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**REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

By and Between

CHULA VISTA HOUSING AUTHORITY,

And

**F STREET FAMILY CIC, LP,
a California limited partnership**

Dated as of March 1, 2016

Relating to

**\$ _____
CHULA VISTA HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTE
(DUETTA APARTMENT HOMES) SERIES 2016A-1**

And

**\$ _____
CHULA VISTA HOUSING AUTHORITY
JUNIOR MULTIFAMILY HOUSING REVENUE BONDS
(DUETTA APARTMENT HOMES) SERIES 2016A-3**

Table of Contents

	<u>Page</u>
Section 1.	Definitions and Interpretation 3
Section 2.	Acquisition, Construction, Equipping and Completion of the Project..... 7
Section 3.	Residential Rental Property 8
Section 4.	Low and Very Low Income Units..... 10
Section 5.	Tax Status of the Tax-Exempt Obligations..... 13
Section 6.	Modification of Special Tax Covenants..... 14
Section 7.	Indemnification 14
Section 8.	Consideration 16
Section 9.	Reliance..... 16
Section 10.	Sale or Transfer of the Project 17
Section 11.	Foreclosure..... 18
Section 12.	Term..... 18
Section 13.	Covenants to Run With the Land..... 19
Section 14.	Burden and Benefit 19
Section 15.	Uniformity; Common Plan 19
Section 16.	Enforcement..... 19
Section 17.	Recording and Filing..... 21
Section 18.	Payment of Fees 21
Section 19.	Governing Law 22
Section 20.	Amendments 22
Section 21.	Notice 22
Section 22.	Severability 23
Section 23.	Multiple Counterparts 23
Section 24.	Compliance by Borrower 23
Section 25.	Obligation of Borrower; Limitations on Recourse to Borrower 23
Section 26.	CDLAC Requirements..... 24
Section 27.	Damage, Destruction or Condemnation of the Property 24
Section 28.	Third-Party Beneficiaries..... 24
EXHIBIT A	LEGAL DESCRIPTION A-1
EXHIBIT B	CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE B-1
EXHIBIT C	INCOME COMPUTATION AND CERTIFICATION C-1
EXHIBIT D	CDLAC RESOLUTION D-1
EXHIBIT E	CDLAC COMPLIANCE CERTIFICATE..... E-1
EXHIBIT F	FORM OF ANNUAL CDLAC PUBLIC BENEFITS CERTIFICATION..... F-1

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (the “Regulatory Agreement”), dated as of March 1, 2016, by and between the Chula Vista Housing Authority, a public body corporate and politic duly organized and existing under the Constitution and the laws of the State of California (together with any successor to its rights, duties and obligations, the “Governmental Lender”), and F Street Family CIC, LP, a California limited partnership (the “Borrower”).

WITNESSETH

WHEREAS, the Legislature of the State of California enacted Chapter 1 of Part 2 of Division 24 of the Health and Safety Code (the “Act”) to authorize housing authorities to issue bonds or notes to finance the acquisition, construction, equipping and development of multifamily rental housing for families and individuals of lower income; and

WHEREAS, the Governmental Lender is a political subdivision (within the meaning of that term in the Regulations of the Department of 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, on March 1, 2016, the governing board of the Governmental Lender adopted a resolution (the “Resolution”) authorizing the Governmental Lender to enter into that certain Funding Loan Agreement, by and among the Governmental Lender, Citibank, N.A. (the “Funding Lender”) and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), dated as of March 1, 2016 (the “Funding Loan Agreement”), whereby the Funding Lender will loan the Governmental Lender up to \$_____ (the “Funding Loan”) to make a loan to the Borrower pursuant to that certain Borrower Loan Agreement, by and between the Governmental Lender and the Borrower, dated as of March 1, 2016 (the “Borrower Loan Agreement”) of up to \$_____ (the “Borrower Loan”) to provide financing to acquire, construct and equip a 86 unit plus one manager unit multifamily rental housing project located in the City of Chula Vista, California, County of San Diego, State of California, known as “Duetta Apartment Homes” (the “Project”); and

WHEREAS, pursuant to the Funding Loan Agreement, the Governmental Lender will issue a promissory note in the aggregate principal amount of \$_____ designated as “Chula Vista Housing Authority Multifamily Housing Revenue Note (Duetta Apartment Homes) Series 2016A-1” (the “Tax-Exempt Governmental Lender Note”) and a promissory note in the aggregate principal amount of \$_____ designated as “Chula Vista Housing Authority Multifamily Housing Revenue Note (Duetta Apartment Homes) Taxable Series 2016A-2” (the “Tax-Exempt Governmental Lender Note,” and, together with the Tax-Exempt Governmental Lender Note, the “Governmental Lender Notes”) to the Funding Lender which is secured by the Borrower’s obligation to repay the Borrower Loan under the Borrower Loan Agreement; and

WHEREAS, in furtherance of the purposes of the Act and the Resolution and as a part of the Governmental Lender’s plan of financing residential rental housing, the Governmental Lender has loaned the Borrower the Borrower Loan pursuant to the terms of the Borrower Loan Agreement to

finance the acquisition, construction and equipping of the Project for the public purpose of providing decent, safe and sanitary housing for families and individuals of low and very low income; and

WHEREAS, the Borrower and the Funding Lender have entered into a Construction Funding Agreement, dated as of [March 1, 2016] (the “Construction Funding Agreement”), providing the terms and conditions under which the Funding Lender will lend the Funding Loan to the Governmental Lender, the terms and conditions under which the Governmental Lender will lend the Borrower Loan to the Borrower, and the terms and conditions under which the Borrower will acquire, construct and equip the Project; and

WHEREAS, in connection with the issuance of the Governmental Lender Notes, the Governmental Lender will also issue its Junior Multifamily Housing Revenue Bonds (Duetta Apartment Homes) Series 2016A-3 in the aggregate principal amount not to exceed \$725,000 (the “Junior Bonds,” and, together with the Tax-Exempt Governmental Lender Note, the “Tax-Exempt Obligations”), pursuant to that certain Junior Indenture of Trust, between, the Governmental Lender and U.S. Bank National Association, as Junior Bonds Trustee (the “Junior Trustee”), dated as of March 1, 2016 (the “Junior Indenture”); and

WHEREAS, in furtherance of the purposes of the Act and the Resolution and as a part of the Governmental Lender’s plan of financing residential rental housing, the proceeds of the Junior Bonds will be loaned to the Borrower (the “Junior Loan”) pursuant to that certain Junior Loan Agreement, by and among the Governmental Lender, the Junior Trustee and the Borrower, dated as of March 1, 2016 (the “Junior Loan Agreement”); and

WHEREAS, all things necessary to make the Funding Loan Agreement, the Borrower Loan Agreement, the Junior Indenture, the Junior Loan Agreement and the Tax-Exempt Obligations the valid, binding, and limited obligations of the Governmental Lender according to the import thereof, have been done and performed, and the creation, execution, and delivery of the Borrower Loan Agreement, the Funding Loan Agreement, Junior Indenture and the Junior Loan Agreement and the execution and issuance of the Tax-Exempt Obligations, subject to the terms thereof, in all respects have been duly authorized; and

WHEREAS, the Governmental Lender has obtained an allocation for the Project of a portion of the State of California’s private activity bond volume cap, within the meaning of Section 146 of the Code, in accordance with the procedures established by the California Debt Limit Allocation Committee; and

WHEREAS, the Code and the regulations and rulings promulgated with respect thereto and the Act prescribe that the use and operation of the Project be restricted in certain respects and in order to ensure that the Project will be owned and operated in accordance with the Code and the Act, the Governmental Lender and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping and operation of the Project;

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 Governmental Lender and the Borrower hereby acknowledge that the above recitals are true and correct and agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings assigned to them in this Section 1 or, if not defined herein, in the Funding Loan Agreement and/or the Borrower Loan Agreement and/or the Junior Indenture and/or the Junior Loan Agreement, unless the context in which they are used clearly requires otherwise:

“Adjusted Income” – The adjusted income of a person who intends to reside in a residential unit (together with the adjusted income of all persons the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed in Regulation Section 1.103-8.

“Affiliated Party” – (1) a Person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, (2) a Person who together with the Borrower are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein), (3) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code or (4) an S Corporation and each of its shareholders (and their spouses and minor children) whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code.

“Area” – The San Diego County, California, Primary Statistical Area.

“Borrower Loan Agreement” – The Borrower Loan Agreement, by and between the Governmental Lender and the Borrower, dated as of March 1, 2016, pursuant to which the Governmental Lender shall loan the Borrower Loan to the Borrower.

“Borrower Loan” – The loan from the Governmental Lender to the Borrower under the Borrower Loan Agreement to provide Borrower with financing to acquire, construct and equip the Project.

“Borrower’s Tax Certificate” – The certificate of the Borrower, dated as of the Closing Date, with respect to certain Project Costs delivered to the Governmental Lender by the Borrower.

“CDLAC” – The California Debt Limit Allocation Committee.

“CDLAC Resolution” – Resolution No. 15-141 adopted by CDLAC on December 16, 2015.

“Certificate of Continuing Program Compliance” – The certificate with respect to the Project to be filed by the Borrower with the Governmental Lender, which shall be substantially in the form attached hereto as Exhibit B.

