

**FREE RECORDING REQUESTED
PURSUANT TO GOVERNMENT CODE
SECTION 27383**

Recording requested by and
when recorded return to:

CALIFORNIA HOUSING FINANCE AGENCY
Office of General Counsel
500 Capitol Mall, Suite 1400, MS 1440
Sacramento, CA 95814

(Space above this line for Recorder's use)

**FIRST AMENDMENT TO
REGULATORY AGREEMENT
(CHFA DEVELOPMENT NO. 97-004-S)**

THIS AMENDMENT TO REGULATORY AGREEMENT (this "***First Amendment***") is entered into as of January 10, 2024 by and between Grace Housing Limited Partnership, a California limited partnership ("***Owner***") and the California Housing Finance Agency ("***Agency***"), a public instrumentality and political subdivision of the State of California created in and by the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "***Act***"), being Division 31 of the California Health and Safety Code.

RECITALS

WHEREAS, Owner and the Agency entered into that certain "California Housing Finance Agency Regulatory Agreement (Risk Share), CHFA Development No. 97-004-S", dated May 31, 2000 and recorded in the Official Records of Los Angeles County ("***Official Records***") on June 2, 2000 as Document No. 00-0850013 (the "***Regulatory Agreement***"), with respect to certain real property described in **Exhibit A** attached hereto and incorporated herein by this reference (the "***Property***"), to finance a multi-family rental housing development thereon (the "***Development***") pursuant to provisions of the Act.

WHEREAS, the Owner has obtained a loan for the Development (the "**FHA Loan**") from CBRE HMF, Inc., a Delaware corporation ("**Lender**") to be insured by HUD under Section 207 pursuant to Section 223(f) of the National Housing Act of 1934, as amended, and to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("**Security Instrument**") and HUD's form of Regulatory Agreement for Multifamily Projects ("**HUD Regulatory Agreement**") and all other documents required by HUD or Lender in connection with the FHA Loan (collectively, the "**Mortgage Loan Documents**").

WHEREAS, HUD requires the Regulatory Agreement to be modified and subordinated to the lien, covenants, and enforcement of the Mortgage Loan Documents.

WHEREAS, the Agency and Owner have agreed to modify the Regulatory Agreement and subordinate the Regulatory Agreement to the lien of the Security Instrument and to the covenants and conditions of the HUD Regulatory Agreement and extend the term of the Regulatory Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Agency and Owner hereby agree as follows:

1. All terms, phrases and names contained in the Regulatory Agreement shall have the same meaning herein unless otherwise noted. The terms "Borrower" and "Owner" within the Regulatory Agreement shall apply to Owner.

2. In addition to other conditions found herein, this First Amendment is conditioned on and shall not be effective until it has been duly executed by the parties hereto, and consented to by the Carson Housing Authority as the Housing Successor Agency to the former Carson Redevelopment Agency, pursuant to **Exhibit B** attached hereto and incorporated herein by this reference.

3. The Regulatory Agreement is hereby amended in the following respects, but otherwise is reaffirmed by the parties in full and remains in full force and effect:

(a) Section 1, titled "Term of Agreement," shall be amended to read as follows:

"1. Term of Agreement. This Agreement is effective as of the date of execution and shall remain in full force and effect and shall apply to the Development until July 1, 2045. In the event the Owner transfers title or the rights of possession and control of the Development to a third party, the Owner covenants to require as a condition of transfer that such third party and any successors to such third party agree to be bound by the covenants contained in this Agreement. The Agency is deemed to be the beneficiary of such conditions with the right to enforce them against any such third party and its successors."

(b) Section 14, titled "Actions," shall be amended to read as follows:

"14. Actions. With the exception of unlawful detainer actions, the Owner agrees to notify the Agency promptly in writing of any action or proceeding by or against the Development or by or against the Owner with respect to the Development."

(c) Section 16, titled "Violation of Agreement by Borrower," Subsection (d), the phrase "for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement;" is hereby deleted

(d) Section 26, titled "Notices," of the Regulatory Agreement shall be amended to read as follows:

"26. Notices. Written notices and other written communication by and between the parties hereto shall be addressed as follows unless and until a party hereto has, in writing, communicated a different address to the other party hereto.

