROUGH 5, INCLUSIVE, AND THE NORTHWESTERLY 8.00 FEET OF LOT 1 BLOCK 37, TOWN OF TEMECULA, AS SHOWN BY MAP OF FILE IN BOOK 15 PAGE 726 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA TOGETHER WITH THE STREET, 40 FEET WIDE ABUTTING SAID LOTS ON THE SOUTHWEST, AS SHOWN ON SAID MAP, WHICH WAS VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF SAID COUNTY RECORDED DECEMBER 8, 1936 IN BOOK 304, PAGE 356, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED IN DEEDS RECORDED MAY 31, 1996 AS INSTRUMENT NO. 201338, APRIL 17, 1996 AS INSTRUMENT NO. 138029, AND MAY 16, 1996 AS INSTRUMENT NO. 137571, RECORDS OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 5, BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF PUJOL STREET AS SHOWN ON SAID MAP AND ALSO BEING THE MOST NORTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN SAID INSTRUMENT RECORDED NO. 137571;

THENCE, ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID PUJOL STREET AND THE NORTHEASTERLY LINES OF SAID INSTRUMENT NO. 137571 AND THOSE CERTAIN PARCELS DESCRIBED IN SAID INSTRUMENT NO. 201336 AND 138029, SOUTH 45° 31' 15" EAST 199.99 FEET TO THE MOST EASTERLY CORNER OF SAID INSTRUMENT NO. 138029;

THENCE, ALONG THE SOUTHEASTERLY LINE OF SAID INSTRUMENT NO. 138029, SOUTH 44° 28' 42" WEST, 209.77 FEET TO THE SOUTHWESTERLY LINE OF SAID VACATED STREET ALSO BEING THE SOUTHWESTERLY LINE OF THE TEMECULA TOWNSHIP AS SHOWN ON SAID MAP;

THENCE, ALONG SAID SOUTHWESTERLY LINE OF SAID VACATED STREET, ALSO BEING THE SOUTHWESTERLY LINE OF SAID INSTRUMENT NO. 138029 AND INSTRUMENT NO. 137571, NORTH 45° 32' 38" WEST 200.08 FEET TO THE MOST WESTERLY CORNER OF SAID INSTRUMENT NO. 137571;

THENCE, ALONG THE NORTHWESTERLY LINE OF SAID PARCEL, NORTH 44° 30' 07" EAST, 209.86 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS PURSUANT TO THAT CERTIFICATE OF PARCEL MERGER NO. PA 98-0422 APPROVED BY THE CITY OF TEMECULA, RECORDED MARCH 11, 1999 AS INSTRUMENT NO. 099980 OF OFFICIAL RECORDS.

PARCEL 4:

LOT 6 AND LOTS 7, 8, 9, AND 10 BLOCK 37, TOWN OF TEMECULA AS SHOWN BY MAP ON FILE IN BOOK 15, PAGE 726 OF MAPS RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, AS MERGED BY CERTIFICATE OF PARCEL MERGER NO. 292, APPROVED BY THE RIVERSIDE COUNTY PLANNING DEPARTMENT ON OCTOBER, 1986 AND RECORDED ON OCTOBER 10, 1986 AS INSTRUMENT NO. 253276, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA TOGETHER WITH THE STREET, 40 FEET WIDE, ABUTTING SAID LOTS ON THE SOUTHWEST, AS SHOWN ON SAID MAP WHICH WAS VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS, A CERTIFIED COPY OF WHICH WAS RECORDED DECEMBER 8, 1936 IN BOOK 304 AT PAGE 356, OFFICIAL RECORDS AND WHICH WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID LOTS, IN THE OFFICE OF THE COUNTY RECORDER OF