“Closing Date” – March __, 2016.

“Costs of Issuance” – means:

(a) the fees, costs and expenses of (i) the Governmental Lender, the Governmental Lender’s counsel and the Governmental Lender’s financial advisor, if any, (ii) Tax Counsel, (iii) the Funding Lender and the Funding Lender’s counsel, (iv) the Borrower’s counsel and the Borrower’s financial advisor, if any, and (v) the Rating Agency, if any;

(b) costs of printing the offering documents relating to the sale of Tax-Exempt Obligations, or an interest therein; and

(c) all other fees, costs and expenses directly associated with the authorization and issuance, sale and delivery of the Tax-Exempt Obligations, and interests therein, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Funding Lender in connection with the origination of the Funding Loan.

“Equity Investor” – Raymond James California Housing Opportunity Fund V L.L.C., a Florida limited liability company.

“Fiscal Agent” – U.S. Bank National Association, as fiscal agent under the Funding Loan Agreement, and any successor in interest thereto.

“Funding Loan Agreement” – The Funding Loan Agreement, by and between the Governmental Lender and the Funding Lender, dated as of March 1, 2016, pursuant to which the Funding Lender shall loan the Funding Loan to the Governmental Lender.

“Funding Loan” – The loan from the Funding Lender to the Governmental Lender under the Funding Loan Agreement to provide the Governmental Lender funds to lend the Borrower Loan under the Borrower Loan Agreement.

“Governmental Lender Fee” – The administrative fee of the Governmental Lender payable on the Closing Date and on each March 1 thereafter, commencing March 1, 2017, in an amount equal to 0.125% of the aggregate principal amount of the maximum original principal amount of the Tax-Exempt Obligations throughout the term of the Regulatory Agreement.

“Housing Units” – Collectively, the Low Income Units and the Very Low Income Units.

“Income Certification” – The Income Computation and Certification Form in substantially the form attached hereto as Exhibit C.

“Junior Bonds” – The Bonds issued by the Governmental Lender under the Junior Indenture in the aggregate principal amount of not to exceed \$725,000.

“Junior Indenture” – The Junior Indenture of Trust, by and between the Governmental Lender and the Junior Trustee, dated as of March 1, 2016, pursuant to which the Junior Bonds shall be issued.

“Junior Loan” – The loan of the proceeds of the Junior Bonds by the Governmental Lender to the Borrower pursuant to the Junior Loan Agreement.

“Junior Loan Agreement” – The Junior Loan Agreement, by and among the Governmental Lender, the Junior Trustee and the Borrower, dated as of March 1, 2016, pursuant to which the Junior Loan is made to the Borrower.

“Junior Trustee” – U.S. Bank National Association, as trustee under the Junior Indenture, and any successor in interest thereto.

“Low Income Tenants” – Any Tenant whose Adjusted Income does not exceed sixty percent (60%) of the Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Low Income Tenants. The determination of a Tenant’s status as a Low Income Tenant shall initially be made by the Borrower on the basis of an Income Certification Form (a form of which is attached hereto as Exhibit C) executed by the Tenant upon such Tenant’s occupancy of a unit in the Project and upon annual recertification thereafter.

“Low Income Units” – The dwelling units in the Project designated for occupancy by Low Income Tenants pursuant to Section 4(a)(ii) of this Regulatory Agreement.

“Median Income for the Area” – The median gross income for the Area, as determined in a manner consistent with determinations of area median gross income under Section 8 of the Housing Act and Section 3009a of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 122 Stat 2654) or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Act, including adjustments for household size.

“Project” – The Project Facilities and the Project Site.

“Project Costs” – To the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Borrower with respect to the acquisition, construction and equipping of the Project, whether paid or incurred prior to or after the sixtieth day preceding October 13, 2015, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction and equipping of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the costs of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project) and all other costs approved by Tax Counsel.

“Project Facilities” – The buildings, structures and other improvements to be constructed on the Project Site that are being financed with proceeds of the Project Loans, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements.

“Project Loans” – Collectively, the Borrower Loan and the Junior Loan.

“Project Site” or “Property” – The parcel or parcels of real property described in Exhibit ”A”, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances thereunto appertaining.

“Qualified Project Costs” – The Project Costs (excluding Costs of Issuance) incurred after the sixtieth day preceding October 13, 2015, which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election

by the Borrower to deduct those amounts within the meaning of Regulation Section 1.103-8(a)(1)(i); provided, however, that only such portion of interest accrued during construction of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs paid from Obligations proceeds and interest earnings thereon; and provided further that interest accruing after the completion date shall not constitute a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only the actual out-of-pocket costs incurred by such Affiliated Party in constructing the Project (or any portion thereof) within the meaning of Section 147(d)(2) of the Code, as provided in the Tax Certificate.

"Qualified Project Period" – The period beginning on the later of (i) the first day on which at least ten percent (10%) of the dwelling units in the Project are first occupied, and (ii) the Closing Date and ending on the later of (a) the date which is 55 years after the date on which fifty percent (50%) of the dwelling units are occupied, (b) the first day on which no tax exempt bonds or notes with respect to the Project are Outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates; provided that the Qualified Project Period may be shortened with the written consent of the Governmental Lender and CDLAC in their sole discretion, and upon receipt by the Governmental Lender of an opinion of Tax Counsel that such action, in and of itself, will not cause interest on the Obligations to be includable in gross income for federal tax purposes.

"Tax Counsel" shall mean Stradling Yocca Carlson & Rauth, a Professional Corporation or any other attorney or firm of attorneys designated by the Governmental Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

"Tax-Exempt Governmental Lender Note" – The promissory note issued by the Governmental Lender under the Funding Loan Agreement to the Funding Lender in the aggregate principal amount of \$_____ to which is secured by the Borrower's obligation to repay the portion of the Borrower Loan under the Borrower Loan Agreement evidenced by the Tax-Exempt Governmental Lender Note.

"Tax-Exempt Obligations" – Collectively, the Tax-Exempt Governmental Lender Note and the Junior Bonds.

"Very Low Income Households" – Households which would qualify as Very Low Income Tenants.

"Very Low Income Tenants" – Any Tenant whose Adjusted Income does not exceed fifty percent (50%) of the Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Very Low Income Tenants. The determination of a Tenant's status as a Very Low Income Tenant shall initially be made by the Borrower on the basis of an Income Certification Form (a form of which is attached hereto as Exhibit C) executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

“Very Low Income Units” – The dwelling units in the Project designated for occupancy by Very Low Income Tenants pursuant to Section 4(a)(i) of this Regulatory Agreement.

Capitalized terms which are not defined herein shall have the meanings assigned to them in the Funding Loan Agreement and/or the Borrower Loan Agreement and/or the Junior Indenture and/or the Junior Loan Agreement.

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, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

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

(a) The Borrower has incurred a substantial binding obligation to acquire, construct and equip the Project, pursuant to which the Borrower is obligated to expend at least ninety five percent of the net sale proceeds of the Tax-Exempt Obligations.

(b) The Borrower’s reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Project and the disbursement of Project Loans proceeds are accurately set forth in the Borrower’s Tax Certificate attached to the Tax Certificate which has been delivered to the Governmental Lender.

(c) The Borrower will proceed with due diligence to complete the acquisition, construction and equipping of the Project and expects to expend the full amount of the proceeds of the Project Loans for Project Costs prior to three years from the Closing Date.

(d) The statements made in the various certificates delivered by the Borrower to the Governmental Lender and Funding Lender are true and correct.

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

(f) The Borrower (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the Project Loans, the Tax-Exempt Obligations, or the sale of the Tax-Exempt Obligations or an interest therein to be applied in a manner contrary to the requirements of the Construction Funding Agreement, Borrower Loan Agreement, the Funding Loan Agreement, the Junior Indenture, the Junior Loan Agreement or this Regulatory Agreement. Neither the Borrower nor any Affiliated Party shall purchase any interest in the Tax-Exempt Obligations and shall not take any action that would cause the Tax-Exempt Obligations to be considered federally guaranteed within the meaning of Section 149(b)(2)(B)(ii) of the Code.

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

Section 3. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project will be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) until the expiration of the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

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

(b) All of the dwelling units in the Project will be similarly constructed units, and, to the extent required by the Code and the Regulations, each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink; provided that any tenant may, but shall not be obligated to, provide a refrigerator for the unit to be occupied.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, retirement house or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of this Regulatory Agreement.

(d) No part of the Project will at any time be owned or used as a condominium or by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. The Borrower shall not take any steps in connection with a conversion of the Project to a condominium or cooperative ownership except with the prior written approving opinion of Tax Counsel that by reason of any such action the interest on the Tax-Exempt Obligations will not become includable in gross income for federal income tax purposes.

(e) All of the dwelling units (except for one manager's unit described in (g) below) will be available for rental on a continuous basis to members of the general public and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required by this Regulatory Agreement or any other restriction to be imposed on the Project to be leased or rented to Low Income Tenants, Very Low Income Tenants and to holders of Section 8 certificates or vouchers or, in the case of any other restrictions imposed on the Project, to tenants meeting the income and affordability restrictions required thereby.

