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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

Among

**DOUGLAS COUNTY HOUSING AUTHORITY**

as Issuer

and

**THE BANK OF NEW YORK TRUST COMPANY, N.A.**

as Trustee

and

**DEERFIELD APARTMENTS, L.L.C.**

as Developer

Dated as of October 1, 2006

Relating to

\$3,300,000

Douglas County Housing Authority  
Multifamily Housing Revenue Bonds  
(Deerfield Apartments)  
Series 2006A

and

\$90,000

Douglas County Housing Authority  
Multifamily Housing Revenue Bonds  
(Deerfield Apartments)  
Subordinate Series 2006B

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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

**THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS** (the "Regulatory Agreement") is dated as of October 1, 2006, by and among **DOUGLAS COUNTY HOUSING AUTHORITY**, a public body, corporate and politic, exercising necessary and essential governmental functions and a political subdivision of the State of Nebraska, organized by, but independent from, Douglas County, Nebraska (the "Issuer"), **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, a national banking association duly organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the type contemplated by, and solely in its capacity as trustee under, the Indenture (as hereinafter defined), with a corporate trust office in St. Louis, Missouri (the "Trustee"), and **DEERFIELD APARTMENTS, L.L.C.** (the "Developer"), a Nebraska limited liability company, together with its successors and assigns permitted hereunder.

**WITNESSETH:**

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

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

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

**WHEREAS**, in furtherance of the purpose of maintaining and increasing the quantity of affordable housing for citizens of the County, the Issuer will issue pursuant to the Act its Multifamily Housing Revenue Bonds (Deerfield Apartments) in the aggregate principal amount of \$3,300,000 Series 2006A and \$90,000 Subordinate Series 2006B (the "Bonds"); and

**WHEREAS**, proceeds from the Bonds will be loaned by the Issuer (the "Loan") to the Developer pursuant to a Loan Agreement (the "Loan Agreement"), dated as of October 1, 2006 for the purpose of providing financing to the Developer to refinance the costs of acquisition and construction of a multifamily housing complex (the "Premises") for rental to low and moderate income persons as more fully described in the Loan Agreement and located within the County, establishing certain reserve funds, providing for the payment of accrued interest on the Bonds

and paying certain costs of issuance of the Bonds. The Developer will rent or lease at least 40% of the dwelling units in the Premises to families or individuals of low income (within the meaning of Section 142 (d) of the Code), as more particularly described herein, all for the public purpose of assisting persons of low and moderate income within the County to afford the costs of decent, safe and sanitary housing; and

**WHEREAS**, the Developer will rent or lease at least 75% of the dwelling units in the Premises to families or individuals whose income does not exceed 80% of the Median Gross Income for the Area; and

**WHEREAS**, the Issuer has determined pursuant to the Act that all dwelling units in the Premises shall be rented or leased to families or individuals whose income does not exceed 100% of the median gross income for Washington County, Nebraska; and

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

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

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

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

*"Adjusted Family Income"* means the anticipated total annual income of the family or individual as determined in accordance with Treasury Regulations Section 1.167(k) 3(b)(3)(i) (prior to withdrawal by TD 8474, April 27, 1993).

*"Affordable Rents"* means as to units occupied by Very Low Income Tenants, an annual sum not exceeding 30% of 60% of the Median Gross Income for the Area and as to units occupied by Low Income Tenants, an annual sum not exceeding 30% of 80% of the Median Gross Income for the Area adjusted as set forth in Section 4(e).

*"Bondholder"* or *"Holder"* or *"Owner"* means any person in whose name or names the Bonds shall be registered on the Bond Registration Books as of the Record Date.

*"Bond Counsel"* means Kutak Rock LLP or any other firm of attorneys acceptable to the Issuer and of nationally recognized standing with respect to the issuance of bonds by states and their political subdivisions.

"*Bond Issuance Date*" means the date of delivery of the Bonds being October 11, 2006

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

"*Income Certification*" means the documents substantially in the form of **Exhibit B** hereto, or in the alternate HUD Form 50059 or other appropriate HUD form for tenants receiving assistance under Section 8 of the United States Housing Act of 1937, as amended.

"*County*" means Washington County, Nebraska.

"*Development*" means the Deerfield Apartments (see **Exhibit A**) in the County.

"*Development Site*" means the real property described in **Exhibit A**.

"*Developer*" means Deerfield Apartments, L.L.C., a limited liability company organized under the laws of the State of Nebraska.