RIVERSIDE COUNTY, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, BLOCK 37; THENCE SOUTH 44° 30' 07" WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 6, AND THE SOUTHWESTERLY PROLONGATION THEREOF, A DISTANCE OF 209.86 FEET TO THE SOUTHWESTERLY LINE OF THE 40.00 FOOT STREET VACATED PER BOOK 304 AT PAGE 356 ALSO BEING THE SOUTHWESTERLY LINE OF THE TEMECULA TOWNSHIP AS SHOWN ON SAID MAP; THENCE, NORTH 45° 32' 38" WEST, ALONG SAID SOUTHWESTERLY LINE A DISTANCE OF 240.03 FEET TO THE SOUTHEASTERLY LINE OF SIXTH STREET AS SHOWN ON SAID MAP; THENCE, NORTH 44° 30' 51" EAST, ALONG SAID SOUTHEASTERLY LINE A DISTANCE OF 194.96 FEET;

THENCE, NORTH 89° 29' 48" EAST, A DISTANCE OF 21.21 FEET TO POINT ON THE SOUTHWESTERLY LINE OF PUJOL STREET AS SHOWN ON SAID MAP; THENCE, SOUTH 45° 31' 15" EAST, ALONG SAID SOUTHWESTERLY LINE A DISTANCE OF 225.00 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS PURSUANT TO THAT CERTIFICATE OF PARCEL MERGER NO. PA 98-0421 APPROVED BY THE CITY OF TEMECULA, RECORDED MARCH 11, 1999 AS FILE NO. 1999-99981 OF OFFICIAL RECORDS

APN Nos. 009-615-315, 009-615-316, 009-617-912, 009-617-913, and 009-617-914

EXHIBIT B

FORM OF CERTIFICATE OF COMPLIANCE

CERTIFICATION of COMPLIANCE II
for QUALIFIED RESIDENTIAL RENTAL PROJECTS

California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020A
and
California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020B

1. Project Name Change: No____ Yes____
(If project name has changed since the award of allocation please note the original project name as well as the new project name.)

If yes provide old and new Project Name _____

2. CDLAC Application No.: 19-590

3. Issuer Change: No____ Yes____
(If Issuer has changed since the award as a result of refinance or refunding of an allocation please note the original Issuer as well as the new Issuer.)

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

4. Change in Borrower No____ Yes____
(If Borrower has changed since the award affecting the CDLAC resolution please note the original Borrower as well as the new Borrower.)

If yes provide the Name of the existing and New Borrower _____
Contact Information _____

5. Change in Management Company No____ Yes____
If yes provide the Name of the New Management Company _____

6. Has the Qualified Project Period commenced? No____ Yes____

No____ Yes____ Already Submitted Certification
If yes please submit the Certificate of Qualified Project Period (one time only)

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

No____ Yes____ Already Submitted Certification
If yes please submit Completion Certification (one time only)

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

No____ Yes____
If so, please describe and explain?

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

No____ Yes____
If so, please describe and explain?

10.

Federally Bond Restricted Units (Reflected in PSR)	Other Restrictions (Reflected in PSR)	Total (Reported in CDLAC Resolution)
_____at 50% AMI	_____at 50% AMI	_____at 50% AMI
_____at 60% AMI	_____at 60% AMI	_____at 60% AMI

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

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

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

____After-school Programs
____Educational, health and wellness, or skill building classes
____Health and Wellness services and programs (not group classes)
____Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)
____Bona-Fide Service Coordinator/ Social Worker

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

No____ Yes____

Are all hour requirements being met?

No____ Yes____

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

Pursuant to Section 14 of Resolution No. 19-203, adopted by the California Debt Limit Allocation Committee (the "Committee") on December 11, 2019, (the "Resolution"), I, _____, an Officer of the Borrower, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with the terms and conditions set forth in the Resolution as outlined above. I further certify that I have read and understand the CDLAC Resolution, which specify that once the Bonds are issued, the terms and conditions set forth in Exhibit A to the CDLAC Resolution shall be enforceable by the Committee through an action for specific performance, negative points, withholding future allocation or any other available remedy.

_____
Signature of Officer

_____
Printed Name of Officer

_____
Title of Officer

_____
Date

EXHIBIT C

COMPLETION CERTIFICATE

CERTIFICATE of COMPLETION
for QUALIFIED RESIDENTIAL RENTAL PROJECTS

California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020A
and
California Municipal Finance Authority
Multifamily Housing Revenue Bond
(Mission Village II Apartments), Series 2020B

1) Project Name: Mission Village II Apartments
(If project name has changed since the award of allocation please note the original project name as well as the new project name.)