(f) The Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Project Facilities will comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in any building in the Project shall be occupied by the Borrower unless the building contains five or more dwelling units, in which case one unit may be occupied by the Borrower or by persons related to or affiliated with the Borrower such as a resident manager or maintenance personnel. Subject to the foregoing limitation, one unit in the Project may be occupied by resident managers or maintenance personnel.

(h) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Governmental Lender from enforcing the requirements of the Regulations, or condemnation or similar event, the Borrower covenants that, within a "reasonable period" determined in accordance with the Regulations, and subject to the provisions of the Funding Loan Agreement, the Borrower Loan Agreement and the Junior Loan Agreement, it will either prepay the Project Loans and cause the Tax-Exempt Obligations to be prepaid or redeemed, as applicable, or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

(i) The Borrower shall not discriminate on the basis of race, religion, creed, color, ethnic group identification, sex, sexual preference, age, source of income (e.g. AFDC, SSI), mental or physical disability, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(j) Following the expiration or termination of the Qualified Project Period, Low Income Units and Very Low Income Units shall remain available to the Low Income Tenants and Very Low Income Tenants then occupying such units at the date of expiration or termination of the Qualified Project Period at a rent not greater than the rent determined pursuant to Section 4(a)(i) and (ii) below until the earliest of any of the following occurs:

(i) The household's income exceeds 140 percent of the income at which such household would qualify as a Low Income Tenant or Very Low Income Tenant, applicable.

(ii) The household voluntarily moves or is evicted for "good cause." For these purposes, "good cause" means the nonpayment of rent or allegation of facts necessary to prove major, or repeated minor, violations of material provisions of the lease agreement which

detrimentally affect the health and safety of other persons or the structure, the fiscal integrity of the Project, or the purposes or special programs of the Project.

(iii) Sixty (60) years after the commencement of the Qualified Project Period.

(iv) The Borrower pays the relocation assistance and benefits to such Low Income Tenants or Very Low Income Tenants, as applicable, as provided in Section 7264(b) of the Government Code of the State of California.

(k) The Governmental Lender may but shall not be required to monitor the Borrower's compliance with the provisions of subparagraph (j) above.

Section 4. Low and Very Low Income Units. (a) Pursuant to the requirements of Section 142(d) of the Code and applicable provisions of the Act, the Borrower hereby represents, as of the date hereof, and warrants, covenants and agrees as follows:

(i) During the Qualified Project Period, not less than nine (9) of the units in the Project shall be designated as Very Low Income Units, as set forth in Exhibit A to the CDLAC Resolution, and shall be continuously occupied by or held available for occupancy by Very Low Income Tenants at monthly rents paid by tenants which do not exceed one-twelfth of the amount obtained by multiplying 30% times 50% of the Median Income for the Area, as adjusted for household size utilizing the percentages set forth above under the definition of Very Low Income Tenant less a reasonable deduction for utilities paid by the tenant as determined by the Issuer and assuming (solely for purposes of the above-described limit on the amount of monthly rent, and not for purposes of determining whether individuals or families are Very Low Income Tenants for purposes of Section 142(d) of the Code), the following unit sizes and household sizes:

<i>Unit Size</i>	<i>Household Size</i>
One Bedroom	Two Persons
Two Bedrooms	Three Persons
Three Bedrooms	Four Persons

Such Very Low Income Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants and shall be distributed throughout the Project.

A unit occupied by a Very Low Income Tenant who at the commencement of the occupancy is a Very Low Income Tenant shall be treated as occupied by a Very Low Income Tenant until a recertification of such tenant's income in accordance with Section 4(c)(i) below demonstrates that such tenant no longer qualifies as a Very Low Income Tenant and thereafter such unit shall be treated as any residential unit of comparable or smaller size in the Project occupied by a new resident other than a Very Low Income Tenant. Moreover, a unit previously occupied by a Very Low Income Tenant and then vacated shall be considered occupied by a Very Low Income Tenant until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

(ii) In addition to the Very Low Income Units set aside under paragraph (i) above, during the Qualified Project Period not less than another seventy-seven (77) of the units in the Project shall be designated as Low Income Units, as set forth in Exhibit A to the CDLAC Resolution,

and shall be continuously occupied by or held available for occupancy by Low Income Tenants at monthly rents which do not exceed one-twelfth of the amount obtained by multiplying 30% times 60% of the Median Income for the Area, as adjusted for household size utilizing the percentages set forth above under the definition of Low Income Tenant less a reasonable deduction for utilities paid by the tenant as determined by the Issuer and assuming (solely for purposes of the above-described limit on the amount of monthly rent, and not for purposes of determining whether individuals or families are Low Income Tenants for purposes of Section 142(d) of the Code), the following unit sizes and household sizes:

<i>Unit Size</i>	<i>Household Size</i>
One Bedroom	Two Persons
Two Bedrooms	Three Persons
Three Bedrooms	Four Persons

Such Low Income Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants and shall be distributed throughout the Project.

A unit occupied by a Low Income Tenant who at the commencement of the occupancy is a Low Income Tenant shall be treated as occupied by a Low Income Tenant until a recertification of such tenant's income in accordance with Section 4(c)(ii) below demonstrates that such tenant no longer qualifies as a Low Income Tenant and thereafter such unit shall be treated as any residential unit of comparable or smaller size in the Project occupied by a new resident other than a Low Income Tenant. Moreover, a unit previously occupied by a Low Income Tenant and then vacated shall be considered occupied by a Low Income Tenant until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

(b) Immediately prior to a Very Low Income Tenant's occupancy of a Very Low Income Unit and a Low Income Tenant's occupancy of a Low Income Unit, the Borrower will obtain and maintain on file an Income Certification from each Very Low Income Tenant occupying a Very Low Income Unit and each Low Income Tenant occupying a Low Income Unit, dated immediately prior to the initial occupancy of such Very Low Income Tenant or Low Income Tenant, as applicable, in the Project. In addition, the Borrower will provide such further information as may be required in the future by the State of California, the Governmental Lender, the Act, Section 142(d) of the Code and the Regulations, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrower shall verify that the income provided by an applicant is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain a federal income tax return for the most recent tax year, (2) obtain a written verification of income and employment from the applicant's current employer, (3) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income satisfactory to the Governmental Lender or (4) such other information as may be reasonably requested by the Governmental Lender.

Copies of the most recent Income Certifications for Low Income Tenants and Very Low Income Tenants shall be attached to the annual report to be filed with the Governmental Lender as required in (d) below.

(c) (i) Immediately prior to the first anniversary date of the occupancy of a Very Low Income Unit by one or more Very Low Income Tenants, and on each anniversary date thereafter, the Borrower shall recertify the income of the occupants of each Very Low Income Unit by obtaining a completed Income Certification based upon the current income of each occupant of the unit. In the event the recertification demonstrates that such household's income exceeds 140% of the income at which such household would qualify as Very Low Income Tenants, such household will no longer qualify as Very Low Income Tenants, and to the extent necessary to comply with the requirements of Section 4(a)(i) above, the Borrower will rent the next available unit of comparable or smaller size to one or more Very Low Income Tenants. No tenants shall be denied continued occupancy in the Project because, after occupancy, their income increases to make them no longer qualify as Very Low Income Tenants.

(ii) Immediately prior to the first anniversary date of the occupancy of a Low Income Unit by one or more Low Income Tenants, and on each anniversary date thereafter, the Borrower shall recertify the income of the occupants of each Low Income Unit by obtaining a completed Income Certification based upon the current income of each occupant of the unit. In the event the recertification demonstrates that such household's income exceeds 140% of the income at which such household would qualify as Low Income Tenants, such household will no longer qualify as Low Income Tenants and to the extent necessary to comply with the requirements of Section 4(a)(ii) above, the Borrower will rent the next available unit of comparable size to one or more Low Income Tenants.

(d) Upon commencement of the Qualified Project Period, and within ten days of the last day of each year thereafter during the term of this Regulatory Agreement, the Borrower shall advise the Governmental Lender of the status of the occupancy of the Project by delivering to the Governmental Lender a Certificate of Continuing Program Compliance (with a copy to the Funding Lender).

(e) The Borrower shall maintain complete and accurate records pertaining to the Low Income Units and Very Low Income Units, and shall permit any duly authorized representative of the Governmental Lender, the Funding Lender, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units and Very Low Income Units.

(f) The Borrower shall submit to the Secretary of the Treasury annually on the anniversary date of the start of the Qualified Project Period, or such other date as is required by the Secretary, a certification that the Project continues to meet the requirements of Section 142(d) of the Code, and shall provide a copy of such certification to the Governmental Lender and the Funding Lender.

(g) The Borrower shall accept as tenants on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the United States Housing Act of 1937, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants. The Borrower shall not collect any

additional fees or payments from a Low Income Tenant or a Very Low Income Tenant except security deposits or other deposits required of all tenants. The Borrower shall not collect security deposits or other deposits from Section 8 certificate or voucher holders in excess of those allowed under the Section 8 Program. The Borrower shall not discriminate against applicants for Low Income Units or Very Low Income Units on the basis of source of income (i.e., AFDC or SSI), and the Borrower shall consider a prospective tenant's previous rent history of at least one year as evidence of the ability to pay the applicable rent (ability to pay shall be demonstrated if an applicant can show that the same percentage or more of the applicant's income has been paid for rent in the past as will be required to be paid to rent the Very Low Income Unit to be occupied).