"*Developer Representative*" means the person or persons at the time designated to act on behalf of the Developer by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Developer.

"*Indenture*" means the Indenture of Trust, dated as of October 1, 2006, between the Issuer and the Trustee, pursuant to which the Bonds are authorized to be issued, and any indentures supplemental thereto.

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

"*Issuer Representative*" means the person or persons at the time designated to act on behalf of the Issuer by a written certificate furnished to the Developer and the Trustee containing the specimen signature of such person and signed on behalf of the Issuer by an authorized officer of the Issuer.

"*Loan*" means the loans from the Issuer to the Developer to be evidenced by the Loan Agreement.

"*Loan Agreement*" means the Loan Agreement between the Issuer and the Developer dated as of October 1, 2006 pursuant to which the Issuer will loan the proceeds of the Bonds to the Developer for the purpose of providing financing to the Developer to refund the acquisition and construction by the Developer of the Development.

"*Median Gross Income for the Area*" means, with respect to the Project, the median income for the households in the area which includes the standard metropolitan statistical area in which the Project is located, as determined from time to time by the Secretary of Housing and Urban Development, under Section 8 of the Housing Act of 1937, as amended (or if such

program is terminated, median income determined under the program in effect immediately before such termination) in accordance with Section 142 of the Code and Rev. Proc. 96-32 and/or any Treasury Regulation, rule or revenue procedure amending, modifying or superseding the same (but only to the extent such change applies to the Developer and to the Project), in each case adjusted for family size.

*"Neutral Costs"* means amounts which represent the costs of securing the Bonds which are incurred under the Developer's method of accounting prior to the time any portion of the Development is considered placed in service for federal income tax purposes and which will be deducted for federal income tax purposes ratably over the life of the Bonds.

*"Premises"* means the Development and the Development Site.

*"Qualified Project Period"* means the period beginning on the first day on which 10% of the dwelling units in the Project are first occupied; provided, however, that if the Project is an existing residential rental project acquired by the Developer with proceeds of the Bonds, then the beginning of the Qualified Project Period may be deferred until the date that is twelve (12) months after the date of issuance of the Bonds if the requirements of Revenue Procedure 2004-39 are otherwise met, and ending on the latest of (a) the date which is 15 years after the date on which 50% of the dwelling units in the Project are first occupied, (b) the first date on which no Tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) is issued with respect to the Project is outstanding or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

*"Regulations"* means the Income Tax Regulations promulgated pursuant to the Code.

*"State"* means the State of Nebraska.

*"Trustee"* means The Bank of New York Trust Company, N.A..

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

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1 notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

**Section 2. Acquisition of the Development.** The Developer hereby represents, covenants and agrees as follows:

(a) The Developer has acquired and constructed the Development for an amount not less than the amount provided in the Project Fund.

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

(c) The Developer will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the applicable requirements of the Code, the Loan Agreement, the Indenture or this Regulatory Agreement.

**Section 3. Residential Rental Property.** The Developer hereby acknowledges and agrees that the Development is to be owned, managed and operated as a facility for "residential rental property" (within the meaning of Section 142 of the Code, Section 1.103-8(b) of the Regulations and Rev. Proc. 96-32) on a continuous basis commencing with the Bond Issuance Date. To that end, the Developer hereby represents, covenants, warrants and agrees as follows:

(a) The Development will be equipped and operated for the purpose of providing multi-family residential rental properties, and the Developer shall lease, manage and operate or shall cause to be leased, managed and operated the Development to provide multifamily residential rental property comprised of a building or structure or several proximate buildings or structures, each consisting of one or more dwelling units and facilities functionally related and subordinate thereto, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and Rev. Proc. 96-32, and in accordance with such requirements as may be imposed thereby on the Development from time to time.

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

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

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

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

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

**Section 4. Very Low Income Tenants, Low Income Tenants/Affordable Rents.** Pursuant to requirements of Section 142 (d) of the Code, Section 1.103-8(b) of the Regulations, 71-15,124 of the Act and Rev. Proc. 96-32, the Developer hereby represents, warrants and covenants as follows:

(i) At all times during the Qualified Project Period, the Developer will lease or rent at least 40% of the dwelling units in the Development that are available for occupancy to Very Low Income Tenants, or hold such percentage of units which were last occupied for longer than thirty-one days by Very Low Income Tenants available for lease or rental to Very Low Income Tenants, and the Developer will not give preference to any particular class or group of applicants for occupancy other than Very Low Income Tenants and Low Income Tenants in leasing or renting the dwelling units in the Development on the same terms as other tenants. Very Low Income Tenants will have equal access to all common areas in the Development. A tenant's status as a Very Low Income Tenant shall be determined as of the date of such tenant's initial occupancy of a dwelling unit in the Development and annually recertified as provided in paragraph (a) below. 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 income increases to exceed the qualifying limit for Very Low Income Tenants; provided, however, that, should a Very Low Income Tenant's Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Very Low Income Tenant of the same family size and such Very Low Income Tenant constitutes a portion of the 40% requirement of this paragraph, the next available unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) a Very Low Income Tenant and such new Very Low Income Tenant shall then constitute a portion of the 40% requirement of this paragraph; and provided, further, that, until such next available unit is rented to a tenant who is a 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 40% requirement of this paragraph.

(ii) At all times from the commencement of the Qualified Project Period until the day when no Bond is outstanding (or such shorter period described in subsection (g) below), no less than 75% of the total number of units of the Project shall at all times be



rented to and occupied by Low Income Tenants. For the purposes of this subparagraph (ii), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, at which time the character of such unit shall be redetermined. No tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Annual Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that, should a Low Income Tenant's Annual Income, as of the most recent determination thereof, exceed the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant constitutes a portion of the 75% requirement of this subparagraph, the next available unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant and such new Low Income Tenant shall then constitute a portion of the 75% requirement of this paragraph; and provided, further, that, until such next available unit is rented to a tenant who is a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 75% requirement this paragraph.

(iii) At all times during the Qualified Project Period the Developer will charge the Low Income Tenants and Very Low Income Tenants described in (i) and (ii) above rents at a rate no more than Affordable Rents.

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

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

(b) The Developer will cause to be prepared and submitted to the Issuer on the first day of the Qualified Project Period, and thereafter by the 20th day of each March and September, commencing on the first March 20 or September 20 of the Qualified

Project Period, or a semiannual schedule as determined by the Issuer, a certified Compliance Monitoring Report in a form attached as **Exhibit C** herein or in the case of tenants receiving assistance under Section 8 of the United States Housing Act of 1937, HUD Form 50059 or other applicable HUD form.

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

(d) The Developer will prepare and submit to the Trustee and the Issuer on the 20th day of each March and September, commencing March 20, 2007, a certificate executed by a Developer Representative stating with respect to the immediately preceding six months, (i) the percentage of the dwelling units comprising the Development which were occupied by Very Low and Low Income Tenants (or held vacant and available for occupancy by Very Low and Low Income Tenants as provided in paragraph (a) above) during such period, (ii) to the knowledge of the Developer, that no default has occurred in the observance of the covenants contained in this Regulatory Agreement or the Loan Agreement, and (iii) that to the knowledge of the Developer, no Determination of Taxability has occurred. Attached to the certificate will be a rent roll with respect to the preceding month for which the certificate identified the income levels of tenants.

(e) The Developer agrees to assure that the rent for Project units rented to Very Low Income Tenants and Low Income Tenants at the Project is affordable within the meaning of Rev. Proc. 96-32, including adopting a rental policy that limits the tenant's portion of the rent charged to ensure the housing is affordable to Low Income Tenants and Very Low Income Tenants. To that end the Developer hereby requests and at the Developer's request the Issuer hereby imposes, rental rate restrictions which require that while any Bond remains Outstanding, Project units rented to Very Low Income Tenants and Low income Tenants shall be rented at Affordable Rents. However, such rent restrictions and the requirement that 75% of Project units be rented or held available for rental to Low Income Tenants may be terminated by the Issuer if, (i) in the opinion of Bond Counsel, such restrictions are no longer necessary to ensure that the Developer qualifies as an organization described in Section 501(c)(3) of the Code, and (ii) the Issuer has approved the termination of such rent restrictions as part of its additional restrictions and conditions relating to the occupancy, use, rental and operation of the Project. The rental restrictions and rates described in the definition of Affordable Rents are based upon median income for a family of four and shall be adjusted upwards or downwards as applicable based upon the following assumptions regarding occupancy of each unit type: studio (1 person); 1-bedroom unit (2 persons); 2-bedroom unit (3 persons); and 3-bedroom unit (4 persons).

(f) On or before each March 31 from the Bond Issuance Date through the Qualified Project Period, the Developer shall submit to the Internal Revenue Service a completed Form 8703 certifying as to whether the Development continues to meet the requirements of Section 142(d) of the Code, and shall provide a copy to the Issuer and the Trustee.