2) CDLAC Application No.: 19-590

3) Name of Issuer: California Municipal Finance Authority

4) Name of Borrower: Temecula Gardens II, L.P., a California limited partnership
(If Borrower has changed name since the award please note the original Borrower as well as the new Borrower.)

5) The undersigned hereby certifies that all work on the Project was substantially completed as of _____ __, 20__

The undersigned hereby further certifies that:

(a) the aggregate amount disbursed on the Loan to date is $_____

(b) all amounts disbursed from proceeds of the Bonds have been applied to pay or reimburse the undersigned for the payment of Project Costs and none of the amounts disbursed from the proceeds of the Bonds have been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) at least 95 percent of the amounts disbursed from the proceeds of the Bonds have been applied to pay or reimburse the Borrower for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than 25 percent of the amounts disbursed from the proceeds of the Bonds, exclusive of amounts applied to pay the costs of issuing the Bonds, have been applied to pay or reimburse the Borrower for the cost of acquiring land.

(d) the costs of the issuance of the Bonds were equal to or less than 2% of the Bond proceeds issued.

6) The undersigned hereby certifies the Project meets the general federal rule for a Qualified Project Period.

No____ Yes____

(a) 10% of the dwelling units in the project financed in part from the proceeds of the captioned Bonds were first occupied on _____ _____, 20__ and

(b) 50% of the dwelling units in the project financed in part from the proceeds of the captioned Bonds were first occupied on _____ _____, 20__.

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

No____ Yes____

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

(a) Bonds were issued on March 6, 2020

(b) Property was acquired on _____,__20__

(c) The date 10% of the units were available to occupy (within 60 days of the earlier of the acquisition or Bond issuance) _____ __, 20__

_____
Signature of Officer

_____
Printed Name of Officer

_____
Title of Officer

_____
Phone Number

EXHIBIT D

FORM OF VERIFICATION OF INCOME

TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ 1st Recertification ☐ Other:

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

PART I - DEVELOPMENT DATA

Property Name: Mission Village II Apartments County: Manteca BIN #:
Address: 28493 Pujol Street, Temecula, CA 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 $ X Passbook Rate 2.00% = (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 ☐	b. HOME ☐	c. Tax Exempt ☐	d. AHDP ☐	e. _____ ☐ (Name of Program)
See Part V above.	*Income Status* ☐ ≤ 50% AMGI ☐ ≤ 60% AMGI ☐ ≤ 80% AMGI ☐ OI**	Income Status ☐ 50% AMGI ☐ 60% AMGI ☐ 80% AMGI ☐ OI**	*Income Status* ☐ 50% AMGI ☐ 80% AMGI ☐ OI**	*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.

Part I - Project 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.

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.

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.

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 non-optional 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.

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.

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 indicting 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 indicting the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

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.

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

Name: _____ Telephone Number: ( )

☐ **Initial Certification**
☐ **Re-certification**
☐ **Other**

BIN #

Unit #

INCOME INFORMATION

Yes	No		MONTHLY GROSS INCOME
☐	☐	I am self employed. (List nature of self employment)	(use net income from business) $
☐	☐	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: Name of Employer 1) 2) 3)	$ $ $
☐	☐	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	$
☐	☐	I receive unemployment benefits.	$
☐	☐	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	$
☐	☐	I receive periodic social security payments.	$
☐	☐	The household receives unearned income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	$
☐	☐	I receive Supplemental Security Income (SSI).	$
☐	☐	I receive disability or death benefits other than Social Security.	$
☐	☐	I receive Public Assistance Income (examples: TANF, AFDC)	$
☐	☐	I am entitled to receive child support payments.	$
☐	☐	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	$
☐	☐	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
☐	☐	I receive alimony/spousal support payments	$
☐	☐	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1)_____ 2)_____	$ $
☐	☐	I receive income from real or personal property.	(use net earned income) $
☐	☐	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received	$