(h) Each lease pertaining to a Low Income Unit or Very Low Income Unit shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the applicant in determining qualification for occupancy of the Low Income Unit or Very Low Income Unit, as applicable, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease. Each lease will also contain a provision that failure to cooperate with the annual recertification process reasonably instituted by the Borrower pursuant to Section 4(c) above may, at the option of the Borrower, disqualify the unit as a Low Income Unit or Very Low Income Unit, as applicable, or provide grounds for termination of the lease.

(i) Prior to the Closing Date, the Borrower agrees to provide to the Governmental Lender a copy of the form of application and lease to be provided to prospective Low Income Tenants and Very Low Income Tenants. The term of the lease shall be not less than thirty (30) days.

(j) To the extent required by law, notwithstanding the termination of the Qualified Project Period, the rent of "in-place" Low Income Tenants and Very Low Income Tenants at the conclusion of the Qualified Project Period will continue to be governed by the applicable affordability restrictions in this Section 4, so long as those tenants continue to live in the Project. The foregoing shall not prevent the Borrower from terminating a tenant's occupancy in accordance with the terms of such tenant's lease or from declining to extend such tenant's lease.

Section 5. Tax Status of the Tax-Exempt Obligations. The Borrower and the Governmental Lender each hereby represents, as of the date hereof, and warrants, covenants and agrees that:

(a) It will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion from gross income for federal income tax purposes or the exemption from California personal income taxation of the interest on the Tax-Exempt Obligations 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 Tax Counsel filed with the Governmental Lender and the Funding Lender, to comply fully with the Act and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code to the extent necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations; and

(c) The Borrower, at the Borrower's expense, will file of record such documents and take such other steps as are necessary, in the written opinion of Tax Counsel filed with the Governmental Lender and the Funding Lender, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of the County of San Diego.

The Borrower hereby covenants to notify any subsequent owner of the Project of the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of such restrictions, and to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement; provided that the covenants contained in this paragraph shall not apply to any transfer of the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of the Borrower Loan.

Section 6. Modification of Special Tax Covenants. The Borrower and the Governmental Lender hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Funding Lender, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement which must be complied with in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements following delivery of written notice thereof to Borrower.

(b) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Tax Counsel filed with the Governmental Lender and the Funding Lender, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended to conform in whole or in part to such changed requirements should the Governmental Lender, in its sole discretion, determine that such requirements should be made applicable to the Project.

(c) The Borrower and the Governmental Lender 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 the Borrower hereby appoints the Governmental Lender as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower any such document or instrument (in such form as may be approved in writing by Tax Counsel) if the Borrower defaults in the performance of its obligations under this subsection (c); provided, however, that the Governmental Lender shall take no action under this subsection (c) without first notifying the Borrower or and without first providing the Borrower an opportunity to comply with the requirements of this Section 6.

Section 7. Indemnification. The Borrower hereby releases the Governmental Lender, the Funding Lender, their officers and employees from, and covenants and agrees to indemnify, hold harmless and defend the Governmental Lender, the Funding Lender, the Fiscal Agent, the Junior Trustee, their officers, members, directors, officials, agents and employees and each of them (collectively the "Indemnified Parties," and, individually an "Indemnified Party") from and against, any and all claims, losses, costs, damages, demands, expenses, taxes, suits, judgments, actions and

liabilities of whatever nature, joint or several (including, without limitation, costs of investigation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments), made directly or indirectly (a) by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Project Loans, the Tax-Exempt Obligations or the execution or amendment of any document relating thereto; (b) arising from any cause whatsoever in connection with the approval of financing for the Project, the making of the Funding Loan or the Project Loans or otherwise; (c) arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Funding Loan or the Project Loans or the Project; (d) arising in connection with the issuance and sale, resale or reissuance of the Tax-Exempt Obligations or any interest therein or any certifications or representations made by any person (other than the Governmental Lender or the party seeking indemnification in connection therewith) or the carrying out by the Borrower of any of the transactions contemplated by the Funding Loan, the Project Loans, the Tax-Exempt Obligations, the Construction Funding Agreement, the Borrower Loan Agreement, the Funding Loan Agreement, the Junior Indenture, the Junior Loan Agreement or this Regulatory Agreement; (e) arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction or equipping of, the Project or any part thereof; and (f) arising out of or in connection with the Funding Lender's exercise of its powers or duties under the Construction Funding Agreement, the Funding Loan Agreement, this Regulatory Agreement or any other agreements in connection therewith to which it is a party.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of the Funding Lender and/or Fiscal Agent and/or Junior Trustee or any of its Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person and (ii) in the case of the foregoing indemnification of the Governmental Lender or any of its Indemnified Parties to the extent such damages are caused by the willful misconduct of such Person.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party and approved by the Borrower (which approval shall not be unreasonably withheld); and the Borrower shall assume the payment of all reasonable fees and expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Governmental Lender shall have the right to review and approve or disapprove any such compromise or settlement. The Borrower specifically acknowledges and agrees that it has an immediate and independent obligation to defend each Indemnified Party from any claim which actually or potentially falls within this Section 7 even if such claim is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Borrower by any Indemnified Party and continues at all times thereafter. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel unless the Indemnified Party reasonably determines that a conflict exists between the interests of the Borrower and such Indemnified Party, in which case the Borrower shall pay the reasonable fees and expenses of such separate counsel.

The Borrower also shall pay and discharge and shall indemnify and hold harmless the Governmental Lender and the Funding Lender from (i) any lien or charge upon payments by the Borrower to the Governmental Lender, the Funding Lender, the Fiscal Agent and Trustee hereunder arising out of Borrower's actions or inactions and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the Governmental Lender shall give prompt notice to the Borrower, and the Borrower shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of Section 10 of this Regulatory Agreement, the Borrower shall remain obligated to indemnify the Indemnified Parties pursuant to this Section 7 for all claims arising from events occurring prior to such transfer, unless at the time of transfer the Governmental Lender has consented to indemnification under this Section 7 from such subsequent owner for all claims arising from events occurring prior to such transfer. If the Governmental Lender has consented to any transfer of the Project in accordance with the provisions of Section 10 of this Regulatory Agreement, the Borrower shall not be obligated to indemnify the Indemnified Parties pursuant to this Section 7 for actions or inactions of the transferee arising after such transfer, but shall remain obligated to provide indemnity for claims related to actions or inactions occurring prior to such transfer.

In addition to the foregoing, the Borrower will pay upon demand all of the fees and expenses paid or incurred by the Governmental Lender and/or the Funding Lender in enforcing the provisions hereof.

The provisions of this Section 7 shall survive the term of the Tax-Exempt Obligations and this Regulatory Agreement.

The obligations of the Borrower under this Section are independent of any other contractual obligation of the Borrower to provide indemnity to the Indemnified Parties, and the obligation of the Borrower to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Borrower. The Indemnified Parties shall be entitled simultaneously to seek indemnity under this Section and any other provision under which they are entitled to indemnity.

Section 8. Consideration. The Governmental Lender has entered into the Funding Loan Agreement, the Borrower Loan Agreement, the Junior Indenture and Junior Loan Agreement and issued the Tax-Exempt Obligations to make the Project Loans to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct, equip and operate the Project. In consideration of the Governmental Lender entering into the Funding Loan Agreement, the Borrower Loan Agreement, the Junior Indenture and Junior Loan Agreement and issuing the Tax-Exempt Obligations, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the uses to which the Project can be put on the terms and conditions set forth herein.

Section 9. Reliance. The Governmental Lender and the Borrower hereby recognize and agree that the representations, warranties, covenants and agreements set forth herein may be relied upon by all persons interested in the legality and validity of the Funding Loan Agreement, the Borrower Loan Agreement, the Junior Indenture and Junior Loan Agreement and the Tax-Exempt

Obligations, and in the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations and the exemption from California personal income taxation of the interest on the Tax-Exempt Obligations. In performing their duties and obligations hereunder, the Governmental Lender may rely upon statements and certificates of the Borrower, the Low Income Tenants, the Very Low Income Tenants, and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Governmental Lender may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Governmental Lender under this Regulatory Agreement in good faith and in conformity with such opinion; provided, however, if there are conflicting opinions among the counsel selected by such parties, the opinion of Tax Counsel shall govern the interpretation and enforcement of this Regulatory Agreement.