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

**Section 5. Tax Exempt Status of the Bonds.** The Developer and the Issuer each hereby represents, warrants and agrees that:

(a) it will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof;

(b) it will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 103 of the Code and governed by Section 148 of the Code; and

(c) it will file of record such documents and take such other steps as are necessary, in the opinion of Bond Counsel, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Development, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of Washington County, Nebraska.

The Developer hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Development to another person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee so to abide.

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

(a) To the extent any amendments to the Code or the Regulations shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Developer, impose requirements upon the ownership or operation of the Development or the Bonds less restrictive than those imposed by this Regulatory Agreement, this Regulatory Agreement shall be deemed to be automatically amended or modified to provide such less restrictive requirements.

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

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

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

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

As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Developer or Issuer by an Issuer Representative or Developer Representative, respectively, or such other Person or Persons as may be designated for such purpose by the Developer or Issuer as sufficient evidence of the facts therein contained without investigation or verification of the accuracy or completeness of such instrument, paper or proceeding, and prior to the occurrence of a default of which the Trustee has been notified, shall also be at liberty to

accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

**Section 9. Development in the County.** The Developer hereby represents and warrants that the Development is located entirely within the County.

**Section 10. Payment of Issuer Fees.** All additional secured costs under the Loan Documents shall be the obligation of the Developer as they become due. Non-payment of any such fees shall be an event of default under this Regulatory Agreement after notice and lapse of applicable cure periods therein.

**Section 11. Term.** This Regulatory Agreement shall become effective upon its execution and delivery and issuance of the Bonds. Unless, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, termination of this Regulatory Agreement at some earlier time will not cause interest payable on the Bonds to become includable in the gross income for federal income tax purposes of any holder thereof, this Regulatory Agreement shall remain in full force and effect for a term and period equal to the Qualified Project Period, and provided further that the provisions of this Regulatory Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture and the Loan Agreement if such occurs prior to the expiration of the Qualified Project Period. The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement and all and several of the terms hereof shall terminate and be of no further force and effect in the event of (i) (a) a foreclosure by the Trustee of the lien of the Mortgage or delivery of a deed in lieu of foreclosure, pursuant to which the Trustee or a purchaser or transferee pursuant to such foreclosure shall take possession of the Development or (b) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, change in federal law or an action of a federal agency after the date of the issuance of the Bonds which prevents the Issuer or the Trustee from enforcing the requirements of this Regulatory Agreement, or condemnation or a similar event (all of the foregoing events being referred to herein as "Noncompliance Events") and (ii) within a reasonable period thereafter, the Bonds and any refunding bonds no longer remain outstanding; provided, however, that the preceding provisions of this sentence will cease to apply and the restrictions contained in this Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provision as a result of any Noncompliance Event the Developer or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Development for federal income tax purposes. Upon the termination of all and several of the terms of this Regulatory Agreement, and upon the receipt by the Issuer and the Trustee of an opinion of Bond Counsel confirming such termination, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

**Section 12. Covenants to Run With the Land.** The Issuer and the Developer hereby subject the Development to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer and the Developer hereby declare their express intent that the

covenants, reservations and restrictions set forth herein shall be deemed covenants running with and equitable servitude upon the land and shall pass to and be binding upon the Issuer's and the Developer's successors in title or leasehold interest, respectively, to the Development. Each and every contract, deed or other instrument hereafter executed covering or conveying the Development or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions so long as the same are in effect, regardless of whether such covenants, reservations and restrictions are set forth in such contract deed or other instruments.

**Section 13. Burden and Benefit.** The Issuer and the Developer hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Issuer's legal interest and the Developer's interest in the Development is rendered less valuable thereby. The Issuer and the Developer hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Development by Very Low Income Tenants and 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 14. Uniformity: Common Plan.** The covenants, reservations and restrictions hereof shall apply uniformly to the Development in order to establish and carry out a common plan for the use, development and improvement of the Development.

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

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

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

Developer and shall be additionally secured costs under the Mortgage. Non-payment of any such fees shall be a default under this Regulatory Agreement.

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

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

**Section 18. Amendments.** Except as provided in Section 6(a) and (b) hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the Washington County, Nebraska.