Owner: Grace Housing Limited Partnership
11811 San Vicente Boulevard
Los Angeles, CA 90049-5063

Agency: Office of General Counsel
California Housing Finance Agency
500 Capitol Mall, Suite 1400, MS 1440
Sacramento, California 95814"

(e) Section 33, titled "Notice of Transfer/Transferee," shall be added to the Regulatory Agreement as follows:

"33. Notice of Transfer/Transferee. Owner agrees to notify the Agency promptly in writing of any sale, assignment, conveyance or transfer in any other form of the Development or any part thereof or of any of its interest therein, whether voluntarily or involuntarily, by operation of law. Owner further agrees to provide to the Agency the name, address and telephone number of any such assignee or transferee and a telephone number and email address for a person of contact of such assignee or transferee."

(f) Section 34, titled "HUD Requirements," shall be added to the Regulatory Agreement as follows:

"34. HUD Requirements. The Rider to Regulatory Agreement, attached hereto as **Exhibit B**, is incorporated by reference into this Agreement for such time as the Property and Development are subject to a mortgage, deed of trust or security instrument insured or held by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ("**HUD**")."

(g) Rider to Regulatory Agreement. **Exhibit C** to this amendment is hereby adopted and replaces **Exhibit B** of the Regulatory Agreement in its entirety, and is attached thereto and shall be incorporated by reference into the Regulatory Agreement and which Rider to Regulatory Agreement may not be amended or revised without the prior written consent of HUD.

(h) The following Sections or Subsections, or portions thereof, shall terminate and cease to bind the Owner or the Development: Subsections (f) and (i)(3) of Section 5, titled

“Agency Financing and Rental Requirements.”; Section 6, titled “Establishment and Use of Reserve Funds.”; Section 7, titled “Application of Funds if Default.”; Section 10, titled “Financial Covenants.”; Subsections (a), (b), (d), (f), (g), (h), and (i) of Section 12, titled “Certain Acts Prohibited.”; Section 13, titled “Distributions.”; Section 15, titled “Assignment of Rents for Security.”; Subsection (a), (b), (c), and (e) of Section 16, titled “Violation of Agreement by the Borrower.”; Section 17, titled “Interest Charges.”; Section 29, titled “Agency Insurance Requirements.”; Section 31, titled “HUD/FHA Insurance Requirements.”; and Exhibit C, HUD/FHA Insurance Addendum (Risk Sharing) of this Agreement will no longer apply, but all remaining sections shall continue in full force and effect in accordance with “Term of Agreement.”, Section 1.

4. The Regulatory Agreement, as amended herein, is hereby ratified and approved, and remains in full force and effect. To the extent of any inconsistency between the provisions of the Regulatory Agreement and the provisions of the Rider to Regulatory Agreement, the provisions of the Rider to Regulatory Agreement shall control.

5. The provisions of this Amendment shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the parties hereto.

6. This Agreement may be executed in several counterparts, each of which will be an original and all of which constitute one and the same instrument.

WHEREFORE, the undersigned have executed this First Amendment as of the date first-written above.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

AGENCY:

**CALIFORNIA HOUSING FINANCE
AGENCY**, a public instrumentality and
political subdivision of the State of California

By: CS Schultz
Name: Chris Schultz
Title: Chief Deputy Director

OWNER:

**GRACE HOUSING LIMITED
PARTNERSHIP**,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation
Its: Managing General Partner

By: _____
Name: Carol Cromar
Title: President

By: Grace Housing TSA LLC,
a California limited liability
company
Its: Administrative General Partner

By: _____
Name: Renee Groves
Title: Chief Financial Office

AGENCY:

**CALIFORNIA HOUSING FINANCE
AGENCY**, a public instrumentality and
political subdivision of the State of California

By: _____
Name:
Title:

OWNER:

**GRACE HOUSING LIMITED
PARTNERSHIP**,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation
Its: Managing General Partner

By: Carol Cromar
Name: Carol Cromar
Title: President

By: Grace Housing TSA LLC,
a California limited liability
company
Its: Administrative General Partner

By: _____
Name: Renee Groves
Title: Chief Financial Office

AGENCY:

**CALIFORNIA HOUSING FINANCE
AGENCY**, a public instrumentality and
political subdivision of the State of California

By: _____
Name:
Title:

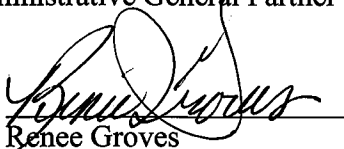
OWNER:

**GRACE HOUSING LIMITED
PARTNERSHIP**,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation
Its: Managing General Partner

By: _____
Name: Carol Cromar
Title: President

By: Grace Housing TSA LLC,
a California limited liability
company
Its: Administrative General Partner

By: 
Name: Renee Groves
Title: Chief Financial Officer

ACKNOWLEDGEMENT

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)
) ss.
County of Sacramento)

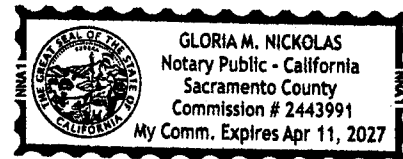
On January 11, 2024, before me, Gloria M. Nickolas, a Notary Public, personally appeared Chris Shultz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Gloria M. Nickolas
Signature

(Seal)



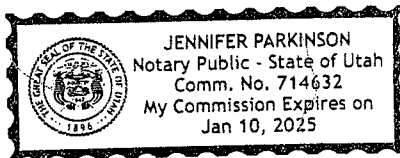
STATE OF UTAH

COUNTY OF Davis

)
)
)
ss:

On January 10, 2024, before me, Jennifer Parkinson, a notary public, personally appeared Carol Cromar, known to me to be the person whose name is subscribed in the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Jennifer Parkinson
NOTARY PUBLIC in and for the State of Utah

CALIFORNIA ALL- PURPOSE CERTIFICATE OF 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 Los Angeles }

On January 10, 2024 before me, John Grafron Schwerbel, notary public,
(Here insert name and title of the officer)

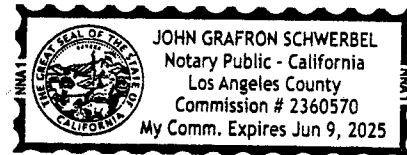
personally appeared Renee Groves,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is are subscribed to the within instrument and acknowledged to me that
he she they executed the same in his her their authorized capacity(ies), and that by
his her their signature(s) 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.


Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 2 OF PARCEL MAP 24997, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 292, PAGES 40, 41, 42 AND 43 OF MAPS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS, EMERGENCY ACCESS, AMPHITHEATER, COMMUNITY FACILITIES, CHILDREN'S SPACE, PEDESTRIAN ACCESS, VISITOR PARKING, UTILITIES, VEHICULAR ACCESS, MAINTENANCE, CONSTRUCTION AND SUPPORT ENCROACHMENTS, AND VARIOUS OTHER PURPOSES OVER PARCELS 1 AND 2 OF PARCEL MAP 24996, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 292, PAGES 44, 45, 46 AND 47 OF MAPS, AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, AS CREATED BY THE FOLLOWING DOCUMENTS: "EASEMENT, JOINT USE AND MAINTENANCE AGREEMENT" AS RECORDED JANUARY 14, 2000 AS INSTRUMENT NO. 2000-0064755 OFFICIAL RECORDS, AND "GRACE MIXED-USE DEVELOPMENT DECLARATION ESTABLISHING RECIPROCAL EASEMENTS AND COVENANTS RUNNING WITH THE LAND" AS RECORDED JANUARY 14, 2000 AS INSTRUMENT NO. 2000-0064757 OFFICIAL RECORDS.

Assessor's Parcel Number: **7337-011-043**

EXHIBIT B

LENDER CONSENT AND ACKNOWLEDGEMENT OF SUBORDINATION (Carson Housing Authority)

1. **Definitions.** Capitalized terms that are not defined in this **Exhibit B** shall have the meaning prescribed to those terms in the First Amendment, to which this document is attached as **Exhibit B**.

2. **Amendment to Regulatory Agreement.** Borrower and Agency have previously encumbered the Development with the Regulatory Agreement. Borrower and Agency have agreed to amend the Regulatory Agreement pursuant to the First Amendment.