Asset information

YES	NO		INTEREST RATE	CASH VALUE
☐	☐	I have a checking account(s). If yes, list bank(s) 1) 2)	 % %	 $ $
☐	☐	I have a savings account(s) If yes, list bank(s) 1) 2)	 % %	 $ $
☐	☐	I have a revocable trust(s) If yes, list bank(s) 1)	 %	 $
☐	☐	I own real estate. If yes, provide description:		$
☐	☐	I own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) 2) 3)	 % % %	 $ $ $
☐	☐	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) 2) 3)	 % % %	 $ $ $
☐	☐	I have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) 2)	 % %	 $ $
☐	☐	I have a whole life insurance policy. If yes, how many policies		$
☐	☐	I have cash on hand.		$
☐	☐	I have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) 2)		 $ $

STUDENT STATUS

YES	NO	
☐	☐	Does the household consist of all persons who are full-time students (Examples: College/University, trade school, etc.)?
☐	☐	Does the household consist of all persons who have been a full-time student in the previous 5 months?
☐	☐	Does your household anticipate becoming an all full-time student household in the next 12 months?
		If you answered yes to any of the previous three questions are you:
☐	☐	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 dependent 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)

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 E

CDLAC RESOLUTION NO. 19-203

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

REVISED March 4, 2020 RESOLUTION NO. 19-203

A RESOLUTION TRANSFERRING A PORTION OF THE 2019 STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS AND AUTHORIZING THE MAKING OF A CARRYFORWARD ELECTION FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT

WHEREAS, the California Debt Limit Allocation Committee ("Committee") has received an application ("Application") from the California Municipal Finance Authority ("Applicant") for the transfer to the Applicant of a portion of the 2019 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations ("Bonds") for a Project as specifically described in Exhibit A ("Project") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the Committee implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds); and

WHEREAS, the Project Sponsor has represented and the Applicant has confirmed in the Application certain facts and information concerning the Project; and

WHEREAS, in evaluating the Project and allocating a portion of the State Ceiling on Qualified Private Activity Bonds to the Applicant for the benefit of the Project, the Committee has relied upon the written facts and information represented in the Application by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Committee to make a transfer of a portion of the 2019 State Ceiling On Qualified Private Activity Bonds ("Allocation") in order to benefit such Project described in the Application; and

WHEREAS, the Committee has determined that it is appropriate to authorize the Applicant to make an election to carryforward Allocation to calendar year 2020 with respect to the Project described in the Application.

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. There is hereby transferred to the Applicant authorization to use **$12,916,397** of the 2019 State Ceiling on Qualified Private Activity Bonds. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor and the Applicant, and all their respective successors and assignees, will be bound by such terms and conditions. The Applicant shall monitor the Project for compliance with the terms and conditions of this Resolution. In addition, the Project shall be subject to the monitoring provisions of California Code of Regulations, Title 4, Section 10337(e) and Section 5220 of the Committee's Regulations.

Section 3. Any modification to the Project made prior to the issuance of the Bonds that impacts the resolution must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Committee's Regulations, shall require reconsideration by the Committee before the Allocation may be used for the Project. After Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy. In addition, after bonds are issued, changes to Items #1, #6, #7, #10 thru #12, #14 thru #16, #18 thru #26, and #37 of the Exhibit A require Committee or Executive Director approval for the term of commitment; changes to item #2, #13, #17, #27, and #39 thru #41 of the Exhibit A cannot be altered; changes to Items #3 thru #5 of the Exhibit A require no Committee or Executive Director approval but any alterations must be reported to CDLAC staff for the affordability period; changes to Items #8 and #9 of the Exhibit A require no CDLAC notification; and changes to Items #28 thru #36 and #38 of the Exhibit A require Committee or Executive Director approval only prior to the Project being Placed in Service by the CA Tax Credit Allocation Committee (TCAC).