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

Issuer:	Douglas County Housing Authority 5404 North 107th Plaza Omaha, NE 68134 Attn: Joan Bertolini, Chief Executive Officer
Developer:	Deerfield Apartments, L.L.C. 1274 Deerfield Boulevard, Suite 101 Blair, Nebraska 68008 Attn: Michael Borchert
Trustee:	The Bank of New York Trust Company, N.A. 911 Washington Avenue, Suite 300 St. Louis, Missouri 63101 Attn: Corporate Trust Services

**Section 20. Additional Covenants.** The Developer and the Issuer, as applicable, hereby represent and covenant as follows:

(a) the Developer and the Issuer will comply with, and make all filings required by, all effective rules, rulings or Regulations promulgated by the Department of the Treasury or the Internal Revenue Service with respect to the obligations such as the Bonds, if any;

(b) the Developer will continue to conduct its operations in a manner that will result in its Sole Member continuing to qualify as an organization described in Section 501(c)(3) of the Code including but not limited to the timely filing of all returns, reports and requests for determination with the Internal Revenue Service and the timely notification of the Internal Revenue Service of all changes in its organization and purposes from the organization and purposes previously disclosed to the Internal Revenue Service;

(c) the Developer will not divert any substantial part of its corpus or income for a purpose or purposes other than those for which its Sole Member is organized and operated;

(d) the proceeds of the Bonds and any investment earnings thereon will be expended for the purposes set forth in this Agreement and in the Bond Indenture and no more than 5 percent of the proceeds thereof (reduced by any proceeds used to pay costs of issuance) will be used in an "unrelated trade or business" of the Developer within the meaning of Section 513(a) of the Code unless, in an Opinion of Bond Counsel, such use would not adversely affect the status of the Bonds as obligations described in Section 103(a) of the Code;

(e) the Developer will not use or invest the proceeds of the Bonds or any other amounts held by the Bond Trustee under the Bond Indenture or any investment earnings thereon in a manner that will result in the Bonds becoming private activity bonds (other than qualified 501(c)(3) bonds) within the meaning of Section 141 and 145 of the Code;

(f) the Developer will not use or permit to be used more than 5 percent of the proceeds of the Bonds (reduced by any proceeds used to pay costs of issuance), including all investment income earned on such proceeds, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit or an organization described in Section 501(c)(3) of the Code. For purposes of the preceding sentence, use of the proceeds by an organization described in Section 501(c)(3) of the Code with respect to an "unrelated trade or business", determined in accordance with Section 513(a) of the Code, does not constitute a use by a tax-exempt organization; further any use of proceeds of the Bonds or any investment earnings thereon in any manner contrary to the guidelines set forth in Revenue Procedure 97-13, 1997-1 C.B. 632, including any revisions or amendments thereto, shall constitute the use of such proceeds in the trade or business of a nonexempt person; and,

(g) the Developer will not use or permit the use of any portion of the proceeds of the Bonds, including all investment income earned on such proceeds prior to the date of completion of any Project, directly or indirectly, to make or finance loans to persons,



who are not a governmental unit or an organization described in Section 501(c)(3) of the Code. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an "unrelated trade or business", does not constitute a loan to such a unit or organization.

**Section 21. 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 22. 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.

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THE BANK OF NEW YORK TRUST  
COMPANY, N.A., as Trustee

By:   
Name: Rebekah A. Foltz  
Title: Vice President

[Trustee Signature Page to *Deerfield* Regulatory Agreement]

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ACKNOWLEDGMENT

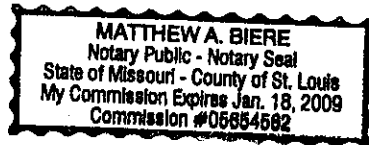
STATE OF MISSOURI )  
 ) ss.:  
COUNTY OF St Louis )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup> day of October, 2006, by Rebekah A. Foltz, the Vice President of The Bank of New York Trust Company, N.A., on behalf of the corporation..

Matthew A Bieri  
Notary Public

My commission expires:

1/18/09



[Trustee Acknowledgment to *Deerfield* Regulatory Agreement]

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

**DOUGLAS COUNTY HOUSING  
AUTHORITY, as Issuer**

By: Joan Bertolini  
Name: Joan Bertolini  
Title: Chief Executive Officer

[Issuer Signature Page to *Deerfield* Regulatory Agreement]

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ACKNOWLEDGMENT

STATE OF NEBRASKA )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup> day of October, 2006, by Joan Bertolini, the Chief Executive Officer of the Douglas County Housing Authority, on behalf of the corporation.