Section 10. Sale or Transfer of the Project. The Borrower intends to hold the Project for its own account, with the exception of a transfer of the Project to Borrower's general partner or a third party following the end of the low income housing tax credit compliance period applicable to the Project, has no current plans to sell, transfer or otherwise dispose of the Project, and hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), without obtaining the prior written consent of the Governmental Lender (except as provided in the next succeeding paragraph of this Section 10), which consent shall not be unreasonably withheld, delayed or conditioned, and upon receipt by the Governmental Lender (except as provided in the second to last paragraph of this Section 10) of (i) such certifications as deemed necessary by the Governmental Lender to establish that the Borrower shall not be in default under this Regulatory Agreement or under the Project Loans Agreement or, if any such defaults exist, the purchaser or assignee undertakes to cure such defaults to the satisfaction of the Governmental Lender; (ii) a written instrument by which the Borrower's purchaser or transferee has assumed in writing and in full the Borrower's duties and obligations under this Regulatory Agreement, (iii) an opinion of counsel for the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee, (iv) documentation from the transferee reflecting the transferee's experience or, should the transferee choose to have a property manager run the Project, a property manager's experience with owning and/or operating multifamily housing projects such as the Project and with use and occupancy restrictions similar to those contained in this Regulatory Agreement, and (v) an opinion of Tax Counsel addressed to the Governmental Lender to the effect that such transfer will not cause interest on the Tax-Exempt Obligations, to become includable in the gross income of the recipients thereof for federal income tax purposes. The Borrower shall not allow any non-profit entity, which is not as of the date hereof a general partner of the Borrower, to become a general partner of the Borrower nor release any non-profit entity which is a general partner of the Borrower as of the date hereof from the limited partnership without the prior written consent of an Authorized Officer of the Governmental Lender (which consent shall not be unreasonably withheld, delayed or conditioned).

No transfer of the Project shall operate to release the Borrower from its obligations under this Regulatory Agreement with respect to any action or inaction taken prior to such transfer. Nothing contained in this Section 10 shall affect any provision of the other Funding Loan Documents to which the Borrower is a party which requires the Borrower to obtain the consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower or which gives the Funding Lender the right to accelerate the maturity of the Borrower Loan made pursuant to the Borrower Loan Agreement, or to take some other similar action with respect to the Borrower Loan, upon the sale,

transfer or other disposition of the Project. Notwithstanding anything contained in this Section 10 to the contrary, neither the consent of the Governmental Lender nor the delivery of items (i) through (v) of the preceding paragraph shall be required in the case of a foreclosure or deed in lieu of foreclosure or comparable conversion of the Borrower Loan made pursuant to the Borrower Loan Agreement, whereby the Funding Lender or its designee, or a third party purchaser from the Funding Lender becomes the owner of the Project, and nothing contained in this Section 10 shall otherwise affect the right of the Funding Lender or its designee, or any such third party purchaser to foreclose on the Project or to accept a deed in lieu of foreclosure or to effect a comparable conversion of the Borrower Loan made pursuant to the Borrower Loan Agreement. Consent of the Governmental Lender and delivery of items (i) through (v) of the preceding paragraph shall be required for any future transfer of the Project to be made subsequent to any transfer described in the preceding sentence.

It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Not less than 30 days prior to consummating any sale, transfer or disposition of any interest in the Project, the Borrower shall deliver to the Governmental Lender a notice in writing explaining the nature of the proposed transfer.

Section 11. Foreclosure. Notwithstanding anything contained in Section 10 hereof to the contrary, neither the consent of the Governmental Lender nor the delivery of items (i) through (v) of the first paragraph of Section 10 hereof (the “Transfer Conditions”) shall be required in the case of a transfer by foreclosure or deed in lieu of foreclosure, whereby the Funding Lender becomes the owner of the Project, and nothing contained in this Section 11 shall otherwise affect the right of the Funding Lender to foreclose on the Project or accept a deed in lieu of foreclosure. The Transfer Conditions shall be applicable to any subsequent transfer by the Funding Lender.

Section 12. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery and shall remain in full force and effect during the Qualified Project Period, or for such longer period as is provided in Sections 3(j) and 7 above, and in the CDLAC Resolution referred to in Section 26 below, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Tax-Exempt Obligations and expiration of the Borrower Loan Agreement, the Junior Indenture, the Junior Loan Agreement, the Project Loans, the Construction Funding Agreement and the Security Instrument. Notwithstanding any other provisions of this Regulatory Agreement to the contrary, this entire Regulatory Agreement, or any of the provisions or sections hereof, may be terminated prior to the expiration of the Qualified Project Period upon agreement by the Governmental Lender, the Funding Lender (if the Borrower Loan is still outstanding) and the Borrower only if there shall have been received by the Governmental Lender an opinion of Tax Counsel that such termination will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations or the exemption from State personal income taxes of the interest on the Tax-Exempt Obligations.

The terms of this Regulatory Agreement to the contrary notwithstanding (except as to the provisions of Section 7 hereof), this Regulatory Agreement, and each and all of the terms hereof, shall terminate and be of no further force or effect in the event of an involuntary noncompliance by the Borrower with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the

Governmental Lender and the Funding Lender from enforcing the provisions of this Regulatory Agreement, foreclosure on the Project or delivery of a deed in lieu of foreclosure or condemnation or a similar event, but only if within a reasonable period thereafter the Tax-Exempt Obligations are redeemed or retired or amounts received as a consequence of such event are used to provide a project that meets the requirements of the Code set forth in this Regulatory Agreement; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure on the Project or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any Affiliated Party obtains an ownership interest in the Project for federal income tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 13. Covenants to Run With the Land. The Borrower hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Governmental Lender and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 14. Burden and Benefit. The Governmental Lender and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Governmental Lender and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants and Very Low Income Tenants and by furthering the public purposes for which the Tax-Exempt Obligations were issued.

Section 15. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 16. Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given (i) by the Governmental Lender to the Funding Lender and the Borrower and Equity Investor or (ii) by the Funding Lender to the Governmental Lender and the Borrower and Equity Investor (provided, however, that the Governmental Lender may at its sole option extend such period if the Borrower provides the Governmental Lender and the Funding Lender with an opinion of Tax Counsel to the effect that such extension will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations), then the Governmental Lender may, or the Funding Lender, subject to the provisions of the Funding Loan Agreement and Construction Funding Agreement, may and at the direction of the Governmental Lender shall, declare an "Event of

Default” to have occurred hereunder and shall provide written notice thereof to the Borrower and the Equity Investor and the Governmental Lender or the Funding Lender, as applicable, 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 Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Governmental Lender or the Funding Lender hereunder;

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

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

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

The Funding Lender shall have the right, in accordance with this Section 20 and subject to the provisions of Section 2.2 of the Funding Loan Agreement, to exercise any or all of the rights or remedies of the Governmental Lender hereunder; provided that prior to taking any such act the Funding Lender shall give the Governmental Lender written notice of its intended action. All fees, costs and expenses of the Funding Lender (including, without limitation, reasonable attorneys fees) incurred in taking any action pursuant to this Section 20 shall be the sole responsibility of the Borrower.

Notwithstanding anything contained in this Regulatory Agreement or the Funding Loan Agreement to the contrary, the occurrence of an Event of Default under this Regulatory Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the other Funding Loan Documents or Junior Loan Agreement except as may be otherwise specified in the other Funding Loan Documents or Junior Loan Agreement. The parties hereto agree that the maturity date of the Borrower Loan may be accelerated solely by the Funding Lender upon the occurrence of a default, after the expiration of any notice, grace or cure periods, on the part of the Borrower under the Borrower Loan Documents in accordance with their respective terms and for no other reason.

The Governmental Lender may not, upon the occurrence of an event of default under this Regulatory Agreement, seek, in any manner, to foreclose on the Security Instrument, to cause the Funding Lender to cause a prepayment of the Tax-Exempt Governmental Lender Note or Junior Bonds or to declare the principal of the Tax-Exempt Governmental Lender Note or Junior Bonds and the interest accrued on the Tax-Exempt Governmental Lender Note to be immediately due and payable or to cause the Funding Lender to take any action under any of the Funding Loan Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described above. The occurrence of an Event of Default under this Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

The rights of the Funding Lender under this Section are in addition to all rights conferred upon the Funding Lender under the Funding Loan Agreement and the other Funding Loan Documents and in no way limit those rights.

Section 17. Recording and Filing. The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County of San Diego and in such other places as the Governmental Lender may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 18. Payment of Fees. The Borrower hereby agrees to pay or shall cause the Fiscal Agent and/or Junior Trustees to pay all reasonable costs and expenses of the Governmental Lender in connection with the Tax-Exempt Obligations and the financing of the Project as such costs and expenses become due and payable upon the receipt of written invoices verifying such costs and expenses.

On the Closing Date, the Governmental Lender shall be paid a one-time fee equal to 0.125% of the maximum amount of the Tax-Exempt Obligations. Thereafter, the Borrower shall pay or shall cause the Fiscal Agent to pay to the Governmental Lender the Governmental Lender Fee on March 1 of each year throughout the term of the Regulatory Agreement, commencing March 1, 2017, in an amount equal to 0.125% of the original maximum principal amount of the Tax-Exempt Obligations until the end of the Qualified Project Period.

Notwithstanding any prepayment of the Borrower Loan and notwithstanding a discharge of the Funding Loan Agreement, the Borrower Loan Agreement, the Junior Indenture and the Junior Loan Agreement, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Governmental Lender the Governmental Lender Fee, and, in the event of default, shall also pay to the Governmental Lender and to the Funding Lender reasonable compensation for any services rendered by either of them hereunder and reimbursement for all expenses reasonably incurred by either of them in connection therewith. The fee payable to the Governmental Lender referenced in this section shall in no way limit amounts payable by the Borrower under Section 7 hereof, or arising after an Event of Default in connection with the Governmental Lender's or the Funding Lender's enforcement of the provisions of this Regulatory Agreement. The fee payable to the Governmental Lender referenced in this section includes any fee to be paid by the Governmental Lender to any entity which administers the Project.