Section 4. Any material changes in the structure of the bond sale prior to the issuance of the Bonds and not previously approved by the Committee shall require approval of the Committee Chair or the Executive Director.

Section 5. The transfer of proceeds from the sale of bonds to a project other than the Project subject to this Resolution is allowable only with the prior approval of the Executive Director in consultation with the Chair, except when the Project is unable to utilize any of its allocation and the Applicant is requesting the transfer of the entire Allocation to different project(s). In such case, prior approval of the Committee must be obtained. Any transfer made pursuant to this section may only be made to another/other project(s) of the same issuer that has been previously approved by the Committee.

Section 6. The Applicant is authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Carryforward Allocation to any governmental unit in the State other than the Committee.

Section 7. The Allocation transferred herein to the Applicant shall automatically revert to this Committee unless the Applicant has issued Bonds for the Project by the close of business on **June 8, 2020.**
Upon the discretion of the Executive Director, the expiration may be extended pursuant to the provisions in Chapter 1, Article 8 of the Committee's Regulations.

Section 8. Prior to being submitted to the IRS, draft Carryforward Elections must be emailed to CDLAC at cdlac@treasurer.ca.gov no later than February 1, 2020 for CDLAC approval of election amounts.

Section 9. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds, the Applicant shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of Allocation used.

Section 10. Within fifteen (15) calendar days of the Bond closing, the Applicant or its counsel shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 11. Any differences between the amount of Bonds issued and the amount of the Carryforward Allocation granted in Section 1 of this Resolution shall be retained by the Applicant for the period allowed by Section 146(f)(3)(A) of the Internal Revenue Code regarding carryforward elections. Use of any unused Carryforward Allocation shall be in accordance with Section 5132 of the Committee's Regulations regarding carryforward elections.

Section 12. The staff of the Committee is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds under this Carryforward Allocation or the term of the income and rental restrictions whichever is longer. The Committee staff is further directed to retain a copy of this Resolution in the files of the Committee (or any successor thereto) for the same period of time.

Section 13. In consideration of the Allocation transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Committee through an action for specific performance or any other available remedy, provided however, that the Committee agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 14. The Certification of Compliance II or equivalent form is to be submitted by the Project Sponsor to the Applicant by the Applicant's specified deadline, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Applicant. Following the submission of the Certificate of Completion or equivalent form to the Applicant, the Certification of Compliance II is to be submitted March 1st every three years thereafter. In addition, an Annual Applicant Public Benefits and On-going Compliance Self-Certification (Self Certification) form must be submitted by the Applicant online every year until the Certificate of Completion has been submitted to the Applicant. After the completion of the project has been reported, the Self Certification will be required to be submitted March 1st every three years thereafter pursuant to Section 5144 of the CDLAC Regulations. Verification to CDLAC of income and rental information is not required in advance of the submission of the Certificate of Completion. A copy of the Certification of Compliance II and the Certificate of Completion forms may be found at this website location: http://www.treasurer.ca.gov/cdlac. Failure to submit compliance may result in disqualification from future program participation.

Section 15. This Resolution shall take effect immediately upon its adoption.

* * *

CERTIFICATION

I, Larry Flood, Executive Director of the California Debt Limit Allocation Committee, hereby certify that the above is a full, true, and correct copy of the Resolution adopted at a meeting of the Committee held in the Jesse Unruh Building, 915 Capitol Mall, Room 587, Sacramento, California 95814, on December 11, 2019 at 11:06 a.m. with the following votes recorded:

AYES:	Jovna Agee for State Treasurer Fiona Ma, CPA Anthony Sertich for Governor Gavin Newsom Gayle Miller for State Controller Betty T. Yee
NOES:	None
ABSTENTIONS:	None
ABSENCES:	None

Larry Flood, Executive Director

Date: December 11, 2019

RESOLUTION NO. 19-203
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Municipal Finance Authority