Angel Engman  
Notary Public

My commission expires:

\_\_\_\_\_



[Issuer Acknowledgment to *Deerfield* Regulatory Agreement]

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**DEERFIELD APARTMENTS, L.L.C., a  
Nebraska limited liability company, as  
Developer**

By: Foundation for Affordable Housing, a  
Nebraska nonprofit corporation

By: Michael Borch  
Name: Michael Borch  
Title: President

[Developer Signature Page to *Deerfield* Regulatory Agreement]

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ACKNOWLEDGMENT

STATE OF NEBRASKA    )  
                                  )    ss.:  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup> day of October, 2006, by Michael Borchert, the President of Foundation for Affordable Housing, a Nebraska nonprofit corporation, in its capacity as the sole member of Deerfield Apartments, L.L.C., a Nebraska limited liability company, on behalf of said corporation and limited liability company.

Angel Engman  
Notary Public

My commission expires:

\_\_\_\_\_ 

[Developer Acknowledgment to *Deerfield* Regulatory Agreement]

## EXHIBIT A

LEGAL DESCRIPTION:

PARCEL 38 being described as: Lot 3, EXCEPT the Southeast 480.00 feet thereof, Deerfield, a subdivision, as surveyed, platted and recorded in Washington County, Nebraska, described by metes and bounds as follows:  
 COMMENCING in the Southwest right of way line of Deerfield Boulevard at the corner common to Lots 2 and 3, Deerfield; thence N39°15'17"W for 277.73 feet along said southwest right of way line; thence N42°45'09"W for 182.61 feet along said southwest right of way line TO THE TRUE POINT OF BEGINNING; thence S50°44'43"W for 494.67 feet parallel with and 480.00 feet northwest of the line common to Lots 2 and 3 to the Northeast line of Tax lot 92 in the Southeast Quarter of the Southwest Quarter of Section 2, Township 18 North, Range 11 East of the 6th p.m., in Washington County, Nebraska; thence along a curve to the right (having a radius of 1432.41 feet and a long chord bearing N12°15'41"W for 501.08 feet) for an arc length of 803.67 feet along the northeast line of Tax lots 90 and 92 to the South right of way line of Aspen Street, thence N88°48'43"E for 92.97 feet along said Southwest right of way line; thence along a curve to the left (having a radius of 225.00 feet and a long chord bearing N78°31'55"E for 103.37 feet) for an arc length of 104.30 feet along said South right of way line to the Southwest right of way line of Deerfield Boulevard; thence along a curve to the left (having a radius of 225.00 feet and a long chord bearing S51°44'38"E for 99.12 feet) for an arc length of 99.94 feet along said Southwest right of way line; thence S64°28'07"E for 119.60 feet along said Southwest right of way line; thence along a curve to the right (having a radius of 270.00 feet and a long chord bearing S53°38'38"E for 101.72 feet) for an arc length of 102.33 feet along said Southwest right of way line; thence S42°45'09"E for 42.36 feet along said Southwest right of way line to the POINT OF BEGINNING.



EXHIBIT B

FORM OF INCOME VERIFICATION

TAX-EXEMPT FINANCED RENTAL APARTMENTS

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 C.F.R. 813). You should make certain that this form is at all times up to date with HUD Regulations.

RE: Deerfield Apartments  
Blair, Nebraska

The undersigned hereby (certify)(certifies) that:

1. This Income Certification is being delivered in connection with the undersigned's application for occupancy of Apartment # \_\_\_\_\_ in Deerfield Apartments in Blair, Nebraska.
2. List all the occupants of the of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is any individual who has been, or will be, a full-time student at an educational institution during five months (whether consecutive or not) of the year in which this application is submitted, other than a correspondence school, with regular facilities and students).

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

3. If all of the occupants are students, are any of the students listed in paragraph 2 above eligible to file a joint return for federal income tax purposes?

Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

4. The total anticipated income for each person listed in paragraph 2 above during the 12 month period commencing with the date of occupancy will begin including:

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

*but excluding:*

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

is as follows:

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

5. (a) Do the persons whose income or contributions are included in Item 4 above have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interest in Indian trust land)?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

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

- (1) insert the total value of all such assets owned or disposed of

\$ \_\_\_\_\_; and

- (2) state:

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

\$ \_\_\_\_\_

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

\$ \_\_\_\_\_

- 6. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter, the "Developer"), has any family relationship to the Developer or owns directly or indirectly any interest in the Developer. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member and ownership, direct or indirect, by a partner of the individual.
- 7. This Income Certification is made with the knowledge that it will be relied upon by the Developer to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct, and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 4 is reasonable and based upon such investigation as the undersigned deemed necessary.
- 8. I/we will assist the Developer in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.
- 9. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Income Certification will constitute a material breach of my/our agreement with the Developer to lease the unit and will entitle the Developer to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.
- 10. The undersigned hereby acknowledge and agree that on or before each anniversary date of your move-in the undersigned and any other current residents of such apartment will complete and deliver a new Income Certification, in the form then in use, to the Developer.
- 11. RESIDENT STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief. In the event this Income Certification is executed more than five (5) days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

(a) \_\_\_\_\_ Date: \_\_\_\_\_

(b) \_\_\_\_\_ Date: \_\_\_\_\_

- (c) \_\_\_\_\_ Date: \_\_\_\_\_
- (d) \_\_\_\_\_ Date: \_\_\_\_\_
- (e) \_\_\_\_\_ Date: \_\_\_\_\_
- (f) \_\_\_\_\_ Date: \_\_\_\_\_

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

**WARNING:** Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to willfully falsify a material fact or make a false statement in any matter within the jurisdiction of a federal agency.

12. Calculation of Eligible Income:

- a. Enter the amount entered for entire Household in 4 above (if the answer to 5(c) was "NO" then skip to 12(g): \$ \_\_\_\_\_
- b. Enter the amount in Line 5(d)(2)(B) (income derived from assets included in 4 above): \$ \_\_\_\_\_
- c. Total income less income from assets in Line 4(a-b) \$ \_\_\_\_\_
- d. Multiply the amount entered in Line 5(d)(1) by the current passbook saving rate to determine the total annual earnings on assets if invested in passbook savings.  
 Passbook rate \_\_\_\_\_ % X 5(d)(1) \$ \_\_\_\_\_
- e. Enter the amount entered in Line 5(d)(2)(A) \$ \_\_\_\_\_
- f. Enter the greater of d or e. \$ \_\_\_\_\_
- g. TOTAL ELIGIBLE INCOME (line c + f) \$ \_\_\_\_\_

13. The amount entered in 12(g):

- a. \_\_\_\_\_ Qualifies the applicant(s) as a Very Low Income Tenant(s)
- b. \_\_\_\_\_ Qualifies the applicant(s) as a Low Income Tenant(s) but not a Very Low-Income Tenant(s)

c. \_\_\_\_\_ Does not qualify the applicant(s) as a Very Low-Income Tenant(s) or a Low Income Tenant(s)

14. Number of apartment unit assigned: \_\_\_\_\_

Bedroom size: \_\_\_\_\_ Rent: \$ \_\_\_\_\_

Tenant-paid Utilities:

Water \_\_\_\_\_ Gas \_\_\_\_\_ Electric \_\_\_\_\_

Trash \_\_\_\_\_ (list type) \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

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

Yes \_\_\_\_\_ No \_\_\_\_\_

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

One of:

- \_\_\_\_\_ Employer income verification
- \_\_\_\_\_ Social Security Administration verification
- \_\_\_\_\_ Department of Social Services verification
- \_\_\_\_\_ Other ( \_\_\_\_\_ )

AND

Copies of tax returns.

NOTE: ATTACH COPY OF DOCUMENTATION.

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

Signature of Developer's Authorized Representative:

717

\_\_\_\_\_  
(Signature) Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXECUTION OF ITEMS 18 AND 19 \_\_\_\_\_ IS \_\_\_\_\_ IS NOT NECESSARY.

Initials: \_\_\_\_\_

18. If this income Certification was executed by me/us more than five (5) days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein as of \_\_\_\_\_, 20\_\_\_\_ and state:

- \_\_\_\_\_ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.
- \_\_\_\_\_ (b) The following information is provided to update the information previously provided in the Income Certification:

\_\_\_\_\_  
\_\_\_\_\_

- (a) \_\_\_\_\_ Date: \_\_\_\_\_
- (b) \_\_\_\_\_ Date: \_\_\_\_\_
- (c) \_\_\_\_\_ Date: \_\_\_\_\_
- (d) \_\_\_\_\_ Date: \_\_\_\_\_
- (e) \_\_\_\_\_ Date: \_\_\_\_\_
- (f) \_\_\_\_\_ Date: \_\_\_\_\_

**WARNING:** Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to willfully falsify a material fact or make a false statement in any matter within the jurisdiction of a federal agency.