In the event that the Tax-Exempt Obligations are redeemed or prepaid, as applicable, in part or in full prior to the end of the term of this Regulatory Agreement, the Governmental Lender Fee for the remainder of the term of this Regulatory Agreement shall continue to be payable to the Governmental Lender for the number of years remaining in the Qualified Project Period. However, at the option of the Governmental Lender, the Governmental Lender may elect to have the Governmental Lender Fee paid by the Borrower at the time of the final prepayment of the Tax-Exempt Obligations in a lump sum amount equal to the present value (based on a discount rate equal to the yield on the Tax-Exempt Obligations, as determined by the Governmental Lender at the time of prepayment of the Tax-Exempt Governmental Lender Note and Junior Trustee at the time of prepayment of the Junior Bonds) of the Governmental Lender Fee for the number of years remaining in the Qualified Project Period under this Regulatory Agreement.

Section 19. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California.

Section 20. Amendments. Except as provided in Section 6(a) hereof, this Regulatory Agreement shall be amended by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County of San Diego. Any amendment to this Regulatory Agreement shall be accompanied by an opinion of Tax Counsel to the effect that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations.

Section 21. Notice. All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the date personally delivered or on the second day following the date on which the same have been mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

Governmental Lender: Chula Vista Housing Authority
276 Fourth Avenue
Chula Vista, California 91910
Attention: Housing Manager
Telephone: (619) 691-5263

With a copy to: Chula Vista Housing Authority
276 Fourth Avenue
Chula Vista, California 91910
Attention: City Attorney
Telephone: (619) 691-5037

Borrower: F Street Family CIC, LP
c/o Chelsea Investment Corporation
5993 Avenida Encinas, Suite 101
Carlsbad, California 92008
Attention: Tim Baker

With a copy to: Cox, Castle & Nicholson
50 California Street, Suite 3200
San Francisco, California 94111
Attention: Ofer Elitzur

And a copy to: CIC Opportunities Fund II LLC
c/o Chelsea Investment Corporation
5993 Avenida Encinas, Suite 101
Carlsbad, CA 92008
Attention: James J. Schmid

And a copy to: Odu & Associates, P.C.
250 S. Pasadena Ave. #2082
Attention: Nkechi Odu

Equity Investor: Raymond James California Housing Opportunities Fund V L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Attention: Steven Kropf
Telephone: (727) 567-4800
Facsimile: (727) 567-8455

With a copy to: Bocarsly, Emden Cowan Esmail & Arndt
633 W. Fifth Street, 64th Floor
Los Angeles, California 90071
Attention: Kyle Arndt

Funding Lender: Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID # _____

Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent. Copies of notices sent by any party hereto shall be sent concurrently to each of the parties listed above.

So long as the Funding Loan Agreement and/or Junior Loan Agreement are in effect, the Government Lender shall provide the Fiscal Agent and/or Junior Trustee, as applicable, with notice of any termination of this Regulatory Agreement, or any amendments, supplements or modifications of this Regulatory Agreement which affect the payment terms of the Governmental Lender Fee.

Section 22. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 23. Multiple Counterparts. This Regulatory Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 24. Compliance by Borrower. The Funding Lender shall not be responsible for monitoring or verifying compliance by the Borrower with its obligations under this Regulatory Agreement.

Section 25. Obligation of Borrower; Limitations on Recourse to Borrower. Notwithstanding any provisions of this Regulatory Agreement to the contrary, all obligations of the Borrower under this Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under this Regulatory Agreement, including indemnification obligations, shall not be secured by or in any manner constitute a lien on the Project and no person shall have the right to enforce such obligations other than directly against the Borrower without recourse to the Project, and all such obligations shall be subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights

(including without limitation the right to payment) and interests arising or created under the Loan Documents. Except as otherwise provided in Section 7 of this Regulatory Agreement, no subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner of the Project (including the Borrower) under this Regulatory Agreement. Such obligations shall be the obligations of the Person who was the owner of the Project at the time the default or breach was alleged to have occurred, and such Person shall remain liable for any and all damages occasioned by the default or breach even after such Person ceases to be the owner of the Project.

The following obligations of the Borrower shall, subject to the limitations set forth in the preceding paragraph, and Section 16 of this Regulatory Agreement, be and remain the joint and several full recourse obligations of the Borrower and each general partner of the Borrower (other than any nonprofit general partner):

(i) the Borrower's obligations to the Governmental Lender and the Funding Lender and the Borrower's obligation to pay any and all rebate amounts that may be owed with respect to the Tax-Exempt Obligations; and

(ii) the Borrower's obligations under Section 7 of this Regulatory Agreement.

Section 26. CDLAC Requirements. The acquisition, construction, equipping and operation of the Project and the financing thereof are and shall be in compliance with the conditions set forth in Exhibit A to the CDLAC Resolution, a copy of which is attached hereto as Exhibit D, which conditions are incorporated herein by reference and are made a part hereof. The Governmental Lender shall monitor and enforce the Borrower's compliance with the provisions of this Section 26. In addition, Borrower shall cooperate with the Government Lender's reporting requirements and utilize such forms, software, websites and third-party vendors as may be required by the Governmental Lender in its monitoring efforts. The Borrower shall prepare and submit to CDLAC annually by February 1 of each year following the Closing Date, and on such other date as is reasonably requested by CDLAC, a Certificate of Compliance in substantially the form attached hereto as Exhibit E, executed by an authorized representative of the Borrower and the form of CDLAC public benefits certification in the form attached hereto as Exhibit F. CDLAC shall be a third-party beneficiary of this Regulatory Agreement solely for purposes of enforcing the terms of the CDLAC Resolution. CDLAC shall have the right to enforce the terms of the CDLAC Resolution through an action for specific performance or any other available remedy; provided, however, that CDLAC shall not take any action or enforce any remedy that would be materially adverse to the interests of the holders of the Tax-Exempt Obligations and any such action or enforcement shall otherwise be subject to the terms, conditions and limitations applicable to the enforcement of remedies under this Regulatory Agreement.

Section 27. Damage, Destruction or Condemnation of the Property. In the event that the Property is damaged or destroyed or title to the property, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Borrower shall comply with all applicable requirements of the Security Instrument, the other Borrower Loan Documents and the Junior Loan Agreement.

Section 28. Third-Party Beneficiaries. The parties to this Regulatory Agreement recognize and agree that the terms of this Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of the Funding

Lender. The Funding Lender shall have contractual rights in this Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender, or to cause the Governmental Lender to enforce, the terms of this Regulatory Agreement. The Funding Lender, the Fiscal Agent and Junior Trustee are intended to be and shall be third-party beneficiaries of this Regulatory Agreement, and the Funding Lender shall have the right (but not the obligation) to enforce the terms of this Regulatory Agreement insofar as this Regulatory Agreement sets forth obligations of the Borrower.

[The rest of this page intentionally left blank]

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

CHULA VISTA HOUSING AUTHORITY

By: _____
Mary Casillas Salas
Executive Director

ATTEST:

By: _____
Donna Norris
Secretary

“BORROWER”

F STREET FAMILY CIC, LP,
a California limited partnership

By: Pacific Southwest Community Development Corporation,
a California nonprofit public benefit corporation,
its Managing General partner

By: _____
Robert W. Laing, Executive Director/President

By: CIC F Street Family, LLC,
a California limited liability company,
its Administrative General Partner

By: Chelsea Investment Corporation,
a California corporation,
its Manager

By: _____
Cheri Hoffman, President

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 _____)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

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 _____)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

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 _____)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of San Diego, State of California, described as follows:

[TO COME]

EXHIBIT B

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, _____, being duly authorized to execute this certificate on behalf of F STREET FAMILY CIC, LP, a California limited partnership (the “Borrower”), hereby represents and warrants that:

1. The undersigned has read and is thoroughly familiar with the provisions of the following documents associated with the Borrower’s participation in the Chula Vista Housing Authority’s (the “Governmental Lender”) issuance of the Chula Vista Housing Authority Multifamily Housing Revenue Note (Duetta Apartment Homes) Series 2016A-1 and Junior Multifamily Housing Revenue Bonds (Duetta Apartment Homes) Series 2016A-3, such documents including:

(a) the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) dated as of March 1, 2016, by and between the Borrower and the Governmental Lender;

(b) the Borrower Notes, each dated March __, 2016 from the Borrower to the Governmental Lender representing the Borrower’s obligation to repay the Project Loans.

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

		Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	Total
Occupied by Low Income Tenants:	% Unit Nos.:	_____	_____	_____	_____	_____
Held vacant for occupancy continuously since last occupied by a Low Income Tenant:	% Unit Nos.:	_____	_____	_____	_____	_____
		Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	Total
Occupied by Very Low Income Tenants:	% Unit Nos.:	_____	_____	_____	_____	_____
Held vacant for occupancy continuously since last occupied by a Very Low Income Tenant:	% Unit Nos.:	_____	_____	_____	_____	_____

3. The Borrower hereby certifies that the Borrower is not in default under any of the terms of the above documents and no event has occurred which, with the passage of time, would constitute an Event of Default thereunder, with the exception of the following [state actions being taken to remedy default].