2. Application No.: 19-390

3. Project Sponsor: Temecula Gardens II, LP (AHG Temecula Gardens II, LLC / Nexus for Affordable Housing, Inc.)

4. Project Management Co.: Solori Enterprises, Inc.

5. Project Name: Mission Village II

6. Type of Project: Acquisition and Rehabilitation/Family

7. Location: Temecula, CA

8. Private Placement Purchaser: **JPMorgan Chase Bank, N.A.**
   Cash Flow Bond: **Not Applicable**

   All units identified in the CDLAC resolution, including both the Federally Bond-Restricted Units and the Other Restricted Units, will be incorporated into the Bond Regulatory Agreement. Assumptions to be included in the Bond Regulatory Agreement regarding the Other Restricted Units will include the AMI as outlined in the CDLAC resolution, a limitation that tenants pay no more than 30% of their income and 1.5 persons per bedroom occupancy standard to determine the applicable rent.

   Applicable

9. Public Sale: **Not Applicable**
   Credit Enhancement Provider: **Not Applicable**

10. Total Number of Units: **75** plus **1** unrestricted manager unit(s)

11. Total Number of Restricted Rental Units: **75**

12. The term of the income and rental restrictions for the Project will be at least 55 years from the date 50% occupancy is achieved or when the project is otherwise placed in service.

13. The Regulatory Agreement shall not terminate prior to the end of the CDLAC Resolution affordability term in the event of foreclosure, exercise of power of sale, and/or transfer of title by deed in lieu of foreclosure in connection with a deed of trust directly or indirectly securing the repayment of Cash Flow Permanent Bonds.

14. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
    Applicable

15. Income and Rental Restrictions:
    a. Federally Bond-Restricted Set-aside Units:
       At least 40% of the total units will be restricted at 60% of the Area Median Income.

    b. Other Restricted Units
       For the entire term of the income and rental restrictions, the Project will have:

       At least **8** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 50% of the Area Median Income.

       At least **67** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 60% of the Area Median Income.

16. 10% of the units will be restricted to households with incomes no greater than 50% of the Area Median Income in accordance with Section 5191 of the Committee's Regulations. These units will be distributed as follows:

	Applicable
Studios:	0
One-bedroom:	0
Two-bedroom:	4
Three-bedroom:	4
Four-bedroom:	0
Five-bedroom	0

17. For substantial renovation projects, a minimum of $35,000 in hard construction costs, including overhead, profit, and general conditions, will be expended for each Project unit.
Applicable

18. A minimum of $0,000 of public funds will be expended for the Project.
Not Applicable

19. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of $0,000.
Taxable debt may only be utilized for Project related expenses, not for the cost of issuance for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable

20. If the Project received points for having large family units for the entire term of the income and rental restrictions, the Project will have at least 0 three-bedroom or larger units.
Not Applicable

21. For a period of fifteen (15) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable

22. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents an after school program of an ongoing nature on-site, or there must be an after school program available to Project residents within 1/2 mile of the Project except where the Project will provide no cost round trip transportation. The program shall include, but is not limited to: tutoring, mentoring, homework club, art, and recreation activities to be provided weekdays throughout the school year for at least ten (10) hours per week.

Not Applicable

23. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation & preparation, and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/2 mile of the Project or except where Project will provide no cost round trip transportation.

Not Applicable

24. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/2 mile of the Project except where Project will provide no cost round trip transportation.

Not Applicable

25. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/2 mile of the Project or except where the Project will provide no cost round trip transportation. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

    Not Applicable

26. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants with access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.).

    Not Applicable

27. Minimum sustainable specifications will be incorporated into the project design per Section 5205 of the CDLAC Regulations.