19. DEVELOPER'S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 18 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 18 hereof.

\_\_\_\_\_  
(Signature) Date: \_\_\_\_\_

Name: \_\_\_\_\_

717

Title: \_\_\_\_\_

20. ANNUAL RE-CERTIFICATION: Each year, Tenant and Developer must calculate and document income in the manner outlined above.

Date	Income	Tenant Signature	Developer Signature
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**WARNING:** Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to willfully falsify a material fact or make a false statement in any matter within the jurisdiction of a federal agency.



INCOME VERIFICATION

(for employed persons)

The undersigned employee has applied for a rental unit located in Deerfield Apartments, located at 1274 Deerfield Boulevard, Blair, Nebraska. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages \_\_\_\_\_  
Overtime \_\_\_\_\_  
Bonuses \_\_\_\_\_  
Commissions \_\_\_\_\_  
Total Current Income \_\_\_\_\_

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

Date: \_\_\_\_\_

Signature \_\_\_\_\_

Title: \_\_\_\_\_

I hereby grant you permission to disclose my income to \_\_\_\_\_, the Developer's Authorized Representative, in order that they may determine my income eligibility for rental of an apartment located at Deerfield Apartments.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

Please send form to:

Property Manager  
Blair, Nebraska

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INCOME VERIFICATION

(for self-employed persons)

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

EXHIBIT C

DOUGLAS COUNTY HOUSING AUTHORITY  
CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Apartment complex name: \_\_\_\_\_ # of Units \_\_\_\_\_

Address: \_\_\_\_\_

Report for the month of \_\_\_\_\_

The undersigned does hereby certify that during the month identified above:

- I. The above named Development was continually in compliance with the Regulatory Agreement and Declaration of Restrictive Covenants relating to the Financing for such Development;
- II. \_\_\_\_\_% of the units in the development were occupied by Very Low Income Tenants as defined in that Indenture of Trust dated as of October 1, 2006 (minimum of 40% reserved for tenants with incomes below 60% of the Median Gross Income for the Area);
- III. \_\_\_\_\_% of the units in the development were occupied by Low Income Tenants as defined in that Indenture of Trust dated as of October 1, 2006 (minimum of 75% reserved for tenants with incomes below 80% of the Median Gross Income of the Area);
- IV. All new leases to Low Income Tenants and Very Low Income Tenants entered into after October 31, 2006, shall contain rents which do not exceed an Affordable Rent for each Very Low Income Tenant or Low Income Tenant, as applicable; and
- V. All units in the development were occupied by tenants whose annual income did not exceed the median gross income for Washington County, Nebraska.

and does hereby further certify that the representation set forth herein are true and correct to the best of the undersigned's knowledge and belief.

Attached hereby is the Compliance Monitoring Report and copies of Affidavits of Tenant eligibility listing the apartment numbers of each unit and indicating which of the units are occupied by Very Low Income Tenants and Low Income Tenants, the size of such units, the rentals charged for the units occupied by the Very Low Income Tenants and Low Income Tenants, the names of the Very Low Income Tenants and Low Income Tenants who commenced or terminated occupancy of the units during the preceding month and certain additional information.

Signature of Developer=s Agent \_\_\_\_\_ Dated \_\_\_\_/\_\_\_\_/\_\_\_\_

Printed name and Title \_\_\_\_\_

**COMPLIANCE MONITORING REPORT**

Month \_\_\_\_\_ Year \_\_\_\_\_  
 Property: \_\_\_\_\_ Number of Units \_\_\_\_\_  
 Submitted by \_\_\_\_\_ Date \_\_\_\_\_  
 Manager

Reconciliation of [Very Low] [Low] Income Units:  
 Total of [Very Low] [Low] Income Units last month ..... \_\_\_\_\_  
 Number of deletions this month..... \_\_\_\_\_  
 Number of additions this month..... \_\_\_\_\_  
 Total of [Very Low] [Low] Income units this month..... \_\_\_\_\_

**[VERY LOW] [LOW] INCOME UNITS**

The following units have been previously designated as low income units rented at affordable rents:

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

**DELETIONS FROM [VERY LOW] [LOW] INCOME UNITS REPORTED LAST MONTH**

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

COMPLIANCE MONITORING REPORT CONTINUED

ADDITIONS TO [VERY LOW] [LOW] INCOME TENANT UNITS

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

HIGH INCOME :

Residents whose combined income exceeds 80% of Median Gross Income for the Area occupy the following units.

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