F STREET FAMILY CIC, LP,
a California limited partnership

By: Pacific Southwest Community Development Corporation,
a California nonprofit public benefit corporation,
its Managing General partner

By: _____
Robert W. Laing, Executive Director/President

By: CIC F Street Family, LLC,
a California limited liability company,
its Administrative General Partner

By: Chelsea Investment Corporation,
a California corporation,
its Manager

By: _____
Cheri Hoffman, President

EXHIBIT C

INCOME COMPUTATION AND CERTIFICATION

A current version of the CTCAC form may be downloaded from the State Treasurer's website at the following link: <http://www.treasurer.ca.gov/ctcac/compliance/tic.pdf>.

TENANT INCOME CERTIFICATION

Initial Certification Recertification Other _____

Effective Date: _____
Move-In Date: _____ (MM-DD-YYYY)

PART I - DEVELOPMENT DATA			
Property Name: _____	County: _____	TCAC# CA- _____	BIN #: _____
Address: _____ Unit Number: _____ # Bedrooms: _____ Square Footage: _____			

PART II. HOUSEHOLD COMPOSITION							
<input type="checkbox"/> Vacant (Check if unit was vacant on December 31 of the Effective Date Year)							
HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 digits of Social Security #
1				HEAD			
2							
3							
4							
5							
6							
7							

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS				
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total If over \$5000		\$ _____ X	Passbook Rate 0.06% = (J) Imputed Income	
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$ _____
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

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

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

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$ 	Unit Meets Federal Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% Unit Meets Deeper Targeting Income Restriction at: <input type="checkbox"/> Other _____%	RECERTIFICATION ONLY: Current Federal LIHTC Income Limit x 140%: \$ _____ <hr/> Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Current Federal LIHTC Income Limit per Family Size: \$ _____			
Household Income as of Move-in: \$ _____		Household Size at Move-in: _____	

PART VI. RENT			
Tenant Paid Monthly Rent: \$ _____ Monthly Utility Allowance: \$ _____ Other Monthly Non-optional charges: \$ _____		Federal Rent Assistance: \$ _____ *Source: _____ Non-Federal Rent Assistance: \$ _____ (*0-8) Total Monthly Rent Assistance: \$ _____	
GROSS MONTHLY RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$ 		*Source of Federal Assistance 1 **HUD Multi-Family Project Based Rental Assistance (PBRA) 2 Section 8 Moderate Rehabilitation 3 Public Housing Operating Subsidy 4 HOME Rental Assistance 5 HUD Housing Choice Voucher (HCV), tenant-based 6 HUD Project-Based Voucher (PBV) 7 USDA Section 521 Rental Assistance Program 8 Other Federal Rental Assistance 0 Missing	
Maximum Federal LIHTC Rent Limit for this unit: \$ _____ Unit Meets Federal Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% Unit Meets Deeper Targeting Rent Restriction at: <input type="checkbox"/> Other: _____%		*** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)	

PART VII. STUDENT STATUS	
ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation) <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Enter 1-5 </div>
	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent/Dependent Child 4 Married/Joint Return 5 Former Foster Care

PART VIII. PROGRAM TYPE				
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.				
a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> <i>(Name of Program)</i> <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> OI**
**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.				

SIGNATURE OF OWNER/REPRESENTATIVE

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

SIGNATURE OF OWNER/REPRESENTATIVE DATE

PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

TENANT DEMOGRAPHIC PROFILE						
HH Mbr #	Last Name	First Name	Middle Initial	Race	Ethnicity	Disabled
1						
2						
3						
4						
5						
6						
7						

The Following Race Codes should be used:

- 1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” apply to this category.
- 3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- 5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- 6 – Other
- 7 – Did not respond. **(Please initial below)**

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 41 – Asian & White, etc.

The Following Ethnicity Codes should be used:

- 1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- 2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 3 – Did not respond. **(Please initial below)**

Disability Status:

- 1 – Yes
 - If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
 - A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://www.fairhousing.com/index.cfm?method=page.display&pageID=465>.
 - “Handicap” does not include current, illegal use of or addiction to a controlled substance.
 - An individual shall not be considered to have a handicap solely because that individual is a transvestite.
- 2 – No
- 3 – Did not respond **(Please initial below)**

Resident/Applicant: I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) _____
 (HH#) 1. 2. 3. 4. 5. 6. 7.

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

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

Part I - Development Data

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification's, this effective date should be no later than one year from the effective date of the previous (re)certification.
Move-In Date	Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
TCAC#	Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2010-123
BIN #	Enter the building number assigned to the building (from IRS Form 8609).
Address	Enter the physical address of the building, including street number and name, city, state, and zip code.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.
Square Footage	Enter the square footage for the entire unit.
Vacant Unit	Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011.

Part II - Household Composition

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

H Head of Household	S Spouse	U Unborn Child/Anticipated
A Adult Co-Tenant	O Other Family Member	Adoption or Foster
C Child	F Foster child(ren)/adult(s)	
L Live-in Caretaker	N None of the above	

Date of Birth	Enter each household member's date of birth.
Student Status	Enter "Yes" if the household member is a full-time student or "NO" if the household member is not a full-time student.
Last Four Digits of Social Security Number	For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

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

Part III - Annual Income

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

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

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

Part IV - Income from Assets

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

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

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

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

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

Part V – Determination of Income Eligibility

- Total Annual Household Income from all Sources Enter the number from item (L).
- Current LIHTC Income Limit per Family Size Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 50% or 60% set aside.
- Household Income at Move-in For recertifications only. Enter the household income from the move-in certification.

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

Part VI - Rent

Tenant Paid Monthly Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Federal Rent Assistance	Enter the amount of rent assistance received from a federal program, if any.
Non-Federal Rent Assistance	Enter the amount of non-federal rent assistance received, if any.
Total Monthly Rent Assistance	Enter the amount of total rent assistance received, if any.
Source of Federal Rent Assistance	If federal rent assistance is received, indicate the single program source.
Monthly Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other Monthly Non-Optional Charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Monthly Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount.
Maximum LIHTC Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50% or 60% set aside.
Unit Meets Federal Rent Restriction at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal set-aside(s) for the project.
Unit Meets Deeper Targeting Rent Restriction at	If your agency requires a rent restriction lower than the federal limit, enter the percent required.

Part VII - Student Status

If all household members are full time* students, check “yes”. Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check “no.”

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

Part VIII – Program Type

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

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household’s designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program; mark the appropriate box indicating the household’s designation.

- AHDP If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, select the appropriate box to indicate if the household is a VLI, LI or OI (at recertification) household.
- Other If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Complete this portion of the form at move-in and at recertification's (only if household composition has changed from the previous year's certification).

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

EXHIBIT D

CDLAC RESOLUTION

**RESOLUTION NO. 15-141
(QUALIFIED RESIDENTIAL RENTAL PROJECT)**

1. Applicant: Housing Authority of the City of Chula Vista
2. Application No.: 15-440
3. Project Sponsor: F Street Family CIC, LP (Pacific Southwest Community Development Corporation; and CIC F Street Family, LLC)
4. Project Management Co.: CIC Management, Inc.
5. Project Name: Duetta Apartment Homes
6. Type of Project: New Construction/Family
7. Location: Chula Vista, CA
8. Private Placement Purchaser: Citibank, NA (constr./perm) & CIC Opportunities Fund, Inc. (\$725K perm)
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.
Applicable
10. Total Number of Units: **86** plus **1** manager unit
11. Total Number of Restricted Rental Units: **86**
12. The term of the income and rental restrictions for the Protect will be at least **55** years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
14. Income and Rental Restrictions:
For the entire term of the income and rental restrictions, the Project will have:

At least **9** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

At least **77** Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.

15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.
Not Applicable
16. A minimum of \$2,975,514 of public funds will be expended for the Project.
Applicable
17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
Not Applicable
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 26 three-bedroom or larger units.
Applicable
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
Not Applicable
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/2 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
Not Applicable
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/2 mile of the Project.
Not Applicable
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/2 mile of the Project.
Not Applicable
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/2 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs,

and senior companion programs. Services shall be provided for a minimum of 100 hours per year.

Not Applicable

24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)

Not Applicable

25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.

Not Applicable

26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.