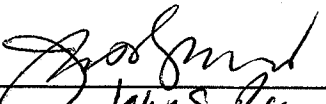
3. **Housing Authority Loan.** Carson Housing Authority, as the Housing Successor Agency to the former Carson Redevelopment Agency (the "***Housing Authority***"), has previously made a loan to Borrower (the "***Housing Authority Loan***"), secured by a deed of trust previously recorded in the Official Records on September 10, 1997 as Instrument No. 971399460 (the "***Original Deed of Trust***"), and which Original Deed of Trust was replaced and superseded by that certain First Amended and Restated Deed of Trust With Assignment of Rents, Security Agreement and Fixture Filing dated January 29, 2024, and recorded in the Official Records contemporaneously herewith (the "***Security Instrument***"), and further evidenced by that certain "Regulatory Agreement" dated September 1, 1997, and recorded in the Official Records on September 10, 1997 as Instrument No. 971399458 as amended by that certain First Amendment to Regulatory Agreement dated January 29, 2024, and recorded in the Official Records contemporaneously herewith (collectively, the "***Housing Authority Regulatory Agreement***"). The documents executed in connection with the Housing Authority Loan including, but not limited to, the Security Instrument and the Housing Authority Regulatory Agreement are referred to herein as the "***Housing Authority Loan Documents***". The Housing Authority Loan Documents are subordinate to the Agency's Regulatory Agreement by that certain "Subordination Agreement" dated May 31, 2000, and recorded in the Official Records on June 2, 2000 as Instrument No. 00-0850016 (the "***Subordination Agreement***").

4. **Housing Authority Consent.** Housing Authority hereby consents to the First Amendment and agrees that the senior lien priority of the Regulatory Agreement, as amended, and the junior lien priority of the Housing Authority Loan Documents shall not be altered in any way by the First Amendment.

SIGNATURE APPEARS ON THE FOLLOWING PAGE

HOUSING AUTHORITY

CARSON HOUSING AUTHORITY,
a public body, corporate and politic

By: 
Name: John S. Raymond
Title: Asst. Executive Director

ACKNOWLEDGEMENT

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 Los Angeles) ss.

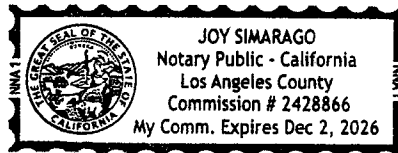
On January 24, 2024 before me, Joy Simarago, a Notary Public, personally appeared John Raymond

_____, 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.

Joy Simarago
Signature



(Seal)

EXHIBIT C
to First Amendment to Regulatory Agreement

EXHIBIT B

**RIDER TO
REGULATORY AGREEMENT
(RISK SHARE)**

CalHFA Development No. 97-004-S

This Rider to Regulatory Agreement ("**Rider**") is attached to and made a part of the Regulatory Agreement dated as of May 31, 2000, between CALIFORNIA HOUSING FINANCE AGENCY, a public instrumentality and a political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act, Division 31 of the California Health and Safety Code ("**Agency**"), and GRACE HOUSING LIMITED PARTNERSHIP, a California limited partnership ("**Borrower**").

WHEREAS, Borrower has obtained financing from CBRE HMF, Inc., a Delaware corporation (the "**Lender**"), for the benefit of the project known as Villaggio I ("**Project**"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, and Security Agreement ("**Security Instrument**") dated as of January 1, 2024, and recorded in the Official Records of Los Angeles County, California (the "**Records**") on concurrently herewith and is insured by the United States Department of Housing and Urban Development ("**HUD**");

WHEREAS, Borrower has received a loan financing ("**Loan**") from the Agency, which Agency has required certain restrictions be recorded against the Project;

WHEREAS, in connection with such Loan, Borrower and Agency entered into that certain Regulatory Agreement with respect to the Project, dated as of May 31, 2000, and recorded in the Records on June 2, 2000, under Document No. 00-0850013 (the "**Restrictive Covenants**");

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

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

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

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

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

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

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

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

“Lender” means CBRE HMF, Inc., a Delaware corporation, its successors and assigns.

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

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

“National Housing Act” means the National Housing Act, 12 USC § 1701 et seq., as amended.

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

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

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

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

- (c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD

Requirements. Notwithstanding the foregoing, nothing herein limits the Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

- (d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.
- (e) Borrower and the Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants will does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.
- (f) Except for the Agency's reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:
 - i. Available Surplus Cash, if the Borrower is a for-profit entity;
 - ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Borrower is a limited distribution entity;
 - iii. Available Residual Receipts authorized for release by HUD, if the Borrower is a non-profit entity; or
 - iv. A HUD-approved collateral assignment of any HAP contract.
- (g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.
- (h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.
- (i) No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner

from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.

The statements and representations contained in this rider and all supporting documentation thereto are true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring a multifamily loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.