    Applicable

    Section Waived:

    - [ ] Energy Efficiency
    - [ ] Landscaping
    - [ ] Roofs
    - [ ] Exterior Doors
    - [ ] Appliances (ENERGY STAR)
    - [ ] Window Coverings
    - [ ] Water Heater
    - [ ] Floor Coverings
    - [ ] Insulation (Greengard Emission Criteria)

28. The Project commits to becoming certified under any one of the following programs upon completion:

a.	Leadership in Energy & Environmental Design (LEED for Homes)	**Not Applicable**
b.	Green Communities	**Not Applicable**
c.	Passive House Institute US (PHIUS)	**Not Applicable**
d.	Passive House	**Not Applicable**
e.	Living Building Challenge	**Not Applicable**
f.	National Green Building Standard ICC / ASRAE – 700 silver or higher rating	**Not Applicable**
g.	Green Point Rated Multifamily Guidelines	**Not Applicable**
h.	WELL	**Not Applicable**

29. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency (including heating, cooling, fan energy, and water heating but not the following end uses: lighting, plug load, appliances, or process energy) beyond the requirements in Title 24, Part 6 of California Building Code (Percentage Better than the 2016 Standards):

    a. 7% **Not Applicable**
    b. 12% **Not Applicable**

30. The Project is a New construction or Adaptive Reuse Project that commits to Energy Efficiency. The local building department has determined that building permit applications submitted on or before December 31, 2016 are complete and energy efficiency beyond the requirements in the 2013 Title 24, Part 6, of the California Building Code (the 2013 Standards) for the project as a whole shall be awarded.
    a. 9% **Not Applicable**
    b. 15% **Not Applicable**

31. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency with renewable energy that provides the following percentages of project tenants' energy loads (Offset of Tenants' Load):
    a. 20% **Applicable**
    b. 30% **Applicable**
    c. 40% **Applicable**

32. The Project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the project as a whole by:
    a. 15% **Not Applicable**
    b. 20% **Not Applicable**

33. The Project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
    a. Photovoltaic generation that offsets tenants loads **Not Applicable**
    b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
    c. Solar hot water for all tenants who have individual water meters **Not Applicable**

34. The Project is a Rehabilitation Project and will implement sustainable building management practices that include: 1) development of a project-specific maintenance manual including replacement specifications and operating information on all energy and green building features; and 2) undertaking formal building systems commissioning, retro-comissioning or re-commissioning as appropriate (continuous commissioning is not required).
    Not Applicable

35. The Project is a Rehabilitation project that individually meters or sub-meters currently master-metered gas, electricity or central hot water systems for all tenants.
    Not Applicable

36. The project will commit to use no irrigation at all, irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens) or irrigate with reclaimed water, greywater or rainwater in an amount that annually equals 10,000 gallons or 150 gallons per unit whichever is less.
    Not Applicable

37. The Project will commit to having at least one (1) nonsmoking building. If the Project only has one (1) building, it will be subject to a policy developed by the Sponsor that prohibits smoking in contiguous designated units. These restrictions will be incorporated into the lease agreements for the appropriate units.
    Not Applicable

38. The Project will commit to having a parking ratio equivalent to or less than one (1) parking stall per single room occupancy or one-bedroom restricted rental unit and 1.5 parking stalls per two-bedroom or larger restricted rental unit.
    Not Applicable

39. As specified in Section 5144(b) of the Committee's Regulations, sponsors will be required to utilize TCAC's Compliance Manual specifically Section VI: Qualify Tenants for Low Income Housing Tax Credit Units, to verify tenant income in conjunction with initial occupancy. No less than every three (3) years after the project is completed, the Sponsor must collect and retain the following income and verification documentation related to all the Federally Bond-Restricted units identified in the Committee Resolution: TCAC Tax Income Calculation (TIC) or equivalent documentation, all associated source income documentation, evidence of the verifying income computation and unit lease.

    Applicable

40. As specified in Section 5144(c) of the Committee's Regulations, compliance with the income and rental requirements of the Federally Bond-Restricted Units identified in the Committee Resolution and the Bond Regulatory Agreement must be demonstrated by the Applicants initial review of 20% of all management files associated with the Federally Bond-Restricted units and subsequent review every three (3) years of 20% of all management files associated with the Federally Bond-Restricted units.

    Applicable

41. As specified in Section 5144(d) of the Committee's Regulations, applicants are required to ensure an onsite inspection as well as an on-site review of the 20% Federally Bond-Restricted units is performed every three (3) years after the Qualified Project Period has commenced.

    The following entity will conduct the site and file inspections:

    Not Applicable