Not Applicable

27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

Applicable

Section Waived:

- | | |
|--------------------------|---------------------|
| <input type="checkbox"/> | Energy Efficiency |
| <input type="checkbox"/> | CALGreen Compliance |
| <input type="checkbox"/> | Landscaping |
| <input type="checkbox"/> | Roofs |
| <input type="checkbox"/> | Exterior Doors |
| <input type="checkbox"/> | Appliances |
| <input type="checkbox"/> | Window Coverings |
| <input type="checkbox"/> | Water Heater |
| <input type="checkbox"/> | Floor Coverings |
| <input type="checkbox"/> | Paint |
| <input type="checkbox"/> | Insulation |

28. The project commits to becoming certified under any one of the following programs upon completion:
- | | | |
|----|--|-----------------------|
| a. | Leadership in Energy & Environmental Design (LEED) | Not Applicable |
| b. | Green Communities | Not Applicable |
| c. | GreenPoint Rated Multifamily Guidelines | Not Applicable |
29. The project is a New Construction or Adaptive Reuse Project exceeding the 2008 Standards of Title 24, Part 6, of the California Building Code by:
- | | | |
|----|-------|-----------------------|
| a. | 32.5% | Not Applicable |
| b. | 35% | Not Applicable |
| c. | 40% | Not Applicable |
30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:
- | | | |
|----|----------------------------|-----------------------|
| a. | LEED for Homes (Silver) | Not Applicable |
| b. | LEED for Homes (Gold) | Not Applicable |
| c. | Green Point Rated (Silver) | Not Applicable |
| d. | Green Point Rated (Gold) | Not Applicable |
31. The Project is a New Construction or Adaptive Reuse Project that commits to Energy Efficiency with renewable energy that provides the following percentage of the project tenants' energy loads:
- | | | |
|----|-----|-----------------------|
| a. | 20% | Not Applicable |
| b. | 30% | Not Applicable |
| c. | 40% | Not Applicable |
| d. | 50% | Not Applicable |
32. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:
- | | | |
|----|-----|-----------------------|
| a. | 15% | Not Applicable |
| b. | 20% | Not Applicable |
| c. | 25% | Not Applicable |
| d. | 30% | Not Applicable |
33. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- | | | |
|----|--|-----------------------|
| a. | Photovoltaic generation that offsets tenants loads | Not Applicable |
| b. | Photovoltaic generation that offsets 50% of common area load | Not Applicable |
| c. | Solar hot water for all tenants who have individual water meters | Not Applicable |

34. The project will implement sustainable building management practices that include:
1) development of a percent specific maintenance manual including replacement specifications and operating information on all energy and green building features;
2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required:
Not Applicable
35. The project will sub-meter centralized hot water systems for all tenants:
Not Applicable

EXHIBIT E

CDLAC COMPLIANCE CERTIFICATE

Project Name: Duetta Apartment Homes
Name of Bond Issuer: Chula Vista Housing Authority
CDLAC Application No.: 15-440

Pursuant to Section 13 of Resolution No. 15-141 (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on December 16, 2015, I, _____, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with all of the terms and conditions set forth in the Resolution.

I further certify that I have read and understand the CDLAC Resolution, which specifies that once the Bonds are issued, the terms and conditions set forth in the Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy.

Please check or write N/A to the items list below:

_____ The project is currently in the Construction or Rehabilitation phase.

_____ The project has incorporated minimum specifications into the project design for all new construction and rehabilitation projects as evidenced by the attached applicable third party certification (HERS Rater, Green Point Rater or US Green Building Council). For projects under construction or rehabilitation, the information is due following receipt of the verification but in no event shall the documentation be submitted more than two years after the issuance of bonds.

_____ For projects that received points for exceeding the minimum requirements please attach the appropriate California Energy Commission compliance form for the project which shows the necessary percentage improvement better than the appropriate standards. The compliance form must be signed by a California Association of Building Consultants, Certified Energy Plans Examiner or HERS Rater as applicable.

Signature of Officer

Date

Printed Name of Officer

Title of Officer

Phone Number

EXHIBIT F

FORM OF ANNUAL CDLAC PUBLIC BENEFITS CERTIFICATION

ACKNOWLEDGMENT: The California Debt Limit Allocation Committee (“CDLAC” or “Committee”) does not expect to hold an Applicant (Issuer) responsible for conditions they are not aware of; only for the Applicant to confirm their understanding of the status of the project/program based upon their own post-issuance compliance procedures. CDLAC will not review the Applicant’s procedures, and in good faith, will assume that the Applicant has in-place procedures they judge to adequately satisfy their post-issuance responsibilities as defined under the Internal Revenue Code and CDLAC Regulations. An Applicant is free to request project information from the Project Sponsor and rely on that information if they believe it satisfies their own compliance procedures and responsibilities. That information can then serve as the basis for the Applicant’s response to the questions within this certification.

INSTRUCTIONS: Per the CDLAC Regulations, all Projects/Programs within an existing bond regulatory period and/or CDLAC compliance period shall be monitored for compliance with the terms and conditions of the Committee Resolution by the Applicant (Issuer). Mortgage Credit Certificate Single Family Housing Programs with outstanding authority shall be monitored for the same requirements. The Applicant shall complete and submit the Annual Applicant Public Benefits and On-going Compliance Self Certification provided on the CDLAC website; certifying whether or not the Project/Program meets the terms and conditions of the Committee Resolution. The self-certification must be submitted by the Applicant to CDLAC no later than March 1 of each year (or at such other time as defined in the CDLAC Regulations or requested by the Committee).

ALL APPLICANTS: Applicant/Issuer Certification of Delivery of Public Benefits

Applicant/Issuer Name:

Project Name (N/A for Single Family Housing Programs):

Program Name (Single Family Housing Programs Only):

Application Number (s):

Resolution Number(s):

Property address (N/A for Single Family Housing Programs):

Project Completion Date (*if the depreciable assets and/or project have not yet been placed in operation, please only respond to question 1 and mark “N/A” for all other questions*) (N/A for Single Family Housing Programs):

ATTENTION SINGLE FAMILY HOUSING APPLICANTS: Please proceed to Section D and complete the specific Single Family Housing Program section of this self-certification.

SECTION A:

1. To the best of your knowledge, have there been any changes to the ownership entity, principles or property management of the project since the bonds were issued, or since the last certification was provided?
(If so, please attach a request to revise the resolution noting all pertinent information regarding the change)
2. To the best of your knowledge, has there been a change of use for the project?
3. To the best of your knowledge, has the project satisfied all of the requirements memorialized in the Exhibit A of the Committee Resolution (i.e. qualifying project completion, qualifying depreciable asset purchase, qualifying loan originations, the use of public funds, QRRP manager units, QRRP income rent restrictions, QRRP sustainable building methods, etc.; as applicable), and thus achieving all public benefit requirements (excluding QRRP service amenities) as presented to the Committee? (If there is more than one resolution for this project the most recent resolution will supersede all previous resolutions)
 - a) As Issuer for the subject project, were you able to confirm to the satisfaction of your current requirements that the defined public benefits were conveyed at the completion of the purchase of the depreciable assets and/or development of the subject project?
 - b) If the public benefits have been confirmed, what evidence to the satisfaction of your current requirements was received (i.e. invoices, contracts, agreements, rent rolls, on-site audits, etc.)?
 - c) When was the evidence provided to the Issuer, or a site visit completed, to confirm the public benefits?
 - d) If all of your compliance requirements were not met, what corrective action was taken to bring the project into compliance? Is the project currently in compliance?

SECTION B:

QRRP APPLICANTS ONLY: Applicant/Issuer Certification of Ongoing Compliance
(Please attach the completed project sponsor certification form as provided in the Committee Resolution)

1. As captured in Exhibit A of the resolution, the QRRP project has committed to and is currently providing the following service amenities for a minimum of ten years, on a regular and ongoing basis, which are provided free of charge (with the exception of day care services):

Please check the services that apply or write N/A where appropriate:

_____ After-school Programs

_____ Educational, health and wellness, or skill building classes

_____ Health and Wellness services and programs (not group classes)

_____ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)

_____ Bona-Fide Service Coordinator/ Social Worker

a) For this reporting period, what evidence (i.e. MOU's, contracts, schedules, calendars, flyers, sign-up sheets, etc.) was provided to the satisfaction of your current requirements to confirm that the above listed services are being provided and have met the requirements of Exhibit A of the Resolution?

b) If all compliance requirements were not met, what corrective action has been taken thus far?

SECTION C:

INDUSTRIAL DEVELOPMENT BOND AND RECOVERY ZONE BOND APPLICANTS ONLY:

Applicant/Issuer Certification of Post-Issuance Compliance (if applicable)
(Note: Once the job creation/retention goals have been achieved, no additional reporting for this section is required by CDLAC in the subsequent annual certifications.)

1. As captured in Exhibit A of the Committee Resolution, the Applicant or Project Sponsor reasonably expects a certain minimum number of new and/or retained jobs associated with the project within two (2) years following the completion of that project:
Please provide the following information:

_____ Number of Existing Jobs Originally Anticipated to be Retained

_____ Number of New Jobs Originally Anticipated to be Created

Is the project complete?

_____ **No. STOP HERE** (no additional reporting on this section is necessary until project completion).

_____ **Yes.** Please Complete the Following Information:

- a) What evidence was provided to confirm that the above listed jobs were retained and/or provided and that the project achieved the job creation/retention goals noted in Exhibit A of the Committee Resolution?

- b) Did the evidence received or observed meet your standards for compliance with the applicable job creation/retention goals?

SECTION D:

SINGLE FAMILY HOUSING APPLICANTS ONLY: The Applicant/Issuer is required to report to CDLAC until the authority/bond proceeds have been exhausted.

- 1. To the best of your knowledge, has the program satisfied the requirements memorialized in the Exhibit A of the Committee Resolution? If not, please explain.

- 2. Was the MCC authority/Were the bond proceeds exhausted by the IRS-required deadline? **If “Yes”, no future Compliance Self-Certifications are required for this allocation. If “No”, please explain.**

- 3. If the MCC authority/bond proceeds balance for this allocation award exceeds \$1 million, please provide the balance of the amount remaining along with an explanation of the planned use of the authority/proceeds (i.e. rate of issuance, existing pipeline loans, etc.).

Signature of Officer

Date

Printed Name of Officer

Title of Officer

Phone number